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Cowen and Company  
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Ladies and gentlemen good morning. My thanks to Cowen and Company for the opportunity to be here.

Last year I described what the fall in the price of oil to near \$70 barrel would mean for the oil and gas industry in general, and for the service industry in particular. Today, at nearer \$40 per barrel, I'd like to share some further thoughts with you as we face a second consecutive year of falling upstream investment for the first time since the mid-1980s.

I will focus on three main points.

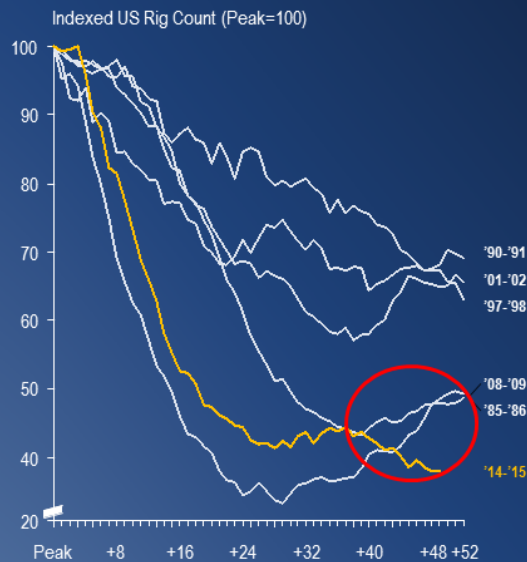
The first is to show how we have outperformed a difficult market that has required a careful balance between maintaining margins, and protecting market share. Part of our success in doing this has stemmed from the second area that I would like to cover, which is the ability of our transformation program to extract faster and more widespread benefits than we originally expected. Third, I'm going to update you on our business including the planned transaction with Cameron that will expand our portfolio as we extend technology integration to connect the reservoir to the surface with integrated drilling and production systems.

## Safe Harbor

This presentation contains "forward-looking statements" within the meaning of the federal securities laws — that is, statements about the future, not about past events. Such statements often contain words such as "expect," "may," "believe," "plan," "estimate," "intend," "anticipate," "should," "could," "will," "see," "likely," and other similar words. Forward-looking statements by their nature address matters that are, to varying degrees, uncertain, such as statements about our financial and performance targets and other forecasts or expectations regarding business outlook; growth for Schlumberger as a whole and for each of its segments (and for specified products or geographic areas within a segment); oil and natural gas demand and production growth; oil and natural gas prices; improvements in operating procedures and technology; capital expenditures by Schlumberger and the oil and gas industry; the business strategies of Schlumberger's customers; the integration of Cameron into our business; the anticipated benefits of the Cameron transaction; the success of Schlumberger's joint ventures and alliances; future global economic conditions; and future results of operations. These statements are subject to risks and uncertainties, including, but not limited to, global economic conditions; changes in exploration and production spending by Schlumberger's customers and changes in the level of oil and natural gas exploration and development; demand for our integrated services and new technologies; Schlumberger's future cash flows; the success of Schlumberger's transformation efforts; general economic, political and business conditions in key regions of the world, including in Russia and the Ukraine; pricing erosion; weather and seasonal factors; operational delays; production declines; changes in government regulations and regulatory requirements, including those related to offshore oil and gas exploration, radioactive sources, explosives, chemicals, hydraulic fracturing services and climate-related initiatives; the inability of technology to meet new challenges in exploration; satisfaction of the closing conditions to the Cameron merger; the risk that the contemplated Cameron merger will not occur; negative effects from the pendency of the contemplated Cameron merger; the inability after the closing of the Cameron merger to successfully integrate the merged businesses and to realize expected synergies; the inability to retain key employees; expenses for the merger; and other risks and uncertainties detailed in our most recent Forms 10-K, 10-Q, and 8-K filed with or furnished to the U.S. Securities and Exchange Commission. If one or more of these or other 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 reflected in our forward-looking statements. The forward-looking statements speak only as of the date of this presentation, and Schlumberger disclaims any intention or obligation to update publicly or revise such statements, whether as a result of new information, future events or otherwise.

Before we start, let's get the formalities out of the way. Some of the statements we will be making today are forward-looking. These matters involve risks and uncertainties that could cause our results to differ materially from those projected in these statements. I therefore refer you to our latest 10-K filing and our other SEC filings.

## Navigating the Most Severe Downturn in Decades



- Downturn driven by supply that has outstripped growth in demand
- Q3 US rig count deteriorated more than the bottom reached in 2008/09
- Q4 is seeing a further leg down to potentially reach a new low

