UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended: June 30, 2014

Commission file No.: 1-4601

SCHLUMBERGER N.V.
(SCHLUMBERGER LIMITED)

(Exact name of registrant as specified in its charter)

CURAÇAO **(State or other jurisdiction of incorporation or organization)**	**52-0684746** **(I.R.S. Employer Identification No.)**
42 RUE SAINT-DOMINIQUE **PARIS, FRANCE**	**75007**
5599 SAN FELIPE, 17th FLOOR **HOUSTON, TEXAS, U.S.A.**	**77056**
62 BUCKINGHAM GATE **LONDON, UNITED KINGDOM**	**SW1E 6AJ**
PARKSTRAAT 83 THE HAGUE, **THE NETHERLANDS** **(Addresses of principal executive offices)**	**2514 JG** **(Zip Codes)**

Registrant's telephone number: (713) 375-3400

Indicate by check mark whether the 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 (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ 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 June 30, 2014
COMMON STOCK, $0.01 PAR VALUE PER SHARE	1,296,436,308

SCHLUMBERGER LIMITED
Second Quarter 2014 Form 10-Q
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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

SCHLUMBERGER LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF INCOME
(Unaudited)

(Stated in millions, except per share amounts)

	Second Quarter		Six Months	
	2014	2013	**2014**	2013
Revenue	**$ 12,054**	$ 11,182	**$ 23,294**	$ 21,752
Interest & other income	**64**	30	**141**	63
Gain on formation of OneSubsea	**—**	1,028	**—**	1,028
Expenses				
Cost of revenue	**9,269**	8,712	**18,018**	17,118
Research & engineering	**309**	293	**593**	585
General & administrative	**123**	100	**228**	196
Impairment & other	**—**	364	**—**	456
Interest	**90**	98	**193**	197
Income from continuing operations before taxes	**2,327**	2,673	**4,403**	4,291
Taxes on income	**506**	449	**974**	855
Income from continuing operations	**1,821**	2,224	**3,429**	3,436
Loss from discontinued operations	**(205)**	(124)	**(205)**	(69)
Net income	**1,616**	2,100	**3,224**	3,367
Net income attributable to noncontrolling interests	**21**	5	**37**	13
Net income attributable to Schlumberger	**$ 1,595**	$ 2,095	**$ 3,187**	$ 3,354
Schlumberger amounts attributable to:				
Income from continuing operations	**$ 1,800**	$ 2,219	**$ 3,392**	$ 3,423
Loss from discontinued operations	**(205)**	(124)	**(205)**	(69)
Net income	**$ 1,595**	$ 2,095	**$ 3,187**	$ 3,354
Basic earnings per share of Schlumberger:				
Income from continuing operations	**$ 1.38**	$ 1.67	**$ 2.60**	$ 2.58
Loss from discontinued operations	**(0.16)**	(0.09)	**(0.16)**	(0.05)
Net income (1)	**$ 1.23**	$ 1.58	**$ 2.45**	$ 2.52
Diluted earnings per share of Schlumberger:				
Income from continuing operations	**$ 1.37**	$ 1.66	**$ 2.58**	$ 2.56
Loss from discontinued operations	**(0.16)**	(0.09)	**(0.16)**	(0.05)
Net income (1)	**$ 1.21**	$ 1.57	**$ 2.42**	$ 2.51
Average shares outstanding:				
Basic	**1,300**	1,327	**1,303**	1,329
Assuming dilution	**1,315**	1,336	**1,316**	1,339

(1) Amounts may not add due to rounding.

See Notes to Consolidated Financial Statements

SCHLUMBERGER LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(Unaudited)

(Stated in millions)

	Second Quarter		Six Months	
	2014	2013	**2014**	2013
Net income	**$ 1,616**	$ 2,100	**$ 3,224**	$ 3,367
Currency translation adjustments				
Unrealized net change arising during the period	**58**	(157)	**(30)**	(234)
Marketable securities				
Unrealized gain arising during the period	**19**	11	**30**	83
Derivatives				
Net derivatives gain (loss) on hedge transactions	**(3)**	49	**13**	(104)
Reclassification to net income of net realized (gain) loss (*see Note 11*)	**9**	(34)	**6**	45
Pension and other postretirement benefit plans				
Actuarial loss				
Actuarial loss arising during the period	**—**	(6)	**—**	(6)
Amortization to net income of net actuarial loss (*see Note 15*)	**59**	76	**100**	152
Prior service cost				
Amortization to net income of net prior service cost (*see Note 15*)	**24**	31	**56**	63
Income taxes on pension and other postretirement benefit plans	**(10)**	(15)	**(20)**	(31)
Comprehensive income	**1,772**	2,055	**3,379**	3,335
Comprehensive income attributable to noncontrolling interests	**21**	5	**37**	13
Comprehensive income attributable to Schlumberger	**$ 1,751**	$ 2,050	**$ 3,342**	$ 3,322

See Notes to Consolidated Financial Statements

SCHLUMBERGER LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

		(Stated in millions)
	Jun. 30, 2014 (Unaudited)	Dec. 31, 2013
ASSETS		
Current Assets		
Cash	**$ 2,267**	$ 3,472
Short-term investments	**4,432**	4,898
Receivables less allowance for doubtful accounts (2014 - $407; 2013 - $384)	**12,251**	11,497
Inventories	**4,770**	4,603
Deferred taxes	**235**	288
Other current assets	**1,459**	1,467
	25,414	26,225
Fixed Income Investments, held to maturity	**480**	363
Investments in Affiliated Companies	**3,342**	3,317
Fixed Assets less accumulated depreciation	**15,743**	15,096
Multiclient Seismic Data	**727**	667
Goodwill	**15,220**	14,706
Intangible Assets	**4,738**	4,709
Other Assets	**2,422**	2,017
	$ 68,086	$ 67,100
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	**$ 8,692**	$ 8,837
Estimated liability for taxes on income	**1,529**	1,490
Long-term debt - current portion	**837**	1,819
Short-term borrowings	**668**	964
Dividends payable	**525**	415
	12,251	13,525
Long-term Debt	**11,740**	10,393
Postretirement Benefits	**699**	670
Deferred Taxes	**1,656**	1,708
Other Liabilities	**1,038**	1,169
	27,384	27,465
Equity		
Common stock	**12,338**	12,192
Treasury stock	**(9,514)**	(8,135)
Retained earnings	**40,111**	37,966
Accumulated other comprehensive loss	**(2,399)**	(2,554)
Schlumberger stockholders' equity	**40,536**	39,469
Noncontrolling interests	**166**	166
	40,702	39,635
	$ 68,086	$ 67,100

See Notes to Consolidated Financial Statements

SCHLUMBERGER LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

(Stated in millions)

	Six Months Ended Jun. 30,	
	2014	2013
Cash flows from operating activities:		
Net income	**$ 3,224**	$ 3,367
Add: Loss from discontinued operations	**205**	69
Adjustments to reconcile net income to cash provided by operating activities:		
Gain on formation of OneSubsea	—	(1,028)
Impairment of equity method investments and currency devaluation loss in Venezuela	—	456
Depreciation and amortization (1)	**1,997**	1,903
Pension and other postretirement benefits expense	**190**	255
Stock-based compensation expense	**162**	168
Pension and other postretirement benefits funding	**(127)**	(231)
Earnings of companies carried at equity, less dividends received	**(90)**	(26)
Change in assets and liabilities: (2)		
Increase in receivables	**(590)**	(511)
Increase in inventories	**(90)**	(237)
Decrease in other current assets	**82**	20
Increase in other assets	**(60)**	(75)
Decrease in accounts payable and accrued liabilities	**(515)**	(389)
Increase (decrease) in liability for taxes on income	**23**	(96)
(Decrease) increase in other liabilities	**(204)**	19
Other	**12**	131
NET CASH PROVIDED BY OPERATING ACTIVITIES	**4,219**	3,795
Cash flows from investing activities:		
Capital expenditures	**(1,786)**	(1,800)
SPM investments	**(377)**	(367)
Multiclient seismic data capitalized	**(154)**	(222)
Business acquisitions and investments, net of cash acquired	**(471)**	(717)
Sale of investments, net	**349**	850
Other	**3**	91
NET CASH USED IN INVESTING ACTIVITIES	**(2,436)**	(2,165)
Cash flows from financing activities:		
Dividends paid	**(932)**	(781)
Proceeds from employee stock purchase plan	**134**	126
Proceeds from exercise of stock options	**358**	63
Stock repurchase program	**(2,074)**	(692)
Proceeds from issuance of long-term debt	**1,979**	1,013
Repayment of long-term debt	**(2,104)**	(453)
Net decrease in short-term borrowings	**(302)**	(152)
Other	**(32)**	—
NET CASH USED IN FINANCING ACTIVITIES	**(2,973)**	(876)
Cash flows used in discontinued operations - operating activities	**—**	(33)
Cash flows used in discontinued operations - investing activities	**—**	(28)
Cash flows used in discontinued operations	**—**	(61)
Net (decrease) increase in cash before translation effect	**(1,190)**	693
Translation effect on cash	**(15)**	(12)
Cash, beginning of period	**3,472**	1,905
Cash, end of period	**$ 2,267**	$ 2,586

(1) Includes depreciation of property, plant and equipment and amortization of intangible assets, multiclient seismic data costs and SPM investments.
(2) Net of the effect of business acquisitions and divestitures.

See Notes to Consolidated Financial Statements

SCHLUMBERGER LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF EQUITY
(Unaudited)

(Stated in millions)

January 1, 2014 - June 30, 2014	Common Stock Issued	Common Stock In Treasury	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
Balance, January 1, 2014	$ 12,192	$ (8,135)	$ 37,966	$ (2,554)	$ 166	$ 39,635
Net income			3,187		37	3,224
Currency translation adjustments				(30)		(30)
Changes in unrealized gain on marketable securities				30		30
Changes in fair value of derivatives				19		19
Pension and other postretirement benefit plans				136		136
Shares sold to optionees, less shares exchanged	(12)	370				358
Vesting of restricted stock	(54)	54				—
Shares issued under employee stock purchase plan	6	128				134
Stock repurchase program		(2,074)				(2,074)
Stock-based compensation expense	162					162
Dividends declared ($0.80 per share)			(1,042)			(1,042)
Shares issued for acquisition	72	141				213
Other	(28)	2			(37)	(63)
Balance, June 30, 2014	$ 12,338	$ (9,514)	$ 40,111	$ (2,399)	$ 166	$ 40,702

(Stated in millions)

January 1, 2013 - June 30, 2013	Common Stock Issued	Common Stock In Treasury	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
Balance, January 1, 2013	$ 11,912	$ (6,160)	$ 32,887	$ (3,888)	$ 107	$ 34,858
Net income			3,354		13	3,367
Currency translation adjustments				(234)		(234)
Changes in unrealized gain on marketable securities				83		83
Changes in fair value of derivatives.				(59)		(59)
Pension and other postretirement benefit plans				178		178
Shares sold to optionees, less shares exchanged	(18)	81				63
Vesting of restricted stock	(43)	43				—
Shares issued under employee stock purchase plan	5	122				127
Stock repurchase program		(692)				(692)
Stock-based compensation expense	168					168
Dividends declared ($0.625 per share)			(832)			(832)
Other	1	1			19	21
Balance, June 30, 2013	$ 12,025	$ (6,605)	$ 35,409	$ (3,920)	$ 139	$ 37,048

SHARES OF COMMON STOCK
(Unaudited)

(Stated in millions)

	Issued	In Treasury	Shares Outstanding
Balance, January 1, 2014	1,434	(127)	1,307
Shares sold to optionees, less shares exchanged	—	6	6
Vesting of restricted stock	—	1	1
Shares issued under employee stock purchase plan	—	2	2
Shares issued for acquisition	—	2	2
Stock repurchase program	—	(22)	(22)
Balance, June 30, 2014	1,434	(138)	1,296

See Notes to Consolidated Financial Statements

1. Basis of Presentation

The accompanying unaudited consolidated financial statements of Schlumberger Limited and its subsidiaries ("Schlumberger") have been prepared in accordance with generally accepted accounting principles in the United States of America 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 Schlumberger management, all adjustments considered necessary for a fair statement have been included in the accompanying unaudited financial statements. All intercompany transactions and balances have been eliminated in consolidation. Operating results for the six-month period ended June 30, 2014 are not necessarily indicative of the results that may be expected for the full year ending December 31, 2014. The December 31, 2013 balance sheet information has been derived from the Schlumberger 2013 financial statements. For further information, refer to the *Consolidated Financial Statements* and notes thereto included in the Schlumberger Annual Report on Form 10-K for the year ended December 31, 2013, filed with the Securities and Exchange Commission on January 31, 2014.

Certain prior year items have been reclassified to conform to the current year presentation. During the second quarter of 2014, Schlumberger revised its *Consolidated Statement of Cash Flows* to present certain cash outflows relating to Schlumberger Production Management ("SPM") activities as a separate line item within investing activities, referred to as "*SPM investments*." Schlumberger historically presented such cash outflows as an operating activity. This change is not considered material to prior periods.

