SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (date of earliest event reported): January 20, 2006

SCHLUMBERGER N.V. (SCHLUMBERGER LIMITED)

(Exact name of registrant as specified in its charter)

Netherlands Antilles	1-4601	52-0684746
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

153 East 53rd Street, 57th Floor New York, New York 10022-4624
42, rue Saint-Dominique, Paris, France 75007
Parkstraat 83, The Hague, The Netherlands 2514 JG
(Addresses of principal executive offices and zip or postal codes)

Registrant's telephone number in the United States, including area code: (212) 350-9400

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

The Fourth Quarter and Full Year 2005 Press Release furnished as Exhibit 99.1 hereto, and the Supplemental Information furnished as Exhibit 99.2 hereto, were posted on the Schlumberger internet web site (www.slb.com/ir) on January 20, 2006.

In addition to financial results determined in accordance with generally accepted accounting principles (GAAP) that are included in the attached Fourth Quarter and Full Year 2005 Press Release and Supplemental Information, these documents also include the following non-GAAP financial measures (as defined under the SEC's Regulation G):

- ***Net debt:*** Net debt is gross debt less cash, short-term investments and fixed income investments held to maturity. Management believes that net debt provides useful information regarding the level of Schlumberger's indebtedness by reflecting cash and investments that could be used to repay debt, and that the level of net debt provides useful information as to the results of Schlumberger's deleveraging efforts.
- ***Income from continuing operations before credits and charges, diluted earnings per share before credits and charges, pretax return on sales before credits and charges, after tax before minority interest return on sales, and effective tax rate before credits and charges:*** Management believes that the exclusion of credits and charges enables it to evaluate more effectively Schlumberger's operations period over period and to identify operating trends that could otherwise be masked by the excluded items.
- ***Return on Capital Employed:*** Return on capital employed (ROCE) is computed as (1) net income from continuing operations excluding charges plus minority interest plus interest expense minus interest income minus tax benefit on interest expense, divided by (2) the quarterly average of (stockholders' equity plus net debt plus minority interest). Management believes that ROCE provides useful information regarding the value Schlumberger creates for the providers of capital, namely stockholders and bondholders, by reflecting the level of net income generated by continuing operations using a given level of capital.

The foregoing non-GAAP financial measures should be considered in addition to, not as a substitute for, or superior to, total debt, net income, cash flows or other measures of financial performance prepared in accordance with GAAP as more fully discussed in Schlumberger's financial statements and filings with the Securities and Exchange Commission.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

The exhibits listed below are furnished pursuant to Item 9.01 of this Form 8-K.

99.1 Fourth Quarter and Full Year 2005 Press Release dated January 20, 2006.

99.2 Supplemental Information regarding Fourth Quarter 2005 Results.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SCHLUMBERGER N.V.
(SCHLUMBERGER LIMITED)

By: /s/ Howard Guild

Howard Guild
Chief Accounting Officer

Date: January 20, 2006

Exhibit 99.1

Press Release Schlumberger

Schlumberger Announces Fourth-Quarter and Full-Year 2005 Results

NEW YORK, January 20, 2006 – Schlumberger Limited (NYSE:SLB) reported today 2005 operating revenue of $14.31 billion versus $11.48 billion in 2004.

Income from continuing operations, before credits and charges, of $2.03 billion was 67% higher than last year, representing diluted earnings per share of $3.34 versus $2.03 in 2004.

Income from continuing operations, including credits and charges, was $3.62 per share-diluted in 2005 versus $1.70 in 2004. Net income was $2.21 billion in 2005, representing diluted earnings per share of $3.64 versus $2.04 in 2004, an increase of 78%.

Fourth-Quarter Results

Fourth-quarter operating revenue of $4.02 billion was 9% above the prior quarter and 31% higher than the fourth quarter of 2004.

Income from continuing operations, before credits and charges, was $640 million, or $1.05 per share-diluted, an increase of 82% year-on-year and 22% over the third quarter of 2005.

Income from continuing operations, including credits and charges, was $1.08 per share-diluted versus $0.89 in the previous quarter and $0.59 in the fourth quarter of last year. Net income was $661 million, or $1.08 per share-diluted, double the $330 million in the same quarter of last year.

Oilfield Services revenue of $3.57 billion increased 9% sequentially and 30% compared to the same quarter of last year. Pretax business segment operating income of $852 million increased 18% sequentially and 76% year-on-year.

WesternGeco revenue of $464 million increased 6% sequentially and 39% year-on-year. Pretax business segment operating income of $110 million increased 29% sequentially and 156% year-on-year.

Schlumberger Chairman and CEO Andrew Gould commented, “The very strong activity that we have seen in the fourth quarter resulted in new record levels of oilfield revenue and net income for Schlumberger. At Oilfield Services, sequential growth in the Eastern Hemisphere was greater than the growth in the United States for the second quarter running, confirming increased activity, improved equipment utilization and stronger prices in those markets.

-more-

WesternGeco also continued to deliver excellent results. Demand for seismic acquisition as well as multiclient data indicate a strong renewed interest in exploration. The continued acceptance of Q technology resulted in impressive growth, which is expected to continue in 2006.

Looking ahead, several trends will define activity in 2006. First, rig count increases will be largely limited to onshore work as the global offshore rig market will remain constrained until new builds are mobilized beyond 2006. Second, shortages of people and equipment across the industry are likely to result in cost inflation and project delays, placing a high premium on reliable suppliers of both technology and skilled personnel. Third, the technology that can improve the productivity of the limited base of skilled personnel will be in high demand. This is clearly demonstrated both by the success of the Petrel seismic-to-simulation software tools and by growing acceptance of the remote monitoring of job execution to achieve superior performance from technology. Fourth, exploration activity, where Schlumberger has an unmatched portfolio of services, will show a large increase in 2006, and this will continue for a number of years. Overall, we expect our top line growth in 2006 to be similar to that experienced in 2005.

