

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)

OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarter ended:  
MARCH 31, 1997

Commission file No.:  
1-4601

SCHLUMBERGER N.V.  
(SCHLUMBERGER LIMITED)

(Exact name of registrant as specified in its charter)

NETHERLANDS ANTILLES

52-0684746

(State or other jurisdiction of  
incorporation or organization)

(I.R.S. Employer  
Identification No.)

277 PARK AVENUE  
NEW YORK, NEW YORK, U.S.A.

10172

42 RUE SAINT-DOMINIQUE  
PARIS, FRANCE

75007

LAAN VAN MEERDERVOORT 55  
THE HAGUE,  
THE NETHERLANDS

2517 AG

(Addresses of principal executive  
offices)

(Zip Codes)

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

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

YES      X

NO

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

Class

Outstanding at April 30, 1997

COMMON STOCK, \$0.01 PAR VALUE

246,851,560 (\*)

(\*) Not adjusted for two-for-one stock split, announced April 17, 1997, to stockholders of record on June 2, 1997.

PART I. FINANCIAL INFORMATION

Item 1 : Financial Statements

SCHLUMBERGER LIMITED

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

CONSOLIDATED STATEMENT OF INCOME

(Unaudited)

(Stated in thousands except per share amounts)

|                                  | Three Months Ended<br>March 31, |             |
|----------------------------------|---------------------------------|-------------|
|                                  | 1997                            | 1996        |
| REVENUE:                         |                                 |             |
| Operating                        | \$2,402,060                     | \$2,027,828 |
| Interest and other income        | 18,105                          | 17,370      |
|                                  | -----                           | -----       |
|                                  | 2,420,165                       | 2,045,198   |
|                                  | -----                           | -----       |
| EXPENSES:                        |                                 |             |
| Cost of goods sold and services  | 1,782,788                       | 1,549,603   |
| Research & engineering           | 117,953                         | 110,799     |
| Marketing                        | 74,633                          | 73,190      |
| General                          | 87,781                          | 85,259      |
| Interest                         | 17,819                          | 17,343      |
| Taxes on income                  | 79,248                          | 38,137      |
|                                  | -----                           | -----       |
|                                  | 2,160,222                       | 1,874,331   |
|                                  | -----                           | -----       |
| Net Income                       | \$ 259,943                      | \$ 170,867  |
|                                  | =====                           | =====       |
| Net Income per share (1)         | \$ 0.53                         | \$ 0.35     |
|                                  | =====                           | =====       |
| Average shares outstanding (1)   | 493,426                         | 486,715     |
|                                  | =====                           | =====       |
| Dividends declared per share (1) | \$ 0.1875                       | \$ 0.1875   |
|                                  | =====                           | =====       |

(1) Adjusted for two-for-one stock split, announced April 17, 1997, to stockholders of record on June 2, 1997.

See notes to consolidated financial statements

SCHLUMBERGER LIMITED

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

CONSOLIDATED BALANCE SHEET

(Unaudited)

|  | Mar. 31,<br>1997       | Dec. 31,<br>1996 |
|--|------------------------|------------------|
|  | -----                  | -----            |
| ASSETS   |                        |                  |
| - - - - -  |                        |                  |
|  | (Dollars in thousands) |                  |
| CURRENT ASSETS:  |                        |                  |
| Cash and short-term investments  | \$ 1,201,625           | \$ 1,358,948     |
| Receivables less allowance for doubtful accounts<br>(1997 - \$52,826; 1996 - \$58,981) | 2,384,117              | 2,260,091        |
| Inventories  | 983,609                | 938,974          |
| Deferred taxes on income   | 217,505                | 222,456          |
| Other current assets   | 256,646                | 262,148          |
|  | -----                  | -----            |
|  | 5,043,502              | 5,042,617        |
| LONG-TERM INVESTMENTS, HELD TO MATURITY  | 379,791                | 323,717          |
| FIXED ASSETS:  |                        |                  |
| Property, plant and equipment  | 9,667,875              | 9,577,749        |
| Less accumulated depreciation  | (6,307,034)            | (6,219,168)      |
|  | -----                  | -----            |
|  | 3,360,841              | 3,358,581        |
| EXCESS OF INVESTMENT OVER NET ASSETS OF<br>COMPANIES PURCHASED less amortization       | 1,187,734              | 1,225,335        |
| DEFERRED TAXES ON INCOME   | 202,702                | 203,983          |
| OTHER ASSETS   | 163,896                | 170,818          |
|  | -----                  | -----            |
|  | \$10,338,466           | \$10,325,051     |
|  | =====                  | =====            |
| LIABILITIES & STOCKHOLDERS' EQUITY   |                        |                  |
| - - - - -  |                        |                  |
| CURRENT LIABILITIES:   |                        |                  |
| Accounts payable and accrued liabilities   | \$ 2,057,943           | \$ 2,200,161     |
| Estimated liability for taxes on income  | 395,560                | 367,562          |
| Bank loans   | 697,186                | 743,018          |
| Dividend payable   | 92,932                 | 92,842           |
| Long-term debt due within one year   | 74,060                 | 70,827           |
|  | -----                  | -----            |
|  | 3,317,681              | 3,474,410        |
| LONG-TERM DEBT   | 633,813                | 637,203          |
| POSTRETIREMENT BENEFITS  | 388,447                | 383,129          |
| OTHER LIABILITIES  | 201,597                | 203,929          |
|  | -----                  | -----            |
|  | 4,541,538              | 4,698,671        |
|  | -----                  | -----            |
| STOCKHOLDERS' EQUITY:  |                        |                  |
| Common stock   | 824,285                | 818,803          |
| Income retained for use in the business  | 7,305,160              | 7,137,744        |
| Treasury stock at cost   | (2,305,607)            | (2,315,946)      |
| Translation adjustment   | (26,910)               | (14,221)         |
|  | -----                  | -----            |
|  | 5,796,928              | 5,626,380        |
|  | -----                  | -----            |
|  | \$10,338,466           | \$10,325,051     |
|  | =====                  | =====            |