New Accounting Pronouncement

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers*. This ASU amends the existing accounting standards for revenue recognition and is based on the principle that revenue should be recognized to depict the transfer of goods or services to a customer at an amount that reflects the consideration a company expects to receive in exchange for those goods or services. Schlumberger is required to adopt this ASU on January 1, 2017. Schlumberger does not expect this ASU to have a material impact on its consolidated financial statements.

2. Charges and Credits

Schlumberger recorded the following charges and credits in continuing operations during the first six months of 2013:

Second quarter 2013:

- Schlumberger recorded a pretax and after-tax gain of $1.028 billion as a result of the deconsolidation of its subsea business in connection with the formation of the OneSubsea joint venture with Cameron International Corporation ("Cameron"). Refer to Note 4 – *Acquisitions* for further details.
- Schlumberger recorded a $222 million pretax ($203 million after-tax) impairment charge relating to an investment in a company involved in developing drilling-related technology and a $142 million pretax and after-tax impairment charge relating to an investment in a contract drilling business.

First quarter 2013:

- Although the functional currency of Schlumberger's operations in Venezuela is the US dollar, a portion of the transactions are denominated in local currency. In February 2013, Venezuela's currency was devalued from the prior exchange rate of 4.3 Bolivar Fuertes per US dollar to 6.3 Bolivar Fuertes per US dollar. As a result of this devaluation, Schlumberger recorded a pretax and after-tax foreign currency loss of $92 million during the first quarter of 2013.

The following is a summary of the charges recorded during the first six months of 2013:

(Stated in millions)

	Pretax	Tax	Net	Classification
Gain on formation of OneSubsea joint venture	$ (1,028)	$ —	$ (1,028)	*Gain on formation of OneSubsea*
Impairment of equity-method investments	364	19	345	*Impairment & other*
Currency devaluation loss in Venezuela	92	$ —	92	*Impairment & other*
	$ (572)	$ 19	$ (591)	

There were no charges or credits recorded in continuing operations during the first six months of 2014.

3. Earnings Per Share

The following is a reconciliation from basic earnings per share of Schlumberger to diluted earnings per share from continuing operations of Schlumberger:

(Stated in millions, except per share amounts)

	2014			2013		
	Schlumberger Income from Continuing Operations	**Average Shares Outstanding**	**Earnings per Share from Continuing Operations**	Schlumberger Income from Continuing Operations	Average Shares Outstanding	Earnings per Share from Continuing Operations
Second Quarter						
Basic	**$ 1,800**	**1,300**	**$ 1.38**	$ 2,219	1,327	$ 1.67
Assumed exercise of stock options	**—**	**11**		—	5	
Unvested restricted stock	**—**	**4**		—	4	
Diluted	**$ 1,800**	**1,315**	**$ 1.37**	$ 2,219	1,336	$ 1.66

	Schlumberger Income from Continuing Operations	**Average Shares Outstanding**	**Earnings per Share from Continuing Operations**	Schlumberger Income from Continuing Operations	Average Shares Outstanding	Earnings per Share from Continuing Operations
Six Months						
Basic	**$ 3,392**	**1,303**	**$ 2.60**	$ 3,423	1,329	$ 2.58
Assumed exercise of stock options	**—**	**9**		—	6	
Unvested restricted stock	**—**	**4**		—	4	
Diluted	**$ 3,392**	**1,316**	**$ 2.58**	$ 3,423	1,339	$ 2.56

The number of outstanding options to purchase shares of Schlumberger common stock which were not included in the computation of diluted earnings per share, because to do so would have had an antidilutive effect, was as follows:

(Stated in millions)

	2014	2013
Second Quarter	**—**	13
Six Months	**5**	13

4. Acquisitions

On June 30, 2013, Schlumberger and Cameron completed the formation of OneSubsea, a joint venture to manufacture and develop products, systems and services for the subsea oil and gas market. Schlumberger and Cameron each contributed all of their respective subsea businesses to the joint venture and Schlumberger made a $600 million cash payment to Cameron. Schlumberger owns 40% of OneSubsea and accounts for this investment under the equity method. Schlumberger recognized a pretax and after-tax gain of $1.028 billion, which is classified as *Gain on formation of OneSubsea* in the *Consolidated Statement of Income*, as a result of the deconsolidation of its subsea business. This gain is equal to the difference between the fair value of the Schlumberger subsea business, which was determined based on the present value of its estimated future cash flows, and its carrying value at the time of closing.

During the first six months of 2014 and 2013, Schlumberger made certain other acquisitions and investments, none of which were significant on an individual basis, for cash payments, net of cash acquired, of $471 million and $117 million, respectively. Additionally, during the first six months of 2014, Schlumberger issued 2.1 million shares of its common stock, valued at $213 million, in connection with an acquisition.

5. Inventories

A summary of inventories follows:

	Jun. 30, 2014	Dec. 31, 2013
		(Stated in millions)
Raw materials & field materials	**$ 2,696**	$ 2,539
Work in process	**314**	261
Finished goods	**1,760**	1,803
	$ 4,770	$ 4,603

6. Fixed Assets

A summary of fixed assets follows:

	Jun. 30, 2014	Dec. 31, 2013
		(Stated in millions)
Property, plant & equipment	**$ 36,906**	$ 35,164
Less: Accumulated depreciation	**21,163**	20,068
	$ 15,743	$ 15,096

Depreciation expense relating to fixed assets was as follows:

	2014	2013
		(Stated in millions)
Second Quarter	**$ 800**	$ 776
Six Months	**$ 1,593**	$ 1,537

7. Multiclient Seismic Data

The change in the carrying amount of multiclient seismic data for the six months ended June 30, 2014 was as follows:

	(Stated in millions)
Balance at December 31, 2013	$ 667
Capitalized in period	154
Charged to expense	(94)
Balance at June 30, 2014	$ 727

8. Goodwill

The changes in the carrying amount of goodwill by reporting unit for the six months ended June 30, 2014 were as follows:

	Reservoir Characterization	Drilling	Production	Total
				(Stated in millions)
Balance at December 31, 2013	$ 3,737	$ 8,315	$ 2,654	$ 14,706
Acquisitions	17	223	275	515
Reallocation	83	(83)	—	—
Impact of changes in exchange rates	(1)	—	—	(1)
Balance at June 30, 2014	$ 3,836	$ 8,455	$ 2,929	$ 15,220

9. Intangible Assets

The gross book value, accumulated amortization and net book value of intangible assets were as follows:

(Stated in millions)

	Jun. 30, 2014			Dec. 31, 2013		
	Gross Book Value	**Accumulated Amortization**	**Net Book Value**	Gross Book Value	Accumulated Amortization	Net Book Value
Technology/Technical Know-How	**$ 1,960**	**$ 650**	**$ 1,310**	$ 1,960	$ 597	$ 1,363
Tradenames	**1,646**	**290**	**1,356**	1,647	257	1,390
Customer Relationships	**2,441**	**464**	**1,977**	2,263	407	1,856
Other	**430**	**335**	**95**	435	335	100
	$ 6,477	**$ 1,739**	**$ 4,738**	$ 6,305	$ 1,596	$ 4,709

Amortization expense charged to income was as follows:

(Stated in millions)

	2014	2013
Second Quarter	**$ 86**	$ 81
Six Months	**$ 169**	$ 163

The weighted average amortization period for all intangible assets is approximately 20 years.

Based on the net book value of intangible assets at June 30, 2014, amortization charged to income for the subsequent five years is estimated to be: remainder of 2014—$178 million; 2015—$355 million; 2016—$344 million; 2017—$337 million; 2018—$329 million; and 2019—$318 million.

10. Long-term Debt

A summary of *Long-term Debt* follows:

(Stated in millions)

	Jun. 30, 2014	Dec. 31, 2013
3.30% Senior Notes due 2021	**$ 1,596**	$ 1,596
3.65% Senior Notes due 2023	**1,495**	1,495
2.75% Guaranteed Notes due 2015	**1,359**	1,373
1.95% Senior Notes due 2016	**1,099**	1,099
4.20% Senior Notes due 2021	**1,100**	1,099
1.25% Senior Notes due 2017	**1,000**	999
2.40% Senior Notes due 2022	**999**	999
1.50% Guaranteed Notes due 2019	**694**	697
2.65% Senior Notes due 2016	**500**	500
Commercial paper borrowings	**1,472**	—
Other	**426**	536
	$ 11,740	$ 10,393

The estimated fair value of Schlumberger's *Long-term Debt* at June 30, 2014 and December 31, 2013, based on quoted market prices, was $12.0 billion and $10.4 billion, respectively.

Borrowings under the commercial paper program at June 30, 2014 were $2.0 billion, of which $0.5 billion was classified within *Long-term debt – current portion* in the *Consolidated Balance Sheet*. At December 31, 2013, borrowings under the commercial paper program were $95 million, all of which was classified within *Long-term debt – current portion* in the *Consolidated Balance Sheet*.

11. Derivative Instruments and Hedging Activities

Schlumberger is exposed to market risks related to fluctuations in foreign currency exchange rates and interest rates. To mitigate these risks, Schlumberger utilizes derivative instruments. Schlumberger does not enter into derivative transactions for speculative purposes.

Foreign Currency Exchange Rate Risk

As a multinational company, Schlumberger conducts business in more than 85 countries. Schlumberger's functional currency is primarily the US dollar, which is consistent with the oil and gas industry. However, outside the United States, a significant portion of Schlumberger's expenses is incurred in foreign currencies. Therefore, when the US dollar weakens (strengthens) in relation to the foreign currencies of the countries in which Schlumberger conducts business, the US dollar–reported expenses will increase (decrease).

Schlumberger is exposed to risks on future cash flows to the extent that local currency expenses exceed revenues denominated in local currency that are other than the functional currency. In addition, Schlumberger is also exposed to risks on future cash flows relating to certain of its long-term debt which is denominated in currencies other than the functional currency. Schlumberger uses foreign currency forward contracts and foreign currency options to provide a hedge against a portion of these cash flow risks. These contracts are accounted for as cash flow hedges, with the effective portion of changes in the fair value of the hedge recorded on the *Consolidated Balance Sheet* and in *Accumulated Other Comprehensive Loss*. Amounts recorded in *Accumulated Other Comprehensive Loss* are reclassified into earnings in the same period or periods that the hedged item is recognized in earnings. The ineffective portion of changes in the fair value of hedging instruments, if any, is recorded directly to earnings.

At June 30, 2014, Schlumberger recognized a cumulative net $48 million gain in *Equity* relating to revaluation of foreign currency forward contracts and foreign currency options designated as cash flow hedges, the majority of which is expected to be reclassified into earnings within the next 12 months.

Schlumberger is also exposed to changes in the fair value of assets and liabilities which are denominated in currencies other than the functional currency. Schlumberger uses foreign currency forward contracts and foreign currency options to hedge this exposure as it relates to certain currencies. These contracts are accounted for as fair value hedges with the fair value of the contracts recorded on the *Consolidated Balance Sheet* and changes in the fair value recognized in the *Consolidated Statement of Income* along with the change in fair value of the hedged item.

At June 30, 2014, contracts were outstanding for the US dollar equivalent of $5.8 billion in various foreign currencies, of which $2.5 billion related to hedges of debt denominated in currencies other than the functional currency.

Interest Rate Risk

Schlumberger is subject to interest rate risk on its debt and its investment portfolio. Schlumberger maintains an interest rate risk management strategy that uses a mix of variable and fixed rate debt combined with its investment portfolio and occasionally interest rate swaps to mitigate the exposure to changes in interest rates.

During the fourth quarter of 2013, Schlumberger entered into a cross currency swap for a notional amount of €0.5 billion in order to hedge changes in the fair value of Schlumberger's €0.5 billion 1.50% Guaranteed Notes due 2019. Under the terms of this swap, Schlumberger will receive interest at a fixed rate of 1.50% on the euro notional amount and will pay interest at a floating rate of three-month LIBOR plus approximately 64 basis points on the US dollar notional amount.

This cross currency swap is designated as a fair value hedge of the underlying debt. This derivative instrument is marked to market with gains and losses recognized currently in income to largely offset the respective gains and losses recognized on changes in the fair value of the hedged debt.

At June 30, 2014, Schlumberger had fixed rate debt aggregating $9.1 billion and variable rate debt aggregating $4.1 billion, after taking into account the effect of the swap.

Short-term investments and *Fixed income investments*, *held to maturity*, totaled $4.9 billion at June 30, 2014, and were comprised primarily of money market funds, eurodollar time deposits, certificates of deposit, commercial paper, euro notes and Eurobonds, and were substantially all denominated in US dollars. The carrying value of these investments approximated fair value, which was estimated using quoted market prices for those or similar investments.