The industry has already recognized the need for an unprecedented effort to increase secure hydrocarbon supply. Plans are being put in place to achieve this, but it will take several years of sustained activity to develop the new production that can reliably replace today's supply, much of which was developed during the up-cycle of the 1970s and 1980s. In addition, this new supply will generally come from smaller reservoirs and more hostile environments where Schlumberger is uniquely placed to meet the challenge."

Other Events:

- As part of the 15 million-share buy-back program, Schlumberger repurchased 7.64 million shares during the year for a total amount of $612 million. Since the beginning of the program in July 2004, Schlumberger has repurchased 12.79 million shares for a total amount of $932 million.
- Schlumberger recorded a $21 million gain on the sale of its investment in Hanover Compressor Company stock.

Consolidated Statement of Income (Unaudited)

(Stated in thousands except per share amounts)

	Fourth Quarter		Twelve Months	
For Periods Ended December 31	**2005**	**2004**	**2005**	**2004**
Operating revenue	**$4,023,346**	$3,067,670	**$14,309,182**	$11,480,165
Interest and other income(1)(3)	**92,895**	40,164	**407,769**	128,698
Expenses				
Cost of goods sold and services(3)	**2,911,600**	2,388,693	**10,623,096**	9,041,972
Research & engineering	**134,392**	116,431	**505,513**	467,354
Marketing	**12,938**	11,014	**47,024**	40,310
General & administrative	**106,331**	97,694	**372,498**	344,448
Debt extinguishment costs(3)	**—**	—	**—**	114,894
Interest (3)	**49,454**	44,788	**197,090**	272,448
Income from Continuing Operations before taxes and minority interest	**901,526**	449,214	**2,971,730**	1,327,437
Taxes on income(3)	**207,155**	81,025	**681,927**	276,949
Income from Continuing Operations before minority interest	**694,371**	368,189	**2,289,803**	1,050,488
Minority interest	**(33,817)**	(16,791)	**(90,808)**	(36,436)
Income from Continuing Operations	**660,554**	351,398	**2,198,995**	1,014,052
Income from Discontinued Operations	**—**	(21,626)	**7,972**	209,818
Net Income	**$ 660,554**	$ 329,772	**$ 2,206,967**	$ 1,223,870
Diluted Earnings Per Share				
Income from Continuing Operations	**$ 1.08**	$ 0.59	**$ 3.62**	$ 1.70
Income from Discontinued Operations	**—**	(0.04)	**0.01**	0.34
Net Income (4)	**$ 1.08**	$ 0.55	**$ 3.64**	$ 2.04
Average shares outstanding	**589,258**	588,799	**589,288**	589,089
Average shares outstanding assuming dilution	**616,760**	612,462	**614,858**	612,872
Depreciation & amortization included in expenses(2)	**$ 358,881**	$ 339,302	**$ 1,350,969**	$ 1,307,931

1) Includes interest income of:
   a. Fourth quarter 2005 - $ 30 million (2004 - $16 million).
   b. Twelve months 2005 - $ 100 million (2004 - $56 million).
2) Including Multiclient seismic data costs.
3) Charges and credits:

(Stated in millions except per share amounts)

	Pretax	Tax	Net	Diluted EPS effect (4)	Income Statement Classification
The fourth quarter of 2005 includes:					
Gain on sale of Hanover Compressor stock	$ 20.9	$ —	$ 20.9	$ 0.03	Interest and other income
The third quarter of 2005 includes:					
Gain relating to resolution of contingency-Montrouge facility	$ 17.8	$ —	$ 17.8	$ 0.03	Interest and other income
The first quarter of 2005 includes:					
Gain on sale of Montrouge facility	$ 145.7	$ —	$ 145.7	$ 0.24	Interest and other income
Real estate related charges	(12.1)	0.8	(11.3)	(0.02)	Cost of goods sold and services
	$ 133.6	$ 0.8	$ 134.4	$ 0.22	
The third quarter of 2004 includes:					
Restructuring program charges	$ (3.0)	$ —	$ (3.0)	$ —	Cost of goods sold and services
Intellectual Property settlement charge	(11.2)	1.3	(9.9)	(0.02)	Cost of goods sold and services
	$ (14.2)	$ 1.3	$ (12.9)	$ (0.02)	
The second quarter of 2004 includes:					
Loss on sale of Atos Origin shares	$ (6.6)	$ —	$ (6.6)	$ (0.01)	Interest and other income
Vacated leased facility charge	(11.0)	—	(11.0)	(0.02)	Cost of goods sold and services
Restructuring program charges	(4.0)	—	(4.0)	(0.01)	Cost of goods sold and services
Litigation reserve release	5.0	—	5.0	0.01	Cost of goods sold and services
Debt extinguishment costs	(37.4)	14.0	(23.4)	(0.04)	Debt extinguishment costs
US interest rate swap gain	9.6	(3.3)	6.3	0.01	Interest expense
	$ (44.4)	$10.7	$ (33.7)	$ (0.05)	
The first quarter of 2004 includes:					
Loss on sale of Atos Origin shares	$ (14.3)	$ —	$ (14.3)	$ (0.02)	Interest & other income
Restructuring program charges	(19.5)	5.5	(14.0)	(0.02)	Cost of goods sold and services
Debt extinguishment costs	(77.5)	—	(77.5)	(0.13)	Debt extinguishment costs
Loss recognized on interest-rate swaps	(73.5)	27.2	(46.3)	(0.08)	Interest expense
	$(184.8)	$32.7	$(152.1)	$ (0.25)	

4) Amounts may not add due to rounding.

