Good morning Ladies and Gentlemen.

Let me start by thanking Barclays and David Anderson, in particular, for the invitation to speak here today.

I always enjoy coming to New York to participate in this conference.

A lot continues to be said and written about our industry and, while opinions differ on many topics, I think we can all agree on one point—that the past four years have not been kind to the oilfield services industry.

After absorbing the abrupt impact of the most devastating global downturn on record and navigating the commercial aftermath of the nearly 50% drop in global E&P investments, our industry is now facing investor concerns related to global economic growth and the potential impact this could have on oil demand going forward.

These concerns are at present overshadowing the fact that global oil inventories continue to drop; production challenges in the global supply base are accelerating; Brent oil prices are holding firm, well above $70 per barrel; and the international recovery is now starting.

We continue to believe that our industry is set for a multi-year global growth cycle and we are excited about the opportunities this presents to Schlumberger.

Today, I would like to share our optimism and excitement with you by addressing three fundamental questions:

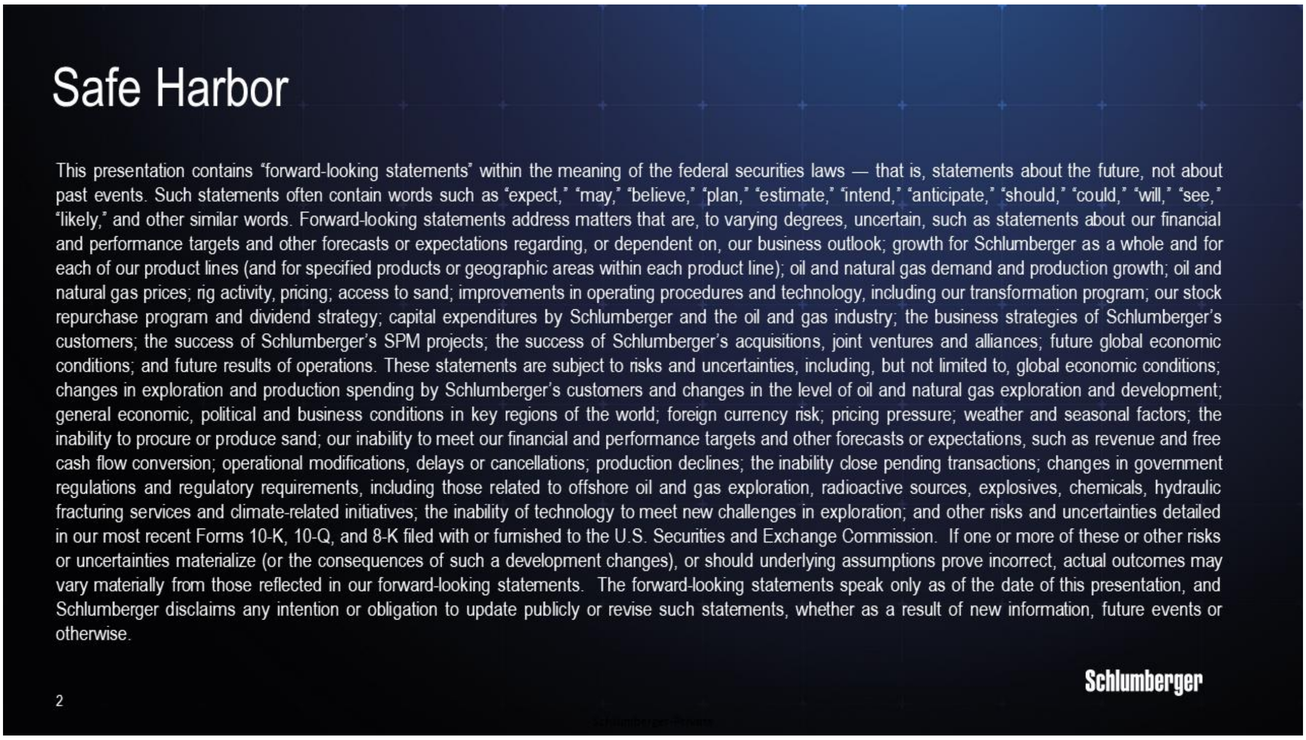
First, why is there a strong need for a significant multi-year increase in global E&P investments?

Second, why is Schlumberger best positioned to capitalize on these growth opportunities?

And third, why will Schlumberger generate the best operating profits and cash flow in the coming upcycle?

I hope that, by the end of my talk, you will share our excitement or at least be left with a much more optimistic outlook for both our industry and for Schlumberger as an investment proposition.

But, before we get started let's get the formalities out of the way.



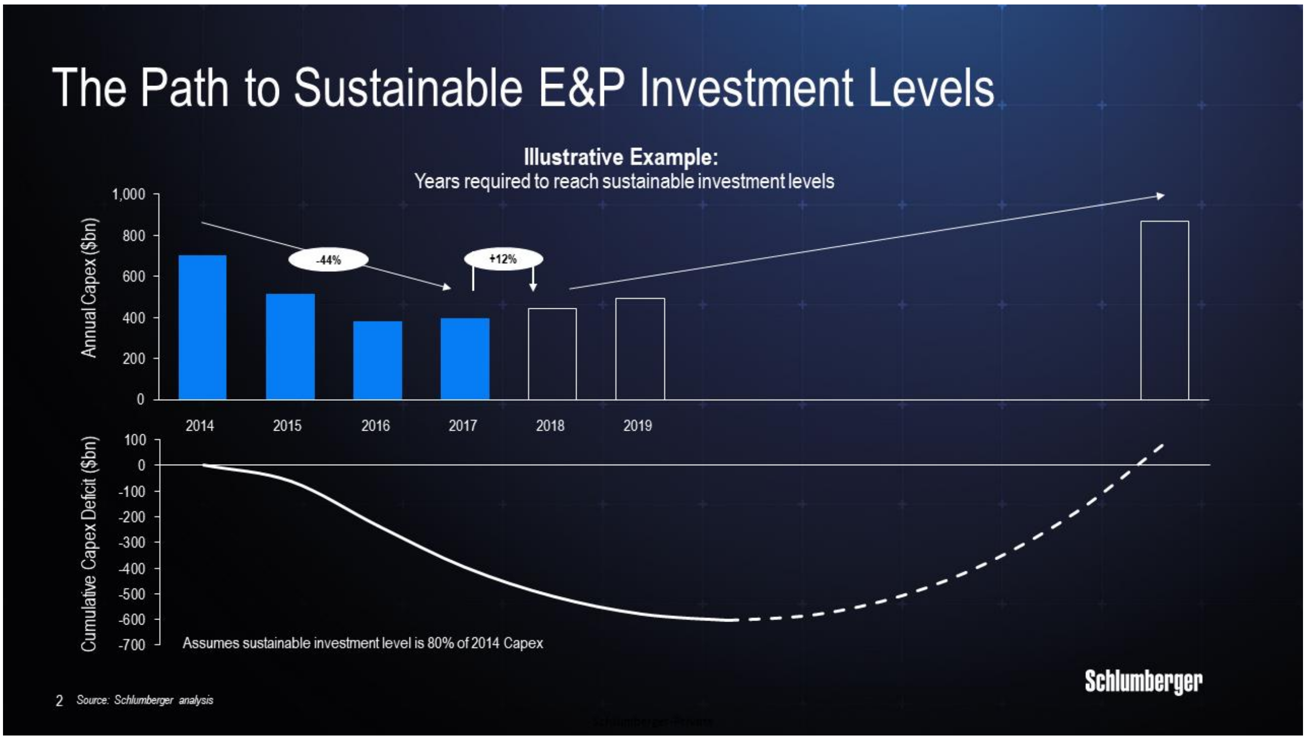
Some of the statements I will make today are forward-looking.

These statements are subject to risks and uncertainties that could cause our results to differ materially from those projected in these statements.

I therefore refer you to our latest 10-K and other SEC filings.

So, why is there a strong need for a significant multi-year increase in global E&P investments?

To answer this question let's first review the evolution of the global E&P spend and then take a closer look at the state of both the international and the North American production base.