The fair values of outstanding derivative instruments are as follows:

	(Stated in millions) Fair Value of Derivatives		Consolidated Balance Sheet Classification
	Jun. 30, 2014	Dec. 31, 2013	
Derivative Assets			
Derivatives designated as hedges:			
Foreign exchange contracts	**$ 17**	$ 98	*Other current assets*
Foreign exchange contracts	**11**	24	*Other Assets*
Interest rate swap	**23**	27	*Other Assets*
	$ 51	$ 149	
Derivatives not designated as hedges:			
Foreign exchange contracts	**$ 5**	$ 10	*Other current assets*
Foreign exchange contracts	**3**	4	*Other Assets*
	$ 8	$ 14	
	$ 59	$ 163	
Derivative Liabilities			
Derivatives designated as hedges:			
Foreign exchange contracts	**$ 6**	$ 14	*Accounts payable and accrued liabilities*
Foreign exchange contracts	**1**	1	*Other Liabilities*
	$ 7	$ 15	
Derivatives not designated as hedges:			
Foreign exchange contracts	**$ 10**	$ 2	*Accounts payable and accrued liabilities*
	$ 17	$ 17	

The fair value of all outstanding derivatives was determined using a model with inputs that are observable in the market or can be derived from or corroborated by observable data.

The effect of derivative instruments designated as fair value hedges and those not designated as hedges on the *Consolidated Statement of Income* was as follows:

	(Stated in millions) Gain (Loss) Recognized in Income				
	Second Quarter		**Six Months**		
	2014	2013	**2014**	2013	Consolidated Statement of Income Classification
Derivatives designated as fair value hedges:					
Interest rate swaps	**$ (8)**	$ —	**$ (9)**	$ (2)	*Interest expense*
Derivatives not designated as hedges:					
Foreign exchange contracts	**$ (8)**	$ (1)	**$ 5**	$ (23)	*Cost of revenue*

The effect of derivative instruments in cash flow hedging relationships on income and *Accumulated other Comprehensive Loss* (AOCL) was as follows:

	(Stated in millions) Gain (Loss) Reclassified from AOCL into Income				
	Second Quarter		**Six Months**		
	2014	2013	**2014**	2013	Consolidated Statement of Income Classification
Foreign exchange contracts	**$ (11)**	$ 38	**$ (8)**	$ (41)	*Cost of revenue*
Foreign exchange contracts	**2**	(4)	**2**	(4)	*Research & engineering*
	$ (9)	$ 34	**$ (6)**	$ (45)	

	(Stated in millions)			
	Gain (Loss) Recognized in AOCL			
	Second Quarter		Six Months	
	2014	2013	**2014**	2013
Foreign exchange contracts	**$ (3)**	$ 49	**$ 13**	$ (104)

12. Income Tax

Income from continuing operations before taxes which were subject to US and non-US income taxes was as follows:

	(Stated in millions)			
	Second Quarter		Six Months	
	2014	2013	**2014**	2013
United States	**$ 625**	$ 510	**$ 1,149**	$ 931
Outside United States	**1,702**	2,163	**3,254**	3,360
	$ 2,327	$ 2,673	**$ 4,403**	$ 4,291

Schlumberger recorded net pretax credits of $664 million during the second quarter of 2013 ($53 million of charges in the US and $717 million of net credits outside the US). These charges are included in the table above and are more fully described in Note 2 — *Charges and Credits.*

Schlumberger recorded net pretax credits of $572 million during the six months ended June 30, 2013 ($53 million of charges in the US and $625 million of net credits outside the US).

The components of net deferred tax assets (liabilities) were as follows:

	(Stated in millions)	
	Jun. 30, 2014	Dec. 31, 2013
Postretirement benefits	**$ 242**	$ 236
Intangible assets	**(1,486)**	(1,502)
Investments in non-US subsidiaries	**(278)**	(282)
Other, net	**101**	128
	$ (1,421)	$ (1,420)

The above deferred tax balances at both June 30, 2014 and December 31, 2013 were net of valuation allowances relating to net operating losses in certain countries of $246 million and $238 million, respectively.

The components of consolidated *Taxes on income* were as follows:

	(Stated in millions)			
	Second Quarter		Six Months	
	2014	2013	**2014**	2013
Current:				
United States — Federal	**$ 131**	$ 203	**$ 277**	$ 319
United States — State	**12**	20	**19**	35
Outside United States	**355**	298	**691**	546
	$ 498	$ 521	**$ 987**	$ 900
Deferred:				
United States — Federal	**$ 4**	$ (42)	**$ 11**	$ (24)
United States — State	**3**	(3)	**2**	(3)
Outside United States	**1**	(7)	**(26)**	2
Valuation allowance	**—**	(20)	**—**	(20)
	$ 8	$ (72)	**$ (13)**	$ (45)
	$ 506	$ 449	**$ 974**	$ 855

A reconciliation of the US statutory federal tax rate of 35% to the consolidated effective income tax rate follows:

	Second Quarter		Six Months	
	2014	2013	**2014**	2013
US federal statutory rate	**35%**	35%	**35%**	35%
US state income taxes	**—**	—	**—**	1
Non-US income taxed at different rates	**(11)**	(12)	**(11)**	(12)
Charges and credits (See Note 2)	**—**	(6)	**—**	(4)
Other	**(2)**	—	**(2)**	—
	22%	17%	**22%**	20%

13. Contingencies

In 2009, United States officials began a grand jury investigation and an associated regulatory inquiry, both related to certain historical Schlumberger operations in specified countries that are subject to United States trade and economic sanctions. Governmental agencies and authorities have a broad range of civil and criminal penalties that they may seek to impose for violations of trade and economic sanction laws including, but not limited to, disgorgement, fines, penalties and modifications to business practices. In recent years, these agencies and authorities have obtained a wide range of penalties in settlements with companies arising from trade and economic sanction investigations, including in some cases fines and other penalties in the tens and hundreds of millions of dollars. Schlumberger continues to cooperate and has been discussing the resolution of this matter with the governmental authorities. During the latter part of the second quarter of 2014, these discussions progressed to a point whereby Schlumberger determined that it was appropriate to increase its liability for this contingency. Accordingly, Schlumberger recorded a $205 million charge during the second quarter of 2014 within *Loss from discontinued operations* in the *Consolidated Statement of Income*. However, no certainty exists that a settlement will be reached or if so, the amount of any such settlement. Therefore, the ultimate loss could be greater or less than the amount accrued.

Schlumberger and its subsidiaries are party to various other legal proceedings from time to time. A liability is accrued when a loss is both probable and can be reasonably estimated. Management believes that the probability of a material loss with respect to these other legal proceedings is remote. However, litigation is inherently uncertain and it is not possible to predict the ultimate disposition of any of these proceedings.

14. Segment Information

(Stated in millions)

	Second Quarter 2014		Second Quarter 2013	
	Revenue	**Income before taxes**	Revenue	Income before taxes
Reservoir Characterization	**$ 3,095**	**$ 918**	$ 3,067	$ 912
Drilling	**4,653**	**981**	4,239	800
Production	**4,344**	**725**	3,926	625
Eliminations & other	**(38)**	**(3)**	(50)	(59)
Pretax operating income		**2,621**		2,278
Corporate & other (1)		**(216)**		(181)
Interest income (2)		**8**		4
Interest expense (3)		**(86)**		(92)
Charges and credits (4)		**—**		664
	$ 12,054	**$ 2,327**	$ 11,182	$ 2,673

(1) Comprised principally of certain corporate expenses not allocated to the segments, interest on postretirement medical benefits, stock-based compensation costs, amortization expense associated with certain intangible assets and other nonoperating items.

(2) Interest income excludes amounts which are included in the segments' income ($5 million in 2014; $2 million in 2013).

(3) Interest expense excludes amounts which are included in the segments' income ($4 million in 2014; $6 million in 2013).

(4) See Note 2 – *Charges and Credits.*

(Stated in millions)

	Six Months 2014		Six Months 2013	
	Revenue	Income before taxes	Revenue	Income before taxes
Reservoir Characterization	**$ 5,947**	**$ 1,698**	$ 5,868	$ 1,641
Drilling	**8,984**	**1,861**	8,301	1,525
Production	**8,460**	**1,462**	7,684	1,181
Eliminations & other	**(97)**	**(32)**	(101)	(104)
Pretax operating income		**4,989**		4,243
Corporate & other (1)		**(418)**		(348)
Interest income (2)		**15**		9
Interest expense (3)		**(183)**		(185)
Charges and credits (4)		**—**		572
	$ 23,294	**$ 4,403**	$ 21,752	$ 4,291

(1) Comprised principally of certain corporate expenses not allocated to the segments, interest on postretirement medical benefits, stock-based compensation costs, amortization expense associated with certain intangible assets and other nonoperating items.

(2) Interest income excludes amounts which are included in the segments' income ($10 million in 2014; $2 million in 2013).

(3) Interest expense excludes amounts which are included in the segments' income ($10 million in 2014; $12 million in 2013).

(4) See Note 2 – *Charges and Credits.*

15. Pension and Other Postretirement Benefits

Net pension cost for the Schlumberger pension plans included the following components:

(Stated in millions)

	Second Quarter				Six Months			
	2014		2013		2014		2013	
	US	Int'l	US	Int'l	US	Int'l	US	Int'l
Service cost — benefits earned during period	**$ 16**	**$ 29**	$ 21	$ 34	**$ 35**	**$ 60**	$ 41	$ 67
Interest cost on projected benefit obligation	**35**	**56**	38	63	**76**	**128**	75	124
Expected return on plan assets	**(44)**	**(88)**	(51)	(100)	**(96)**	**(200)**	(103)	(200)
Amortization of prior service cost	**3**	**22**	3	29	**6**	**52**	6	59
Amortization of net loss	**24**	**32**	31	37	**44**	**52**	63	74
	$ 34	**$ 51**	$ 42	$ 63	**$ 65**	**$ 92**	$ 82	$ 124

The net periodic benefit cost for the Schlumberger US postretirement medical plan included the following components:

(Stated in millions)

	Second Quarter		Six Months	
	2014	2013	2014	2013
Service cost — benefits earned during period	**$ 11**	$ 12	**$ 22**	$ 24
Interest cost on accumulated postretirement benefit obligation	**15**	15	**30**	30
Expected return on plan assets	**(10)**	(9)	**(21)**	(18)
Amortization of prior service cost	**(1)**	(1)	**(2)**	(2)
Amortization of net loss	**3**	8	**4**	15
	$ 18	$ 25	**$ 33**	$ 49

16. Accumulated Other Comprehensive Loss

Accumulated Other Comprehensive Loss consists of the following:

(Stated in millions)

	Currency Translation Adjustments	Fair Value of Derivatives	Pension and Other Postretirement Benefit Plans	Unrealized Gains Marketable Securities	Total
Balance, January 1, 2014	$ (1,068)	$ 29	$ (1,691)	$ 176	$ (2,554)
Other comprehensive income (loss) before reclassifications	(30)	13	—	30	13
Amounts reclassified from accumulated other comprehensive loss	—	6	156	—	162
Income taxes	—	—	(20)	—	(20)
Net other comprehensive income (loss)	(30)	19	136	30	155
Balance, June 30, 2014	$ (1,098)	$ 48	$ (1,555)	$ 206	$ (2,399)

(Stated in millions)

	Currency Translation Adjustments	Fair Value of Derivatives	Pension and Other Postretirement Benefit Plans	Unrealized Gains Marketable Securities	Total
Balance, January 1, 2013	$ (918)	$ 30	$ (3,141)	$ 141	$ (3,888)
Other comprehensive income (loss) before reclassifications	(243)	(104)	(6)	83	(270)
Amounts reclassified from accumulated other comprehensive loss	9	45	215	—	269
Income taxes	—	—	(31)	—	(31)
Net other comprehensive income (loss)	(234)	(59)	178	83	(32)
Balance, June 30, 2013	$ (1,152)	$ (29)	$ (2,963)	$ 224	$ (3,920)

17. Discontinued Operations

During the second quarter of 2013, Schlumberger completed the wind down of its operations in Iran and has classified the historical results of this business as a discontinued operation.