Condensed Balance Sheet (Unaudited)

(Stated in thousands)

	Dec. 31, 2005	**Dec. 31, 2004**
Assets		
Current Assets		
Cash and short-term investments	**$ 3,495,681**	$ 2,997,425
Other current assets	**5,058,232**	3,997,145
Assets held for sale (1)	**—**	65,179
	8,553,913	7,059,749
Fixed income investments, held to maturity	**359,750**	203,750
Fixed assets	**4,200,638**	3,761,729
Multiclient seismic data	**222,106**	346,522
Goodwill	**2,922,465**	2,789,048
Other assets	**1,818,620**	1,839,979
	$ 18,077,492	$ 16,000,777
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	**$ 3,560,361**	$ 2,980,790
Estimated liability for taxes on income	**1,028,571**	858,785
Bank loans and current portion of long-term debt	**796,578**	715,872
Dividend payable	**124,733**	111,136
Liabilities held for sale (1)	**—**	34,617
	5,510,243	4,701,200
Long-term debt	**3,591,338**	3,944,180
Postretirement benefits	**719,985**	670,765
Other liabilities	**159,159**	151,457
	9,980,725	9,467,602
Minority interest	**505,182**	416,438
Stockholders' Equity	**7,591,585**	6,116,737
	$ 18,077,492	$ 16,000,777

(1) Assets and liabilities held for sale at December 31, 2004 represented the gross assets and liabilities of the Essentis, Payphones and Global businesses.

Net Debt (Unaudited)

Net debt represents gross debt less cash, short-term investments and fixed income investments, held to maturity. Management believes that "net debt" provides useful information regarding the level of Schlumberger indebtedness. Details of the net debt follow:

(Stated in millions)

Twelve Months	**2005**
Net Debt, beginning of period	$(1,459)
Income from continuing operations	2,199
Excess of equity income over dividends received	(86)
Charges/credits, net of tax	(173)
Depreciation and amortization	1,351
US pension contribution	(171)
Increase in working capital requirements	(292)
Capital expenditures	(1,652)
Dividends paid	(482)
Proceeds from employee stock plans	345
Proceeds from business divestitures	22
Proceeds from the sale of the Montrouge facility	230
PetroAlliance acquisition (cash paid)	(40)
Other business acquisitions	(78)
Stock repurchase program	(612)
Sale of Hanover Compressor stock	110
Net debt acquired	(50)
Other	212
Translation effect on net debt	94
Net Debt, end of period	$ (532)

(Stated in millions)

Components of Net Debt	**Dec. 31, 2005**	**Dec. 31, 2004**
Cash and short-term investments	$ 3,496	$ 2,997
Fixed income investments, held to maturity	360	204
Bank loans and current portion of long-term debt	(797)	(716)
Long-term debt	(3,591)	(3,944)
	$ (532)	$ (1,459)

In addition to financial results determined in accordance with generally accepted accounting principles (GAAP) this Fourth-Quarter Earnings Press Release also includes non-GAAP financial measures (as defined under the SEC's Regulation G). The following is a reconciliation of these non-GAAP measures to the comparable GAAP measures:

(Stated in millions except per share amounts)

Fourth Quarter 2005	Pretax	Tax	Min Int	Net
Income from Continuing Operations per Consolidated Statement of Income	$ 901.5	$207.1	$(33.8)	$ 660.6
Add back Charges & Credits:				
- Gain on sale of Hanover Compressor stock	(20.9)	—	—	(20.9)
Income from Continuing Operations before charges & credits	$ 880.6	$207.1	$(33.8)	$ 639.7

	GAAP	Before charges & credits
Continuing operations		
Effective tax rate	23.0%	23.5%
Diluted Earnings per Share	$ 1.08	$ 1.05

Third Quarter 2005	Pretax	Tax	Min Int	Net
Income from Continuing Operations per Consolidated Statement of Income	$ 740.3	$175.0	$(24.5)	$ 540.8
Add back Charges & Credits:				
- Resolution of contingency - Montrouge facility	(17.8)	—	—	(17.8)
Income from Continuing Operations before charges & credits	$ 722.5	$175.0	$(24.5)	$ 523.0

	GAAP	Before charges & credits
Continuing operations		
Effective tax rate	23.6%	24.2%
Diluted Earnings per Share	$ 0.89	$ 0.86

Twelve Months 2005	Pretax	Tax	Min Int	Net
Income from Continuing Operations per Consolidated Statement of Income	$2,971.7	$681.9	$(90.8)	$ 2,199.0
Add back Charges & Credits:				
- Gain on sale of Hanover Compressor stock	(20.9)	—	—	(20.9)
- Resolution of contingency - Montrouge facility	(17.8)	—	—	(17.8)
- Gain on sale of Montrouge facility	(145.7)	—	—	(145.7)
- Real estate related charges	12.1	0.8	—	11.3
Income from Continuing Operations before charges & credits	$2,799.4	$682.7	$(90.8)	$ 2,025.9

	GAAP	Before charges & credits
Continuing operations		
Effective tax rate	22.9%	24.4%
Diluted Earnings per Share	$ 3.62	$ 3.34