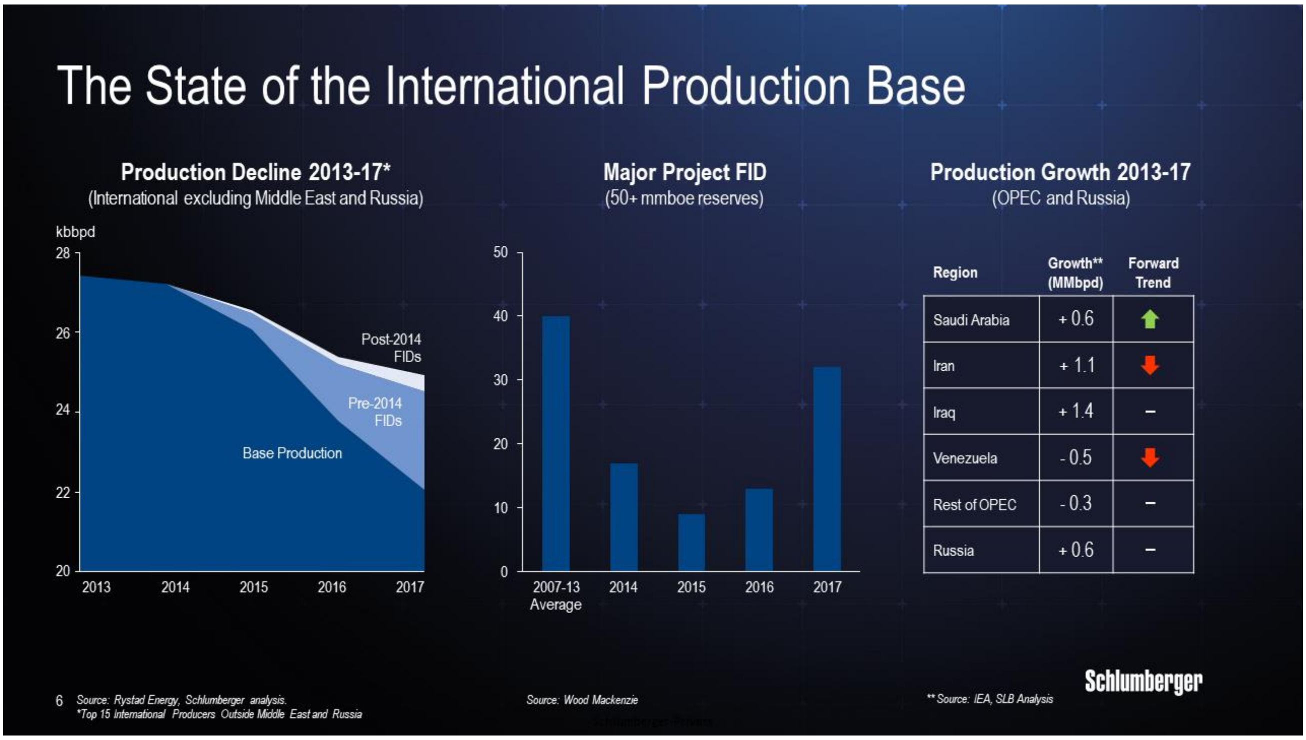
Between 2014 and 2017 global E&P investments fell by a massive 44% before starting to recover again in 2018, driven largely by North America land.

Current investment levels, particularly in the international markets, are clearly not sustainable to meet either medium-term demand or long-term reserves replacement needs.

To illustrate this let's assume, just as an example, that industry efficiency improvements have lowered the sustainable investment level to 80% of what we saw in 2014.

In this case, we would still require multiple years of double-digit investment growth to reach this level, and over this period the cumulative under-investments will continue to compound.

This means that investments would need to continue to grow, even after reaching the new sustainable level, to compensate for the under-investment deficit from the previous years.



Turning next to the international production base, which still accounts for around 80% of global supply, and is critical to the stability of the oil market as a mere 1% net decline would represent around eight-hundred thousand barrels per day of lower production.

Production growth from the international market has, since 2013, been driven by Saudi Arabia, Iraq, Iran, and Russia, which combined have added 3.7 million barrels per day while the rest of the international production base is down by 1.5 million barrels per day over the same period.

During the recent industry downturn, many international operators have focused on maximizing cashflow by producing their fields harder and by prioritizing short-term actions at the expense of the full-cycle investments required to manage the overall resource base.

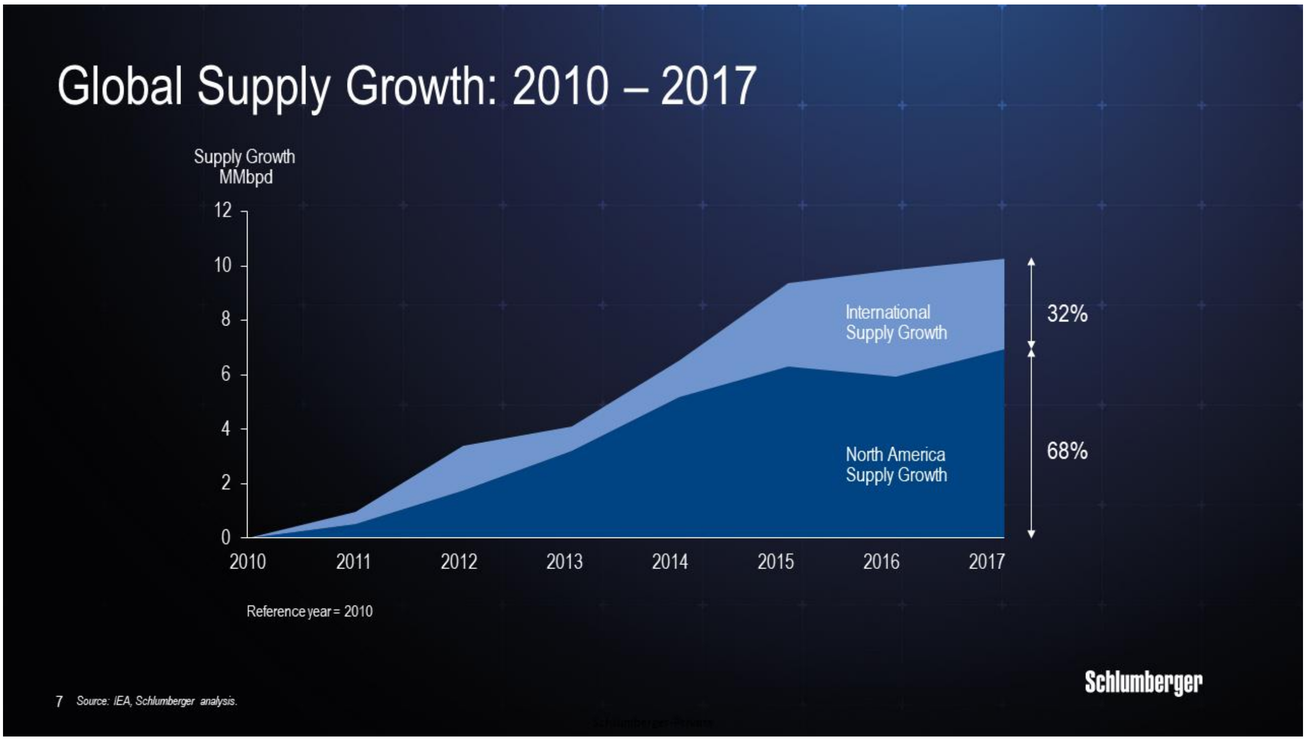
The short-term investment focus adopted since 2014 offers a finite set of opportunities over a limited period of time, and this period is now clearly coming to an end as seen by accelerating decline rates in many countries around the world.

Reduced production tailwinds from new projects that were sanctioned and largely funded prior to 2014 is now uncovering the underlying weakness of the international production base as the major drop in new project FIDs in recent years is starting to catch-up with the industry.

Furthermore, additional investments will also be required to replace the Venezuelan and Iranian barrels that are now disappearing from the market.

The potential supply impact from geopolitics should also be factored into the international supply outlook where we, for instance, in this quarter have had to shut down activity for several customers and evacuate a large number of our employees from southern Iraq based on the unrest and the overall security situation in the Basra region.

So, in summary, the international production base after four years of record low activity needs double-digit growth in investments for the foreseeable future simply to keep production flat at current levels.