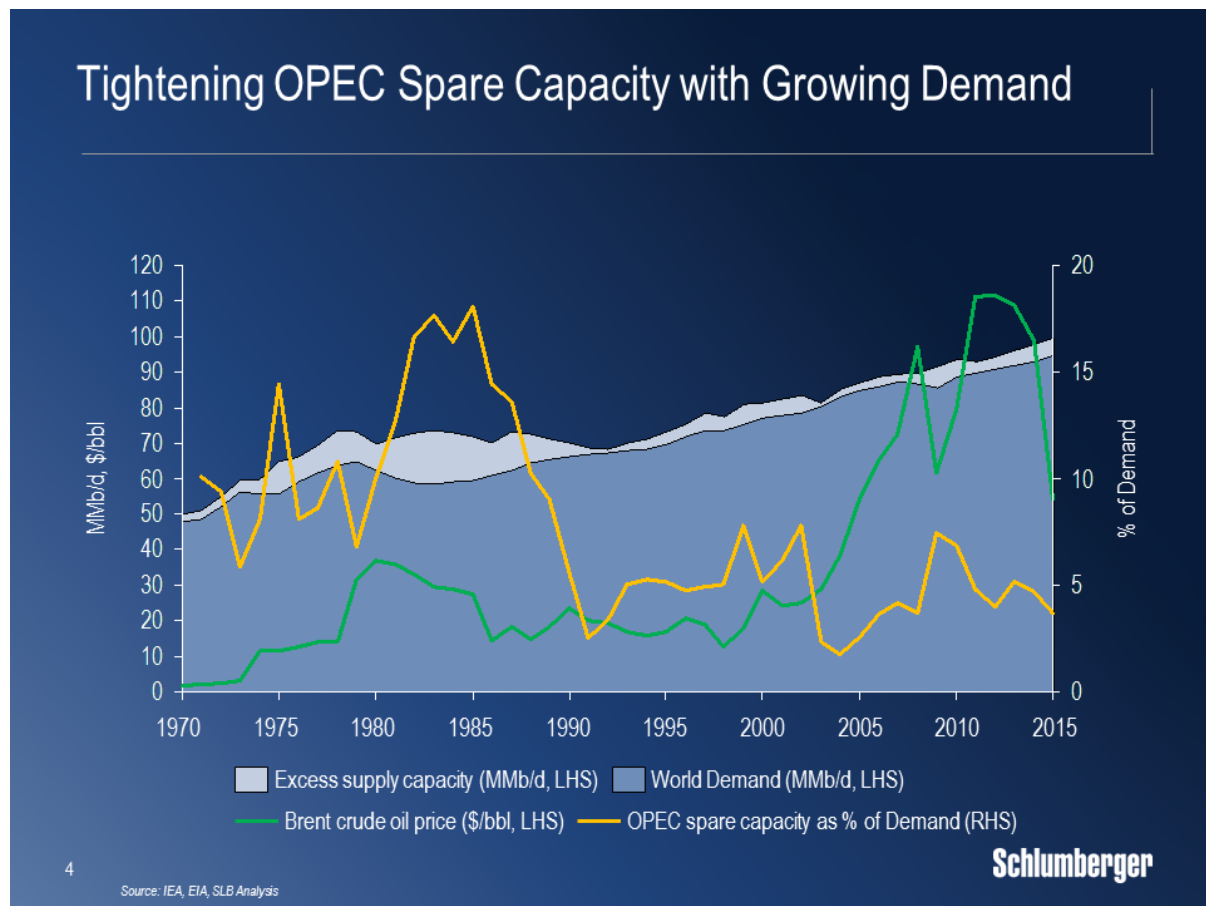
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Source: BHI Rig Count, SLB Analysis

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Let me begin with some general comments on the most significant drop we have seen in the business since 1986. Looking at the US alone, where the activity decline has been the sharpest, the rig count in the third quarter showed a limited increase to return to the level of the 2008-09 downturn. However, the fourth quarter is seeing a further leg down that can be expected to reach a new record low.

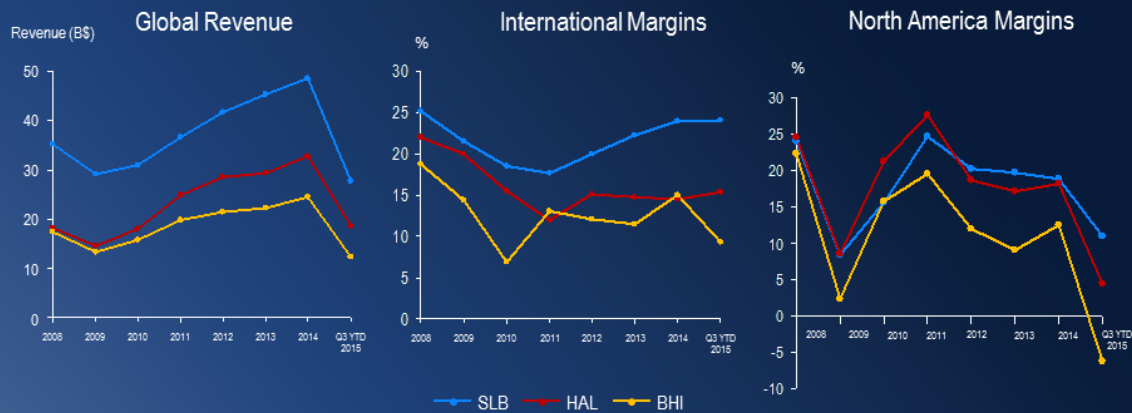
It is clear that the current downturn is driven by supply, due to high levels of marketed supply from Middle Eastern OPEC together with a dramatic increase in production from unconventional resources in North America. This combination has outstripped growth in demand and raised stocks to record levels, driving prices significantly lower and cutting industry investment to unsustainable levels that are already leading to flattening production. Once a second year of falling investment takes hold, we expect flattening production to become falling production as decline rates dominate.



There is however one major difference between the crash of 1986, and that of today. Thirty years ago, the rapid development of new sources of conventional oil production in the North Sea, Mexico and Alaska led to OPEC spare capacity of more than 10 million bbl/d. Today, spare capacity is about 3 million bbl/d as marketed supply reduces available spare capacity.

In spite of a very different crude oil supply mix with the world's largest consumer now capable of meeting its needs to a much greater extent than at any time in the past 30 years, we believe that two consecutive years of reducing investment will lay the foundations for a faster recovery than some observers are suggesting.

## Displaying Margin Leadership Through the Cycle



- North America margin leadership increased in the 2015 downturn
- Leading international margin maintained at recent highs
- The result of our approach to balancing margin and market share