Twelve Months 2004	Pretax	Tax	Min Int	Net
Income from Continuing Operations per Consolidated Statement of Income	$1,327.4	$276.9	$(36.4)	$ 1,014.1
Add back Charges & Credits:				
- Restructuring program charges	22.5	5.5	—	17.0
- Intellectual property settlement	11.2	1.3	—	9.9
- Debt extinguishment costs	114.9	14.0	—	100.9
- Gain on Interest Rate Swap extinguishment	(9.6)	(3.3)	—	(6.3)
- Loss on sale of Atos Origin shares	20.9	—	—	20.9
- Vacated leased facility reserve	11.0	—	—	11.0
- Litigation reserve release	(5.0)	—	—	(5.0)
- Reorganization reserve	4.0	—	—	4.0
- Loss recognized on interest rate swaps	73.6	27.2	—	46.4

Income from Continuing Operations before charges & credits	$1,570.9	$321.6	$(36.4)	$ 1,212.9

	GAAP	Before charges & credits
<u>Continuing operations</u>		
Effective tax rate	20.9%	20.5%
Diluted Earnings per Share	$ 1.70	$ 2.03

Business Review (Unaudited)

(Stated in millions)	Fourth Quarter			Twelve Months		
	2005	**2004**	**% chg**	**2005**	**2004**	**% chg**
Oilfield Services						
Operating Revenue	**$3,566**	$2,734	30%	**$12,648**	$10,239	24%
Pretax Operating Income	**$ 852**	$ 483	76%	**$ 2,805**	$ 1,801	56%
WesternGeco						
Operating Revenue	**$ 464**	$ 333	39%	**$ 1,662**	$ 1,238	34%
Pretax Operating Income	**$ 110**	$ 43	156%	**$ 317**	$ 124	155%

Pretax operating income represents the segments' income before taxes and minority interest. The pretax operating income excludes corporate expenses, interest income, interest expense, amortization of certain intangible assets, interest on post-retirement benefits, stock-based compensation costs and the charges and credits described on page 4, as these items are not allocated to the segments.

Oilfield Services

Full-year 2005 revenue of $12.65 billion increased 24% versus 2004. Europe/CIS/Africa and Latin America each increased revenue by 27%, Middle East & Asia by 22%, and North America by 21%. Pretax operating income of $2.81 billion in 2005 was 56% higher than 2004. Operating margins improved 460 basis points (bps) in 2005 versus 2004, demonstrating high demand for oilfield services with strong pricing and accelerating technology delivery.

Fourth-quarter revenue of $3.57 billion increased 9% sequentially and 30% year-on-year.

Sequential revenue increases were recorded in all four Areas, led by Middle East & Asia and North America with double-digit increases. All Technologies contributed to the growth with significant contributions from Wireline and Well Services.

Pretax operating income of $852 million increased 18% sequentially and 76% year-on-year. All Areas except Latin America recorded sequential double-digit growth. Operating margins improved 180 bps sequentially to reach 23.9% in the quarter.

During the quarter, Schlumberger launched the Scanner Family* of wireline logging services, a revolutionary suite of downhole rock and fluid characterization measurements. Scanner technology enables customers to evaluate formations more confidently and assess reserves more accurately. With better understanding, operators can reduce risk and optimize the productive life of their fields. The first three members of the Scanner Family are the Rt Scanner* multiarray triaxial induction tool; the Sonic Scanner* acoustic scanning tool; and the MR Scanner* new-generation nuclear magnetic resonance tool.

North America

Revenue of $1.04 billion increased 10% sequentially and 23% year-on-year. Pretax operating income of $278 million increased 27% sequentially and 77% year-on-year.

The Gulf Coast GeoMarket recorded strong sequential revenue growth with activity improving significantly after the hurricane season in the prior quarter. Canada also contributed to the growth with strong demand in Western Canada, coupled with significant pricing improvement throughout. Wireline and Well Services recorded the strongest advances across the Area.

The steep growth in sequential operating income was driven by stronger land activity in Well Services and Wireline, robust pricing in Canada, and improved utilization of resources in the Gulf of Mexico. This improvement was offset by $8 million, the residual effect of the third-quarter hurricane season.

In the Gulf of Mexico, BHP Billiton deployed the Quicksilver Probe* on the MDT* Modular Formation Dynamics Tester fluid-sampling tool to successfully acquire clean oil samples—greatly reducing a major source of uncertainty in the reservoir model. The customer utilized the new technique in various sampling programs throughout their reservoir, resulting in significantly reduced acquisition times.

In Alaska, working for ConocoPhillips on the Western North Slope, Schlumberger used PeriScope 15* technology to successfully steer a 6,800 ft horizontal lateral well in a thin, 8-ft thick reservoir. Imaging the reservoir boundaries in real time up to 15 ft away from the tool, the deep-reading electromagnetic service enabled the client to keep an exceptional 93% of the well in the most productive part of the reservoir. As a result of this success, the customer has planned to drill several subsequent wells using this technology.

Latin America

Revenue of $617 million increased 8% sequentially and 26% year-on-year. Pretax operating income of $90 million declined 1% sequentially but increased 71% year-on-year.

The sequential revenue growth was mainly attributable to higher levels of third-party managed services on integrated projects in Mexico. The Latin America South GeoMarket contributed to the growth with increased Integrated Project Management (IPM) activity, as did the Peru/Colombia/Ecuador GeoMarket with the start of several new Drilling & Measurements contracts.

During the quarter, the PRISA barges operating for PDVSA in Western Venezuela exceeded an average of 90% utilization. Discussions regarding the settlement of certain outstanding receivables for the PRISA contract were ongoing at year-end.

