SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarter ended: March 31, 2002	Commission file No.: 1-4601

SCHLUMBERGER N.V.
(SCHLUMBERGER LIMITED)

(Exact name of registrant as specified in its charter)

NETHERLANDS ANTILLES	52-0684746
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

153 EAST 53 STREET, 57th Floor NEW YORK, NEW YORK, U.S.A.	10022
42 RUE SAINT-DOMINIQUE PARIS, FRANCE	75007
PARKSTRAAT 83 THE HAGUE, THE NETHERLANDS	2514 JG
(Addresses of principal executive offices)	(Zip Codes)

Registrant's telephone number: (212) 350-9400

Indicate by check mark whether Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days.

YES X NO

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at March 31, 2002
COMMON STOCK, $0.01 PAR VALUE	577,100,933

PART I. FINANCIAL INFORMATION

Item 1: Financial Statements

SCHLUMBERGER LIMITED

(Schlumberger N.V., Incorporated in the Netherlands Antilles)
and Subsidiary Companies

CONSOLIDATED STATEMENT OF INCOME

(Unaudited)
(Stated in thousands except per share amounts)

	Three Months Ended March 31, 2002	2001
REVENUE:		
Operating	$ 3,309,356	$ 3,013,657
Interest & other income	33,837	90,029
	3,343,193	3,103,686
EXPENSES:		
Cost of goods sold & services	2,600,090	2,295,962
Research & engineering	160,691	173,596
Marketing	95,743	87,417
General	161,267	120,595
Interest	82,253	76,201
	3,100,044	2,753,771
Income before taxes and minority interest	243,149	349,915
Taxes on income	64,183	107,940
Income before minority interest	178,966	241,975
Minority interest	(6,494)	(6,087)
Net Income	$ 172,472	$ 235,888
Basic Earnings Per Share:		
Net Income	$ 0.30	$ 0.41
Elimination of goodwill amortization	-	0.05
Adjusted Net Income	$ 0.30	$ 0.46
Diluted Earnings Per Share:		
Net Income	$ 0.30	$ 0.41
Elimination of goodwill amortization	-	0.05
Adjusted Net Income	$ 0.30	$ 0.46
Average shares outstanding:		
Basic	576,306	573,060
Assuming dilution	581,104	581,412

See Notes to Consolidated Financial Statements

SCHLUMBERGER LIMITED

(Schlumberger N.V., Incorporated in the Netherlands Antilles)
and Subsidiary Companies

CONSOLIDATED BALANCE SHEET

(Unaudited)

	(Dollars in thousands) Mar. 31, 2002	Dec. 31, 2001
ASSETS		
CURRENT ASSETS:		
Cash	$ 127,654	$ 177,704
Short-term Investments	1,293,531	1,439,997
Receivables less allowance for doubtful accounts (2002 - $147,337; 2001 - $145,268)	3,914,222	4,028,450
Inventories	1,255,590	1,204,263
Deferred taxes	332,647	321,767
Other current assets	582,573	532,709
	7,506,217	7,704,890
FIXED INCOME INVESTMENTS, HELD TO MATURITY	510,000	576,000
INVESTMENTS IN AFFILIATED COMPANIES	832,493	820,806
FIXED ASSETS	4,843,105	4,827,879
MULTICLIENT SEISMIC DATA	1,082,866	1,028,954
GOODWILL	6,379,534	6,260,969
INTANGIBLE ASSETS	582,654	811,349
DEFERRED TAXES	178,613	126,057
OTHER ASSETS	172,477	169,463
	$ 22,087,959	$ 22,326,367
LIABILITIES & STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	$ 4,134,746	$ 4,506,634
Estimated liability for taxes on income	549,479	587,328
Dividend payable	108,708	108,642
Long-term debt due within one year	93,969	31,990
Bank & short-term loans	742,056	983,191
	5,628,958	6,217,785
LONG-TERM DEBT	6,479,414	6,215,709
POSTRETIREMENT BENEFITS	516,952	504,797
OTHER LIABILITIES	369,107	372,696
	12,994,431	13,310,987
MINORITY INTEREST	645,760	636,899
STOCKHOLDERS' EQUITY:		
Common stock	2,060,102	2,045,437
Income retained for use in the business	8,379,194	8,314,766
Treasury stock at cost	(1,672,555)	(1,694,884)
Accumulated other comprehensive income	(318,973)	(286,838)
	8,447,768	8,378,481
	$ 22,087,959	$ 22,326,367

See Notes to Consolidated Financial Statements

SCHLUMBERGER LIMITED

(Schlumberger N.V., Incorporated in the Netherlands Antilles)
and Subsidiary Companies

CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited)

	(Dollars in thousands)	
	Three Months Ended March 31,	
Cash flows from operating activities:	2002	2001
Net income	$ 172,472	$ 235,888
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization (1)	363,210	419,026
Non-cash charges	28,923	25,000
Earnings of companies carried at equity, less dividends received (2002 - $-; 2001 - $-)	(15,424)	(14,208)
Deferred taxes	16,585	(25,717)
Provision for losses on accounts receivable	11,095	6,171
Change in operating assets and liabilities:		
(Decrease) increase in receivables	68,207	(390,030)
Increase in inventories	(54,337)	(205,792)
Increase in other current assets	(52,508)	(74,157)
(Decrease) increase in accounts payable and accrued liabilities	(224,888)	183,810
(Decrease) increase in estimated liability for taxes on income	(37,587)	80,157
Increase in postretirement benefits	12,155	7,712
Other - net	(33,908)	(60,349)
NET CASH PROVIDED BY OPERATING ACTIVITIES	253,995	187,511
Cash flows from investing activities:		
Purchase of fixed assets	(368,161)	(413,084)
Multiclient seismic data capitalized	(84,025)	(114,081)
Sales/retirements of fixed assets & other	29,652	19,579
Acquisition of Sema plc	(132,155)	(1,010,997)
Other businesses acquired	(18,000)	(295,862)
Decrease in investments	211,724	1,059,455
NET CASH USED IN INVESTING ACTIVITIES	(360,965)	(754,990)
Cash flows from financing activities:		
Dividends paid	(107,978)	(107,379)
Proceeds from exercise of stock options	36,994	15,047
Proceeds from issuance of long-term debt	1,148,317	260,993
Payments of principal on long-term debt	(785,905)	(20,726)
Net (decrease) increase in short-term debt	(234,508)	365,928
NET CASH PROVIDED BY FINANCING ACTIVITIES	56,920	513,863
Net decrease in cash	(50,050)	(53,616)
Cash, beginning of period	177,704	160,718
CASH, END OF PERIOD	$ 127,654	$ 107,102

(1) Includes multiclient seismic data costs.