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Source: SEC filings

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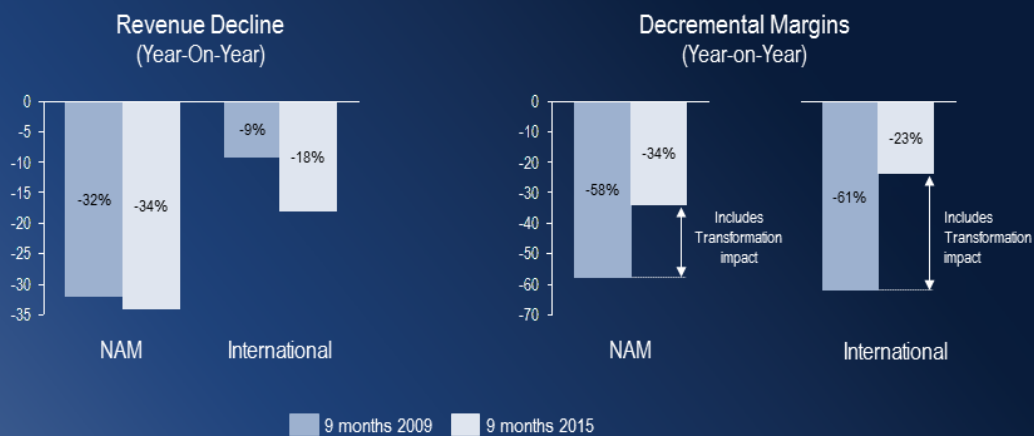
Comparing the quarterly performance of the oilfield service companies, revenues have varied as a function of activity, technology portfolio and geographical footprint. The broad nature of the Schlumberger portfolio has enabled us to grow in North America at comparable compound rates to those of our competitors, and allowed us to benefit from our large international franchise. As revenues now fall, however, we have begun to outperform the market.

This is clearest when we look at margins. Comparing the 2008-9 cycle to that of today, we see a dramatic difference in North America as roughly similar figures in the earlier cycle have become much more clearly differentiated. Indeed, we overtook our closest competitor in early 2012. This performance has been largely due to the effects of the early stages of the transformation program in North America, which have now been widened and accelerated.

Internationally, Schlumberger has always led the field. In the current downturn, and in spite of the dramatic fall in exploration where high-margin new technology has driven performance, we have been able to maintain margins at levels close to recent cycle highs. This has been achieved through a combination of our proactive approach to cost and resource management, the growing effects of our transformation program, strong new technology sales, and efficient management of our supply chain and logistics, resulting in a balance between margin and market share.



## Managing the Downturn



- Better decrements than the previous downturn
- Unprecedented drop in E&P activity combined with mounting pricing pressure
- Focusing on what we can control to preserve financial performance
- Reacting quickly and decisively to minimize disruption

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In achieving this, the main challenge has been to manage our cost and resource base while facing an unprecedented drop in E&P activity with mounting pricing pressure amid falling demand.

Through quick implementation, and by focusing on what we control, we have minimized the impact on our financial performance and maintained the quality of our service delivery. The results can be seen in our decremental margins, which are significantly better than those of the 2008-9 downturn in spite of the revenue drop being more severe.

For the first nine months of 2015, we have maintained decremental margins in North America well below 40% and delivered year-to-date operating margins in excess of 10%. Internationally, decremental margins are below 25%, with operating margins proving resilient at around 24%.

By reacting quickly, we have also been able to complete the headcount reductions that we took a charge for in the first quarter of the year, thereby avoiding additional restructuring charges in the second and third quarters. This helped stabilize our organization and maintained focus on serving our customers.

However, the latest leg down in activity has led us to again evaluate our staffing levels against expected activity. Following which, we will further right size the organization based on the activity outlook for 2016 and streamline our support structure. This will result in a restructuring charge currently estimated at \$350 million in the fourth quarter.

Let's now look at how the transformation program has contributed to our performance.

## Accelerating Transformation In The Downturn

### Schlumberger Transformation Goals



Our goal is to deliver a step change in *technology, reliability, efficiency* and *integration*, to support our customers in overcoming industry challenges

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The program is designed to create a step-change in performance by focusing on technology, reliability, efficiency and integration. It has been embraced across our organization, and continues to gain pace.

Five internal goals form its core. One is a tenfold improvement in operational reliability, while another is to double our asset utilization. People productivity is targeted with a 20% improvement. These goals are complemented by a 25% reduction in working capital, and a 10% reduction in unit support costs.

While the program was initially focused on improving performance in a market where rising E&P investment could not be met by increasing commodity prices, the current downturn has required us to accelerate its implementation in a market where commodity prices have fallen dramatically. This is being achieved by its introduction across more of the organization much faster, by revising individual goals to encompass wider targets, and by introducing new phases to existing transformation themes.

I'm now going to update you on some specific transformation initiatives.

## Improving Capital Efficiency Through Asset Utilization

CAPEX as a Percentage of Revenue



- Assets historically underutilized
- Increasing utilization lowers capital investment as percentage of revenue
- Lower capex brings lower depreciation
- Idle assets managed centrally

Depreciation vs Capex



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\* 2015 Revenue from based on Street Estimates. \*\* 2.5B\$ Capex from Company guidance. \*\*\* Depreciation based on Q1-Q3 annualized value

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Service companies have typically assigned technical assets to individual operating locations whose activity levels can vary considerably. Asset utilization has varied as activity rises and falls, and projects accelerate and decelerate. This has often resulted in asset underutilization that is reflected in higher than necessary capital investment and in higher depreciation.