The slight sequential operating income decline, despite the revenue increase, was due largely to an unfavorable revenue mix in the Area resulting from the higher level of low-margin third-party managed services in Mexico, fewer Petrel* software sales in Venezuela, and reduced profitability in Latin America South.

In Trinidad and Tobago, PETROTRIN-Trinmar awarded contracts valued at $25 million for Well Services and Drilling & Measurements services. The contracts include pumping, directional drilling, measurements-while-drilling (MWD), and logging-while-drilling (LWD) technology services.

In Mexico, PEMEX awarded contracts valued at $44 million for work in their South and Marine regions. The service agreements include work from Wireline, Well Completions & Productivity, Well Services, Data & Consulting Services, and Schlumberger Information Solutions Technologies.

Europe/CIS/Africa

Revenue of $1.01 billion increased 7% sequentially and 45% year-on-year. Pretax operating income of $226 million increased 12% sequentially and 111% year-on-year.

Sequential revenue growth was due to strong activity in North Africa and Russia; strong deepwater completion sales combined with the rapid market acceptance of Drilling & Measurements Scope* technology in West Africa; the start of a drilling campaign in Azerbaijan; and price increases on completion products in the Caspian. High levels of activity were maintained in the North Sea despite the seasonal winter impact.

The improved sequential operating income was principally due to higher efficiency in Russia, growing international oil company presence in North Africa, and accelerated technology deployment in West Africa, together with stronger pricing across the Area.

In the quarter several key technologies were used across the Area. In the North Sea, Hydro used the new advanced wireline Sonic Scanner acoustic scanning tool to provide good quality data in a very slow formation where no other technology could have achieved results. Hydro is using Sonic Scanner to improve geomechanical understanding in many difficult-to-drill formations.

In Algeria, Sonatrach awarded Schlumberger a multi-year, $125 million contract for wireline, drill-stem testing, and data-processing services. The award was based on availability of differentiating technology and improved operational efficiency through optimized deployment of resources.

In Norway, Schlumberger successfully completed the industry's first fully remote drilling optimization and well-placement operation for Statoil's Åsgard field in the North Sea. Working onsite at the client's Stjørdal facility, and from the Schlumberger Operations Support Center in Aberdeen, a joint team of Data & Consulting Services and Drilling & Measurements engineers provided key geomechanical and well-placement support.

Working in the Sakhalin region of Russia for Exxon Neftegas Limited—as operator under the Sakhalin 1 Production Sharing Agreement—Schlumberger set a world record for logging in an extended-reach drilling well when a combined MaxTRAC* well tractor and FloScan Imager* production logging system was conveyed down 9,772 m including tractoring more than 7,800 m. High-quality flow-regime images from the FloScan Imager verified the completion effectiveness.

Middle East & Asia

Revenue of $860 million was 11% higher sequentially and 29% year-on-year. Pretax operating income of $264 million increased 17% sequentially and 45% year-on-year.

The strong improvement in sequential revenue was led by the Middle East GeoMarkets, which all contributed significantly to the record revenue level. Growth in the East Africa & East Mediterranean GeoMarket was due to expanded market for Drilling & Measurements and the start of a new Wireline campaign. Revenue improvement in the Gulf GeoMarket was mainly attributable to Wireline and Well Completions & Productivity services. Continued rig and activity increases in Saudi Arabia resulted in significant growth for Well Services, Drilling & Measurements and Wireline technologies. In Asia, the Brunei/Malaysia/Philippines GeoMarket contributed to the increase through higher activity and improved pricing in Well Services.

The robust growth in sequential operating income was due mainly to increased activity and pricing improvements across all Middle East GeoMarkets and across all Technologies. Improved results of the Bokor integrated project in the Brunei/Malaysia/Philippines GeoMarket also contributed to this growth. Area pretax operating margins showed continued improvement during the quarter, reaching 30.7%—an overall increase of 150 bps.

In the Middle East, the Arabian, the Gulf and East Africa & East Mediterranean GeoMarkets recorded full-year revenue increases of more than 30%—and operating income growth of more than 40%—in 2005 versus 2004. Similar growth rates in Asia were achieved in the Brunei/Malaysia/Philippines, Thailand/Vietnam and Australasian GeoMarkets.

In Kuwait, Schlumberger successfully drilled the first ever geosteered multilateral well for Kuwait Oil Company when conventional technology proved ineffective in the region's geologically complex reservoirs. Using a unique bottom hole assembly that combined the PowerDrive Xceed* rotary steerable system with GVR* resistivity, PeriScope 15* well placement, PowerPulse*, and proVISION* reservoir steering services, three lateral wells were placed in the most productive part of the reservoir.

In Malaysia, Murphy Oil Corporation and Schlumberger developed a local solution to conduct borehole seismic surveys in deepwater exploration areas where gas clouds render conventional surveys ambiguous.

In Japan, the Wireline CHDT* Cased Hole Dynamics Tester tool, part of the ABC* Analysis Behind Casing technology suite, was run in a fiberglass-cased well drilled as part of the client's experimental carbon dioxide sequestration project. Formation-pressure measurements and multiple fluid samples were taken, and the fiberglass casing plugged successfully.