See notes to consolidated financial statements

SCHLUMBERGER LIMITED

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

CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited)

(Dollars in thousands)

Three Months Ended  
March 31,

1997 1996

|   | 1997       | 1996       |
|---|------------|------------|
|   | -----      | -----      |
| Cash flows from operating activities:   |            |            |
| Net income  | \$ 259,943 | \$ 170,867 |
| Adjustments to reconcile net income to cash provided by operating activities:                           |            |            |
| Depreciation and amortization   | 231,942    | 217,013    |
| Earnings of companies carried at equity, less dividends received (Dividends: 1997 - \$0 ; 1996 - \$133) | 143        | 727        |
| Provision for losses on accounts receivable   | 1,496      | 4,318      |
| Other adjustments   | (674)      | (652)      |
| Change in operating assets and liabilities:   |            |            |
| Increase in receivables   | (158,896)  | (63,502)   |
| Increase in inventories   | (62,910)   | (94,459)   |
| Decrease in deferred taxes on income  | 4,951      | -          |
| Decrease in accounts payable and accrued liabilities  | (93,693)   | (17,639)   |
| Increase (decrease) in estimated liability for taxes on income  | 29,475     | (11,927)   |
| Other - net   | 9,056      | (45,683)   |
|   | -----      | -----      |
| Net cash provided by operating activities   | 220,833    | 159,063    |
|   | -----      | -----      |
| Cash flows from investing activities:   |            |            |
| Purchases of fixed assets   | (265,530)  | (219,236)  |
| Sales/retirements of fixed assets   | 19,115     | 19,039     |
| Decrease in investments   | 73,422     | 112,765    |
| Decrease (increase) in other assets   | 2,807      | (422)      |
|   | -----      | -----      |
| Net cash used in investing activities   | (170,186)  | (87,854)   |
|   | -----      | -----      |
| Cash flows from financing activities:   |            |            |
| Dividends paid  | (92,441)   | (91,151)   |
| Proceeds from exercise of stock options   | 15,821     | 50,534     |
| Proceeds from issuance of long-term debt  | 49,959     | 9,095      |
| Payments of principal on long-term debt   | (28,700)   | (38,849)   |
| Net (decrease) increase in short-term debt  | (21,221)   | 18,135     |
|   | -----      | -----      |
| Net cash used in financing activities   | (76,582)   | (52,236)   |
|   | -----      | -----      |
| Net (decrease) increase in cash   | (25,935)   | 18,973     |
| Cash, beginning of period   | 137,259    | 72,515     |
|   | -----      | -----      |
| Cash, end of period   | \$ 111,324 | \$ 91,488  |
|   | =====      | =====      |

See notes to consolidated financial statements

SCHLUMBERGER LIMITED

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

-----  
(Unaudited)

In the opinion of management, all adjustments necessary to present fairly the financial position and the results of operations have been made in the accompanying interim financial statements. The Company's significant accounting policies are summarized in its 1996 Annual Report. These policies have been consistently applied during the interim period presented in this report. The results of operations for the three month period ended March 31, 1997 are not necessarily indicative of the results of operations that may be expected for the entire year.

EARNINGS PER SHARE

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In February, 1997, the Financial Accounting Standards Board issued "Statement of Financial Accounting Standards No. 128". The impact on the Company of the new standard, which is effective for the fourth quarter of 1997, is that the Company will, at that time, report "Earnings per common share - assuming dilution" (stock option and warrant effect) along with the "Earnings per share" now reported.

INCOME TAX EXPENSE

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The Company and its subsidiaries operate in over 100 taxing jurisdictions.