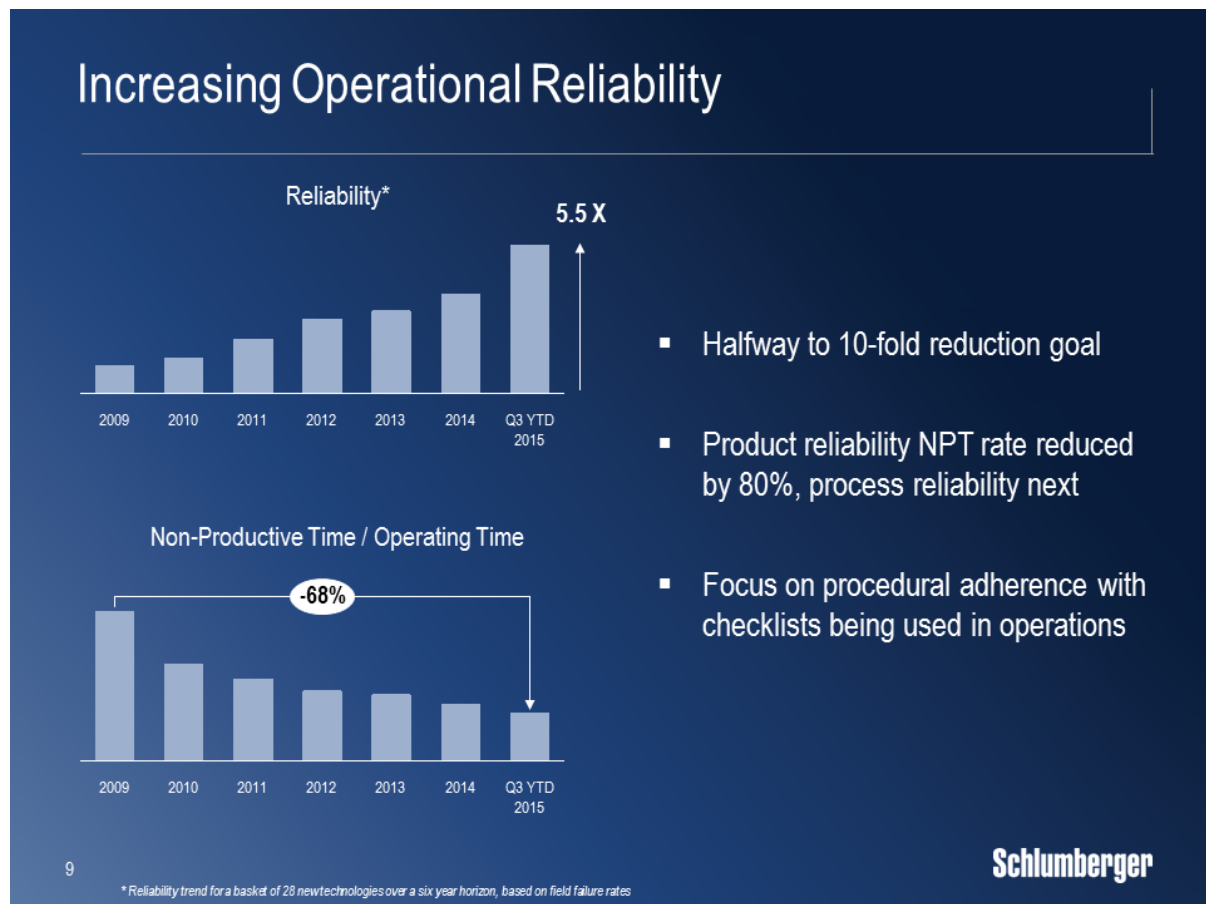
By increasing asset utilization, we can improve capital efficiency. As part of the transformation program, we have reassigned equipment from locations to Areas to give flexibility to move equipment more easily to meet changing activity, and to idle equipment when necessary.

This translates to lower capital investment as a percentage of revenue without slowing delivery of new technologies into the marketplace. It takes time for such actions to show up in the numbers, but our 2015 estimates already point to lowering capex, with lower depreciation to follow.

Improving capital efficiency also permits us to manage idle assets centrally. This is the case for our pressure pumping fleet, which is tracked and idled accordingly to keep only the right number in the field to match activity. We have also expanded idle asset programs to other business lines, including Drilling & Measurements, Coiled Tubing and Wireline.

As part of the transformation program and the continued decline of market conditions, we have initiated a restructuring of our global manufacturing and distribution network. This will result in a charge in the fourth quarter. Additionally, we will be conducting an asset impairment test in the fourth quarter.





A second transformation initiative is reliability, where we are already halfway to our tenfold reduction goal.

Approximately 25% of our issues stem from product reliability. Here, we have reduced our non-productive time rate by 80%, but the next challenge is to reduce process reliability.

Last year we focused on the importance of procedures to improve the consistency of our performance. This initiative uses standard work instructions, or checklists, to improve reliability regardless of operating environment. Within our Wireline product line we have already introduced standard instructions covering 135 distinct services.

## Improving People Productivity

Remote Ops—D&M Mexico

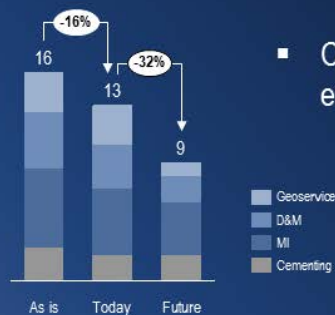


Average Crew Size



- Multiskilled crews perform operations from several different product lines
- Remote centers allow experts to oversee multiple operations

Multiskilling—IPM Norway



- Crew modularity brings efficiency by specialization

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Looking now at workforce productivity, we have already made considerable progress through multiskilling where field crews can perform services from multiple product lines in addition to making greater use of remote operations centers.

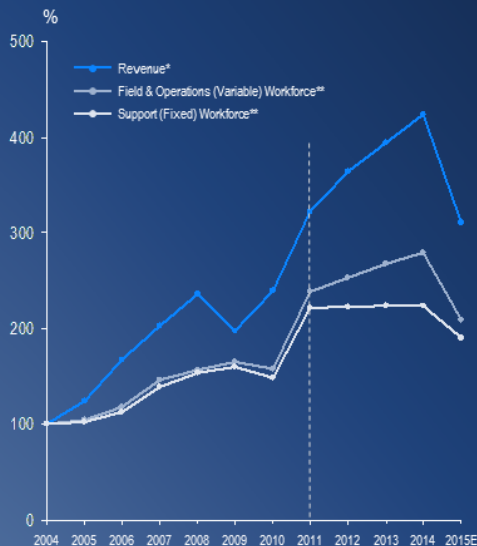
In Mexico, the combination of multiskilled crews and remote centers enabled well site supervisors to run directional drilling tools on location, allowing the directional drillers to move from the rig site to a remote command center where they can oversee multiple rigs simultaneously. Since the start of this initiative, more than 180 wells have been drilled in this way and rig crews have been reduced by an average of 35%.

Both international and national oil companies have been among the early adopters of the multiskilled approach. As we gain better understanding of the value that this approach brings, we are able to engage with customers to adapt contract terms to reflect the value achieved.