Highlights

- Acceptance of Schlumberger Information Solutions Petrel workflow tools continued to gain momentum in the quarter as TNK-BP selected the software as its primary application for subsurface reservoir characterization to equip its multifunctional teams with a PC-based seismic-to-simulation workflow. The award followed a long-term technical evaluation.
- During the quarter, Shell awarded Schlumberger Information Solutions a three-year, multi-million dollar contract to manage seismic data in an effort to harmonize their European regional operations. Services will be supported by onsite Schlumberger presence at Shell in Stavanger, Aberdeen and Assen.
- In India, renewed focus on deepwater exploration and production activity in the Krishna Godavari basin led to a three-year contract extension from ONGC for integrated services. The work scope includes use of a number of new technologies from directional drilling, MWD, LWD, wireline logging and perforating, cementing, drill-stem testing, and surface testing service lines.
- In Indonesia, Chevron awarded Schlumberger a multi-year, $166 million contract for well-construction services. In addition to providing MWD and LWD services, Schlumberger will supply cementing, stimulation, gravel pack, and coiled tubing services in Chevron's central Sumatra area of operations.
- During the quarter, Schlumberger signed a multi-year integrated services project with LUKSAR in Saudi Arabia. The scope of work includes services from Wireline, Well Completions & Productivity, Well Services, Data & Consulting Services, and Drilling & Measurements technologies, in addition to six sub-contractors. IPM will manage the scope of work, which involves nine or more deep vertical gas exploration wells in Rub El Khali.
- Working on their North Sea Åsgard Smørbuk Sør Q-3AH well, Statoil successfully deployed a unique bottom-hole-assembly that included the PeriScope 15* well placement, StethoScope* formation pressure, EcoScope* multifunction LWD, TeleScope* high-speed telemetry, and PowerDriveX5* rotary-steerable tools. The deployment of this assembly resulted in optimized

well placement, better drilling performance and enabled a thorough evaluation of the reservoir. PeriScope was used to maintain the borehole within the reservoir sands throughout the entire 1,600-m interval, resulting in the best producing well in the field.

WesternGeco

Operating revenue for 2005 was $1.66 billion versus $1.24 billion in 2004. Pretax operating income in 2005 was $317 million versus $124 million in 2004. This strong performance was mainly attributable to the continued market acceptance of Q* technology, a higher level of Multiclient sales and improved operating leverage in Marine acquisition.

Fourth-quarter revenue of $464 million was 6% higher sequentially and grew 39% compared to the same period of last year.

Sequentially, revenue from Multiclient sales grew significantly, primarily in North America due to a larger number of blocks in the Gulf of Mexico coming up for renewal and the pending first quarter lease sale. Multiclient sales also increased in West Africa, the Caspian and Asia—indicating a worldwide interest in exploration.

Marine revenue declined in the North Sea, Canada and Russia as a result of the winter season in the Northern Hemisphere affecting activity. This resulted in a number of vessels transiting to other areas, with transit revenues deferred and recognized over the term of the contract. The seasonal decline was partly offset by strong activity in Asia with three conventional vessels and three Q-vessels operating in the region at improved pricing and utilization levels. As a result of the transits, vessel utilization decreased slightly to 88% from 92% in the previous quarter.

Data Processing was consistent with higher acquisition activity. Land acquisition activity was flat from the previous quarter.

Revenue backlog reached an all-time high of $790 million versus $656 million at the end of the previous quarter, reflecting increasing exploration and production budgets in 2006.

Pretax operating income of $110 million improved 29% sequentially and grew by $67 million year-on-year. The strong sequential growth resulted from higher Multiclient sales and transfer fees. This improvement was partly offset by higher transit days.

Q technology revenues reached $399 million in 2005, more than doubling the $162 million achieved in 2004. A growth rate higher than 80% is expected in 2006.

Highlights

- ONGC awarded WesternGeco a multi-year contract for the provision of Q-Marine* technology including acquisition, integrated data processing and reservoir consulting services for a two-year minimum period. Two vessels began data acquisition during the fourth quarter. A new WesternGeco processing and reservoir products center is currently being constructed in Mumbai which will provide support to ONGC and other clients within India to plan, design, process, and interpret seismic data.
- WesternGeco was awarded two large wide-azimuth marine surveys which will use the superior steering and signal-to-noise characteristics of Q-Technology* to provide better illumination and imaging beneath complex salt structures.

- WesternGeco was awarded a contract to undertake the first Q-Marine project in Thailand, conducting a survey that will cover approximately 386 km^2. The work scope includes accurate mapping of the reservoirs and stratigraphic features, and to improve the fault imaging. The Q-Marine system will be used to increase the signal-to-noise response and the amplitude accuracy to allow reservoir characterization based on seismic attributes and direct hydrocarbon indicators. The vessel *Geco Topaz* will conduct the high-resolution survey—towing eight 4,000-m cables with a separation of 37.5 m.

About Schlumberger

Schlumberger is the world's leading oilfield services company supplying technology, project management, and information solutions that optimize performance for customers working in the oil and gas industry. The company employs more than 60,000 people of over 140 nationalities working in more than 80 countries, and comprises two business segments. Schlumberger supplies a wide range of products and services from formation evaluation through directional drilling, well cementing and stimulation, well completions and productivity to consulting, software, information management, and IT infrastructure services that support core industry operational processes. WesternGeco, jointly owned with Baker Hughes, is the world's largest seismic company and provides advanced acquisition and data processing services. In 2005, Schlumberger operating revenue was $14.31 billion. For more information, visit SLB.com.