See Notes to Consolidated Financial Statements

SCHLUMBERGER LIMITED

(Schlumberger N.V., Incorporated in the Netherlands Antilles)
and Subsidiary Companies

STOCKHOLDERS' EQUITY

(Unaudited)

(Dollars in thousands)

	Common Stock		Retained	Accumulated Other Comprehensive Income		Comprehensive
	Issued	In Treasury	Income	Mark to Market	Translation Adjustment	Income
Equity, January 1, 2002	$ 2,045,437	$ (1,694,884)	$ 8,314,766	$ (49,569)	$ (237,269)	$ -
Net Income			172,472			172,472
Derivatives marked to market				13,820		13,820
Translation adjustment					(45,955)	(45,955)
Dividends declared (1)			(108,044)			
Shares sold to optionees	14,665	22,329				
Equity, March 31, 2002	$ 2,060,102	$ (1,672,555)	$ 8,379,194	$ (35,749)	$ (283,224)	$ 140,337

(1) $0.1875 per share

SHARES OF COMMON STOCK

(Unaudited)

	Issued	In Treasury	Shares Outstanding
Balance, January 1, 2002	667,094,178	(91,203,780)	575,890,398
Sold to Optionees	8,731	1,201,804	1,210,535
Balance, March 31, 2002	667,102,909	(90,001,976)	577,100,933

See Notes to Consolidated Financial Statements

SCHLUMBERGER LIMITED

(Schlumberger N.V., Incorporated in the Netherlands Antilles)
and Subsidiary Companies

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

The accompanying unaudited consolidated financial statements, which include the accounts of Schlumberger Limited ("Schlumberger") and its subsidiaries, have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included in the accompanying unaudited financial statements. All significant intercompany transactions and balances have been eliminated in consolidation. Certain amounts in prior years' consolidated financial statements have been reclassified to conform to the current year presentation. Operating results for the three month period ended March 31, 2002 are not necessarily indicative of the results that may be expected for the full year ending December 31, 2002. For further information, refer to the consolidated financial statements and notes thereto, included in Schlumberger's Annual Report on Form 10-K for the fiscal year ended December 31, 2001.

RECLASSIFICATION

Certain items from prior years have been reclassified to conform to the current year presentation.

EARNINGS PER SHARE

The following is a reconciliation from basic earnings per share to diluted earnings per share for the first quarter 2002:

(Stated in thousands except per share amount)

First Quarter	Net Income	Average Shares Outstanding	Earnings per Share
Basic	$ 172,472	576,306	$ 0.30
Dilutive effect of options	-	4,798	-
Diluted	$ 172,472	581,104	$ 0.30

ADJUSTED NET INCOME

The following is a reconciliation of reported net income to adjusted net income subsequent to the adoption, from January 1, 2002, of SFAS 142 (Goodwill and Other Intangible Assets).

(Stated in thousands)

	Three Months Ended March 31, 2002	2001
Reported net income	$ 172,472	$ 235,888
Elimination of goodwill amortization	-	29,871
Adjusted net income	$ 172,472	$ 265,759

NON-CASH CHARGES
- ----------------

The first quarter 2002 included a $29 million after-tax charge ($0.05 per share - diluted) related to the financial/economic crisis in Argentina where, in January, the government eliminated all US dollar contracts and converted US dollar-denominated accounts receivable into pesos. As a result Schlumberger's currency exposure increased significantly. With currency devaluation, an exchange loss (net of hedging) on net assets, primarily customer receivables was incurred. In addition, a provision was recorded for downsizing facilities and headcount. The small SchlumbergerSema exposure in Argentina was also provided for.

The first quarter 2001 included a $25 million in-process research and development charge ($0.04 per share - diluted) related to the acquisition of Bull CP8. This charge is classified in Research and Engineering in the Consolidated Statement of Income.

CONTINGENCIES
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The Consolidated Balance Sheet includes accruals for the estimated future costs associated with certain environmental remediation activities related to the past use or disposal of hazardous materials. Substantially all such costs relate to divested operations and to facilities or locations that are no longer in operation. Due to a number of uncertainties, including uncertainty of timing, the scope of remediation, future technology, regulatory changes, the risk of personal injury, natural resource or property damage claims and other factors, it is possible that the ultimate remediation costs may exceed the amounts estimated. However, in the opinion of management, such additional costs are not expected to be material relative to consolidated liquidity, financial position or future results of operations.

In addition, Schlumberger and its subsidiaries are party to various other legal proceedings. Although the ultimate disposition of these proceedings is not presently determinable, in the opinion of Schlumberger any liability that might ensue would not be material in relation to the consolidated liquidity, financial position or future results of operations.

Schlumberger's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and receivables from clients. Schlumberger places its cash and cash equivalents with financial institutions and corporations, and limits the amount of credit exposure with any one of them. Schlumberger actively evaluates the creditworthiness of the issuers in which it invests. The receivables from clients are concentrated within a few significant industries and geographies.

INVESTMENTS IN AFFILIATED COMPANIES
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Investments in affiliated companies include Schlumberger's 40% investment in the MI Drilling Fluids Joint Venture (March 31, 2002 - $585 million; December 31, 2001 - $573 million). Equity in income of investments carried under the equity method (2002 - $15 million; 2001 - $14 million) are included in Interest & other income in the Consolidated Statement of Income.

NEW ACCOUNTING STANDARDS
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In June 2001, SFAS 141 (Business Combinations) and SFAS 142 (Goodwill and Other Intangible Assets) were issued. SFAS 141 was adopted by Schlumberger for acquisitions subsequent to June 30, 2001. SFAS 142 was adopted by Schlumberger commencing January 1, 2002 and, based on the findings and conclusions of an independent valuation undertaken in the first quarter of 2002, Schlumberger determined that there is no impairment write down on the adoption of this standard.

Amortization of goodwill and workforce ceased with effect from January 1, 2002. Assembled workforce, net of deferred taxes, of $179 million has been reclassified to Goodwill.

SFAS 143 (Accounting for Asset Retirement Obligations) was issued in June 2001 and will be adopted by Schlumberger commencing January 1, 2003. Schlumberger does not believe that the implementation of this standard will have any material effect on its financial position and results of operations.