A third initiative in crew modularity assigns crews to specific types of operation that they can perform in an approach to increase efficiency through specialization.

## Reducing Unit Support Cost

Revenue and Workforce trend relative to 2004



- Creation of shared services organization streamlined internal processes
- Support workforce decreased in size in years of growth post-Smith acquisition
- Early reaction to downturn reduced both fixed and support workforce rapidly

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\*2015 Revenue based on Street estimates. \*\*Workforce based on Q3 2015 levels

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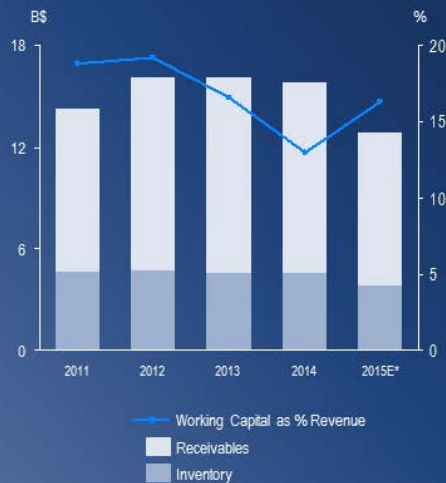
In reducing support costs, our experience has highlighted the potential of the improvements possible. There are two components.

First, when we acquired Smith International in 2010, we established a complete shared-service organization. This began an extensive program to streamline internal support processes and control addition of support staff more rigidly. As a result, our support organization has actually decreased in size during the years of growth.

Second, our early reaction to the current downturn has enabled us to reduce both direct and support headcount. This has been enabled by the agility of our field management team underpinned by their confidence in the deployment of the transformation program. As a result, while revenue grew by a factor of nearly four between 2004 and the peak in 2014, we were able to limit field and support headcount growth to factors of approximately three and two respectively.

## Managing Working Capital

Working Capital as Percentage of Revenue\*



- Receivable challenges internationally
- Centralized maintenance reduces inventory
- Distribution centers enable JIT inventory

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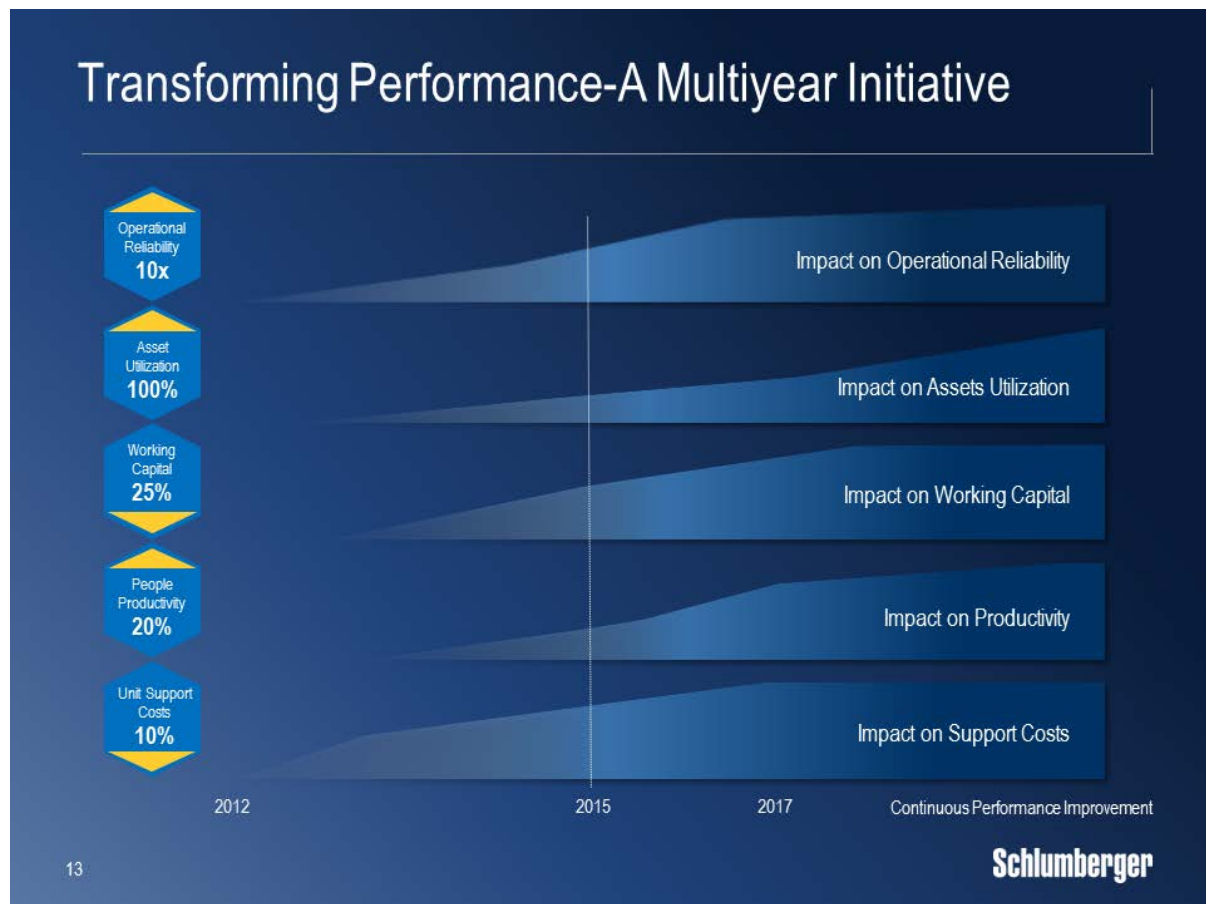
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\* Working Capital as percentage of revenue based on Q3 2015 TTM revenues. Receivable and Inventory balances as of Q3 2015

Another key transformation initiative has been to reduce working capital, as a percentage of revenue, by 25%. Progress has been made more difficult by the downturn in which some companies' budget reductions are translating to late payments and increased DSO. This has recently increased our working capital relative to revenue, thereby slowing progress towards our goal even though working capital performance remains better than the previous years' averages.