# # #

---

* Mark of Schlumberger

Notes:

- Schlumberger will hold a conference call to discuss the above announcement on Friday, January 20, 2006 at 9:00am New York City time (2:00pm London time/3:00pm Paris time). To access the call, which is open to the public, please contact the conference call operator at +1-800-230-1074 (toll free) for North America, or +1-612-234-9960 outside of North America, approximately 10 minutes prior to the scheduled start time. Ask for the "Schlumberger Earnings Conference Call." A replay will be available through February 3, 2006 by dialing +1-800-475-6701 in North America, or +1-320-365-3844 outside North America, and providing the access code 812340.
- The conference call will be webcast simultaneously at SLB.com/irwebcast on a listen-only basis. Please log in 15 minutes ahead of time to test your browser and register for the call. A replay of the webcast will also be available through February 3, 2006 at the above web site.
- Supplemental information in the form of a question and answer document on this press release and financial schedules are available at SLB.com/ir.

For more information, please contact:

Doug Pferdehirt, Vice President of Communications and Investor Relations
or
Paulo Loureiro, Investor Relations Manager

+1-212-350-9432
investor-relations@slb.com

Fourth-Quarter 2005 Results—Supplemental Information

A) **Oilfield Services**

Q1) What was the Oilfield Services pretax return on sales for the quarter and for the full year 2005?

Oilfield Services pretax return on sales in the fourth quarter of 2005 was 23.9% versus 22.1% in the previous quarter. For the full year 2005, Oilfield Services pretax return on sales was 22.2% versus 17.6% in 2004.

Q2) What is the capex guidance for 2006?

The Oilfield Services capex is expected to approach $2.0 billion for the full year 2006, an increase of 44% over 2005.

B) <u>WesternGeco</u>

Q3) What amount of multiclient surveys were capitalized in the fourth quarter and in the full year 2005?

WesternGeco capitalized $23 million of multiclient surveys in the fourth quarter and $60 million in the full year 2005.

Q4) What multiclient sales were made in the quarter and what was the associated cost of sales?

Multiclient sales, including transfer fees, were $164 million in the quarter. The corresponding cost of sales was $47 million for the quarter. In the quarter, 58% of the revenue was from surveys that had no NBV.

Q5) What percentage of multiclient sales recorded in 2005 has been previously impaired?

Multiclient sales for the full year 2005 were $509 million, of which 7.7% were previously impaired. The corresponding cost of sales was $184 million.

Q6) What is the capex guidance for 2006?

The 2006 WesternGeco capex is expected to reach $315 million, excluding $150 million of significantly pre-funded multiclient surveys, versus $205 million and $60 million respectively in 2005.

Q7) What is deferred transit revenue?

Deferred transit revenue refers to that portion of mobilization fees that are held over in the balance sheet as of year-end that will be recognized over the timeframe of the data acquisition horizon for contracts in progress at year-end. Transit costs are also deferred on the same basis.

C) Schlumberger Limited

Q8) What was the EPS impact of the post-hurricane season?

The EPS impact of the hurricane season in the fourth quarter of 2005 was $0.01 per share.

Q9) What was Schlumberger pretax and after-tax return on sales, before minority interest, for the quarter?

Schlumberger pretax return on sales from continuing operations, before charges and credits, for the fourth quarter was 21.9% compared to 19.5% in the third quarter.

Schlumberger after-tax before minority interest return on sales from continuing operations, before charges and credits, for the fourth quarter was 16.7% compared to 14.8% in the third quarter.

Q10) What are the stock option and discounted stock purchase plan (DSPP) expenses?

Schlumberger has two stock compensation programs – stock option awards and an employee stock purchase plan. Schlumberger started to record stock-based compensation expense in the income statement beginning in the second half of 2003, adopting the fair value recognition provisions of SFAS 123 on a prospective basis for grants after January 1, 2003.

The effect on the fourth quarter 2005 net income was $11 million ($0.02 per share).

The effect on the full year 2005 net income was $40 million ($0.07 per share).

Q11) What is the stock-based compensation estimated to be in 2006?

Stock-based compensation expense in 2006 is estimated to be $110 million compared to $40 million in 2005. The increase is principally due to:

(i) The adoption of SFAS 123R, with effect from January 1, 2006, which requires companies to expense the unamortized portion of stock options granted prior to 2003 when the fair value recognition provisions of SFAS123 were adopted.

(ii) 2006 will be the first year that the full 4-year impact of the adoption of SFAS 123 by Schlumberger, in January 2003, will be reflected in Schlumberger's results.

(iii) Valuations for 2006 stock-based compensation is expected to increase due to the recent upward movement in Schlumberger's stock price.

Q12) How did net debt† decrease during the quarter?

After the quarterly dividend payment of $124 million, net debt was $532 million as of December 31, 2005, a decrease of $504 million in the quarter. This was mainly due to liquidity generated by operations and proceeds from the sale of Hanover

Compressor Company stock and from stock option exercises, partially offset by the stock buy back of $204 million and the paydown of the US securitization program of $160 million.

† (**Net debt** is gross debt less cash, short term investments as well as fixed income investments held to maturity.)

Q13) What is included in Interest and Other Income?

Interest and Other Income for the fourth quarter of 2005 consisted of the following:

Interest Income	$30 million
Equity in net earnings of affiliated companies	$33 million
Gain on sale of Hanover Compressor stock	$21 million
Net gains on sales of assets	$ 9 million
	$93 million

Q14) What was the fourth quarter Effective Tax Rate (ETR), and what is the ETR guidance for the full year 2006?

The fourth quarter ETR from continuing operations, before charges and credits, was 23.5%, slightly below the third quarter rate primarily due to the resolution of tax audits in various Countries during the quarter.

For the total year 2006, Schlumberger expects the ETR, before charges and credits, to be in the mid-twenties range.