SFAS 144 (Accounting for Impairment or Disposal of Long-Lived Assets) was adopted by Schlumberger commencing January 1, 2002.

Effective January 1, 2002, Schlumberger adopted the FASB EITF staff announcement Topic D-103, "Income Statement Characterization of Reimbursements Received for "Out-of-Pocket"". Prior year revenue has been restated to include reimbursable costs billed to customers which had been classified as a contra expense and now must be classified as revenue. The reclassification was only required in OFS as SchlumbergerSema was already in compliance with the new standard. OFS first quarter 2002 revenue and cost of goods sold & services increased by $130 million ($104 million in 2001). There was no effect on cash flow or net income.

SECURITIZATION

In September 2000, a wholly owned subsidiary of Schlumberger entered into an agreement to sell, on an ongoing basis, up to $220 million of an undivided interest in its accounts receivable and subsequently amended up to $350 million. The amount of receivables sold under this agreement totaled $209 million at March 31, 2002 and $176 million at December 31, 2001. Costs of the program, which primarily consist of the purchasers' financing and administrative costs, were not significant. Unless extended by amendment, the agreement expires in September 2002.

FINANCING

During January 2002, two principal subsidiaries of Schlumberger in Europe initiated a Euro commercial paper program, which is guaranteed by Schlumberger Limited. At March 31, 2002, Euro commercial paper borrowings totaled $1.4 billion. Euro commercial paper borrowings are supported by a long term revolving credit facility.

On April 4, 2002, the principal US subsidiary of Schlumberger issued $1 billion of 10 year senior unsecured notes with a coupon rate of 6.50% (6.634% including amortization of debt discount and expense) in the US capital markets. The notes were issued under rule 144A without registration rights for life. The proceeds will replace US commercial paper borrowings. At March 31, 2002, US commercial paper borrowings totaled $2.4 billion. US commercial paper borrowings are supported by a long term revolving credit facility.

FIXED ASSETS

A summary of fixed assets follows:

	($ millions)	
	Mar. 31 2002	Dec. 31 2001
Property plant & equipment	$ 11,395	$ 11,179
Less Accumulated depreciation	6,552	6,351
	$ 4,843	$ 4,828

INTANGIBLE ASSETS

A summary of intangible assets follows:

	($ millions)	
	Mar. 31 2002	Dec. 31 2001
Gross book value	$ 709	$ 964
Less Accumulated amortization	126	153
	$ 583	$ 811

During the quarter, the amortization charge to income was $21 million and $256 million (net of amortization) was reclassified to Goodwill in accordance with SFAS 142 (see New Accounting Standards).

Intangible assets principally comprise patents and software, technology and other. At March 31, 2002, the approximate gross book value of patents was $150 million (amortized over 10 years); and software, technology and other was about $559 million (amortized over 5 to 7 years).

SEGMENT INFORMATION

Following the acquisition of Sema plc on April 6, 2001, Schlumberger created a new business segment, SchlumbergerSema, which resulted from the merger of Sema plc with certain businesses from Schlumberger's former segments, Test & Transactions and Resource Management Services. Following this reorganization, Schlumberger now operates two reportable segments, Oilfield Services (OFS) and SchlumbergerSema (SLSEMA).

There have been several reclassifications so that the prior periods are comparable with our current reporting structure.

The Public Phones and Danyl businesses have been moved from the SchlumbergerSema segment and are now included in "Other". Revenue and pretax loss in Q4 2001 were $18 million and $6 million, respectively, compared to Q1 2001 figures of $20 million and $4 million. The corresponding figures for Q1 2002 are $10 million and $6.5 million, respectively.

The SchlumbergerSema business segment is now managed and reported geographically. Last year's segment disclosures have been restated on the same basis.

Prior year revenue had been restated to include reimbursable costs billed to customers, which had been classified as a contra expense and now must be classified as revenue in accordance with FASB EITF Topic D-103. The reclassification was only required in OFS as SchlumbergerSema was already in compliance with the new standard. OFS first quarter 2002 revenue and cost of goods sold & services increased by $130 million as a result. All prior periods have been restated. The adoption of this standard had no effect on cash flow or net income.

	THREE MONTHS 2002				
	Revenue	Income after tax	Tax Expense	Minority Interest	Income before tax
OFS					
North America	$ 738	$ 79	$ 44	$ -	$ 123
Latin America	384	57	8	-	65
Europe/CIS/W. Africa	617	60	19	-	79
Other Eastern	591	97	19	-	116
Elims/Other	87	(19)	(3)	9	(13)
	2,417	274	87	9	370
SLSEMA (1)					
North & South America	162	(13)	(6)	-	(19)
Europe/M. East/Africa	595	18	10	1	29
Asia	86	-	3	(1)	2
Elims/Other	(8)	(6)	(5)	-	(11)
	835	(1)	2	-	1
OTHER (2)	83	(4)	(3)	-	(7)
Elims & Other (3)	(26)	(5)	(22)	(2)	(29)
	$ 3,309	$ 264	$ 64	$ 7	$ 335
Interest Income					18
Interest Expense (4)					(80)
Charges					(30)
					$ 243

	THREE MONTHS 2001				
	Revenue	Income after tax	Tax Expense	Minority Interest	Income before tax
OFS					
North America	$ 950	$ 139	$ 89	$ -	$ 228
Latin America	398	33	10	-	43
Europe/CIS/W. Africa	499	43	16	-	59
Other Eastern	487	77	14	-	91
Elims/Other	94	(8)	1	5	(2)

	2,428	284	130	5	419
SLSEMA (1)					
North & South America	130	(13)	(7)	-	(20)
Europe/M. East/Africa	99	10	5	-	15
Asia	80	14	1	1	16
Elims/Other	(8)	(3)	-	(1)	(4)
	301	8	(1)	-	7
OTHER (2)	305	1	(3)	1	(1)
Elims & Other (3)	(20)	(22)	(18)	-	(40)
	$ 3,014	$ 271	$ 108	$ 6	$ 385
Interest Income					65
Interest Expense (4)					(75)
Charges					(25)
					$ 350

(1) Includes the results of Sema plc which was acquired in April 2001. Compared to last year and on a proforma basis, SLSEMA revenue was flat.
(2) 2001 includes the divested Resource Management Services businesses.
(3) In 2001, includes goodwill amortization of $30 million.
(4) Excludes interest expense included in the Segment results ($2 million in 2002; $1 million in 2001).

Item 2: Management's Discussion and Analysis of Financial Condition and Results of Operations.