There are, however, a number of things that we do control. Centralizing assets, for example, also centralizes maintenance, which has a direct influence on the level of inventory that we need to carry.

In a similar manner, the efficiency gains and the experience acquired in supply chain logistics have enabled introduction of worldwide distribution centers that deliver required inventory using the "just-in-time" model of other high-technology industries.



Our transformation is a long-term program. Each individual initiative brings benefits over time, and each brings learning experiences that are leveraged by those that follow.

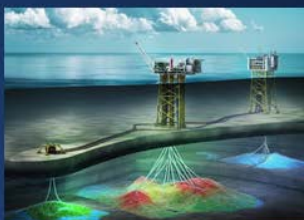
It took us seven years to realize the full benefits of the transformation of our engineering and manufacturing organization, a change that began in 2007. Armed with the experience we have gained in this and other components of the program as well as through each successful deployment, we are more and more confident in our ability to accelerate individual programs within our overall transformation program.

If I were to describe overall progress I would say that we are close to halfway towards our goals.



## Expanding Integration, Delivering New Technology

Integration Revenue/Total Revenue



New Technology Revenue/Total Revenue



- Integration activity increasing
- Lump sum turnkey market expanding
- New SPM business opportunities
- New Technology / total revenue ~ 23%
- Technology efficiency driving sales
- Multiple commercialization milestones

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\*2015 Revenue based on Street estimates, Integration and New Technologies based on Q3 YTD 2015 results

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The transformation program is also focused on the delivery of new technologies and business models that involve greater integration.

Within these areas, we expect activities with increasing integration to exceed 30% of revenue at increased profitability, and new technologies at premium pricing to contribute more than 25% of our revenue by 2017. Integration revenue is increasing as customers seek new ways of working as their own resources become stretched. Lump-sum turnkey work, for example is growing, and we are also working on a number of new SPM-type opportunities.

New technology sales have been robust, and their resilience underpins our belief in the value of technology in improving efficiency, and increasing reliability.

As one example, the third quarter saw total BroadBand pressure pumping stage count reach almost 12,000, and pass the milestone of generating more than \$1 billion in cumulative revenue since its introduction in late 2013. This performance is more than three times the success of HiWAY flow channel fracturing technology, which already represented a step change in new product introduction.

In other fields, the GeoSphere well placement service has been used to land an increasing number of deviated and extended-reach wells more accurately in the reservoir. We have completed more than 400 runs with the technology, demand is growing and pricing remains at a premium. In completions, where the unique Manara intelligent completions system has met considerable success, further sales have been made as the benefits of the technology become more apparent. And in unconventional resource development, we have set more than 1,000 of the highly versatile Infinity dissolvable plugs that decrease the time and cost required to complete such wells.

## Delivering Performance—The Det Norske Ivar Aasen Project



- Based on an integrated model that started early
- Dedicated project organization deploying best available technology through established processes
- Highly efficient unique collaboration model with fully integrated and collocated teams
- Open reception to new technologies with access to Schlumberger knowledge and delivery base

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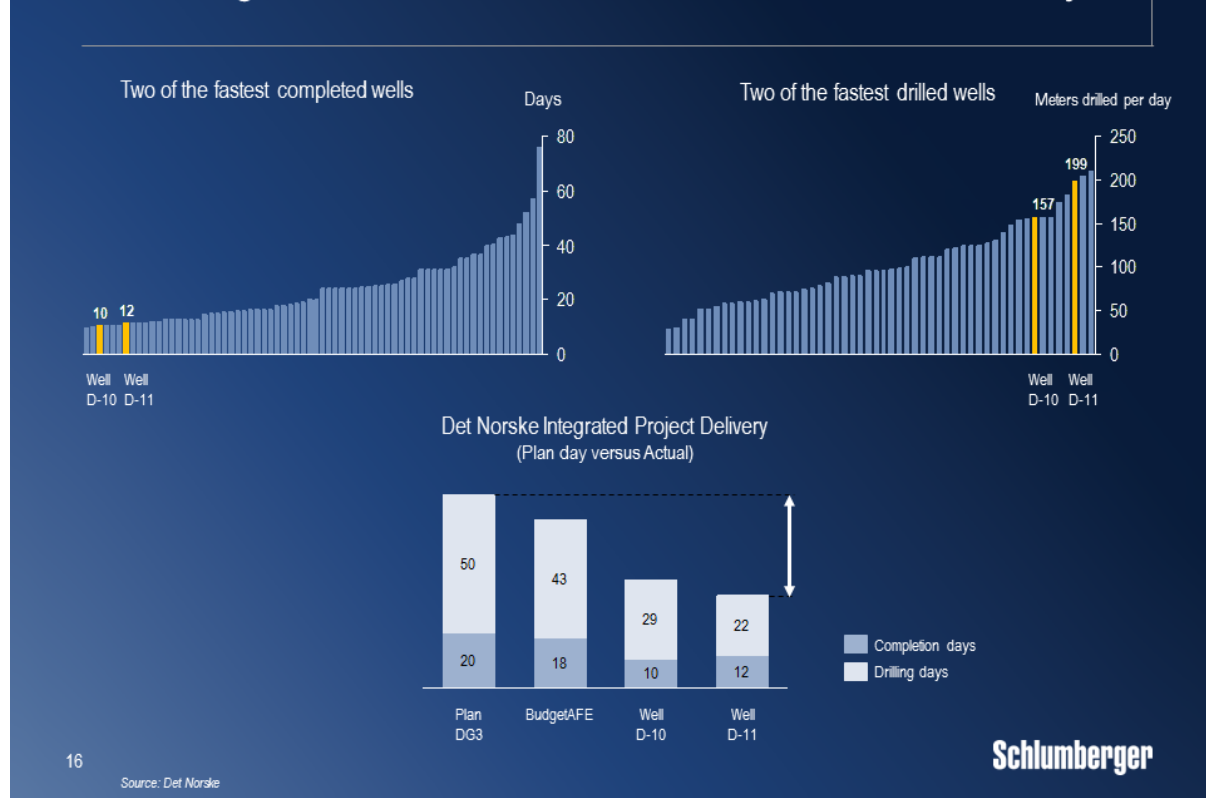
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Let's see how transformation program initiatives bring value to customers through an actual example. The Ivar Aasen field was discovered in 2008 in the North Sea in 112m of water and is operated by Det Norske.