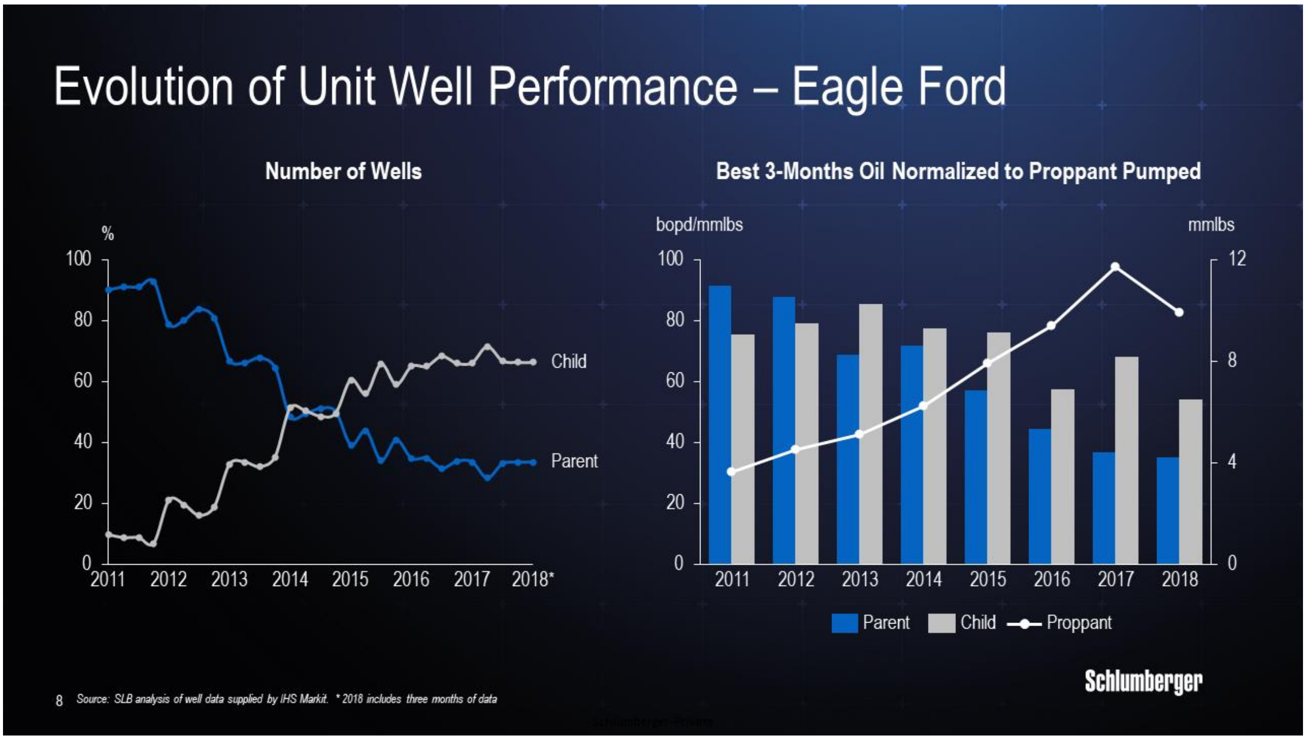


The North American production base, which makes up the remaining 20% of global supply, has absorbed close to 70% of the demand growth since 2010, initially supported by the Eagle Ford and Bakken and, more recently by the Permian basin.

Still, the well-established market consensus that the Permian can continue to provide 1.5 million barrels per day of annual production growth for the foreseeable future is now starting to be called into question.

While the current Permian offtake constraints should be resolved by the end of 2019, these challenges will likely have a dampening effect on production growth, wellhead prices, and investment levels in the coming year.

In fact, so far in the third quarter, the hydraulic fracturing market has already softened significantly more than we expected in spite of the overall rig count holding up relatively well.



However, the main challenge in the Permian going forward is more likely to be reservoir and well-performance, as the rate of infill drilling continues to accelerate.

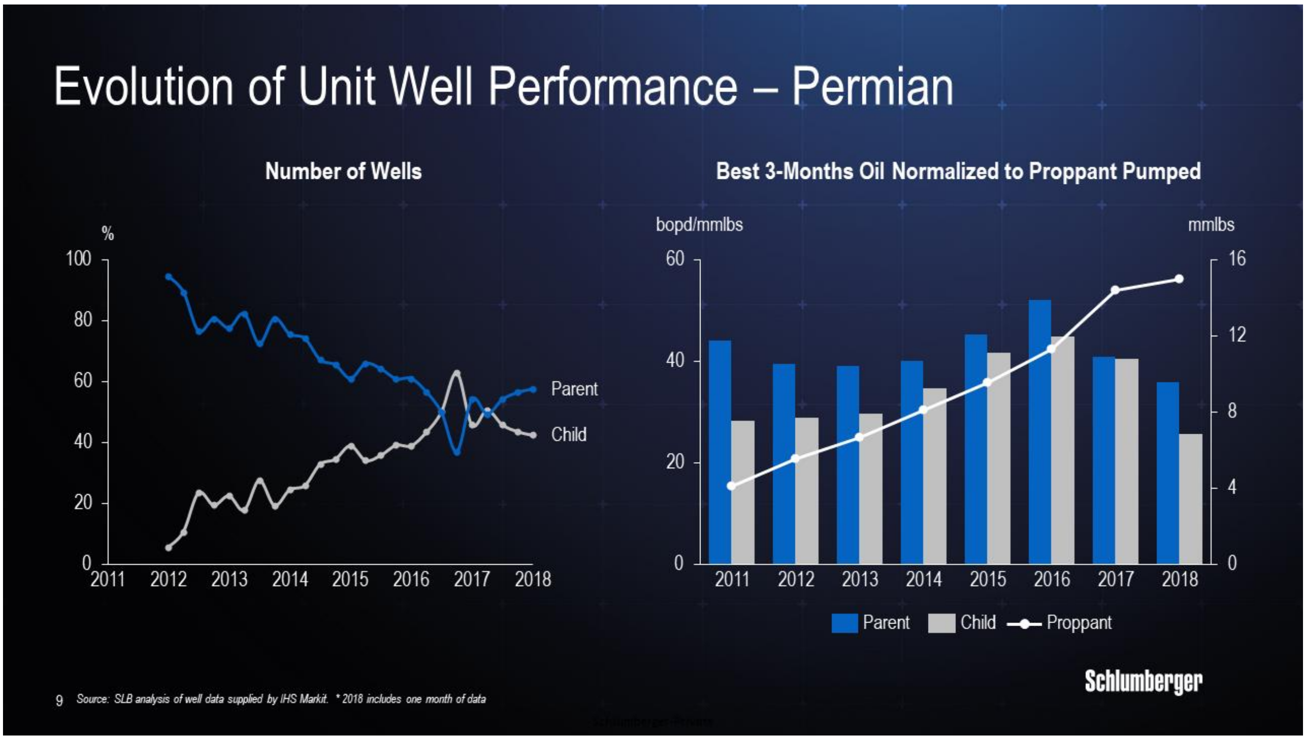
For a resource base where production is entirely dependent on fracture propagation and fracture coverage to drain the reserves, we have yet to understand how reservoir conditions and well productivity change as we continue to inject billions of pounds of proppant and billions of gallons of water into the ground each year.

Still, what is already clear is that unit well performance, normalized for lateral length and pounds of proppant pumped, is dropping in the Eagle Ford as the percentage of child wells continues to increase.

These production headwinds have, in recent years, been overcome by drilling longer laterals and pumping ever greater volumes of sand and water.

However, the use of these remedies seems to be coming to an end, both from a technical and commercial standpoint.

Today, the percentage of child wells being drilled in the Eagle Ford has already reached 70% and, in the 3-year period since this percentage broke the 50% level, we have seen a steady reduction in unit well productivity.