In the third quarter of 1996, the Company recognized 50% of the US income tax benefit related to its US subsidiary's tax loss carryforward and all temporary differences. At March 31, 1997, the US deferred tax asset was \$378 million and the valuation allowance was \$39 million.

The Company's US consolidated group has a net operating loss carryforward at March 31, 1997 of \$190 million and net deductible temporary differences were \$802 million. Significant temporary differences pertain to postretirement medical benefits and fixed assets. Most of the tax loss carryforward will expire in the years 2002 - 2003.

CONTINGENCIES

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The Company and its subsidiaries comply with government laws and regulations and responsible management practices for the protection of the environment. The Consolidated Balance Sheet includes accruals for the estimated future costs associated with certain environmental remediation activities related to the past use or disposal of hazardous materials. Substantially all such costs relate to divested operations and to facilities or locations that are no longer in operation. Due to a number of uncertainties, including uncertainty of timing, the scope of remediation, future technology, regulatory changes and other factors, it is possible that the ultimate remediation costs may exceed the amounts accrued. However, in the opinion of management, such additional costs are not expected to be material relative to consolidated liquidity, financial position or future results of operations.

In a case in Texas involving the validity of a 1988 settlement and release in connection with an incidental business venture, the trial court, in 1993, rendered a judgment notwithstanding the verdict of the jury, exonerating Schlumberger from any liability. In late 1994, a Texas Court of Appeals reversed the trial court judgment and reinstated the jury award of about \$75 million against Schlumberger. The Texas Supreme Court granted the Schlumberger motion to hear the case. Oral argument was held before the Texas Supreme Court on October 11, 1995. Schlumberger and outside counsel believe the decision of the trial court was correct. Consequently, no provision has been made in the Consolidated Financial Statements for this matter.

In May 1996, in a case involving a \$3 million contract dispute, the trial court in Johnson County, Texas, entered judgment on jury findings adverse to Schlumberger for \$23 million in damages, which has been doubled, plus attorneys' fees and interest. The Company and its outside counsel believe the findings and the judgment are not supported by the evidence and law, and have filed an appeal. Accordingly, no provision has been made in the accompanying financial statements for this matter.

In addition, the Company and its subsidiaries are party to various other legal proceedings. Although the ultimate disposition of these proceedings is not presently determinable, in the opinion of the Company any liability that might ensue would not be material in relation to the Consolidated Financial Statements.

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

of Operations.

First Quarter 1997 Compared to First Quarter 1996

Net income of \$260 million was 52% above first quarter 1996. After giving effect to the two-for-one stock split, announced April 17, 1997, earnings per share were \$0.53, a 51% increase compared to \$0.35 a year ago.

First quarter operating revenue was \$2.40 billion, 18.5% higher than the same period last year.

Oilfield Services revenue increased 27% while rig count rose 12%. Significant contributions from all activities, particularly Geco-Prakla and Sedco Forex, led to the 84% growth in operating income.

Measurement & Systems revenue was flat. Growth at Electronic Transactions and Automatic Test Equipment was offset by the decline in metering activities, particularly in Electricity & Gas, and by unfavorable currency exchange rates.

BUSINESS REVIEW

| First Quarter       | Oilfield Services |          |          | (Stated in millions)<br>Measurement & Systems |        |          |
|---------------------|-------------------|----------|----------|---|--------|----------|
|                     | 1997              | 1996     | % change | 1997  | 1996   | % change |
| Operating Revenue   | \$ 1,724          | \$ 1,353 | 27%      | \$ 680  | \$ 676 | 1%       |
| Operating Income(1) | \$ 325            | \$ 177   | 84%      | \$ 25   | \$ 32  | (22)%    |

(1) Operating income represents income before income taxes, excluding interest expense and interest and other income.

OILFIELD SERVICES

Operating revenue for Oilfield Services was 27% above last year with strong contributions from all activities, particularly from Geco-Prakla and Sedco Forex. Operating income increased 84%.

North America

North American rig count grew 19%, and revenue jumped 36%, representing 21% of Schlumberger consolidated revenue. Activity increased in all regions. Pricing has begun to improve at varying degrees in all businesses, particularly in the US. The greatest contributions were from Geco-Prakla, up 85%, with record sales of non-exclusive seismic data in the US; Dowell, which rose 30%, with solid increases in all service lines; and GeoQuest, up 77%, on strong Software Products sales and soaring IT and Data Management revenue.

Outside North America

Rig count outside North America grew 3%, and revenue was up 24%, representing 52% of consolidated revenue. Operating income rose 62%. All businesses achieved strong revenue growth, with high activity in the North Sea and West Africa. Sedco Forex was the largest contributor with a 43% increase due to higher dayrates as well as higher activity. In

addition, Dowell, Wireline & Testing and Anadrill also contributed with revenue increases of 25%, 15% and 32%, respectively.