In discussing how we could best meet the customer's needs, we chose to propose service delivery based on an integrated model that can assign human resources and skills within a dedicated project organization to deploy the best available technology through established workflows and processes.

In working well ahead of the project start date, it became much easier to integrate services and optimize the resources needed between the rig, the shore base in Trondheim, and the remote operations center in Stavanger. A unique collaboration model based on the collocation of Det Norske and Schlumberger project teams will enable a highly efficient approach to staffing levels through multiskilling, and an open reception to new fit-for-purpose technologies.

## Delivering Performance—The Det Norske Ivar Aasen Project

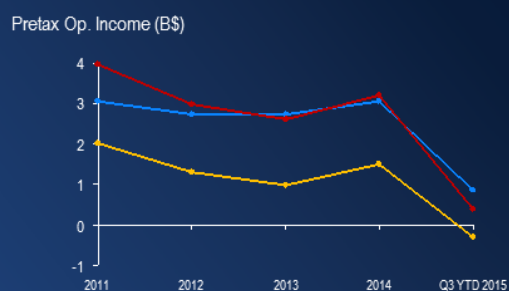
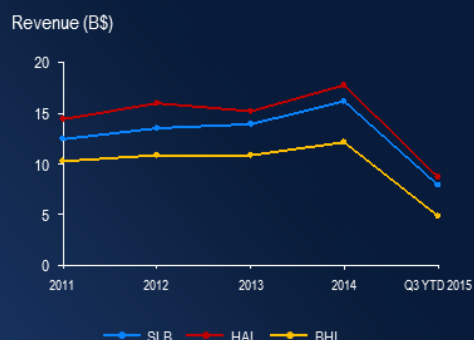


Among these, GeoSphere reservoir mapping technology has provided accurate well placement to increase footage in the payzone and mitigate drilling risks while a dedicated M-I SWACO laboratory helped ensure that drilling and completion fluids were compatible with the formations encountered.

Coupled with excellence in execution, the project yielded two of the fastest drilled and quickest completed wells in the public Rushmore database. On the faster of the two wells, the total saving enabled by this innovative approach and backed by the transformation program led to an almost halving of the time taken to drill and complete the well compared to the AFE budget.

## North America Outlook

- 10-12% land rig count decline in Q4 with continuing pricing pressure
- Focus on key customers, continue to stack equipment rather than operate at a loss
- Balance margins and market share to protect profitability and cash flow
- Year end sales limited
- Recovery in activity pushed out, no pricing traction until idle assets absorbed



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Source: SEC filings

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Let's now turn to our current outlook for both North America and the international Areas.

In the US, the land rig count that breached 900 on \$60-dollar WTI at the end of the second quarter quickly declined to a new low as commodity prices fell significantly lower. We now believe that a bottom well below the current low 700s is likely before the downturn ends with a 10-12% decline by the end of the fourth quarter.

In this market, our approach has been to concentrate activity in core areas and for key customers while stacking equipment rather than operate at a loss. However, when we have decided to pursue work at less-than-commercial prices, we have viewed it as an investment decision, rather than as an attempt to simply buy share.

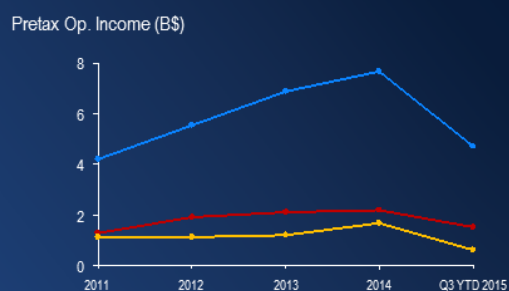
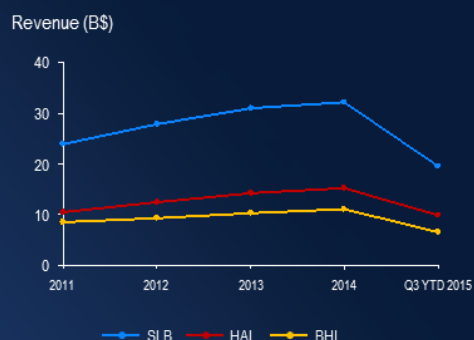
This has led us to move equipment and crews from basin to basin as we balance market share with margin and pursue new technology opportunities. We believe that this balance has helped ensure our strength in overall profitability in the North American market while continuing to maintain our overall infrastructure and long-term service capacity. In addition, we expect to be able to keep our margins above those of previous downturns.

In the current market, however, we also expect year-end product, software and multiclient sales to be weak and unable to offset seasonal weaknesses as we enter winter in the northern hemisphere.

It has also become clear that any recovery in activity has been pushed out in time, although light tight oil production in North America is clearly on the decline. There is a considerable inventory of drilled but uncompleted wells in unconventional resource basins that can rapidly be brought on production. As the price of WTI rises, these will be completed to add production before any significant rise in drilling activity is required. We do not therefore expect to see any meaningful increase in service pricing traction until the vast pool of idle service company assets has been considerably reduced.

## International Outlook

- Pricing pressure driven by customer budget cuts, revenue decline continues
- Northern hemisphere seasonally weak, not offset by usual year end sales
- GCC activity in MEA remains solid, however other Areas remain challenged
- Mitigating pricing pressure through Transformation to protect margins
- Recovery in activity pushed out, until Brent stabilizes higher and budgets revised



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Source: SEC filings

Turning now to the international Areas, we have not been immune to significant pricing discussions with our customers, although when these have led to significant reductions we have generally been able to offset them to a certain degree through actions on cost management or through transformation initiatives.