The following table summarizes the results of this discontinued operation:

(Stated in millions)

	Second Quarter		Six Months	
	2014	2013	**2014**	2013
Revenue	**$ —**	$ 4	**$ —**	$ 102
Loss before taxes	**$ (205)**	$ (124)	**$ (205)**	$ (63)
Tax expense	**—**	—	**—**	(6)
Loss from discontinued operations	**$ (205)**	$ (124)	**$ (205)**	$ (69)

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

Second Quarter 2014 Compared to First Quarter 2014

Product Groups

(Stated in millions)

	Second Quarter 2014		First Quarter 2014	
	Revenue	**Income Before Taxes**	Revenue	Income Before Taxes
Reservoir Characterization	**$ 3,095**	**$ 918**	$ 2,852	$ 779
Drilling	**4,653**	**981**	4,331	881
Production	**4,344**	**725**	4,116	737
Eliminations & other	**(38)**	**(3)**	(60)	(29)
Pretax operating income		**2,621**		2,368
Corporate & other (1)		**(216)**		(201)
Interest income (2)		**8**		7
Interest expense (3)		**(86)**		(97)
	$ 12,054	**$ 2,327**	$ 11,239	$ 2,077

Geographic Areas

(Stated in millions)

	Second Quarter 2014		First Quarter 2014	
	Revenue	**Income Before Taxes**	Revenue	Income Before Taxes
North America	**$ 3,888**	**$ 700**	$ 3,684	$ 683
Latin America	**1,852**	**393**	1,758	371
Europe/CIS/Africa	**3,268**	**723**	2,881	585
Middle East & Asia	**2,966**	**826**	2,845	749
Eliminations & other	**80**	**(21)**	71	(20)
Pretax operating income		**2,621**		2,368
Corporate & other (1)		**(216)**		(201)
Interest income (2)		**8**		7
Interest expense (3)		**(86)**		(97)
	$ 12,054	**$ 2,327**	$ 11,239	$ 2,077

(1) Comprised principally of certain corporate expenses not allocated to the segments, interest on postretirement medical benefits, stock-based compensation costs, amortization expense associated with certain intangible assets and other nonoperating items.

(2) Interest income excludes amounts which are included in the segments' income ($5 million in 2014; $5 million in 2014).

(3) Interest expense excludes amounts which are included in the segments' income ($4 million in 2014; $6 million in 2014).

Second-quarter revenue of $12.05 billion increased 7% sequentially with International Area revenue of $8.09 billion growing $604 million, or 8% sequentially, while North America revenue of $3.89 billion increased $205 million, or 6% sequentially.

Second-quarter pretax operating income of $2.62 billion increased 11% sequentially. Pretax operating margin increased by 67 basis points (bps) to 21.7% as an increase of 122 bps in the International margin, to 24.0%, was partially offset by a 53 bps reduction in the North America margin, to 18.0%.

North America revenue of $3.89 billion increased 6% sequentially—with North America offshore revenue up 8% after a rebound in drilling activity despite a soft quarter for multiclient seismic sales. US land posted double-digit revenue growth on a 5% increase in rig count combined with improved efficiency and market share gains that was partially offset by the seasonal decline in activity in Western Canada following the spring break-up.

Despite the effects of the seasonal spring break-up in Western Canada and pressure pumping commodity inflation, North America pretax operating margin declined by only 53 bps to 18.0%.

The Europe/CIS/Africa Area led the sequential International Area increase with revenue of $3.27 billion increasing 13% as activity levels rebounded in Russia and Norway and exploration increased in Sub-Saharan Africa.

Middle East & Asia Area revenue of $2.97 billion increased 4% sequentially as exploration and drilling activity strengthened in Australia and development activity improved offshore China. In addition, growth continued in Saudi Arabia and seismic activity increased in the United Arab Emirates and Qatar GeoMarkets.

Latin America revenue of $1.85 billion grew 5% sequentially on robust activity in Colombia and Venezuela across all Technologies, including Schlumberger Production Management (SPM). This increase, however, was partially offset by a continued drop in rig count and activity in Mexico, while the revenue in the Brazil GeoMarket was flat sequentially.

Sequentially, International Area pretax operating margin of 24.0% increased 122 bps after posting incremental operating margins of 39%. Middle East & Asia improved 151 bps sequentially to reach 27.8%, Europe/CIS/Africa increased by 180 bps to 22.1%, while Latin America was relatively flat with the previous quarter at 21.2%.

The expansion in international margins was due to seasonal activity rebounds in Europe/CIS/Africa combined with strong results in the Middle East & Asia. Increased high-margin exploration and deepwater activities also helped boost sequential incremental operating margins.

Reservoir Characterization Group

Second-quarter revenue of $3.10 billion increased 9% sequentially. Pretax operating income of $918 million was 18% higher compared to the previous quarter.

Sequentially, the revenue increase was driven primarily by increased use of Wireline services as a result of stronger drilling activity in the US Gulf of Mexico and the seasonal rebound in activity in Russia and Norway. WesternGeco revenue increased sequentially from the return of marine vessels to the North Sea for the summer season. Schlumberger Information Solutions (SIS) revenue also increased from higher software sales and support.

Pretax operating margin of 29.7% increased 233 bps sequentially on higher WesternGeco vessel utilization, robust high-margin software sales, and stronger Wireline activities.

Drilling Group

Second-quarter revenue of $4.65 billion increased 7% sequentially. Pretax operating income of $981 million was 11% higher compared to the previous quarter.

Sequentially, revenue increased primarily on strong international activity for M-I SWACO technologies, mainly in Russia, Sub-Saharan Africa and Latin America. In addition, Drilling & Measurements grew in North America and Russia, while Drilling Tools & Remedial services posted strong equipment sales. Rig revenue from the May 2014 acquisition of Saxon Energy Services also contributed to the growth.

Pretax operating margin of 21.1% increased 74 bps from increased higher-margin activities for Drilling & Measurements in North America and in a number of international Areas.

Production Group

Second-quarter revenue of $4.34 billion increased 6% sequentially. Pretax operating income of $725 million declined 2% compared to the previous quarter.

Sequentially, revenue increased due to improving industry utilization of pressure pumping capacity in US land, strong international Well Services activity, increasing Well Intervention coiled tubing activity worldwide, and strong international sales of Completions products. These increases were partially offset by the seasonal decline in Western Canada activity, as a result of the spring break-up.

Pretax operating margin of 16.7% decreased 123 bps primarily due to the Canadian spring break-up and pressure pumping commodity inflation.

Second Quarter 2014 Compared to Second Quarter 2013

Product Groups

(Stated in millions)

	Second Quarter 2014		Second Quarter 2013	
	Revenue	**Income Before Taxes**	Revenue	Income Before Taxes
Reservoir Characterization	**$ 3,095**	**$ 918**	$ 3,067	$ 912
Drilling	**4,653**	**981**	4,239	800
Production	**4,344**	**725**	3,926	625
Eliminations & other	**(38)**	**(3)**	(50)	(59)
Pretax operating income		**2,621**		2,278
Corporate & other (1)		**(216)**		(181)
Interest income (2)		**8**		4
Interest expense (3)		**(86)**		(92)
Charges and credits (4)		**—**		664
	$ 12,054	**$ 2,327**	$ 11,182	$ 2,673

Geographic Areas

(Stated in millions)

	Second Quarter 2014		Second Quarter 2013	
	Revenue	**Income Before Taxes**	Revenue	Income Before Taxes
North America	**$ 3,888**	**$ 700**	$ 3,357	$ 662
Latin America	**1,852**	**393**	1,913	394
Europe/CIS/Africa	**3,268**	**723**	3,137	644
Middle East & Asia	**2,966**	**826**	2,655	654
Eliminations & other	**80**	**(21)**	120	(76)
Pretax operating income		**2,621**		2,278
Corporate & other (1)		**(216)**		(181)
Interest income (2)		**8**		4
Interest expense (3)		**(86)**		(92)
Charges and credits (4)		**—**		664
	$ 12,054	**$ 2,327**	$ 11,182	$ 2,673

(1) Comprised principally of certain corporate expenses not allocated to the segments, interest on postretirement medical benefits, stock-based compensation costs, amortization expense associated with certain intangible assets and other nonoperating items.

(2) Interest income excludes amounts which are included in the segments' income ($5 million in 2014; $2 million in 2013).

(3) Interest expense excludes amounts which are included in the segments' income ($4 million in 2014; $6 million in 2013).

(4) See Note 2 – *Charges and Credits* in the *Consolidated Financial Statements.*

Second-quarter 2014 revenue of $12.05 billion was 8% higher than the same period last year with International Area revenue of $8.09 billion increasing 5% and North America Area revenue of $3.89 billion growing 16%.

Internationally, the increase was led by the Middle East & Asia Area, which increased 12%, mainly from robust results in Saudi Arabia, Australia, the United Arab Emirates and in a number of GeoMarkets in Southeast Asia. Europe/CIS/Africa Area increased 4%, led by the Sub-Saharan Africa region on strong development and exploration activities particularly in the Central West Africa and Angola GeoMarkets. Norway also saw strong growth driven by market share gains and higher rig-related services for a number of customers. The Latin America Area, however, decreased 3% mainly on lower activity and pricing in Brazil and Mexico, partially offset by strong activities in Argentina, Ecuador and Venezuela.

North America increased 16% due mainly to land activity, which was driven by market share gains in pressure pumping, artificial lift and drilling services. The pressure pumping growth was augmented by improvements in operational efficiency and introduction of new technologies. This was offset, in part, by a decrease in offshore revenue resulting from lower drilling and exploration activities.

Second-quarter 2014 pretax operating income of $2.62 billion grew $343 million, or 15%, versus the same period last year, with International pretax operating income of $1.94 billion increasing 15% and North America pretax operating income of $700 million increasing 6%.

Second-quarter 2014 pretax operating margin of 21.7% expanded 137 bps, reflecting 39% incremental operating margins versus the same period last year, as International pretax operating margin expanded 206 bps to 24.0% while North America pretax operating margin contracted 170 bps to 18.0%. The expansion in International margins was primarily due to increased high-margin exploration activities and market share gains. The North America margin contraction was due to pressure pumping commodity inflation.

Reservoir Characterization Group

Second-quarter 2014 revenue of $3.09 billion was 1% higher than the same period last year driven by Wireline and Testing Services on higher offshore exploration activities and increased SIS software sales across all international areas. This increase was largely offset by reduced multiclient sales.

Year-on-year, pretax operating margin was flat at 29.7% as the effect of higher-margin exploration activities, which benefitted Wireline and Testing Services technologies and higher margin software sales was offset by lower profitability as a result of reduced multiclient sales.

Drilling Group

Second-quarter 2014 revenue of $4.65 billion was 10% higher than the previous year primarily due to the robust demand for Drilling & Measurements services and M-I SWACO technologies as activity strengthened in North America and Middle East & Asia Areas. Rig revenue from the May 2014 acquisition of Saxon Energy Services also contributed to the growth.

Year-on-year, pretax operating margin increased 221 bps to 21.1% primarily due to the increase in higher-margin activities of Drilling & Measurements.

Production Group

Second-quarter 2014 revenue of $4.34 billion increased 11% year-on-year mostly from Well Services pressure pumping technologies driven by market share gains, improvements in operational efficiency as well as introduction of new technologies. SPM revenue grew as projects in Latin America continued to progress ahead of work plans. Revenue from the expanding artificial lift business also contributed to the growth.

Year-on-year, pretax operating margin increased 75 bps to 16.7% mainly on improved profitability for Well Services, and Well Intervention, particularly in the International Areas. SPM activities also contributed to the margin expansion. These improvements were offset in part by a decrease in margins in North America due to pressure pumping commodity inflation.

Six Months 2014 Compared to Six Months 2013

Product Groups

(Stated in millions)

	Six Months 2014		Six Months 2013	
	Revenue	**Income Before Taxes**	Revenue	Income Before Taxes
Reservoir Characterization	**$ 5,947**	**$ 1,698**	$ 5,868	$ 1,641
Drilling	**8,984**	**1,861**	8,301	1,525
Production	**8,460**	**1,462**	7,684	1,181
Eliminations & other	**(97)**	**(32)**	(101)	(104)
Pretax operating income		**4,989**		4,243
Corporate & other (1)		**(418)**		(348)
Interest income (2)		**15**		9
Interest expense (3)		**(183)**		(185)
Charges and credits (4)		**—**		572
	$ 23,294	**$ 4,403**	$ 21,752	$ 4,291

Geographic Areas

(Stated in millions)

	Six Months 2014		Six Months 2013	
	Revenue	**Income Before Taxes**	Revenue	Income Before Taxes
North America	**$ 7,572**	**$ 1,383**	$ 6,647	$ 1,289
Latin America	**3,610**	**764**	3,817	765
Europe/CIS/Africa	**6,149**	**1,308**	6,000	1,153
Middle East & Asia	**5,811**	**1,575**	5,049	1,201
Eliminations & other	**152**	**(41)**	239	(165)
Pretax operating income		**4,989**		4,243
Corporate & other (1)		**(418)**		(348)
Interest income (2)		**15**		9
Interest expense (3)		**(183)**		(185)
Charges and credits (4)		**—**		572
	$ 23,294	**$ 4,403**	$ 21,752	$ 4,291

(1) Comprised principally of certain corporate expenses not allocated to the segments, interest on postretirement medical benefits, stock-based compensation costs, amortization expense associated with certain intangible assets and other nonoperating items.

(2) Interest income excludes amounts which are included in the segments' income ($10 million in 2014; $2 million in 2013).

(3) Interest expense excludes amounts which are included in the segments' income ($10 million in 2014; $12 million in 2013).

(4) See Note 2 – *Charges and Credits* in the *Consolidated Financial Statements.*

Six-month 2014 revenue of $23.29 billion grew $1.54 billion, or 7%, versus the same period last year with International Area revenue of $15.57 billion increasing $704 million, or 5%, and North America Area revenue of $7.57 billion growing $925 million, or 14%.