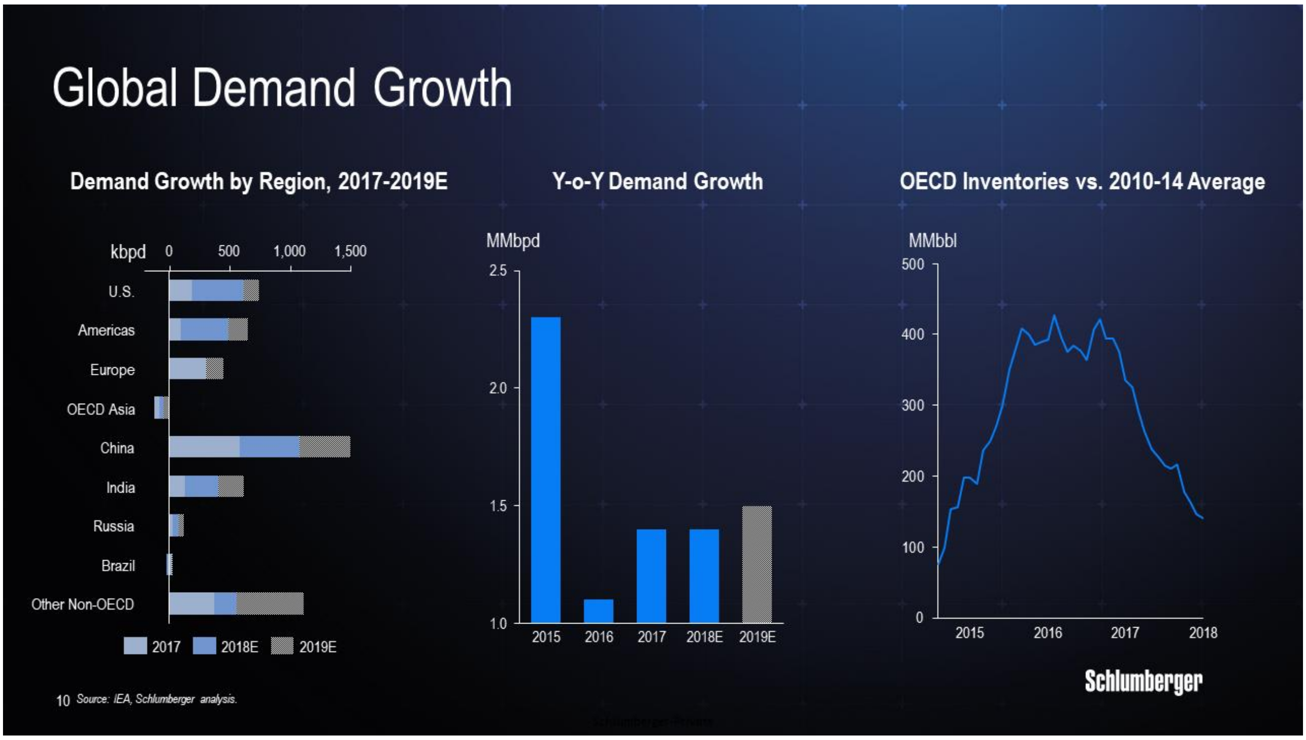


In the Midland Wolfcamp basin of the Permian, the percentage of child wells has just reached 50%, and we are already starting to see a similar reduction in unit well productivity already seen in the Eagle Ford.

This suggests that the Permian growth potential could be lower than earlier expected.

The application of measurement technologies to improve subsurface understanding, and fluid technologies to better control fracture propagation conformity, could potentially improve the observed trends.

However, deploying these technologies will require a significant mindset change throughout the industry, and a willingness to increase investments to overcome the growing reservoir challenges.



Moving on to oil demand, the broader picture remains positive despite trade war worries and market concerns that the current issues in Turkey combined with the strong dollar will translate into broader economic weakness in the emerging markets.

At present, key agencies believe that most emerging market countries still have a lot of room to maneuver to prevent the situation in Turkey from escalating into another global financial crisis.

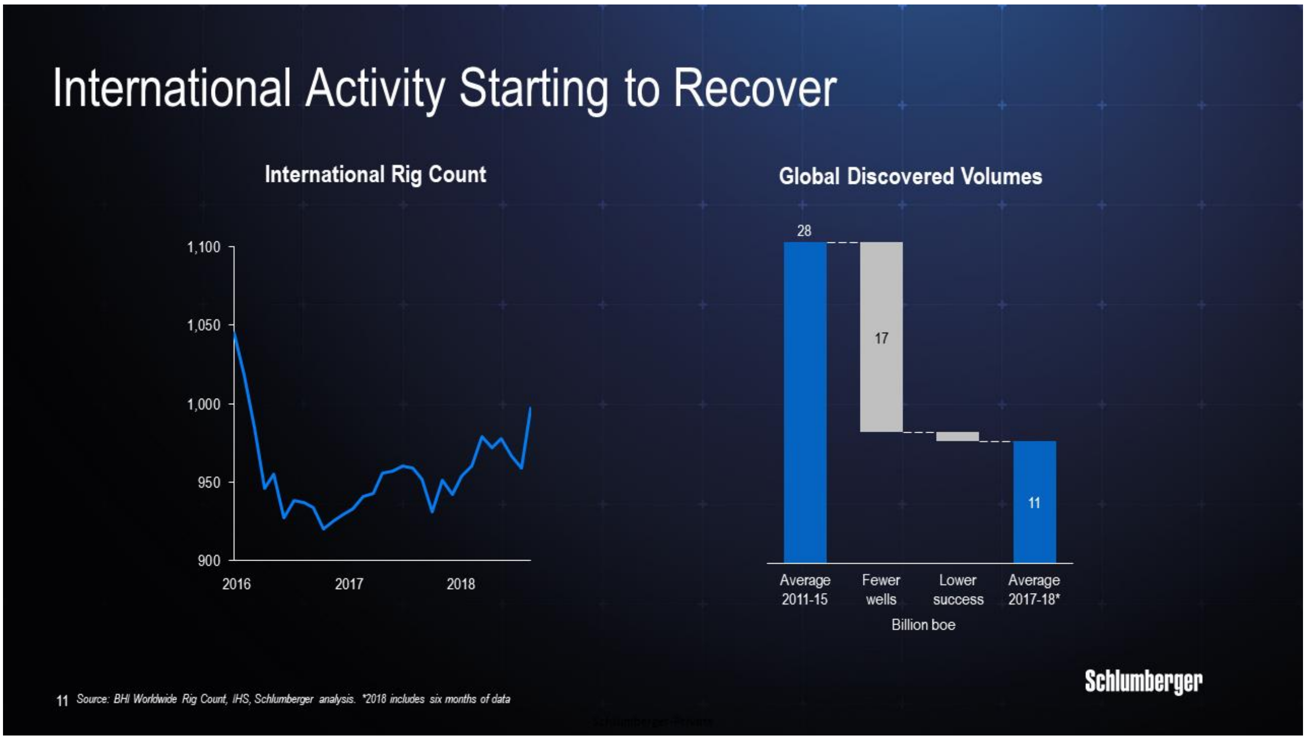
It is also reported that China is already considering embarking on a measured stimulus program in support of their economic growth.

And, while a full-blown trade war would undoubtedly damage global growth, the current basic economic activity remains strong and any slowdown from a potential trade war would take time to materialize, thereby giving the involved parties enough time to resolve the situation through negotiations, if so desired.

So, we believe that any major demand worries are premature at this stage.

Furthermore, even if 2019 demand growth was to come in 20% lower than the 1.5 million barrels per day currently projected, we still expect to see consistent draws in global oil inventories throughout next year.

This further supports the need for higher E&P investments to maintain the global supply-demand balance.



And lastly, the most compelling argument for why the growth in global E&P investments is required is the simple fact that it is already happening.

While international E&P spend in the first half of 2018 was up only a few percent year-over-year, the growth rate in the second half of the year is already strengthening, fueled by stable oil prices and significantly improved cash flow for our customers.

The increase in activity we currently see is still focused on the existing production base, while investments into new FIDs for larger developments and eventually more exploration activity to address the record low reserves replacement is still to come.

Next, let's move to the second question: why is Schlumberger best positioned to capture the growth in the coming upcycle?

The answer to this question has four main parts:

We have an unmatched global footprint that enables us to cost-effectively pursue growth opportunities in every corner of the world.

We have the broadest technology portfolio, and our market leadership positions enable us to compete for growth opportunities in all parts of the E&P value chain.

We master the widest range of business models, which allows us to partner with our customers in their preferred way, and it provides us with multiple avenues to increase our participation and share in the various markets around the world.

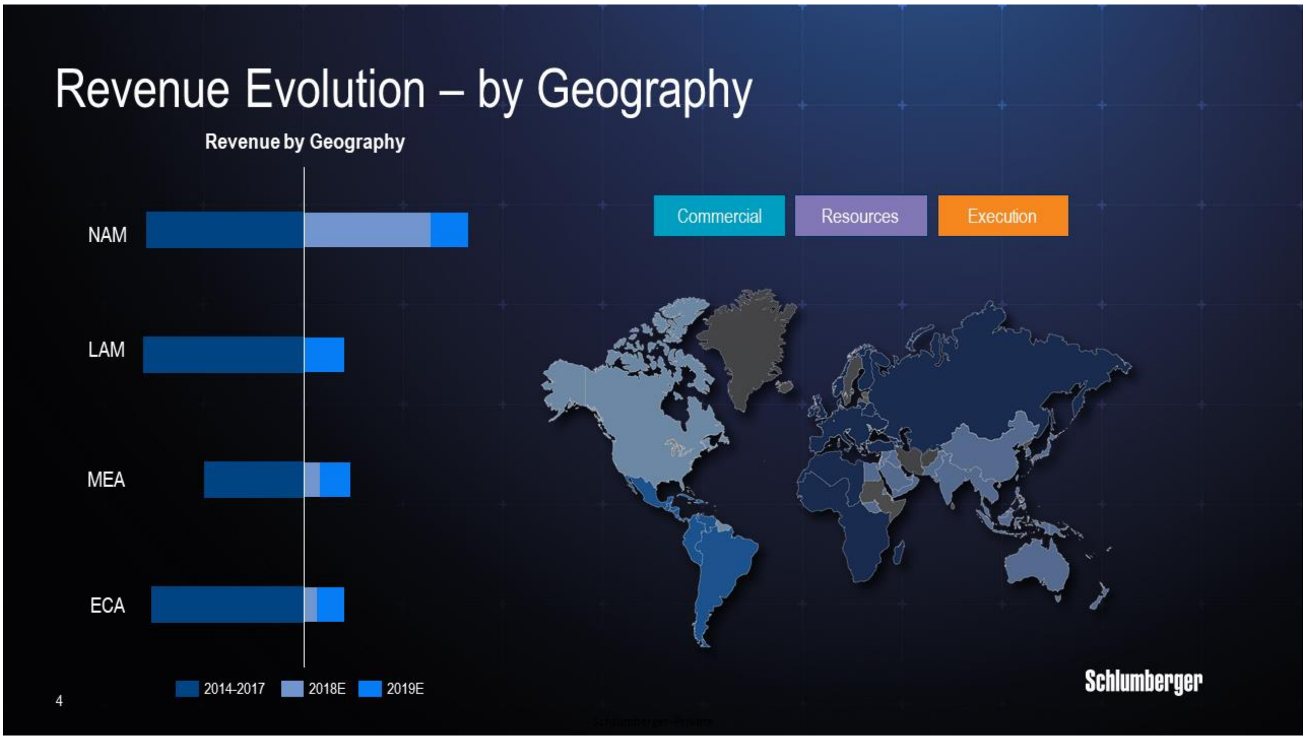
And, we are leading the industry in designing and engineering new high-performing technology systems spanning our entire data software and hardware capabilities, and fully leveraging the latest advances in collaborative and digital technologies.