Q15) What were the changes in interest income and interest expense during the quarter?

Interest income of $30 million increased $3.3 million sequentially and $14.3 million compared to the same quarter last year. Average return of 3.6% increased 0.2% sequentially and 1.2% year-on-year. Average investment balance of $3.3 billion increased $180 million sequentially and $720 million compared to the same quarter last year.

Interest expense of $49 million decreased $1.2 million sequentially and increased $4.7 million from the same quarter last year. Average borrowing rates of 4.5% were also flat sequentially and increased from 3.9% last year. Average debt balance of $4.4 billion decreased $66 million sequentially and $115 million compared to the same quarter last year.

Q16) What is the difference between Oilfield Services pretax income and the sum of the geographic areas?

The difference of $6 million in the quarter came from Oilfield Services headquarters projects and costs together with Oilfield Services consolidation eliminations.

Q17) What is the difference between Schlumberger pretax income, before charges and credits, interest, and the pretax income of the two business segments?

The $63 million pretax difference during the quarter included items such as corporate expenses, amortization of certain identifiable intangibles, interest on post-retirement benefits and stock-based compensation costs.

Q18) How does Schlumberger compute basic and fully diluted EPS?

Basic earnings per share are calculated by dividing net income by the weighted average number of common shares outstanding during the period. Diluted earnings per share are calculated by first adding back to net income the interest expense on the convertible bonds and then dividing this adjusted net income by the weighted average number of common shares outstanding assuming dilution, the calculation of which includes the shares from the conversion of convertible bonds and assumes that all stock options which are in the money are exercised at the beginning of the period and that the proceeds are used by Schlumberger to purchase shares at the average market price for the period.

If adding the interest expense on the convertible bonds back to net income and including the shares from the assumed conversion of the convertible bonds has an anti-dilutive effect on the diluted EPS calculation, then the effects of the convertible bonds are excluded from the calculation.

The shares from the potential conversion of the convertible bonds amount to 19 million and the interest expense on the convertible bonds was $7.2 million in the fourth quarter.

Q19) What was the Schlumberger annualized Return On Capital Employed (ROCE[†]) for the quarter?

Annualized ROCE reached 31.9% in the fourth quarter of 2005 versus 26.3% in the third quarter of 2005 and 19.6% in the fourth quarter of 2004.

---

† **ROCE** is computed as [Net Income from continuing operations excluding charges and credits + Minority Interest + Interest Expense - Interest Income - Tax benefit on interest expense] divided by the quarterly average of [Shareholders’ Equity + Net Debt + Minority Interest].

###

In addition to financial results determined in accordance with generally accepted accounting principles (GAAP) this document also includes non-GAAP financial measures (as defined under the SEC's Regulation G). The following is a reconciliation of these non-GAAP measures to the comparable GAAP measures:

(Stated in millions except per share amounts)

	Fourth Quarter 2005			
	Pretax	Tax	Min Int	Net
Income from Continuing Operations per Consolidated Statement of Income	$ 901.5	$ 207.2	$ (33.8)	$ 660.5
Add back Charges & Credits:				
- Gain on sale of Hanover Compressor stock	(20.9)	—	—	(20.9)
Income from Continuing Operations before charges & credits	$ 880.6	$ 207.2	$ (33.8)	$ 639.6
Continuing operations before charges and credits				
Effective tax rate				23.5%
Diluted Earnings per Share				$ 1.05

	Third Quarter 2005			
	Pretax	Tax	Min Int	Net
Income from Continuing Operations per Consolidated Statement of Income	$ 740.3	$ 175.0	$ (24.5)	$ 540.8
Add back Charges & Credits:				
- Resolution of contingency - Montrouge facility	(17.8)	—	—	(17.8)
Income from Continuing Operations before charges & credits	$ 722.5	$ 175.0	$ (24.5)	$ 523.0
Continuing operations before charges and credits				
Effective tax rate				24.2%
Diluted Earnings per Share				$ 0.86

	Fourth Quarter 2005		Third Quarter 2005	
Continuing Operations	GAAP	Before Charges & Credits	GAAP	Before Charges & Credits
Pretax return on sales	22.4%	21.9%	20.0%	19.5%
After tax before minority interest return on sales	17.3%	16.7%	15.3%	14.8%
Effective tax rate	23.0%	23.5%	23.6%	24.2%
Diluted Earnings per Share	$1.08	$ 1.05	$0.89	$ 0.86

# # #

This document, the fourth quarter and full year 2005 earnings release and other statements we make contain forward looking statements, which include any statements that are not historical facts, such as our expectations regarding business outlook; growth for Schlumberger as a whole and for each of Oilfield Services and WesternGeco (and for specified products within each segment); oil and natural gas demand and production growth; operating margins; operating and capital expenditures by Schlumberger and the oil and gas industry; the business strategies of Schlumberger's customers; stock-based compensation; effective tax rates; and future results of operations. These statements involve risks and uncertainties, including, but not limited to, the global economy; changes in exploration and production spending by Schlumberger's customers and changes in the level of oil and natural gas exploration and development; general economic and business conditions in key regions of the world; political and economic uncertainty and socio-political unrest; and other factors detailed in our fourth quarter and full year 2005 earnings release, our most recent Form 10-K, Form 10-Qs and other filings with the Securities and Exchange Commission. If one or more of these risks or uncertainties materialize (or the consequences of such a development changes), or should underlying assumptions prove incorrect, actual outcomes may vary materially from those forecasted or expected. Schlumberger disclaims any intention or obligation to update publicly or revise such statements, whether as a result of new information, future events or otherwise.