BUSINESS REVIEW

(Stated in millions)

	Oilfield Services			SchlumbergerSema (1)		
First Quarter	2002	2001	% chg	2002	2001	% chg
Operating Revenue	$ 2,417	$ 2,428	- %	$ 835	$ 301	178%
Pretax Operating Income (3)	$ 370	$ 419	(12)%	$ 1	$ 7	(83)%

	Other (2)		
First Quarter	2002	2001	% chg
Operating Revenue	$ 84	$ 305	(73)%
Pretax Operating Income (3)	$ (7)	$ (1)	- %

(1) Includes the results of Sema plc which was acquired in April 2001. Compared to last year and on a proforma basis, SchlumbergerSema revenue was flat.
(2) 2001 includes the divested Resource Management Services businesses.
(3) Pretax operating income represents income before taxes and minority interest, excluding interest income, interest expense and amortization of intangibles ($16 million and $33 million in 2002 and 2001, respectively).

First Quarter 2002 Compared to First Quarter 2001

Net income for the first quarter was $172 million ($0.30 per share - diluted) after a $29 million ($0.05 per share - diluted) charge related to the financial and economic crisis in Argentina.

Oilfield Services revenue of $2.4 billion was flat versus the first quarter of last year while the worldwide M-I rig count declined by 20%.

SchlumbergerSema revenue was $835 million, a 178% increase over the same period last year.

OILFIELD SERVICES

Operating revenue of $2.4 billion in the first quarter was flat year-on-year in sharp contrast to a 20% decline in the M-I rig count. Sequential revenue decreased 9% versus a 6% decline in the M-I rig count. The sharper fall in revenue versus rig count was primarily attributable to reduced multiclient sales in WesternGeco coupled with weak economic conditions in parts of Latin America. WesternGeco revenue decreased 8% year-on-year and 17% sequentially.

The flat year-on-year revenue resulted from declining North American activity, which was partially offset by sustained pricing levels and market share improvements in the other Areas. Strong performance was recorded by Well Completions and Productivity technologies, particularly artificial lift installations and completions services.

Pretax operating income of $370 million decreased 12% year-on-year and 21% sequentially. The sequential decrease was largely as a result of pricing pressure in North America.

North America

Revenue of $738 million decreased 22% versus the same quarter last year and 17% sequentially compared with the M-I rig count, which decreased 30% year-on-year and 7% sequentially. Pretax operating income of $123 million was 46% lower year-on-year and down 31% sequentially.

Lower demand due to mild weather conditions and economic uncertainties, together with pricing pressure on drilling related services in North America, resulted in lower year-on-year and sequential revenues. The decline in pretax operating income was also due to a steep reduction in multiclient sales for WesternGeco as stated previously. However, growth was experienced in the Canada and Alaska GeoMarkets due to increased Drilling and Measurements and Well Services activity as the winter drilling campaign moved into gear.

Latin America

Revenue of $384 million decreased 3% compared with the first quarter of 2001 and 12% sequentially in contrast to the M-I rig count decline of 20% year-on-year and 15% sequentially. Pretax operating income of $65 million increased 53% year-on-year and decreased 9% compared with last quarter. Sequential revenues declined across all GeoMarkets.

The economic and financial crisis and introduction of the Hydrocarbon Export Tax in Argentina impacted activity levels in this Area during the quarter. This was partially mitigated by strong year-on-year growth in the Mexico and Peru/Colombia/Ecuador GeoMarkets.

Europe/CIS/West Africa

Revenue of $617 million increased 24% compared with the same quarter last year exceeding the M-I rig count (including CIS), which grew 7%. On a sequential basis revenue declined 6% and the M-I rig count 4%. Pretax operating income of $79 million was 33% higher compared with last year but down 23% sequentially. The sequential revenue decline was due to reduced activity resulting from adverse winter conditions in the North Sea.

However, year-on-year revenue growth was recorded across all GeoMarkets led by Nigeria, the Caspian, Russia and the UK and in all technology segments with the exception of WesternGeco. In particular, a higher number of Reda* electric submersible pump installations in West Africa, and increased Well Services activities in Russia and the Caspian, were recorded as customers accelerated programs to meet aggressive production targets.

Middle East and Asia

Revenue of $591 million increased 21% year-on-year outpacing the M-I rig count, which increased 6%. Sequential revenue decreased 3% as the rig count declined 1%. Pretax operating income of $116 million was 27% higher than the first quarter of last year and down 12% sequentially. The sequential revenue decline was as a result of the stronger than expected fourth quarter results which included exceptional artificial lift and completion sales. The sharp sequential decrease in pretax operating income was due to lower revenue and high inventory costs.

Robust Well Services performance in the Malaysia/Brunei/Philippines GeoMarket coupled with generally higher seismic activity led strong year-on-year revenue growth.

SCHLUMBERGERSEMA

SchlumbergerSema operating revenue for the quarter was $835 million down 11% sequentially due to normal seasonal slowdown, currency exchange impact, and delayed projects as a result of deferred spending within the IT sector. The drop in revenue from volume products was due primarily to lower activity in telecommunications and the end of the Euro terminals and system-related retrofit. Pretax operating income of $1.2 million decreased 96% sequentially reflecting lower revenue and pricing pressure. Twelve-month revenue attributed to orders booked during the first quarter is marginally better than revenue for the same period.

Schlumberger acquired Sema plc in April 2001; compared to last year and on a proforma basis, SchlumbergerSema revenue for the quarter was flat.

Volume products revenue of $189 million was down 18% sequentially and 9% year-on-year due primarily to lower volume in mobile communications cards versus the seasonally strong year end. Decreased revenues were also due to continued pricing pressure and lower eTransactions revenues reflecting the end of the Euro retrofitting of parking terminals and associated systems. Volume products gross margin remained flat sequentially however year-on-year gross margins declined 7.6 percentage points. Pretax operating income was $2 million compared to $8.5 million last quarter.

Europe, Middle East and Africa

Revenue declined $79 million, down 12% sequentially, reflecting the expected slowdown in the first quarter and the deterioration in volume products and lower spending within existing contracts, primarily in the UK. Revenue in Italy was down following the exceptionally strong fourth quarter in outsourcing and telecommunications. Pretax operating income declined 47% to $29 million reflecting a decrease of 40% in volume products and 65% in services.