So, let me elaborate on each of these four elements:

After more than 90 years of operations in every corner of the world, we currently have an unmatched global footprint where we generate revenue in 120 countries.

In each country, we have a rich history; deep relations with customers; industry bodies; governments, and local communities; unmatched operating infrastructure; and detailed knowledge of local business conditions; all managed by the most diverse and culturally aligned workforce in the industry.

Since we introduced the Group structure in 2017 in each of our 16 well-established GeoMarkets, we have also strengthened the tendering and contractual support for our operations through the addition of two global commercial centers.



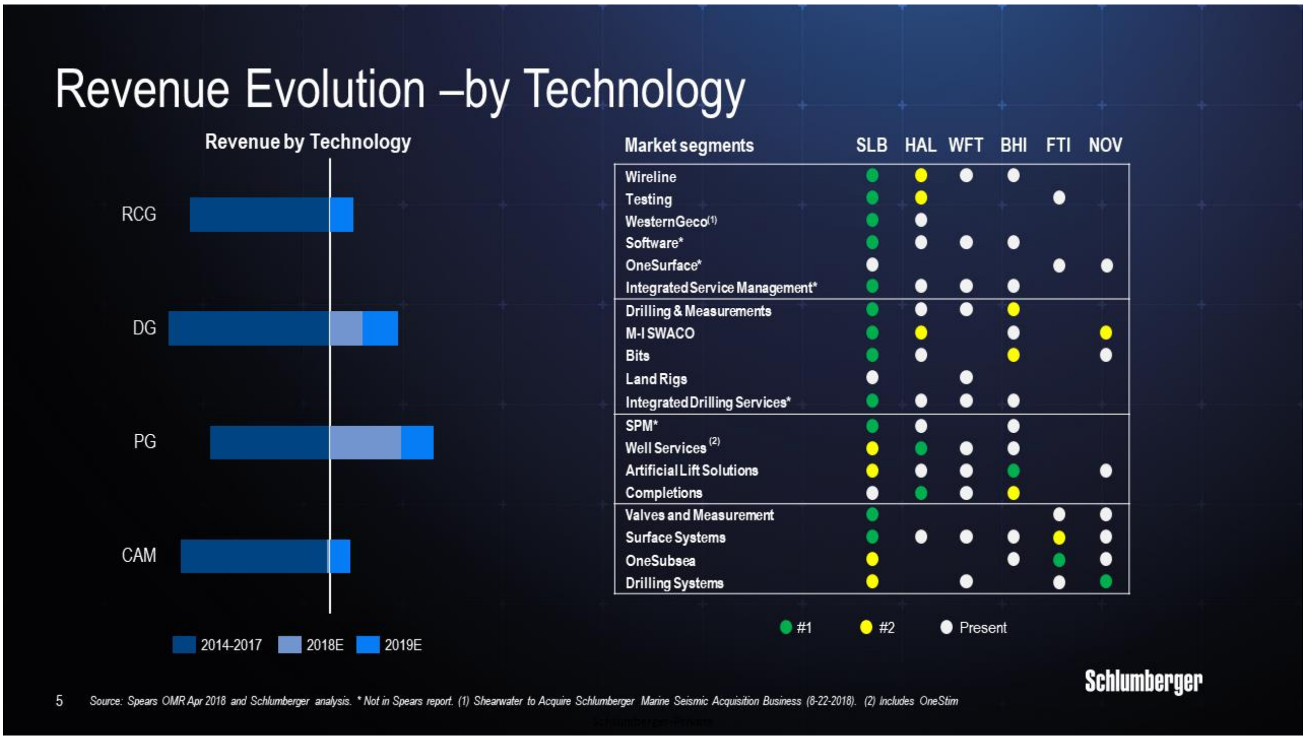
This set-up allows us to pursue and secure all viable business opportunities for our Product Lines while working within a well-defined technical and commercial framework, which we frequently update based on market conditions and tactical and strategic considerations.

Subsequent to securing the work, our Product Lines, who own and manage the global resource base, mobilize the required expertise and resources to execute the contracts in line with our global operating standards.

By separating the commercial pursuit from the resourcing and execution, we lower our support costs, create stronger commercial contracts, and deliver better operational and financial performance.

Looking at the global market outlook for 2019, we expect double-digit revenue growth in the international markets, driven by countries such as Mexico, Brazil, Argentina, Angola, Nigeria, India, China, and Australia.

We also expect continued growth from our other large international markets, including the Middle East, Russia, and the North Sea driven by market-share gains and increased uptake of new technology and business models.



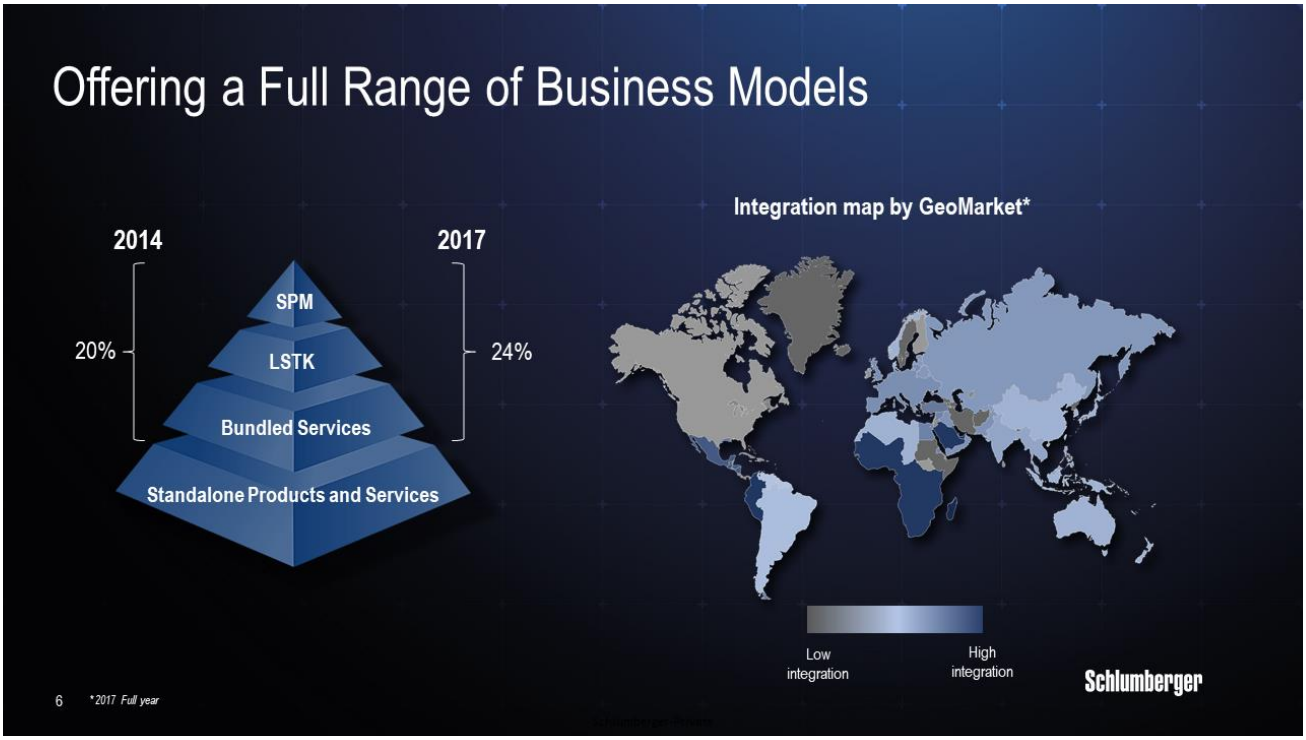
Turning next to our offering, we have, over the past eight years through targeted M&A activity and organic R&E investments, built the broadest technology portfolio in the oilfield services industry, by a wide margin.