Internationally, the increase was led by the Middle East & Asia Area increasing 15%, mainly from robust drilling and seismic activities in Saudi Arabia, Australia, the United Arab Emirates and in a number of GeoMarkets in Southeast Asia. Europe/CIS/Africa Area increased 2%, led by the Sub-Saharan Africa region on strong development and exploration activities particularly in Central West Africa and Angola GeoMarkets. Norway also saw strong revenue growth driven by market share gains and higher rig-related services for a number of customers. However, Latin America Area revenue, decreased 5% mainly on lower activity and pricing in Brazil and Mexico partially offset by strong activities in Argentina and Ecuador.

North America revenue increased 14% due mainly to land, which was driven by market share gains in pressure pumping, artificial lift and drilling services. The pressure pumping growth was augmented by improvements in operational efficiency and introduction of new technologies. This was offset in part by a decrease in offshore revenue resulting from lower drilling and exploration activities.

Year-to-date 2014 pretax operating income of $4.99 billion grew $746 million, or 18% versus the same period last year with International Area pretax operating income of $3.65 billion increasing 17% and North America pretax operating income of $1.38 billion increasing 7%.

Year-to-date 2014 pretax operating margin of 21.4% expanded 191 bps, reflecting 48% incremental operating margins versus the same period last year, as International pretax operating margin expanded 244 bps to 23.4% while North America pretax operating margin contracted 113 bps to 18.3%. The expansion in International Area margins was primarily due to increased high-margin exploration activities and market share gains. The North America margin contraction reflected the pressure pumping commodity inflation.

Reservoir Characterization Group

Six-month 2014 revenue of $5.95 billion was 1% higher than the same period last year driven by Wireline and Testing Services on higher offshore exploration and increased software sales across all international areas for SIS. This increase was largely offset by lower marine vessel utilization and reduced multiclient sales.

Year-on-year, pretax operating margin increased 57 basis points to 28.5% largely due to the higher-margin exploration activities that benefited Wireline Technologies and Testing Services. Higher margin software sales also contributed to the margin improvement. These increases were partially offset by lower profitability in WesternGeco due to lower vessel utilization and reduced multiclient sales.

Drilling Group

Six-month 2014 revenue of $8.98 billion was 8% higher than the previous year, primarily due to robust demand for Drilling & Measurements services and M-I SWACO technologies as activity strengthened in North America and Middle East & Asia Areas. Rig revenue from the May 2014 acquisition of Saxon Energy Services also contributed to the growth.

Year-on-year, pretax operating margin increased 235 basis points to 20.7% primarily due to the increase in higher-margin activities of Drilling & Measurements.

Production Group

Six-month 2014 revenue of $8.46 billion increased 10% year-on-year mostly from Well Services pressure pumping technologies driven by market share gains, improvements in operational efficiency as well as introduction of new technologies. SPM revenue grew as projects in Latin America continued to progress ahead of work plans. Revenue from the expanding artificial lift business also contributed to the year-on-year growth.

Year-on-year, pretax operating margin increased 191 basis points to 17.3% mainly on improved profitability for Well Services, Completions and Well Intervention, particularly in the International Areas. SPM activities also contributed to the margin expansion. These improvements were offset in part by a decrease in margins in North America due to pressure pumping commodity inflation.

INTEREST & OTHER INCOME

Interest & other income consisted of the following for the second quarter and six months ended June 30, 2014 and 2013:

(Stated in millions)

	Second Quarter		Six Months	
	2014	2013	**2014**	2013
Equity in net earnings of affiliated companies	**$ 51**	$ 24	**$ 115**	$ 52
Interest income	**13**	6	**26**	11
	$ 64	$ 30	**$ 141**	$ 63

OTHER

Research & engineering and *General & administrative* expenses, as a percentage of *Revenue*, for the second quarter and six months ended June 30, 2014 and 2013 were as follows:

	Second Quarter		Six Months	
	2014	2013	**2014**	2013
Research & engineering	**2.6%**	2.6%	**2.5%**	2.7%
General & administrative	**1.0%**	0.9%	**1.0%**	0.9%

The effective tax rate for the second quarter of 2014 was 21.7% compared to 16.8% for the same period of 2013. The effective tax rate for the second quarter of 2013 was significantly impacted by the charges and credits described in Note 2 to the *Consolidated Financial Statements*. Excluding the impact of the second quarter 2013 charges and credits, the effective tax rate was 23.3%.

The effective tax rate for the six months ended June 30, 2014 was 22.1% compared to 19.9% for the same period of the prior year. The effective tax rate for the six months ended June 30, 2013 was also significantly impacted by the charges and credits described in Note 2 to the *Consolidated Financial Statements*. Excluding the impact of the charges and credits, the effective tax rate for the six months ended June 30, 2013 was 23.5%.

The decrease in the effective tax rate excluding the impact of charges and credits as compared to both the three- and six-month periods ended June 30, 2013, was primarily attributable to the fact that Schlumberger generated a smaller percentage of its pretax earnings in North America in 2014 as compared to 2013.

CHARGES AND CREDITS

Schlumberger recorded the following charges and credits in continuing operations during the second quarter and the first six months of 2013. These charges and credits, which are summarized below, are more fully described in Note 2 to the *Consolidated Financial Statements*.

The following is a summary of the second quarter 2013 charges and credits:

			(Stated in millions)	
	Pretax	Tax	Net	Classification
Gain on formation of OneSubsea joint venture	$ (1,028)	$ —	$ (1,028)	*Gain on formation of OneSubsea*
Impairment of equity-method investments	364	19	345	*Impairment & Other*
	$ (664)	$ 19	$ (683)	

The following is a summary of the charges and credits during the first six months of 2013:

			(Stated in millions)	
	Pretax	Tax	Net	Classification
Gain on formation of OneSubsea joint venture	$ (1,028)	$ —	$ (1,028)	*Gain on formation of OneSubsea*
Impairment of equity-method investments	364	19	345	*Impairment & Other*
Currency devaluation loss in Venezuela	92	—	92	*Impairment & Other*
	$ (572)	$ 19	$ (591)	

There were no charges or credits recorded in continuing operations during the first six months of 2014.

NET DEBT

Net Debt represents gross debt less cash, short-term investments and fixed income investments, held to maturity. Management believes that Net Debt provides useful information regarding the level of Schlumberger indebtedness by reflecting cash and investments that could be used to repay debt.

Details of Net Debt follow:

		(Stated in millions)
	Six Months ended Jun. 30,	
	2014	2013
Income from continuing operations	**$ 3,429**	$ 3,436
Gain on formation of OneSubsea	**—**	(1,028)
Impairment of equity method investments and currency devaluation loss in Venezuela	**—**	456
Depreciation and amortization (1)	**1,997**	1,903
Pension and other postretirement benefits expense	**190**	255
Stock-based compensation expense	**162**	168
Pension and other postretirement benefits funding	**(127)**	(231)
Increase in working capital	**(1,090)**	(1,213)
Other	**(342)**	49
Cash flow from operations	**4,219**	3,795
Capital expenditures	**(1,786)**	(1,800)
SPM investments	**(377)**	(367)
Multiclient seismic data capitalized	**(154)**	(222)
Free cash flow (2)	**1,902**	1,406
Stock repurchase program	**(2,074)**	(692)
Dividends paid	**(932)**	(781)
Proceeds from employee stock plans	**492**	189
	(612)	122
Business acquisitions and investments, net of cash acquired	**(964)**	(717)
Other	**(47)**	92
Increase in Net Debt	**(1,623)**	(503)
Net Debt, Beginning of period	**(4,443)**	(5,111)
Net Debt, End of period	**$ (6,066)**	$ (5,614)

(1) Includes depreciation of property, plant and equipment and amortization of intangible assets, multiclient seismic data costs and SPM investments.

(2) "Free cash flow" represents cash flow from operations less capital expenditures, SPM investments and multiclient seismic data capitalized. Management believes that this is an important measure because it represents funds available to reduce debt and pursue opportunities that enhance shareholder value such as acquisitions and returning cash to shareholders through stock repurchases and dividends.

Components of Net Debt	Jun. 30, 2014	Jun. 30, 2013	Dec. 31, 2013
			(Stated in millions)
Cash	**$ 2,267**	$ 2,586	$ 3,472
Short-term investments	**4,432**	3,339	4,898
Fixed income investments, held to maturity	**480**	417	363
Long-term debt – current portion	**(837)**	(2,083)	(1,819)
Short-term borrowings	**(668)**	(775)	(964)
Long-term debt	**(11,740)**	(9,098)	(10,393)
	$ (6,066)	$ (5,614)	$ (4,443)

Key liquidity events during the first six months of 2014 and 2013 included:

- During the second quarter of 2013, Schlumberger paid Cameron $600 million in connection with the formation of the OneSubsea joint venture.
- On April 17, 2008, the Schlumberger Board of Directors (the "Board") approved an $8 billion share repurchase program for shares of Schlumberger common stock, to be acquired before December 31, 2011. On July 21, 2011, the Board approved an extension of this repurchase program to December 31, 2013. This program was completed during the third quarter of 2013.

  On July 18, 2013, the Board approved a new $10 billion share repurchase program to be completed at the latest by June 30, 2018. Schlumberger had repurchased $3.8 billion of shares under this new share repurchase program as of June 30, 2014. Schlumberger has decided to accelerate this share repurchase program with the aim of completing it in 2.5 years as compared to the original target of 5 years.

  The following table summarizes the activity, during the six months ended June 30, under this share repurchase program during 2014 and 2013:

	Total cost of shares purchased	Total number of shares purchased	Average price paid per share
		(Stated in millions, except per share amounts)	
Six months ended June 30, 2014	**$ 2,074**	**21.5**	**$ 96.50**
Six months ended June 30, 2013	$ 692	9.3	$ 74.28

- Cash flow provided from operations was $4.2 billion in the first six months of 2014 compared to $3.8 billion in the first six months of 2013.
- Capital expenditures were $1.8 billion in the first six months of 2014 compared to $1.8 billion during the first six months of 2013. Capital expenditures for full-year 2014 are expected to be approximately $3.8 billion as compared to expenditures of $3.9 billion in 2013.

At times in recent years, Schlumberger has experienced delays in payments from its national oil company customer in Venezuela. Schlumberger operates in more than 85 countries. At June 30, 2014, only five of those countries (including Venezuela) individually accounted for greater than 5% of Schlumberger's accounts receivable balance of which only one, the United States, represented greater than 10%.

As of June 30, 2014, Schlumberger had $6.7 billion of cash and short-term investments on hand. Schlumberger had separate committed debt facility agreements aggregating $4.0 billion with commercial banks, of which $2.0 billion was available and unused as of June 30, 2014. This included $3.5 billion of committed facilities which support a commercial paper program in Europe. Schlumberger believes that these amounts are sufficient to meet future business requirements for at least the next 12 months.

Borrowings under the commercial paper program at June 30, 2014 were $2.0 billion.

Other Matters

As previously disclosed, during the second quarter of 2013, Schlumberger completed the wind down of its service operations in Iran. Prior to this, certain non-U.S. subsidiaries of Schlumberger provided oilfield services to the National Iranian Oil Company and certain of its affiliates ("NIOC"). Schlumberger has classified the results of this business as a discontinued operation. All prior periods were restated accordingly.

Schlumberger's residual transactions or dealings with the government of Iran in the quarter consisted of payments of taxes and other typical governmental charges. Two non-U.S. subsidiaries of Schlumberger have depository accounts at the Dubai branch of Bank Saderat Iran ("Saderat") and at Bank Tejarat ("Tejarat") in Tehran for the deposit by NIOC of amounts owed to non-US subsidiaries of Schlumberger for prior services rendered in Iran. One non-U.S. subsidiary also maintains the account at Tejarat for payment of local expenses such as taxes and utilities. Schlumberger anticipates that it will discontinue its dealings with Saderat and Tejarat following the receipt of all amounts owed to Schlumberger for prior services rendered in Iran.

Although the functional currency of Schlumberger's operations in Venezuela is the US dollar, a portion of the transactions are denominated in Venezuelan bolivares fuertes. For financial reporting purposes, such local currency transactions are remeasured into US dollars at the official exchange rate, which was fixed at 6.3 Venezuelan bolivares fuertes to the US dollar for most of 2013.

During 2014, Venezuela enacted certain changes to its foreign exchange system such that, in addition to the official rate of 6.3 Venezuelan bolivares fuertes per US dollar, there are now two other legal exchange rates (approximately 11 and 50 Venezuelan bolivares fuertes, respectively, to the US dollar as of June 30, 2014) that may be obtained via different exchange rate mechanisms. During the first half of 2014, Schlumberger continued to remeasure local currency transactions and balances into US dollars at the official exchange rate of 6.3.