North and South America

Revenue declined $28 million, down 15% sequentially reflecting lower electricity product sales and lower revenue in telecommunications and cards in the US and Latin America. Economic conditions and ongoing uncertainty related to deregulation in the US market continued to impact the utilities-related systems integration business. Pretax operating losses of $19 million deteriorated by $10 million.

Asia

Revenue declined $6 million down 6% sequentially primarily due to higher discounts in outsourcing and delays in system integration projects. Cards revenue remained in line with last quarter reflecting sustainable activity in China and South East Asia. Pretax operating income of $2 million improved by $3 million due to a favorable mix in cards products and a decrease in the cost base. Orders were up in telecommunications, finance and managed services with improved demand for GSM and high-end 64k cards.

OTHER

On a comparable basis, excluding the Resource Management Services businesses divested in 2001, revenue was down 2% while the pretax loss improved by $13 million, to $7 million.

INCOME STATEMENT

Interest and other income decreased $56 million from the same period last year as a $47 million decrease in interest income (2002 - $18 million; 2001 - $65 million) reflecting a decrease of $2.2 billion in average investment balances and a decrease in average returns on investments from 6.5% to 4.1%. Gross margin of 21% was 2.4 percentage points below last year. Research and engineering expense as a percentage of revenue decreased 0.9% and marketing expense was flat from last year. General expense as a percentage of revenue increased from 4.0% to 4.9%. Interest expense increased by $6 million as average debt balances were up $3.1 billion and the average borrowing rates decreased from 7.2% to 4.5%. Excluding the Argentina provision, the effective tax rate for the first quarter was 24% which, on a comparable basis excluding amortization of goodwill and assembled workforce, compares to 27% in the first quarter of last year. The lower effective tax rate is due mainly to lower Oilfield Services North America pretax income.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Schlumberger's discussion and analysis of its financial condition and results of operations are based upon Schlumberger's consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires Schlumberger to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities.

On an on-going basis, Schlumberger evaluates its estimates, including those related to bad debts, inventories, investments, intangible assets, income taxes, long-term percentage-of-completion contracts, contingencies and litigation and actuarial assumptions for employee benefit plans. Schlumberger bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

NEW ACCOUNTING STANDARDS

In June 2001, SFAS 141 (Business Combinations) and SFAS 142 (Goodwill and Other Intangible Assets) were issued. SFAS 141 was adopted by Schlumberger for acquisitions subsequent to June 30, 2001. SFAS 142 was adopted by Schlumberger commencing January 1, 2002 and, based on the findings of an independent valuation undertaken in the first quarter of 2002, Schlumberger determined that there is no impairment write down on the adoption of this standard.

Amortization of goodwill and workforce ceased with effect from January 1, 2002. Assembled workforce, net of deferred taxes, of $179 million has been reclassified to Goodwill.

SFAS 143 (Accounting for Asset Retirement Obligations) was issued in June 2001 and will be adopted by Schlumberger commencing January 1, 2003. Schlumberger does not believe that the implementation of this standard will have any material effect on its financial position and results of operations.

SFAS 144 (Accounting for Impairment or Disposal of Long-Lived Assets) was adopted by Schlumberger commencing January 1, 2002.

Effective January 1, 2002, Schlumberger adopted the FASB EITF staff announcement Topic D-103, "Income Statement Characterization of Reimbursements Received for "Out-of-Pocket"". Prior year revenue has been restated to include reimbursable costs billed to customers which had been classified as a contra expense and now must be classified as revenue. The reclassification was only required in OFS as SchlumbergerSema was already in compliance with the new standard. OFS first quarter 2002 revenue and cost of goods & service increased by $130 million ($104 million in 2001). There was no effect on cash flow or net income.

LIQUIDITY

A measure of financial position is liquidity, which Schlumberger defines as cash plus short-term and fixed income investments, less debt. The following summarizes the change in consolidated liquidity for the three months ended March 31, 2002.

	($ millions)
Funds provided by:	
Net income	$ 172
Non-cash charges	29
Depreciation and amortization (1)	363
Funds used for:	
Capital expenditures (1)	(452)
Dividends paid	(108)
Working capital	(305)
Sema plc acquisition payments	(132)
Other	86
Change in liquidity	(347)
Liquidity, beginning of period	(5,037)
Liquidity, end of period	$(5,384)

(1) Including multiclient seismic data cost.

Liquidity in the quarter dropped $347 million due mainly to the expected $132 million payment to former LHS/Sema shareholders under the terms of an exchange agreement to acquire Sema shares and spending of severance and other 2001 provisions. Additionally, the first quarter included payments of employee prior year bonuses and contributions to pension and profit sharing plans. Income tax payments in the quarter were $85 million.

During January 2002, two principal subsidiaries of Schlumberger in Europe initiated a Euro commercial paper program, which is guaranteed by Schlumberger Limited. At March 31, 2002, Euro commercial paper borrowings totaled $1.4 billion. Euro commercial paper borrowings are supported by a long term revolving credit facility.

On April 4, 2002, the principal US subsidiary of Schlumberger issued $1 billion of 10 year senior unsecured notes with a coupon rate of 6.50% (6.634% including amortization of debt discount and expense) in the US capital markets. The notes were issued under rule 144A without registration rights for life. The proceeds will replace US commercial paper borrowings. At March 31, 2002, US commercial paper borrowings totaled $2.4 billion. US commercial paper borrowings are supported by a long term revolving credit facility.

FORWARD-LOOKING STATEMENTS

This 10-Q report, the first quarter 2002 earnings release and associated web-based publications, 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, conditions in the oilfield service business, benefits from contract awards, future results of operations, pricing, cost reductions, improvements in the performance of SchlumbergerSema and a rebound in the economy. These statements involve risks and uncertainties, including, but not limited to, changes in exploration and production spending by major oil companies, including our expectations for renewed growth in gas drilling and the sustainability of gas pricing in NAM; continuing customer commitment to certain key oilfield projects; general economic and business conditions in key regions of the world, including potential currency and business exposure in Argentina; changes in business strategy, economic, competitive and technological factors affecting markets, services, and prices in newly acquired SchlumbergerSema businesses and our ability to integrate these businesses and to realize synergies from these acquisitions; uncertainties created by deregulation in the utility industry and the extent and timing of utilities' investment in integrated solutions to utility management; continuing customer commitment to key long-term services and solutions contracts in our SchlumbergerSema businesses; our expectation of a reversal of the weak IT environment and a significant increase in IT spending; the extent and timing of a recovery in the telecommunications industry; demand for smart cards in e-commerce and network and Internet-enabled solutions; Schlumberger's ability to meet its identified liquidity projections, including the generation of sufficient cash flow from oilfield operating results and the successful completion of certain business divestitures, and other factors detailed in this Form 10-Q, our most recent Form 10-K and our 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.