The breadth and strength of our offering enable us to capture growth opportunities in all parts of the E&P value chain, whether in exploration, development or production.

In the past three years alone, we have increased our total addressable market by 50% and, for the 20 Product Lines we currently operate, we hold market-leading positions in 17 of them, driven by our technology leadership and our execution capabilities.

Our market presence around the globe combined with our technology leadership make us a dependable business partner with short response time and consistent operating performance in all parts of the world.

Looking at our growth outlook from a technology standpoint, we expect solid growth from all parts of our offering in 2019, with increasing growth beyond that from our product lines that are linked to exploration, reservoir characterization, and infrastructure.



Building on our global footprint and our technology leadership, we have, in recent years steadily expanded the range of business models we offer our customers.

These models now include equipment sales and rental; traditional provision of standalone products and services; project coordination and bundled services; lump-sum-turn-key contracts; and lastly, full-field production management through our SPM model.

We have evolved these business models over the past two decades, in parallel with building out our commercial risk and project management expertise.

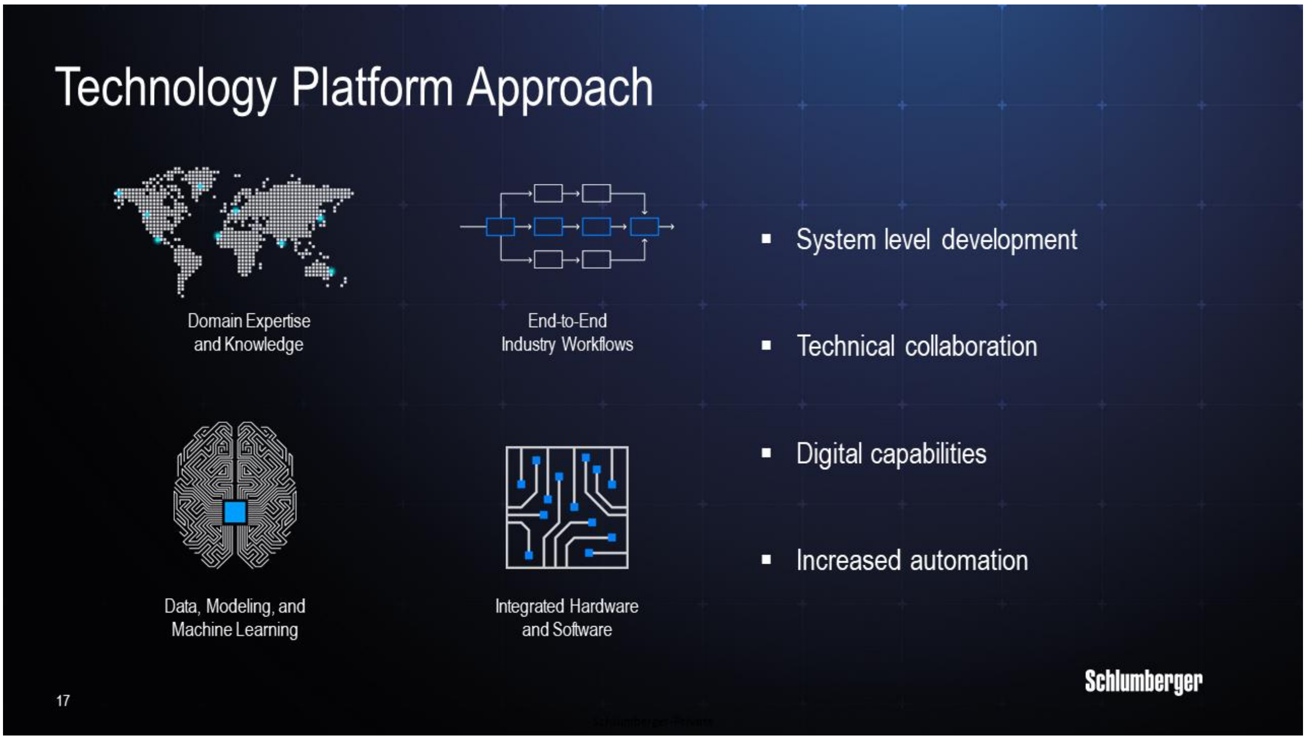
Today, we comfortably deploy all of these business models and have very clear boundaries set for the technical and commercial risks we are prepared to take on relative to the potential return upsides we can generate.

Today, most of our work is still conducted through standalone products and services contracts while we use the other business models to augment our participation in the various markets.

For instance, renting and selling service equipment to regional competitors and drilling contractors is an effective way to further penetrate the high-volume land markets.

We often use project coordination and bundling for offshore projects, and the uptake of the lump-sum-turn-key model is gaining traction for large land developments.

Over the past few years, we have seen a noticeable increase in the market uptake of our integration-based business models, which today make up around 24% of our total revenue stream.



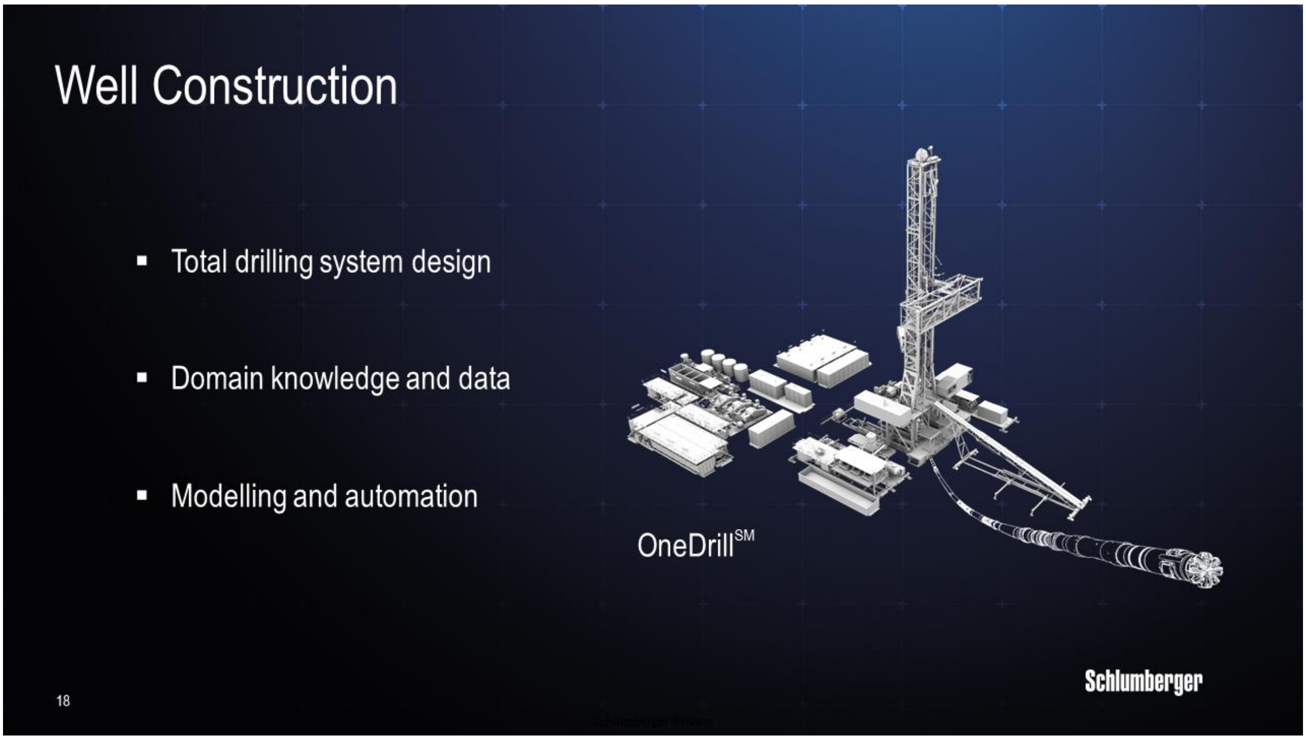
While the current level of integration helps lower the cost per barrel for our customers, the fact remains that our industry is still looking to integrate discrete hardware and software components that were never designed to be part of an integrated technology system.

This again, means that the technology systems currently used have a significant performance upside and, in pursuit of this prize, last year we re-organized our entire R&E effort into several, distinct technology platforms.