As we approach the end of the year, we expect that year-end sales of completion products, software licenses and multiclient seismic data sets in all Areas will be weaker than usual and will fail to offset seasonally lower activity as the northern hemisphere winter sets in.

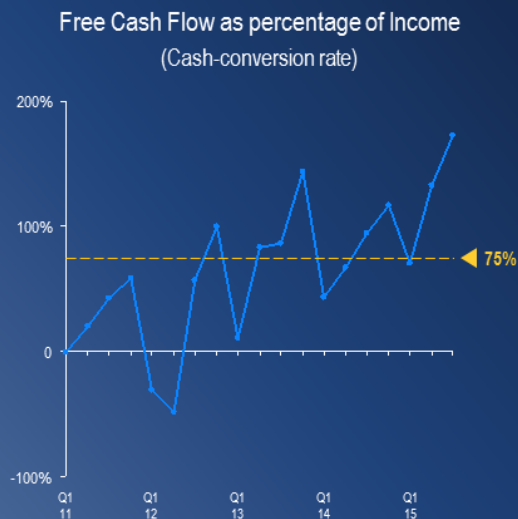
Among the individual Areas, activity in the Middle East and in Russia remains robust, particularly in Saudi Arabia, the United Arab Emirates and Kuwait but operations in these and other Areas are challenged by significant pricing concessions, a changing revenue mix, and project delays that are combining to drive both revenue and margin lower.

In these markets our overall approach continues to focus on strong customer service and operational integrity, while driving to link further rounds of pricing concessions to ways of working with customers to find more efficient ways of operating in order to lower total cost. At the same time, the benefits of the transformation program are enabling us to protect margin performance.

Overall, we now expect the recovery to take longer with the price of Brent beginning to stabilize at higher levels being one indication that will eventually lead to customer budgets being revised upward.



## Delivering Strong Cash Flow Conversion



- Strong cash flow in Q3 2015 YTD
- Conversion exceeds 75% target
- Cash enables M&A opportunities
- Return to shareholders

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Source: SEC filings

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In terms of corporate financial performance, we generated more than \$1.7 billion in free cash flow in the third quarter of the year. This figure, which represents a conversion of 170% of the quarter's earnings into free cash flow brings total free cash flow for the first nine months of 2015 to \$4.2 billion—a figure that largely exceeds our 75% goal.

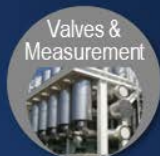
This performance continues to demonstrate our ability to generate significant cash that can be directed at pursuing growth through targeted M&A operations, or at investment in business opportunities such as new SPM initiatives. At the same time, we have always maintained that we will not retain more cash than we need to run the business, and we will therefore continue to return excess cash to shareholders in line with our stated objectives.

## Closing the Cameron Transaction on Target

### Drilling



### Production



- Integration planning well advanced
- Raising debt for closing in Q1
- Antitrust update: US DOJ cleared

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Last August we announced that we had reached a definitive agreement to acquire Cameron International. This transaction will create further value for shareholders through profitable technology-led growth in complementary businesses in a manner unequalled in today's difficult industry conditions.

Three other factors make this transaction particularly compelling. First is the broad opportunity it presents through the integration of our own reservoir technology with Cameron's wellhead and surface expertise. Second is the cost synergy that can be achieved through efficiency improvements, supply chain performance, and engineering and manufacturing processes, all strongly supported by our own transformation program. Last is the value we expect to be able to generate for customers through technology system innovation, improved operational performance, higher levels of cost efficiency as well as much closer commercial alignment through new and more risk-based business models.

I am happy to say that we received unconditional clearance from the US Department of Justice on November 16th. Closing, which we still expect to occur in the first quarter of 2016 remains subject to approval by Cameron stockholders and the satisfaction or waiver of the other closing conditions contained in the merger agreement between Schlumberger and Cameron.

Once the merger is closed, Cameron will join Schlumberger as a new product group on a par with our existing Characterization, Drilling and Production groups. Integration planning, which is already very well advanced, will be straightforward, particularly as the more complex subsea technologies are already essentially integrated within the framework of the OneSubsea joint venture.

## Conclusions

- Continuing multiyear run of financial outperformance by focusing on proactive resource management and service delivery while balancing margin and share
- Transformation contributing significantly to results by saving cost, changing the way we work, selling new technology, and expanding integration activities
- Business performance in both North America and international Areas resilient, reduced visibility requires return to managing on a quarter-by-quarter basis
- Charges to be taken in fourth quarter for restructuring as activity lowers further
- Company well-positioned for recovery although timing gap exists between price recovery and service activity as customer financial pressure must be relieved

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Ladies and gentlemen, in concluding I would like just to summarize a few key points.

First, we have continued our multiyear run of financial outperformance even in this market by focusing on prompt and proactive resource management, maintaining the quality of our service delivery, and by carefully managing the critical balance between margin and market share. Our focus has not only delivered strong financial performance, it has also generated significant liquidity.

Second, I've shown you that our multiyear transformation program has contributed to these results not only in cost savings as we change the way we work, but also in promoting new technology sales and delivery as well as by expanding integration activities and business models.

Third, our business performance in both North America and internationally has displayed considerable resilience as the market continues to decline. In this environment visibility continues to be considerably reduced and we will need to manage the company on a quarter-by-quarter basis. This will mean a further reduction in the size of the workforce in the fourth quarter as we adjust resources to lower activity levels, which will result in restructuring charges in addition to a charge related to our global manufacturing and distribution network. We will also be conducting an asset impairment test in the fourth quarter and are in the process of working through all of these items.

Many of the actions that we have taken are positioning us well for the inevitable recovery once the full effect of prolonged industry investment translates to declining production in the face of continuing hydrocarbon demand. The timing gap between higher oil prices and the subsequent increase in service company activity, however, will depend on the reversal of financial pressure on our customers.

Thank you very much.