At June 30, 2014, Schlumberger had approximately $410 million of net monetary assets denominated in Venezuelan bolivares fuertes. In the event of a devaluation of the official exchange rate or if Schlumberger were to determine that it is more appropriate to utilize one of the other legal exchange rates for financial reporting purposes, it would result in Schlumberger recording a devaluation charge in its *Consolidated Statement of Income*. Going forward, any devaluation in Venezuela will result in a reduction in the US dollar reported amount of local currency denominated revenues, expenses and, consequently, income before taxes. For example, if Schlumberger had applied an exchange rate of 50 Venezuelan bolivares fuertes to the US dollar throughout the first six months of 2014, it would have reduced Schlumberger's earnings by approximately $0.04 per share. Had Schlumberger changed to this exchange rate on June 30, 2014, it would have resulted in a one-time devaluation charge of $360 million ($0.27 per share).

FORWARD-LOOKING STATEMENTS

This Form 10-Q and other statements we make contain "forward-looking statements" within the meaning of the federal securities laws, which include any statements that are not historical facts, such as our 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 each 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; 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; 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; and other risks and uncertainties detailed in our second-quarter 2014 earnings release, our most recent Form 10-K and other filings that we make with the 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 our underlying assumptions prove incorrect, actual outcomes may vary materially from those reflected in our forward-looking statements. 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 Disclosures about Market Risk.

For quantitative and qualitative disclosures about market risk affecting Schlumberger, see Item 7A, "Quantitative and Qualitative Disclosures about Market Risk," of the Schlumberger Annual Report on Form 10-K for the fiscal year ended December 31, 2013. Schlumberger's exposure to market risk has not changed materially since December 31, 2013.

Item 4. Controls and Procedures.

Schlumberger has carried out an evaluation under the supervision and with the participation of Schlumberger's management, including the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), of the effectiveness of Schlumberger's "disclosure controls and procedures" (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the "Exchange Act")) as of the end of the period covered by this report. Based on this evaluation, the CEO and the CFO have concluded that, as of the end of the period covered by this report, Schlumberger's disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the reports that Schlumberger files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. Schlumberger's disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is accumulated and communicated to its management, including the CEO and the CFO, as appropriate, to allow timely decisions regarding required disclosure. There has been no change in Schlumberger's internal control over financial reporting that occurred during the quarter to which this report relates that has materially affected, or is reasonably likely to materially affect, Schlumberger's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

The information with respect to this Item 1 is set forth under Note 13—*Contingencies*, in the *Consolidated Financial Statements*.

Item 1A. Risk Factors.

As of the date of this filing, there have been no material changes from the risk factors previously disclosed in Part 1, Item 1A, of Schlumberger's Annual Report on Form 10-K for the fiscal year ended December 31, 2013.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Unregistered Sales of Equity Securities

On May 5, 2014, Schlumberger issued approximately 2.1 million shares of its common stock, valued at $213 million, in connection with an acquisition. These shares were issued without registration under the Securities Act, in reliance upon the exemption provided by Section 4(a)(2) of the Securities Act, because the issuance did not involve any public offering. Issuer Repurchases of Equity Securities

On July 18, 2013, the Schlumberger Board of Directors approved a new $10 billion share repurchase program for shares of Schlumberger common stock, to be completed at the latest by June 30, 2018.

Schlumberger's common stock repurchase program activity for the three months ended June 30, 2014 was as follows:

(Stated in thousands, except per share amounts)

	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced program	Maximum value of shares that may yet be purchased under the program
April 1 through April 30, 2014	3,749.8	$ 98.79	3,749.8	$ 7,013,398
May 1 through May 31, 2014	3,971.8	$ 100.69	3,971.8	$ 6,612,464
June 1 through June 30, 2014	3,811.2	$ 106.50	3,811.2	$ 6,209,271
	11,532.8	$ 101.85	11,532.8	

In connection with the exercise of stock options under Schlumberger's incentive compensation plans, Schlumberger routinely receives shares of its common stock from optionholders in consideration of the exercise price of the stock options. Schlumberger does not view these transactions as requiring disclosure under this Item as the number of shares of Schlumberger common stock received from optionholders is not material.

Item 3. Defaults Upon Senior Securities.

None**.**

Item 4. Mine Safety Disclosures.

The barite and bentonite mining operations of M-I LLC, an indirect wholly-owned subsidiary, are subject to regulation by the federal Mine Safety and Health Administration under the Federal Mine Safety and Health Act of 1977. Information concerning mine safety violations or other regulatory matters required by section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K is included in Exhibit 95 to this Report.

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit 3.1—Articles of Incorporation of Schlumberger Limited (Schlumberger N.V.) (incorporated by reference to Exhibit 3 to Schlumberger's Current Report on Form 8-K filed on April 7, 2011)

Exhibit 3.2—Amended and Restated By-laws of Schlumberger Limited (Schlumberger N.V.) (incorporated by reference to Exhibit 3.1 to Schlumberger's Current Report on Form 8-K filed on July 20, 2012)

* Exhibit 10.1—Form of Option Agreement, Incentive Stock Option, under Schlumberger 2013 Omnibus Stock Incentive Plan (+)

* Exhibit 10.2—Form of Option Agreement, Non-Qualified Stock Option, under Schlumberger 2013 Omnibus Stock Incentive Plan (+)

* Exhibit 10.3—Form of Restricted Stock Unit Award Agreement under Schlumberger 2013 Omnibus Stock Incentive Plan (+)

* Exhibit 31.1—Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

* Exhibit 31.2—Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

** Exhibit 32.1—Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

** Exhibit 32.2—Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

* Exhibit 95—Mine Safety Disclosures

* Exhibit 101—The following materials from Schlumberger Limited's Quarterly Report on Form 10-Q for the quarter ended June 30, 2014, formatted in XBRL (Extensible Business Reporting Language): (i) Consolidated Statement of Income; (ii) Consolidated Statement of Comprehensive Income; (iii) Consolidated Balance Sheet; (iv) Consolidated Statement of Cash Flows; (v) Consolidated Statement of Equity and (vi) Notes to Consolidated Financial Statements.

* Filed with this Form 10-Q.

** Furnished with this Form 10-Q.
(+) Compensatory plans or arrangements.

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: July 23, 2014	/s/ Howard Guild
	Howard Guild **Chief Accounting Officer and Duly Authorized Signatory**

Exhibit 10.1

OPTION AGREEMENT
SCHLUMBERGER 2013 OMNIBUS STOCK INCENTIVE PLAN
INCENTIVE STOCK OPTION

SCHLUMBERGER LIMITED, a Curacao corporation (the "Company"), hereby grants to you an incentive stock option (the "ISO") to purchase common stock of the Company, par value $0.01 per share ("Common Stock"), as more fully described below. The date of grant of this ISO (the "Grant Date"), the ISO exercise price and the number of shares of Common Stock subject to this ISO (collectively, the "Option Shares") are set forth in an award notice that has been previously delivered to you. Your ISO is subject to all the terms and conditions of the Schlumberger 2013 Omnibus Stock Incentive Plan as in effect on the date hereof (the "Plan") and this Agreement. Your ISO is intended to constitute an "incentive stock option" under Section 422 of the U.S. Internal Revenue Code of 1986 and the Treasury Regulations promulgated thereunder.

Except as set forth below, this ISO expires on the tenth anniversary of the Grant Date.

The Option Shares will become purchasable in installments, which are cumulative. The date on which each installment will become exercisable and the number of shares of Common Stock comprising each installment are as follows:

DATE	OPTION SHARES PURCHASABLE
1st Anniversary of the Grant Date	20%
2nd Anniversary of the Grant Date	20%
3rd Anniversary of the Grant Date	20%
4th Anniversary of the Grant Date	20%
5th Anniversary of the Grant Date	20%

In keeping with the Company's general policy, the terms of this Agreement, including the vesting schedules, are put in place in certain countries to accommodate local regulations. The vesting schedule above, and therefore your ability to exercise your ISO at certain times and certain other terms of the ISO, may change if you move from one country to another. Currently, the Company has in place a sub-plan for France which governs stock options issued to grantees residing in France or who are on a French payroll.

This ISO may be exercised only by delivering to the Company a written notice (or an electronic notice in the manner specified by the Compensation Committee of the Board of Directors (the "Board") of the Company (the "Committee")) specifying the number of shares of Common Stock you wish to purchase. The Committee, which is authorized by the Board to administer the Plan, hereby notifies you that the ISO price may be paid, subject to such rules and procedures in effect at such time and as the Committee may prescribe from time to time, (1) in cash or certified check, (2) by the delivery of shares of Common Stock with a fair market value at the time of exercise equal to the total ISO price, (3) by a combination of the methods described in (1) and (2), and (4) subject to applicable law, through a broker-assisted cashless exercise, or "sell-to-cover" arrangement in accordance with the procedures approved by the Committee.

Please see the Company's stock options department website, which is set forth in the last paragraph of this Agreement for further information. Any changes in the terms and procedures of this program, and any additional program that the Committee may authorize in the future, will be communicated to you on the Company's stock options department website.

This ISO will expire earlier than the date set forth above if you terminate employment with the Company and its Subsidiaries (as defined in the Plan). If you terminate employment with consent of the Company or a Subsidiary, as applicable, any exercise of this ISO must be made within three (3) months of termination of employment (or expiration date, if earlier) and then only to the extent the ISO was exercisable upon termination, unless you "retire" or become "disabled" (as defined below), or terminate employment due to death.

If your employment with the Company and its Subsidiaries is terminated due to retirement, your ISO shall be exercisable at any time during the period of sixty (60) months after such termination or the remainder of the term of the ISO, whichever is less (the "Retirement Exercise Period"), provided that such option may be exercised after such termination and before expiration only to the extent that it is exercisable on the date of such termination. For purposes of this Agreement, "retirement" means termination of your employment with the Company and all Subsidiaries at or after (i) age 55 or (ii) age 50 and completion of at least 10 years of service with the Company and all Subsidiaries. As more fully described in the Prospectus related to the Plan, if you exercise your option more than three (3) months following your retirement, your Option Shares will be treated as attributable to the exercise of a non-qualified stock option for tax purposes.

If your employment with the Company and its Subsidiaries is terminated due to death or disability, your ISO shall automatically become fully vested and exercisable. You may exercise the outstanding ISO at any time during the period of sixty (60) months after such termination or the remainder of the term of the ISO, whichever is less (the "Disability Exercise Period" or "Death Exercise Period", as applicable). For purposes of this Agreement, "disability" means such disability (whether through physical or mental impairment) which totally and permanently incapacitates you from any gainful employment in any field which you are suited by education, training, or experience, as determined by the Committee in its sole and absolute discretion. As more fully described in the Prospectus related to the Plan, if you exercise your option more than twelve (12) months after you terminate employment due to disability, your Option Shares will be treated as attributable to the exercise of a non-qualified stock option for tax purposes.

In the event that you die while employed with the Company or any Subsidiary or during the Retirement Exercise Period or the Disability Exercise Period, your ISO may be exercised only by the person or persons entitled thereto under your will or under the laws of descent and distribution to the extent exercisable by you on the date of your death and to the extent the term of the ISO has not expired within such Retirement Exercise Period or Disability Exercise Period.

If termination of your employment with the Company and its Subsidiaries is because of breach of your employment contract, if any, or your misconduct, this ISO will immediately expire and terminate. Termination of your employment without consent of the Company or a Subsidiary, as applicable, will cause your ISO to expire immediately.

This ISO may be forfeited, and any exercise you have made of this ISO may be rescinded, as further described below, if you engage in certain "detrimental activity" as defined below. Specifically, if you engage in detrimental activity while employed with the Company or its Subsidiaries or within one year following termination of employment for any reason other than retirement or disability, this ISO will immediately expire and terminate and the Committee may rescind any exercise that you made under this option within six months preceding or three months following your termination. If you engage in detrimental activity while employed with the Company or its Subsidiaries or within five years following termination of employment by reason of retirement or disability, this ISO will immediately expire and terminate and the Committee may rescind any exercise that you made under this option within the period beginning six months prior to your termination by retirement or disability and ending on the expiration of your Retirement Exercise Period or Disability Exercise Period. In the event that any option exercise is rescinded by the Committee as described above, you will be obligated to pay the Company within 10 days following written demand an amount equal to the spread on the shares of Common Stock with respect to which the rescinded exercise applied. (The "spread" for this purpose is the difference between the aggregate exercise price and aggregate fair market value of the shares as to which you exercised your option, with fair market value determined as of the exercise date.)

For purposes of this Agreement, "detrimental activity" means activity that is determined by the Committee in its sole and absolute discretion to be detrimental to the interests of the Company or any of its Subsidiaries, including but not limited to situations where a grantee: (1) divulges trade secrets, proprietary data or other confidential information relating to the Company or to the business of the Company and any Subsidiaries, (2) enters into employment with a competitor under circumstances suggesting that such grantee will be using unique or special knowledge gained as a Company employee or Subsidiary employee to compete with the Company or its Subsidiaries, (3) uses information obtained during the course of his or her employment or prior employment for his or her own purposes, such as for the solicitation of business, (4) is determined to have engaged (whether or not prior to termination) in either gross misconduct or criminal activity harmful to the Company or a Subsidiary, or (5) takes any action that harms the business interests, reputation, or goodwill of the Company or its Subsidiaries. The Committee may delegate its authority to determine whether a holder has engaged in "detrimental activity" to an officer of the Company or to a subcommittee of the Committee.