Each of these platforms provide a system level context to the development and deployment of our new technology, significantly improving the performance of each component as well as the full system—further supported by the latest collaboration and digital technologies.

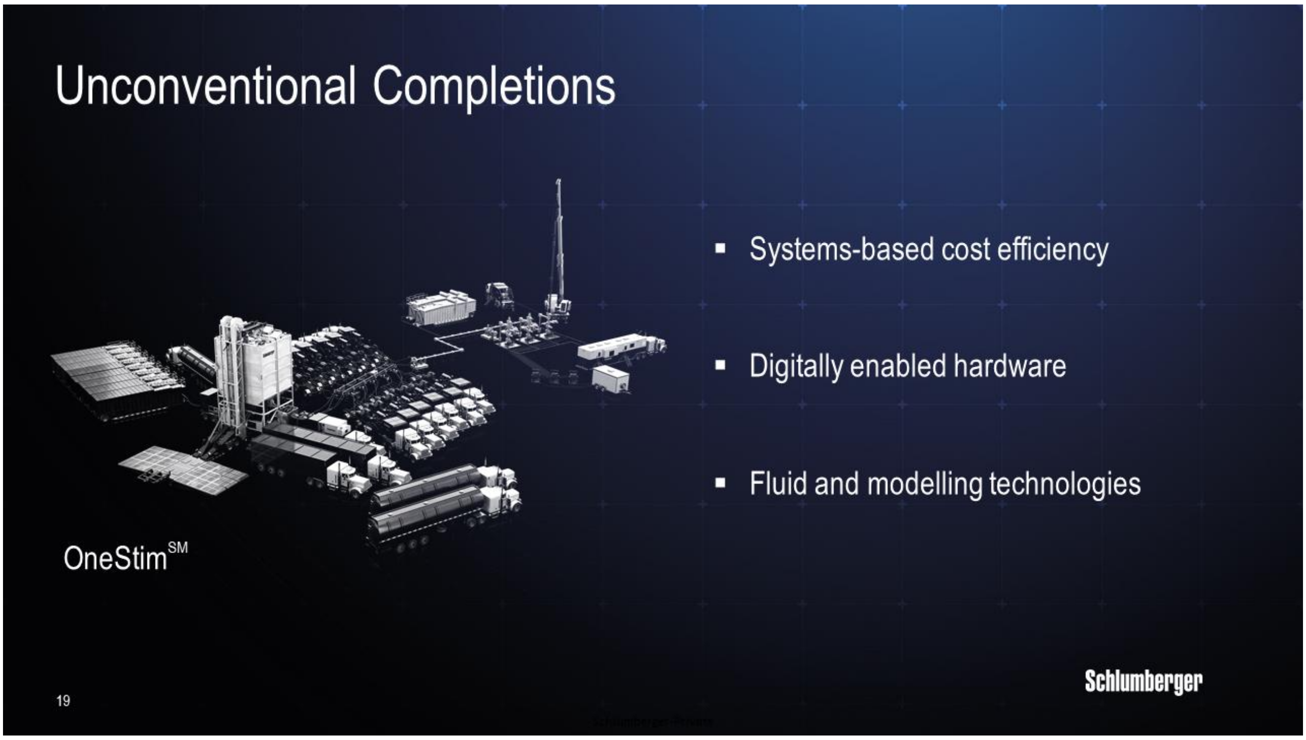
We believe that a well-crafted platform architecture should enable all products and services to contribute to the system performance and should utilize all available data to deliver continuous improvement and a steady progression towards higher levels of automation.

This novel approach directly supports our stated goals of pursuing the highest level of technology system performance for the benefit of our shareholders as well as for our customers.



One example of this is our Well Construction Platform, where we focus on drilling wells better and faster through a completely redesigned drilling system that leverages our deep domain understanding and vast operational data set.

Our new drilling system includes our Rig of the Future, the DELFI based planning software DrillPlan, and a novel operational control system, together with a series of new downhole technologies, which will all be made available through our OneDrill^{SM} offering.

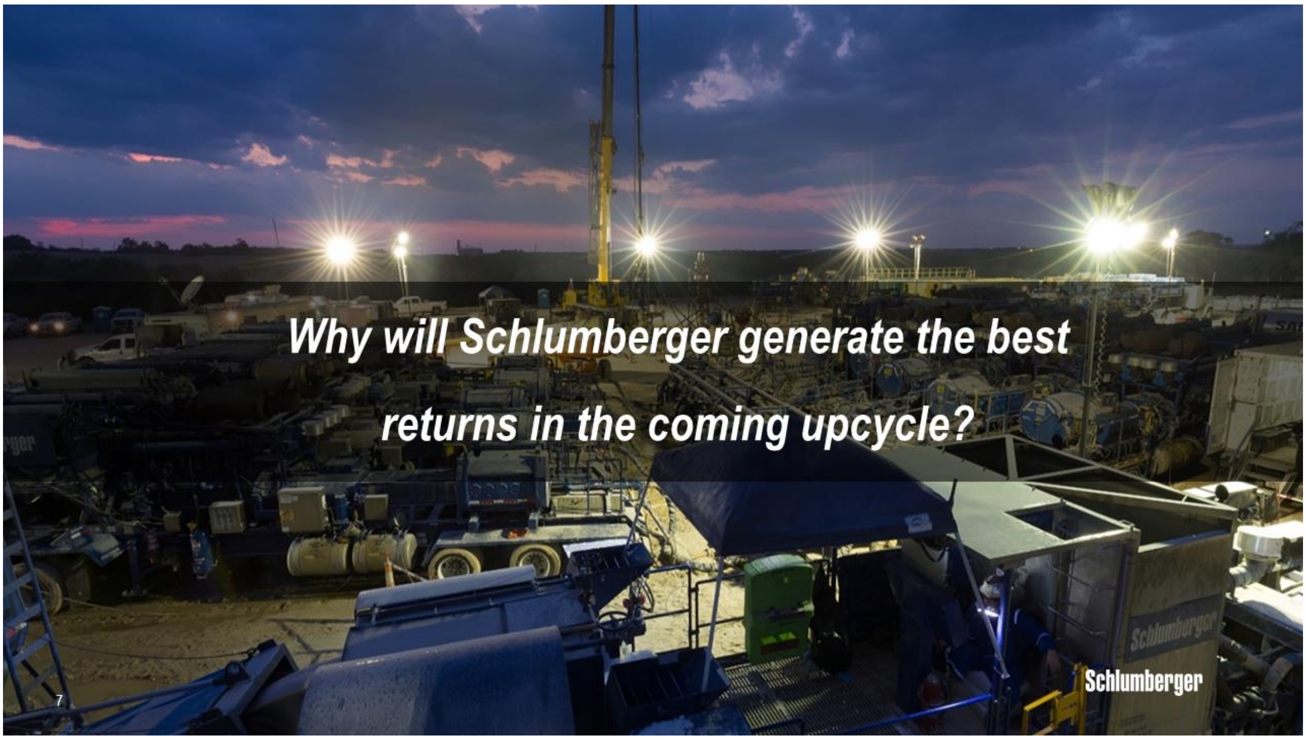


Another example is our Unconventional Completions and Stimulation Platform, which is part of our OneStimSM offering.

Here, we are initially focusing on improving the cost-efficiency of our surface equipment through a new software and data-driven Master Rate Control system, and through hardware upgrades that further support our Split Stream Operations.