Item 3: Quantitative and Qualitative Disclosure about Market Risk.

Schlumberger does not believe it has a material exposure to financial market risk. Schlumberger manages the exposure to interest rate changes by using a mix of debt maturities and variable- and fixed-rate debt together with interest rate swaps, where appropriate, to fix or lower borrowing costs. With regard to foreign currency fluctuations, Schlumberger enters into various contracts, which change in value as foreign exchange rates change, to protect the value of external and intercompany transactions in foreign currencies. Schlumberger does not enter into foreign currency or interest rate transactions for speculative purposes.

* Mark of Schlumberger

PART II. OTHER INFORMATION

Item 4: Submission of Matters to a Vote of Security Holders

a) The Annual General Meeting of Stockholders of the Registrant ("the Meeting") was held on April 10, 2002.

b) At the Meeting, the number of Directors was fixed at 11 and the following-named 11 individuals were elected to comprise the entire Board of Directors of the Registrant, each to hold office until the next Annual General Meeting of Stockholders and until a director's successor is elected and qualified or until a director's death, resignation or removal. All of the nominees, except Jamie S. Gorelick, Andrew Gould and Adrian Lajous, were directors who were previously elected by the stockholders.

D. Euan Baird
John Deutch
Jamie S. Gorelick
Andrew Gould
Adrian Lajous
Andre Levy-Lang
William T. McCormick, Jr.
Didier Primat
Nicolas Seydoux
Linda Gillespie Stuntz
Sven Ullring

c) The Meeting also voted (i) to adopt and approve the Company's Consolidated Balance Sheet as at December 31, 2001, its Consolidated Statement of Income for the year ended December 31, 2001, and the declaration of dividends reflected in the Company's 2001 Annual Report to Stockholders; and to approve the appointment of PricewaterhouseCoopers LLP as independent public accountants to audit the accounts of the Company for the year 2002.

The votes cast were as follows:

Directors:

	For	Withheld
D. Euan Baird	468,679,221	8,332,883
John Deutch	469,818,611	7,193,493
Jamie S. Gorelick	471,412,021	5,600,083
Andrew Gould	471,678,770	5,333,334
Adrian Lajous	471,409,451	5,602,653
Andre Levy-Lang	471,640,178	5,371,926
William T. McCormick, Jr.	471,723,052	5,289,052
Didier Primat	471,670,876	5,341,228
Nicolas Seydoux	471,678,861	5,333,243
Linda Gillespie Stuntz	471,693,550	5,318,554
Sven Ullring	471,668,257	5,343,847

Financials:

For	Against	Abstain
469,427,218	1,162,964	6,421,922

PricewaterhouseCoopers:

For	Against	Abstain
463,909,564	7,257,380	5,845,160

Item 6: Exhibits and Reports on Form 8-K
- --

(a) Exhibits:
Exhibit 10(a) Employment Agreement between Schlumberger Limited and Jack Liu, effective March 1, 2002.

(b) Reports on Form 8-K:

Report 8-K dated April 17, 2002, filed as of April 18, 2002 to report a Question and Answer document on the April 17, 2002 Schlumberger Press Release.

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 thereunto duly authorized and in his capacity as chief accounting officer.

Schlumberger Limited
(Registrant)

Date: May 2, 2002

/s/ Frank A. Sorgie

Frank A. Sorgie
Chief Accounting Officer

INDEX TO EXHIBITS

Exhibit 10(a)

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement") is effective as of the 1st day of March, 2002, by and between SCHLUMBERGER LIMITED, a Netherlands Antilles corporation (the "Company"), and Jack Liu, an individual currently residing at 33 Hemlock Drive; Greenwich, Ct. 06831 ("Executive").

1. Employment of Executive: In consideration of the mutual covenants and agreements herein contained, including Executive's agreement to sign a release of claims as provided in Section 13, the Company and Executive wish to establish an Employment Agreement retaining Executive's services as described herein, establishing certain incentive, tenure and performance criteria related to such employment and otherwise fixing Executive's benefits, base salary and incentive compensation.

2. Term and Extent of Services: During the Term, as defined below, Executive shall be employed as Senior Advisor to the Chief Financial Officer of the Company. The term hereof shall commence March 1, 2002 (the "Effective Date") and shall continue until the close of business on December 31, 2004 (the "Term"). The Initial Term as referenced herein shall commence on the Effective Date and shall continue until February 28, 2003. The Secondary Term shall commence March 1, 2003 and shall continue until December 31, 2004. During the Initial Term, Executive agrees to devote sufficient time to perform special projects and to perform to the best of his ability and with reasonable diligence the duties and responsibilities assigned to him by the appropriate management of the Company. During the Secondary Term, Executive agrees to devote up to 50% of his time to the business of the Company, as requested, and to perform to the best of his ability and with reasonable diligence the duties and responsibilities assigned to him by the appropriate management of the Company. Nothing shall prohibit Executive from being engaged as a consultant to organizations and businesses, except those described as Unauthorized Competitors in Section 5. At the expiration of the Term, Executive agrees to voluntarily terminate his employment with the Company and all affiliates.

3. Compensation and Benefits:

(a) Salary: During the Initial Term, Executive's base salary shall be $37,500 per month. During the Secondary Term, Executive's base salary shall be $28,125 per month. Executive's base salary shall be payable monthly in accordance with the Company's normal payroll practices.

(b) Welfare Benefits: During the Term, Executive shall be eligible to participate in the Company's medical and dental plans on a basis comparable to that of other employees at the Company's Sugar Land offices.

(c) Pension and Profit-Sharing: During the Term, or if Executive's employment is terminated sooner pursuant to Section 4, until such termination, Executive shall continue to accrue benefits under the Company's qualified and non-qualified pension and profit-sharing plans based on his base salary in effect under this Agreement.

(i) In addition, during the Secondary Term, Executive shall accrue a nonqualified pension based on the difference between $37,500 per month and his actual base salary. Such pension shall be accrued, paid and calculated in the same manner as the Executive's pension from the Company's qualified pension plan, but shall be unfunded, unsecured and paid out of the Company's general assets.