As contemplated by the Plan, you may not exercise your ISO or any portion thereof, and no obligation exists to issue or release shares of Common Stock or accept an exercise of this ISO, if the issuance or release of shares or the acceptance of the ISO exercise by the Company or a Subsidiary constitutes a violation of any governmental law or regulation.

This ISO is not transferable or assignable except by will or laws of descent and distribution and then only to the extent exercisable at death.

The grant of this ISO is subject to the terms of the Plan, which is discretionary in nature, and the terms of this Agreement. The grant of this ISO is a one-time benefit, and does not create any contractual or other right to receive future grants of options, or benefits in lieu of options. All determinations with respect to any such future grants, including, but not limited to, the times when options shall be granted, the number of shares of Common Stock subject to each option, the option price, and the time or times when each option shall be exercisable, will be at the sole discretion of the Committee. Your participation in the Plan is voluntary. The grant of this ISO is an extraordinary item of compensation which is outside the scope of your oral, written or implied employment contract, if any. This ISO is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments. The vesting of this ISO ceases upon termination of employment for any reason except as otherwise explicitly provided in this Agreement.

You (i) authorize the Committee, the Company and any affiliated employer entity, and any agent of the Committee administering the Plan or providing Plan recordkeeping services, to disclose to the Committee, the Company or any of its affiliates such information and data as the Committee or the Company shall request in order to facilitate the grant of options and the administration of the Plan; (ii) waive any data privacy rights you may have with respect to such information, to the extent permitted under applicable law; and (iii) authorize the Company and any such agent to store and transmit such information in electronic form.

This Agreement shall be governed by and construed in accordance with the laws of the State of Texas (except that no effect shall be given to any conflicts of law principles thereof that would require the application of the laws of another jurisdiction). Venue for any dispute arising under this Agreement shall lie exclusively in the state and federal courts, as applicable, of Harris County, Texas and the Southern District of Texas, Houston Division, respectively.

If you do not wish to accept this Option Agreement, please return this Option Agreement to the Stock Option Department or notify the Stock Option Department.

The Plan and prospectus are both available on-line at **www.myshares.slb.com**. A paper copy of the Plan and/or prospectus may be obtained by contacting the Stock Option Department, Schlumberger Limited, 5599 San Felipe, 17th Floor, Houston, Texas 77056.

SCHLUMBERGER LIMITED

By ____________________________
Paal Kibsgaard

OPTION AGREEMENT
SCHLUMBERGER 2013 OMNIBUS STOCK INCENTIVE PLAN
NON-QUALIFIED STOCK OPTION

SCHLUMBERGER LIMITED, a Curacao corporation (the "Company"), hereby grants to you a non-qualified stock option (the "Non-Qualified Option") to purchase common stock of the Company, par value $0.01 per share ("Common Stock"), as more fully described below. The date of grant of this Non-Qualified Option (the "Grant Date"), the Non-Qualified Option exercise price and the number of shares of Common Stock subject to this Non-Qualified Option (collectively, the "Option Shares") are set forth in an award notice that has been previously delivered to you. Your Non-Qualified Option is subject to all the terms and conditions of the Schlumberger 2013 Omnibus Stock Incentive Plan as in effect on the date hereof (the "Plan") and this Agreement. Your Non-Qualified Option is not intended to constitute an "incentive stock option" under Section 422 of the U.S. Internal Revenue Code of 1986 and the Treasury Regulations promulgated thereunder.

Except as set forth below, this Non-Qualified Option expires on the tenth anniversary of the Grant Date.

The Option Shares will become purchasable in installments, which are cumulative. The date on which each installment will become exercisable and the number of shares of Common Stock comprising each installment are as follows:

DATE	OPTION SHARES PURCHASABLE
1st Anniversary of the Grant Date	20%
2nd Anniversary of the Grant Date	20%
3rd Anniversary of the Grant Date	20%
4th Anniversary of the Grant Date	20%
5th Anniversary of the Grant Date	20%

In keeping with the Company's general policy, the terms of this Agreement, including the vesting schedules, are put in place in certain countries to accommodate local regulations. The vesting schedule above, and therefore your ability to exercise your Non-Qualified Option at certain times and certain other terms of the Non-Qualified Option may change if you move from one country to another. Currently, the Company has in place a sub-plan for France which governs stock options issued to grantees residing in France or who are on a French payroll.

This Non-Qualified Option may be exercised only by delivering to the Company a written notice (or an electronic notice in the manner specified by the Compensation Committee of the Board of Directors (the "Board") of the Company (the "Committee")) specifying the number of shares of Common Stock you wish to purchase. The Committee, which is authorized by the Board to administer the Plan, hereby notifies you that the Non-Qualified Option price may be paid, subject to such rules and procedures in effect at such time and as the Committee may prescribe from time to time, (1) in cash or certified check, (2) by the delivery of shares of Common Stock with a fair market value at the time of exercise equal to the total Non-Qualified Option price, (3) by a combination of the methods described in (1) and (2), and (4) subject to applicable law, through a broker-assisted cashless exercise, or "sell-to-cover" arrangement in accordance with the procedures approved by the Committee. Please see the Company's stock options department website, which is set forth in the last paragraph of this Agreement for further information. Any changes in the terms and procedures of this program, and any additional program that the Committee may authorize in the future, will be communicated to you on the Company's stock options department website.

This Non-Qualified Option will expire earlier than the date set forth above if you terminate employment with the Company and its Subsidiaries (as defined in the Plan). If you terminate employment with consent of the Company or a Subsidiary, as applicable, any exercise of this Non-Qualified Option must be made within three (3) months of termination of employment (or expiration date, if earlier) and then only to the extent the Non-Qualified Option was exercisable upon termination, unless you "retire" or become "disabled" (as defined below), or terminate employment due to death.

If your employment with the Company and its Subsidiaries is terminated due to retirement, your Non-Qualified Option shall be exercisable at any time during the period of sixty (60) months after such termination or the remainder of the term of the Non-Qualified Option, whichever is less (the "Retirement Exercise Period"), provided that such option may be exercised after such termination and before expiration only to the extent that it is exercisable on the date of such termination. For purposes of this Agreement, "retirement" means termination of your employment with the Company and all Subsidiaries at or after (i) age 55 or (ii) age 50 and completion of at least 10 years of service with the Company and all Subsidiaries.

If your employment with the Company and its Subsidiaries is terminated due to disability or death, your Non-Qualified Option shall automatically become fully vested and exercisable. You may exercise the outstanding Non-Qualified Option at any time during the period of sixty (60) months after such termination or the remainder of the term of the Non-Qualified Option, whichever is less (the "Disability Exercise Period" or "Death Exercise Period", as applicable). For purposes of this Agreement, "disability" means such disability (whether through physical or mental impairment) which totally and permanently incapacitates you from any gainful employment in any field which you are suited by education, training, or experience, as determined by the Committee in its sole and absolute discretion.

In the event that you die while employed with the Company or any Subsidiary or during the Retirement Exercise Period or the Disability Exercise Period, your Non-Qualified Option may be exercised only by the person or persons entitled thereto under your will or under the laws of descent and distribution to the extent exercisable by you on the date of your death and to the extent the term of the Non-Qualified Option has not expired within such Retirement Exercise Period or Disability Exercise Period.

If termination of your employment with the Company and its Subsidiaries is because of breach of your employment contract, if any, or your misconduct, this Non-Qualified Option will immediately expire and terminate. Termination of your employment without consent of the Company or a Subsidiary, as applicable, will cause your Non-Qualified Option to expire immediately.

This Non-Qualified Option may be forfeited, and any exercise you have made of this Non-Qualified Option may be rescinded, as further described below, if you engage in certain "detrimental activity" as defined below. Specifically, if you engage in detrimental activity while employed with the Company or its Subsidiaries or within one year following termination of employment for any reason other than retirement or disability, this Non-Qualified Option will immediately expire and terminate and the Committee may rescind any exercise that you made under this option within six months preceding or three months following your termination. If you engage in detrimental activity while employed with the Company or its Subsidiaries or within five years following termination of employment by reason of retirement or disability, this Non-Qualified Option will immediately expire and terminate and the Committee may rescind any exercise that you made under this option within the period beginning six months prior to your termination by retirement or disability and ending on the expiration of your Retirement Exercise Period or Disability Exercise Period. In the event that any option exercise is rescinded by the Committee as described above, you will be obligated to pay the Company within 10 days following written demand an amount equal to the spread on the shares of Common Stock with respect to which the rescinded exercise applied. (The "spread" for this purpose is the difference between the aggregate exercise price and aggregate fair market value of the shares as to which you exercised your option, with fair market value determined as of the exercise date.)

For purposes of this Agreement, "detrimental activity" means activity that is determined by the Committee in its sole and absolute discretion to be detrimental to the interests of the Company or any of its Subsidiaries, including but not limited to situations where a grantee: (1) divulges trade secrets, proprietary data or other confidential information relating to the Company or to the business of the Company and any Subsidiaries, (2) enters into employment with a competitor under circumstances suggesting that such grantee will be using unique or special knowledge gained as a Company employee or Subsidiary employee to compete with the Company or its Subsidiaries, (3) uses information obtained during the course of his or her employment or prior employment for his or her own purposes, such as for the solicitation of business, (4) is determined to have engaged (whether or not prior to termination) in either gross misconduct or criminal activity harmful to the Company or a Subsidiary, or (5) takes any action that harms the business interests, reputation, or goodwill of the Company or its Subsidiaries. The Committee may delegate its authority to determine whether a holder has engaged in "detrimental activity" to an officer of the Company or to a subcommittee of the Committee.

As contemplated by the Plan, you may not exercise your Non-Qualified Option or any portion thereof, and no obligation exists to issue or release shares of Common Stock or accept an exercise of this Non-Qualified Option, if the issuance or release of shares or the acceptance of the Non-Qualified Option exercise by the Company or a Subsidiary constitutes a violation of any governmental law or regulation.

This Non-Qualified Option is not transferable or assignable except by will or laws of descent and distribution and then only to the extent exercisable at death.

The grant of this Non-Qualified Option is subject to the terms of the Plan, which is discretionary in nature, and the terms of this Agreement. The grant of this Non-Qualified Option is a one-time benefit, and does not create any contractual or other right to receive future grants of options, or benefits in lieu of options. All determinations with respect to any such future grants, including, but not limited to, the times when options shall be granted, the number of shares of Common Stock subject to each option, the option price, and the time or times when each option shall be exercisable, will be at the sole discretion of the Committee. Your participation in the Plan is voluntary. The grant of this Non-Qualified Option is an extraordinary item of compensation which is outside the scope of your oral, written or implied employment contract, if any. This Non-Qualified Option is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments. The vesting of this Non-Qualified Option ceases upon termination of employment for any reason except as otherwise explicitly provided in this Agreement.

You (i) authorize the Committee, the Company and any affiliated employer entity, and any agent of the Committee administering the Plan or providing Plan recordkeeping services, to disclose to the Committee, the Company or any of its affiliates such information and data as the Committee or the Company shall request in order to facilitate the grant of options and the administration of the Plan; (ii) waive any data privacy rights you may have with respect to such information, to the extent permitted under applicable law; and (iii) authorize the Company and any such agent to store and transmit such information in electronic form.

This Agreement shall be governed by and construed in accordance with the laws of the State of Texas (except that no effect shall be given to any conflicts of law principles thereof that would require the application of the laws of another jurisdiction). Venue for any dispute arising under this Agreement shall lie exclusively in the state and federal courts, as applicable, of Harris County, Texas and the Southern District of Texas, Houston Division, respectively.

If you do not wish to accept this Option Agreement, please return this Option Agreement to the Stock Option Department or notify the Stock Option Department.

The Plan and prospectus are both available on-line at **www.myshares.slb.com**. A paper copy of the Plan and/or prospectus may be obtained by contacting the Stock Option Department, Schlumberger Limited, 5599 San Felipe, 17th Floor, Houston, Texas 77056.

SCHLUMBERGER LIMITED

By ______________________________
Paal Kibsgaard

SCHLUMBERGER 2013 OMNIBUS STOCK INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT

This Restricted Stock Unit Award Agreement ("Agreement") is entered into effective as of [date] by and between Schlumberger Limited (the "Company"), and [   ] ("Employee"), pursuant to the Schlumberger 2013 Omnibus Stock Incentive Plan (the "Plan"). Capitalized terms used in this Agreement and not defined herein shall have the meanings set forth in the Plan.