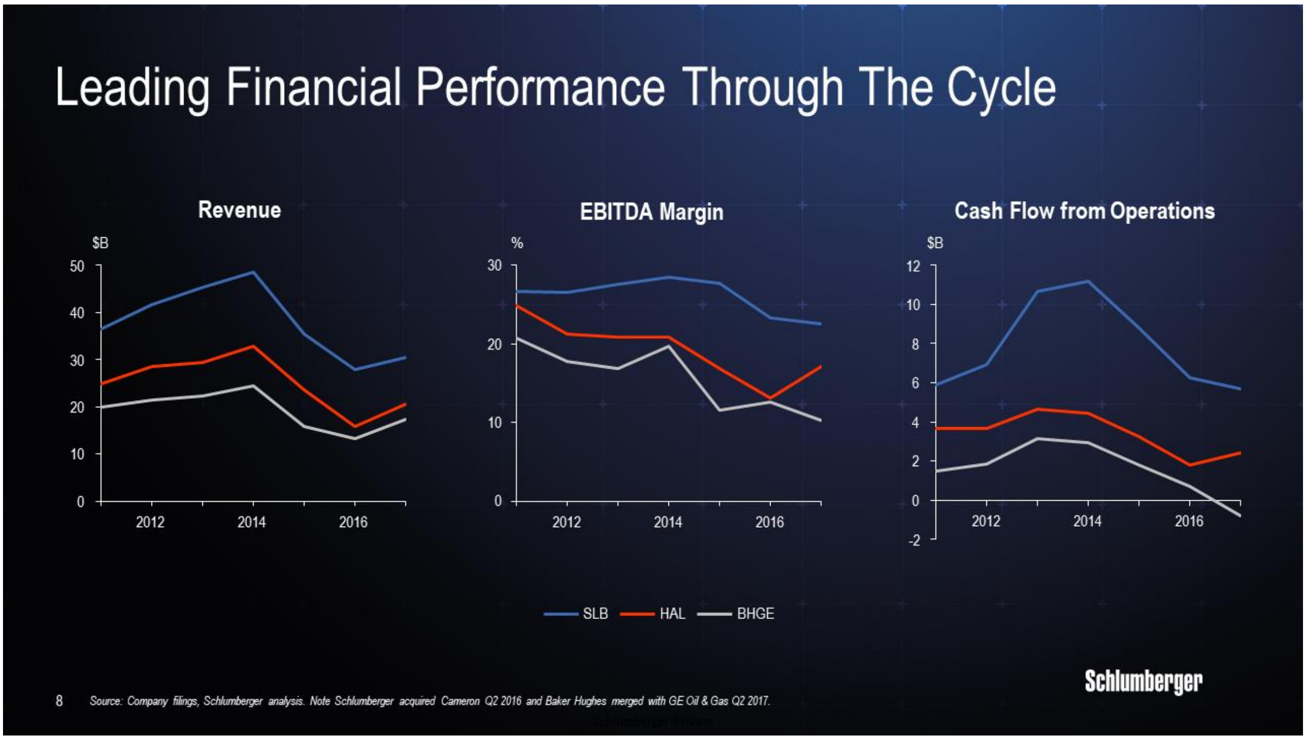
We also continue to invest in fluid technologies like Broadband Sequence, and Broadband Shield, which address the increasing challenges of parent-child well-interference, and our HiWAY technology, which helps reduce both proppant and water consumption.

At present, we are actively engaged with several of our large customers in preparing their data and defining the forward directions of these new technology platforms.



With that let's move on to the third and last question.

Why will Schlumberger generate the best operating and cash returns in the coming upcycle?



First of all, we consistently deliver superior full-cycle EBITDA margins and cash flow from operations compared to our competitors, and in particular in the part of the cycle where the international markets are growing.

2014 was the last year of growth for our international business and during that year we generated 69% incremental margins on only 4% revenue growth, with no support from pricing.

In the same year we also generated $6.2 billion of free cash flow, which represented a conversion rate of 83% of net income from continuing operations.

The driver behind this performance was solid execution from all parts of our global organization and the early benefits from our transformation program.

By continuing to advance our transformation program since then, we are today even better equipped and prepared to deliver superior operating margins and free cash flow as we now enter a new international growth cycle.

The need to transform or modernize our operating platform was clearly identified as far back as the late 1990s but, due to the technical complexity, and the associated change management challenges, it was left unaddressed until 2012 when we launched the current program which we now have largely completed.

Over the past four years, we have modernized all our internal workflows as well as our organizational structure, and we have created even stronger and more professional support functions, all equipped with cutting edge planning execution and collaboration tools.

The modernization program also includes adjustments to how we manage our operations with increased focus on teamwork and functional accountability.

This will create an even more productive and engaging working environment, which will speak volumes to our millennial employees who already make up around 55% of our total workforce, and 65% of our high potential employees.

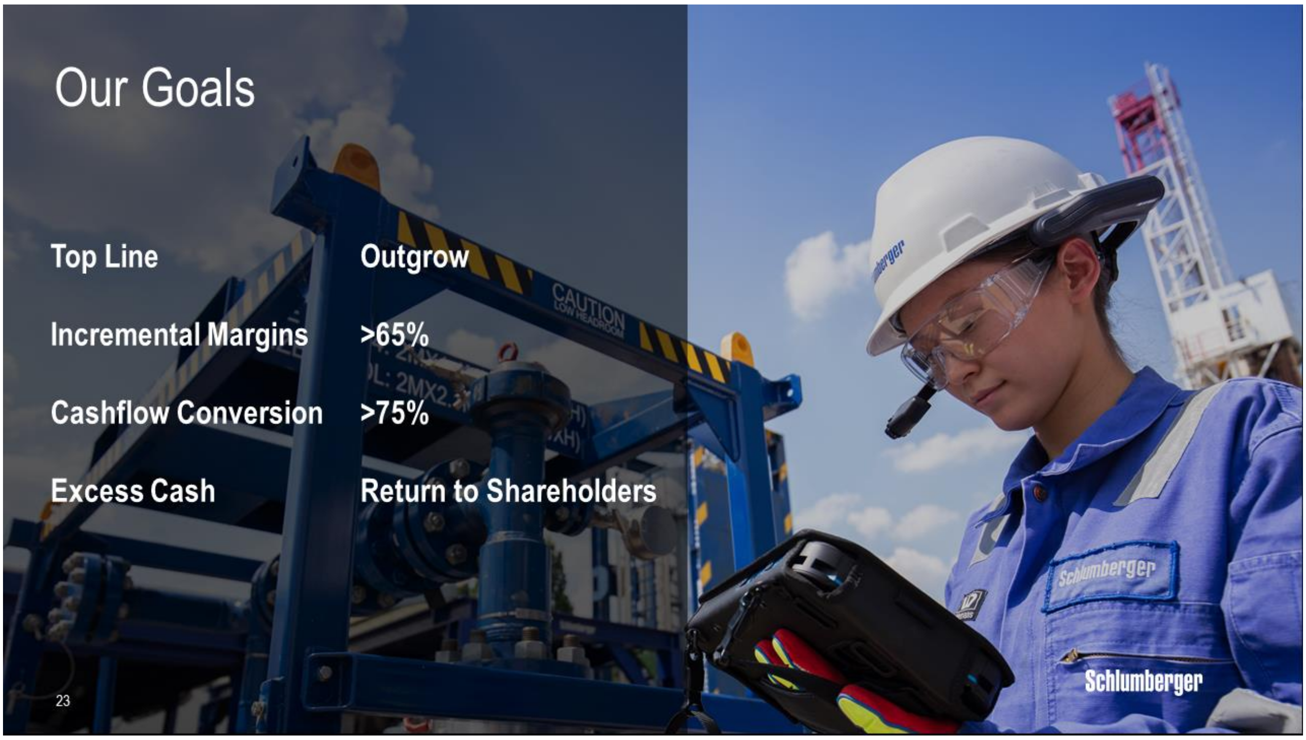
Our modernized operating platform will allow us to significantly improve the utilization and reduce the operating costs of our asset base through improved planning, distribution, and maintenance.

At the same time, we will be able to more effectively deploy our people and expertise through multi-skilling and remote operations and, in doing so, deliver an effective capacity gain of at least 1,500-2,000 people in each of the coming years.

Altogether, this will support our goal of delivering 65% incremental margins in the coming up-cycle and at the same time lower our need for capacity related capex investments compared to previous cycles.

With the completion of our multi-year modernization program, we have now created the same innovation and continuous improvement platform for the internal part of our work as we have always had for our customer-facing activities.

This is essential to help maximize both the operating profits and free cash flow we will generate for our shareholders, and the efficiency and the quality of service we deliver to our customers.



So, in support of the answers I have given to the three questions posed in my talk, the entire Schlumberger organization is currently working on delivering on the following set of goals:

We will outgrow the market in terms of top line, driven by our unmatched global footprint, our industry leading technology offering, our broad range of business models, and the investments we are currently making into our next generation technology platforms.

We will deliver 65% incremental margins during the coming global growth cycle, driven by our modernized operating platform and the recovery of the pricing concessions we have made over the past four years.

Our SPM business will, at least, be cash flow neutral in 2018 and 2019, after which, we will see a significant free cash flow tailwind, as our recent project additions reach their planned production rates.

At the same time, the capex requirements for our seismic business, after adopting the asset light model, will be limited to specific multi-client projects, where we continue to request a significant level of customer pre-commitments.

At this stage, we are not planning any major transactions that would involve significant cash outlays, other than the pending Eurasia Drilling transaction, where we now have met and accepted all the requirements stipulated by the Russian regulatory authorities and await their final decision.

Based on all of this, we should meet or exceed our stated goal of converting more than 75% of our net income into free cash flow.

This means that we should soon start to generate an increasing amount of excess cash, which we intend to return to our shareholders in the form of increased dividends and stock buybacks.

That concludes my remarks.

I hope I have managed to convey to you our excitement about our business, and that I leave you with a more optimistic outlook for both our industry and for Schlumberger as an investment proposition.

Thank you very much for your attention.