(ii) Beginning in the calendar month following the end of the Term and continuing until the year in which the Executive reaches age 62, the Executive shall be paid a supplemental pension adjustment, which is an annual pension equal to EURO 15,384 (payable in U.S. dollars based on the then-current exchange rate).

(d) Incentive Plans:

(i) During the Term, Executive shall not be eligible to participate in any new awards under the Company's annual or long-term incentive plans or programs; however, he will be paid for a prorated incentive bonus for the January-February period of 2002.

(ii) During the Term, or if Executive's employment is terminated sooner pursuant to Section 4, until such termination, Executive will continue to vest in stock options previously granted to Executive under the Company's stock option plans in accordance with the terms of those plans and any applicable agreements.

(iii) Upon termination of employment, except for a termination for Cause pursuant to Section 4(c) or upon Executive's employment with an unauthorized Competitor as described in Section 5(c)(i), Executive shall have 5 years from the date of such termination to exercise any previously granted stock options, to the extent that such options were exercisable as of the date of such termination.

(e) Vacation: During the Term, Executive shall not be eligible to accrue vacation pay. Within 30 days after the Effective Date, Executive shall be paid a cash amount representing his accrued and unused vacation accumulated as of February 28, 2002.

4. Termination of Employment: Should Executive's employment terminate prior to the end of the Term, the following provisions of this Section 4 shall govern the rights of Executive under this Agreement:

(a) Termination Due to Death: In the event Executive's employment terminates during the Term as a result of Executive's death, Executive's beneficiary or beneficiaries shall receive any base salary and benefits accrued but unpaid as of his death, plus any amounts payable on account of Executive's death pursuant to any other plan or program of the Company.

(b) Termination Due to Disability: In the event Executive's employment terminates during the Term due to his disability within the meaning of any long-term disability plan maintained by the Company and covering Executive as of the date of Executive's disability, Executive shall receive any base salary and benefits accrued but unpaid as of the date of his termination due to disability, plus any amounts payable on account of Executive's disability pursuant to any other plan or program of the Company.

(c) Termination by the Company for Cause: In the event the Company terminates Executive's employment during the Term for Cause, as defined below, he shall be entitled to:

(i) his base salary through the date of the termination of his employment for Cause; and

(ii) any other amounts earned, accrued or owing as of the date of termination of employment under the applicable employee benefit plans or programs of the Company.

"Cause" means Executive's dishonesty, conviction of a felony, willful unauthorized disclosure of confidential information of the Company or willful refusal to perform the duties of Executive's position or positions with the Company.

(d) Voluntary Termination; Termination at Conclusion of Initial Term: Upon 15 days' prior written notice to the Company (unless otherwise waived by the Company), Executive may voluntarily terminate his employment with the Company. A voluntary termination pursuant to this Section 4(d) shall not include a termination under Section 4(a), 4(b) or 4(c) above, and shall not be deemed a breach of this Agreement by Executive.

(i) In the event Executive voluntarily terminates his employment and does not, within the period of the original Term, become employed by an Unauthorized Competitor, as defined below, he shall be entitled to:

(A) his base salary through the date of the termination of his employment;

(B) other benefits for which he is eligible in accordance with applicable plans or programs of the Company including but not limited to eligibility for early retirement and retiree medical;

(C) exercise any stock options granted under a stock option plan of the Company that vested during the Term of the Agreement (and prior to his termination date) for up to five years after his termination date but not to exceed the original option term;

(D) if and only if such voluntary termination occurs on the last day of the Initial Term, a lump sum payment equal to the sum of (1) and (2), where (1) is $450,000 (2) is $128,709, which is the amount equal to the present value of the Executive's forfeited benefit under the Company's supplemental pension plan determined as of the last day of the Initial Term.

(E) if and only if such voluntary termination occurs after the last day of the Initial Term and on or before the last day of the Secondary Term, a lump sum payment of $450,000 multiplied by the fraction of N divided by 22, where N equals the number of months remaining in the Secondary Term after his termination. In addition, Executive shall be entitled to receive an amount equal to the present value of the Executive's forfeited benefit under the Company's supplemental pension plan determined as of the last day of his employment.

For purposes of this Agreement, an Unauthorized Competitor means those companies as defined in Section 5, involved in researching, developing or marketing a Competitive Product, as defined in Section 5.

(ii) In the event Executive voluntarily terminates his employment and, within the period of the original Term, becomes employed by an Unauthorized Competitor, as defined below, he shall be entitled to:

(A) his base salary through the date of the termination of his employment; and

(B) other benefits for which he is eligible in accordance with applicable plans or programs of the Company; provided, however, that Executive shall not be able to exercise any options that vested during the Term of this Agreement.

5. Confidentiality, Return of Property, and Covenant Not to Compete:

(a) Confidentiality. The Company agrees to provide Executive with Confidential Information as necessary to perform his duties hereunder. Executive agrees that in return for this and other consideration provided under this Agreement he will not disclose or make available to any other person or entity, or use for his own personal gain, any Confidential Information, except for such disclosures as required in the performance of his duties hereunder. For purposes of this Agreement, "Confidential Information" shall mean any and all information, data and knowledge that have been created, discovered, developed or otherwise become known to the Company or any of its affiliates or ventures or in which property rights have been assigned or otherwise conveyed to the Company or any of its affiliates or ventures, which information, data or knowledge has commercial value in the business in which the Company is engaged, except such information, data or knowledge as is or becomes known to the public without violation of the terms of this Agreement. By way of illustration, but not limitation, Confidential Information includes trade secrets, processes, formulas, know-how, improvements, discoveries, developments, designs, inventions, techniques, marketing plans, manuals, records of research, reports, memoranda, computer software, strategies, forecasts, new products, unpublished financial statements or parts thereof, budgets or other financial information, projections, licenses, prices, costs, and employee, customer and supplier lists or parts thereof.

In addition, the Company and Executive agree that the terms of this Agreement are confidential and that any disclosure to anyone for any purpose whatsoever (save and except disclosure to Executive's spouse, to financial institutions as part of a financial statement, to immediate family members and/or heirs, financial, tax and legal advisors, outplacement, executive search advisors, prospective employers, or as required by law) in the event confirmation of any such information is requested the request should be directed to the Director of Personnel, New York)) by Executive or Executive's agents, representatives, heirs, spouse, employees or spokespersons shall be a breach of this Agreement, and shall relieve the Company of its obligations hereunder. The above is not intended to restrict Executive from seeking or engaging in other employment and, in that connection, from making confidential disclosure to potential employers of such facts or opinions as Executive may elect to convey, nor is it intended to restrict the Company from conducting such confidential internal communications as may be necessary to manage implementation of this Agreement in a businesslike way.