1. <u>Award</u>. In consideration of Employee's continued employment as hereinafter set forth, the Company hereby grants to Employee an award of "Restricted Stock Units." The number of Restricted Stock Units subject to this award are set forth in an award notice previously delivered to Employee. Restricted Stock Units are notional units of measurement denominated in shares of common stock of Schlumberger Limited, $.01 par value per share ("Common Stock"). Each Restricted Stock Unit represents a hypothetical share of Common Stock, subject to the conditions and restrictions on transferability set forth below and in the Plan.

2. <u>Vesting of Restricted Stock Units</u>. The period of time between the date of grant specified in the award notice (the "Grant Date") and the vesting of Restricted Stock Units (and the termination of restrictions thereon) shall be referred to herein as the "Restricted Period."

(a) <u>Normal Vesting</u>. The Restricted Stock Units shall vest in a single vesting on the third anniversary of the Grant Date ("Vesting Date"), provided that the Employee is continuously employed by the Company and its Subsidiaries from the Grant Date to the Vesting Date. Except as provided in Section 2(b), if there is any Termination of Employment (as defined in Section 15(a) below) during the period from and between the Grant Date until and including the Vesting Date, the Employee shall immediately forfeit all Restricted Stock Units. Any questions as to whether and when there has been a Termination of Employment, and the cause of such termination, shall be determined by the Committee, and its determination shall be final.

(b) <u>Acceleration on Death or Disability</u>. Upon Termination of Employment from the Company and its Subsidiaries by reason of Employee's death or Disability (as defined in Section 15(a) below) or upon Employee's Disability prior to Termination of Employment (as determined by the Committee and within the meaning of Section 409A of the Internal Revenue Code), all Restricted Stock Units that are not vested at that time immediately shall become vested in full.

3. <u>Settlement of Restricted Stock Units</u>. If Employee's Restricted Stock Units become vested in accordance with the normal vesting schedule described in the first sentence of Section 2(a) or pursuant to Section 2(b), payment of vested Restricted Stock Units shall be made as soon as administratively practicable, but in no event later than 2-1/2 months following the date that the Restricted Stock Units vest. Notwithstanding the foregoing, the Committee may, in its sole and absolute discretion, settle the vested Restricted Stock Units in cash based on the Fair Market Value of the shares of Common Stock on the settlement date.

4. <u>Forfeitures of Restricted Stock Units</u>. Until the Restricted Period has expired, upon a Termination of Employment from the Company and its Subsidiaries for any reason that does not result in an acceleration of vesting pursuant to Subsection 2(b), Employee shall immediately forfeit all unvested Restricted Stock Units, without the payment of any consideration. Upon forfeiture, neither Employee nor any successors, heirs, assigns, or legal representatives of Employee shall thereafter have any further rights or interest in the unvested Restricted Stock Units.

5. <u>Restrictions on Transfer</u>.

(a) Restricted Stock Units granted hereunder to Employee may not be sold, assigned, transferred, pledged or otherwise encumbered, whether voluntarily or involuntarily, by operation of law or otherwise, other than to the Company as a result of the forfeiture of units as provided herein or pursuant to Section 10.

(b) Consistent with the foregoing, except as contemplated by Section 10, no right or benefit under this Agreement shall be subject to transfer, anticipation, alienation, sale, assignment, pledge, encumbrance or charge, whether voluntary, involuntary, by operation of law or otherwise, and any attempt to transfer, anticipate, alienate, sell, assign, pledge, encumber or charge the same shall be void. No right or benefit hereunder shall in any manner be liable for or subject to any debts, contracts, liabilities or torts of the person entitled to such benefits. If Employee shall attempt to transfer, anticipate, alienate, assign, sell, pledge, encumber or charge any right or benefit hereunder, other than as contemplated by Section 10, or if any creditor shall attempt to subject the same to a writ of garnishment, attachment, execution, sequestration, or any other form of process or involuntary lien or seizure, then such attempt shall have no effect and shall be void.

6. Rights as a Stockholder. Employee shall have no rights as a stockholder with regard to the Restricted Stock Units. Rights as a stockholder shall arise only if the Restricted Stock Units are settled in shares of Common Stock as set forth in Section 3.

7. Taxes. To the extent that the receipt of the Restricted Stock Units or the payment upon lapse of any restrictions results in income to Employee for federal or state income tax purposes or in any other cases where the Company holds the view that it is obligated to withhold taxes, Employee shall deliver to the Company immediately prior to the time of such receipt or lapse, as the case may be, such amount of money or shares of Common Stock owned by Employee, at Employee's election, as the Company may require to meet its obligation under applicable tax laws or regulations, and, if Employee fails to do so, the Company is authorized to withhold from the payment for vested Restricted Stock Units or from any cash or other form of remuneration then or thereafter payable to Employee an amount equal to any tax required to be withheld by reason of such resulting compensation income. The Restricted Stock Units are intended to be "short-term deferrals" exempt from Section 409A, and shall be construed and interpreted accordingly.

8. Changes in Capital Structure. As more fully described in the Plan, if the outstanding shares of Common Stock shall at any time be changed or exchanged by declaration of a stock dividend, stock split, combination of shares, or recapitalization, the number and kind of Restricted Stock Units shall be appropriately and equitably adjusted so as to maintain their equivalence to the proportionate number of shares.

9. Compliance With Securities Laws. The Company shall not be required to deliver any shares of Common Stock pursuant to this Agreement if, in the opinion of counsel for the Company, such issuance would violate the Securities Act of 1933 or any other applicable federal or state securities laws or regulations or the laws of any other country. Prior to the issuance of any shares of Common Stock pursuant to this Agreement, the Company may require that Employee (or Employee's legal representative upon Employee's death or Disability) enter into such written representations, warranties and agreements as the Company may reasonably request in order to comply with applicable securities laws or with this Agreement.

10. Assignment. The Restricted Stock Units are not transferable (either voluntarily or involuntarily) by the Employee except by will or the laws of descent and distribution. Payment of the Restricted Stock Units after Employee's death shall be made to Employee's estate or, in the sole and absolute discretion of the Committee, to the person or persons entitled to receive such payment under the laws of descent and distribution. No purported assignment or transfer, whether voluntary or involuntary, by operation of law or otherwise, shall vest in the purported assignee or transferee any interest or right therein whatsoever but immediately upon any such purported assignment or transfer, or any attempt to make the same, the Restricted Stock Units shall terminate and become of no further effect.

11. Successors and Assigns. This Agreement shall bind and inure to the benefit of and be enforceable by Employee, the Company and their respective permitted successors or assigns (including personal representatives, heirs and legatees). Employee may not assign any rights or obligations under this Agreement except to the extent, and in the manner, expressly permitted herein.

12. Limitation of Rights. Nothing in this Agreement or the Plan may be construed to:

(a) give Employee any right to be awarded any further Restricted Stock Units (or other form of stock incentive awards) other than in the sole discretion of the Committee;

(b) give Employee or any other person any interest in any fund or in any specified asset or assets of the Company (other than the Restricted Stock Units); or

(c) confer upon Employee the right to continue in the employment or service of the Company or any Subsidiary.

13. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

14. No Waiver. The failure of Employee or the Company to insist upon strict compliance with any provision of this Agreement or the failure to assert any right Employee or the Company may have under this Agreement shall not be deemed to be a waiver of such provision or right or any other provision or right of this Agreement.

15. Definitions. The following terms shall have the meanings set forth in this Section 15.

(a) "Termination of Employment" means the termination of Employee's employment with the Company and its Subsidiaries. Temporary absences from employment because of illness, vacation or leave of absence and transfers among the Company and its Subsidiaries shall not be considered a Termination of Employment. Any questions as to whether and when there has been a Termination of Employment, and the cause of such termination, shall be determined by the Committee, and its determination shall be final.

(b) "Disability" means, for purposes of the first clause of Section 2(b), such disability (whether physical or mental impairment) which totally and permanently incapacitates the Employee from any gainful employment in any field which the Employee is suited by education, training, or experience, as determined by the Committee in its sole and absolute discretion.

16. Entire Agreement.

(a) Employee hereby acknowledges that he or she has received, reviewed and accepted the terms and conditions applicable to this Agreement. Employee hereby accepts such terms and conditions, subject to the provisions of the Plan and administrative interpretations thereof. Employee further agrees that such terms and conditions shall control this Agreement, notwithstanding any provisions in any employment agreement or in any prior or subsequent awards.

(b) Employee hereby acknowledges that he or she is to consult with and rely upon only Employee's own tax, legal, and financial advisors regarding the consequences and risks of this Agreement and the award of Restricted Stock Units.

(c) This Agreement may not be amended or modified except by a written agreement executed by the parties hereto or their respective successors, assigns and legal representatives. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect.

(d) Employee and the Company agree to execute such further instruments and to take such further action as may reasonably be necessary to carry out the intent of this Agreement.

(e) This Agreement shall be governed by and construed in accordance with the laws of the State of Texas (except that no effect shall be given to any conflicts of law principles thereof that would require the application of the laws of another jurisdiction). Venue for any dispute arising under this Agreement shall lie exclusively in the state and/or federal courts of Harris County, Texas and the Southern District of Texas, Houston Division, respectively.

17. Counterparts. This Agreement may be executed in counterparts, which together shall constitute one and the same original.

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed by one of its officers thereunto duly authorized, effective as of the day and year first above written.

SCHLUMBERGER LIMITED

By: ______________________________
Paal Kibsgaard

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Paal Kibsgaard, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Schlumberger Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 23, 2014

/s/ Paal Kibsgaard
Paal Kibsgaard
Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Simon Ayat, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Schlumberger Limited;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 23, 2014

/s/ Simon Ayat
Simon Ayat
Executive Vice President and Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Schlumberger N.V. (Schlumberger Limited) (the “Company”) for the quarterly period ended June 30, 2014 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Paal Kibsgaard, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 23, 2014

/s/ Paal Kibsgaard
Paal Kibsgaard
Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to Schlumberger Limited and will be retained by Schlumberger Limited and furnished to the Securities and Exchange Commission or its staff upon request.

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Exchange Act.

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Schlumberger N.V. (Schlumberger Limited) (the “Company”) for the quarterly period ended June 30, 2014 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Simon Ayat, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 23, 2014

/s/ Simon Ayat
Simon Ayat
Executive Vice President and Chief
Financial Officer

A signed original of this written statement required by Section 906 has been provided to Schlumberger Limited and will be retained by Schlumberger Limited and furnished to the Securities and Exchange Commission or its staff upon request.

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Exchange Act.

Exhibit 95

Mine Safety Disclosure

The following disclosure is provided pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which requires certain disclosures by companies required to file periodic reports under the Securities Exchange Act of 1934, as amended, that operate mines regulated under the Federal Mine Safety and Health Act of 1977.

The table that follows reflects citations, orders, violations and proposed assessments issued by the Mine Safety and Health Administration (the "MSHA") to M-I LLC, an indirect wholly-owned subsidiary of Schlumberger. The disclosure is with respect to the three months ended June 30, 2014. Due to timing and other factors, the data may not agree with the mine data retrieval system maintained by the MSHA at www.MSHA.gov.

Three Months Ended June 30, 2014
[unaudited]
(*whole dollars*)

Mine or Operating Name/MSHA Identification Number	Section 104 S&S Citations	Section 104(b) Orders	Section 104(d) Citations and Orders	Section 110(b)(2) Violations	Section 107(a) Orders	Proposed MSHA Assessments(1)	Mining Related Fatalities	Received Notice of Pattern of Violations Under Section 104(e) (yes/no)	Received Notice of Potential to Have Pattern Under Section 104(e) (yes/no)	Legal Actions Pending as of Last Day of Period	Legal Actions Initiated During Period	Legal Actions Resolved During Period
Amelia Barite Plant/1600825	0	0	0	0	0	$ 0	0	N	N	0	0	0
Battle Mountain Grinding Plant/2600828	0	0	0	0	0	$ 0	0	N	N	0	0	0
Galveston GBT Barite Grinding Plant/4104675	0	0	0	0	0	$ 0	0	N	N	0	0	0
Greybull Milling Operation/4800602	0	0	0	0	0	$ 200	0	N	N	0	0	0
Greybull Mining Operation/4800603	0	0	0	0	0	$ 108	0	N	N	0	0	0
Greystone Mine/2600411	0	0	0	0	0	$ 0*	0	N	N	0	0	0
MI SWACO-Alpine/4104829	0	0	0	0	0	$ 0	0	N	N	0	0	0
MI SWACO-Brownsville Grinding Plant/4103033	0	0	0	0	0	$ 0	0	N	N	0	0	0

(1) Amounts included are the total dollar value of proposed assessments received from MSHA on or before June 30, 2014, regardless of whether the assessment has been challenged or appealed. Citations and orders can be contested and appealed, and as part of that process, are sometimes reduced in severity and amount, and sometimes dismissed. The number of citations, orders, and proposed assessments vary by inspector and also vary depending on the size and type of the operation.

* As of June 30, 2014, MSHA had not yet proposed the assessment for three Section 104(a) citations at Greystone Mine.