(b) Return of Property. Executive agrees that at the time of leaving the Company's employ, he will deliver to the Company (and will not keep in his possession, recreate or deliver to anyone else) all Confidential Information, as well as all other devices, records, data, notes, reports, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, materials, equipment, customer or client lists or information, or any other documents or property (including all reproductions of the aforementioned items) belonging to the Company or any of its affiliates or ventures, regardless of whether such items were prepared by Executive.

(c) Covenant Not to Compete. Executive acknowledges that the skills, processes and information developed at the Company could be utilized directly and to the Company's detriment (or the detriment of any of the Company's affiliates or ventures) with several other businesses. Executive also acknowledges that the nature of his position at the Company will bring him into close contact with much of the Company's Confidential Information, and the Company has affirmatively agreed to provide him with Confidential Information. Accordingly, for the consideration provided to Executive in this Agreement, Executive agrees to be bound by the following restrictive covenants:

(i) During the Term, Executive shall not accept employment with or render services to any unauthorized competitor as a director, officer, agent, employee, independent contractor or consultant, or take any action inconsistent with the fiduciary relationship of an employee to his employer. In order to protect the Company's good will and other legitimate business interests, provide greater flexibility to Executive in obtaining other employment and to provide both parties with greater certainty as to their obligations hereunder, the parties agree that Executive shall not be prohibited from accepting employment with any company or other enterprise except an Unauthorized Competitor. For purposes of this Agreement, an "Unauthorized Competitor" means major oilfield equipment and companies, more specifically defined as Halliburton Company, Baker Hughes Inc., BJ Services Company and Weatherford International Inc., and Gemplus, including any and all of their parents, subsidiaries, affiliates, joint ventures, divisions, successors or assigns.

(ii) Executive further agrees that during the Term, he shall not at any time, directly or indirectly, induce, entice or solicit (or attempt to induce, entice or solicit) any employee of the Company or any of its affiliates or ventures to leave the employment of the Company or any of its affiliates or ventures.

(iii) Executive acknowledges that these restrictive covenants under Section 5, for which he received consideration from the Company as provided in this Section 5, is ancillary to otherwise enforceable provisions of this Agreement and that these restrictive covenants contain limitations as to time, geographical area and scope of activity to be restrained that are reasonable and do not impose a greater restraint than is necessary to protect the good will or other business interests of the Company, such as the Company's need to protect its confidential and proprietary information. Executive acknowledges that in the event of a breach by Executive of these restrictive covenants, the covenants may be enforced by temporary restraining order, preliminary or temporary injunction and permanent injunction. In that connection, Executive acknowledges that in the event of a breach, the Company will suffer irreparable injury for which there is no adequate legal remedy, in part because damages caused by the breach may be difficult to prove with any reasonable degree of certainty.

(d) Employment by Affiliates: Notwithstanding any provision of this Agreement to the contrary, for purposes of determining whether Executive has terminated employment hereunder, "employment" means employment as an employee with the Company or any Affiliate. For purposes of this Agreement, the term "Affiliate" means (i) Schlumberger Limited, a Netherlands Antilles corporation, (ii) any corporation in which the shares owned or controlled directly or indirectly by Schlumberger Limited shall represent 40% or more of the voting power of the issued and outstanding stock of such corporation, and (iii) any other company controlled by, controlling or under common control with the Company within the meaning of Section 414 of the Internal Revenue Code of 1986, as amended.

6. Expenses: The Company and Executive shall each be responsible for its/his own costs and expenses, including, without limitation, court costs and attorneys' fees, incurred as a result of any claim, action or proceeding arising out of, or challenging the validity or enforceability of, this Agreement or any provisions hereof.

7. Notices: For purposes of this Agreement, notices and all other communications provided for herein shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Company:	Schlumberger Limited 300 Schlumberger Drive Sugar Land, Texas 77478 ATTENTION: Director of Personnel, SL/NY
If to Executive:	33 Hemlock Drive Greenwich, Ct. 06831

or to such other address as either party may furnish to the other in writing in accordance herewith, except that notices of changes of address shall be effective only upon receipt.

8. Applicable Law: The validity, interpretation, construction and performance of this Agreement will be governed by and construed in accordance with the substantive laws of the State of New York, without giving effect to the principles of conflict of laws of such State.

9. Severability: If a court of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, then the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, and all other provisions shall remain in full force and effect.

10. Withholding of Taxes: The Company may withhold from any benefits payable under this Agreement all federal, state, city or other taxes as may be required pursuant to any law or governmental regulation or ruling.

11. No Assignment; Successors: Executive's right to receive payments or benefits hereunder shall not be assignable or transferable, whether by pledge, creation or a security interest or otherwise, whether voluntary, involuntary, by operation of law or otherwise, other than a transfer by will or by the laws of descent or distribution, and in the event of any attempted assignment or transfer contrary to this Section 11, the Company shall have no liability to pay any amount so attempted to be assigned or transferred. This Agreement shall inure to the benefit of and be

enforceable by Executive's personal or legal representatives, executors, administrators, successors, heirs, distributes, devises and legatees.

This Agreement shall be binding upon and inure to the benefit of the Company, its successors and assigns (including, without limitation, any company into or with which the Company may merge or consolidate).

12. Effect of Prior Agreements: This Agreement contains the entire understanding between the parties hereto and supersedes any prior employment agreement or severance agreement between the Company or any predecessor of the Company and Executive, except that this Agreement shall not affect or operate to reduce any benefit or compensation enuring to Executive of a kind elsewhere provided and not expressly provided or modified in this Agreement.

13. Release of Claims: In consideration for the compensation and other benefits provided pursuant to this Agreement, Executive agrees to execute a "Waiver and Release," a form of which is attached hereto as Exhibit A. Executive acknowledges that he was given copies of this Agreement and the Waiver and Release on February 1, 2002, and was given at least 21 days to consider whether to sign the Agreement and the Waiver and Release. The Company's obligations under this Agreement are expressly conditioned on the execution of the Release of Claims contemporaneously with the execution of this Agreement, and Executive's failure to execute and deliver such Release of Claims will void the Company's obligations hereunder.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered the 25th day of February, 2002, but effective as of the day and year first above written.

SCHLUMBERGER LIMITED

By: /s/ Jack Kluepfel

EXECUTIVE

/s/ Jack Liu

Name