During the first quarter, new technologies and activities derived from recently developed combinations of products and services contributed strongly to results and market share gains.

Integrated Project Management (IPM) activity increased considerably compared with the first quarter of 1996, with overall revenue rising over 200%. Well construction activity remained high with 38 rigs managed on behalf of our clients. Several large projects were awarded to IPM for well construction and completion in the CIS, Latin America and the Middle East. Working closely with Sedco Forex, IPM will manage, on behalf of a client, drilling campaigns in the most difficult area of southern Lake Maracaibo. Sedco Forex is now refurbishing a fourth drilling barge chartered from Lagoven for this project.

Drilling revenues increased by 42% compared with the same quarter last year, due to improved utilization and increased dayrates. All geographic areas contributed. Offshore rig utilization increased from 93% to 96%, driven by high utilization of jackups and semisubmersibles. The industry-wide average offshore rig utilization was 93%, compared to 86% in the first quarter of 1996. Sedco Forex land rig utilization increased to 82% from 54%, taking into account that three land rigs and one swamp barge were retired during the period. Consequently, 79 rigs were owned or operated at quarter end, including four offshore units under charter and three lake barges plus three semisubmersibles under management contract. The fleet comprised 50 offshore rigs, including 26 semisubmersibles and 16 jackups, and 29 land rigs.

In late March, the semisubmersible Sedco 707 was transferred from the North Sea to a shipyard in France for a six-month life enhancement and deep-water upgrade, including the installation of dynamic positioning equipment, after which the rig will be mobilized to Brazil for a five-year contract. The semisubmersible Orca, formerly Sedco I, was commissioned in South Africa as an early production facility under a multiyear, integrated service contract in which both rig management and production services will be provided.

Marine seismic activity jumped 76%, owing to continued improvement in productivity, strong non-exclusive activity in deep water in the Gulf of Mexico and optimal positioning of the fleet in the northern hemisphere during the winter. Several key 4D reservoir monitoring contracts, in which repeat 3D seismic surveys track geophysical changes over time, were awarded in the quarter. Land seismic activity was essentially flat with backlog improving, particularly in the Middle East. Land reorganization, initiated last year and coupled with higher productivity levels and better pricing, contributed to improved results. Transition Zone revenue was 17% higher than in the same quarter last year, with all crews operating and much higher non-exclusive activity in Louisiana. Data Processing benefited from increased onboard processing.

Both the CMR\* Combinable Magnetic Resonance and PLATFORM EXPRESS\* technologies experienced worldwide revenue growth three times higher than in the same period last year. The new Wireline & Testing PL Flagship\* production logging technology continued to gain acceptance in the Middle East and the North Sea owing to its unique capacity to diagnose production problems in high-angle and horizontal wells. The

ability within Schlumberger to integrate solutions was exemplified in a horizontal well in the North Sea, where the PL Flagship tool was run on Dowell coiled tubing and the acquired data were interpreted, in conjunction with seismic data, by GeoQuest. Our client was then able to identify water entry sources and to plan effective remedial actions.

In the Gulf of Mexico, demand for our new sand control technology continued to gain favor with operators as it saves rig time and reduces fluid loss. In one trip in the hole, this service combines the tubing-conveyed perforating hardware and cased-hole testing tools from Wireline & Testing with the gravel fluids and the gravel packer from Dowell.

Coiled Tubing Drilling activity grew sharply compared with the same quarter last year, with service provided in Venezuela, Oman, Nigeria, the US and the North Sea. The VIPER\* system, a coiled tubing measurements-while-drilling (MWD) and motor system for slim holes, demonstrates the integration value of our oilfield services. Contributing to the introduction of this successful new service, Sedco Forex and Dowell brought their coiled tubing expertise, Wireline & Testing its telemetry technology and Anadrill its motor and MWD expertise. The VIPER system's precise orienting and control features improve the efficiency of drilling lateral wells in existing fields.

Growth in directional and horizontal drilling services continued at a fast pace with a 30% increase over last year. The enduring performance of our PowerPak\* steerable motors, with record runs in the North Sea and Venezuela, has helped fuel this growth. In addition, the proven value of GeoSteering\* service persuaded many clients to increase the number of geologically steered wells, leading to much improved hydrocarbon production. Logging-while-drilling and measurements-while-drilling revenues rose 42% and 46%, respectively, with continued success in the smaller hole market with the introduction of SHARP\* second-generation slim MWD technology, which extends the capability of our current technology to ultra-short-radius drilling.

Information Technology and Data Management Services grew significantly, with North American revenue up seven-fold over last year. Reflecting the continuing outsourcing from our clients, multiyear contracts were awarded to GeoQuest by two major US oil companies for exploration and production data management, software, geoscience and services worldwide. Software Products sales increased significantly over last year's first quarter on continued sharp growth in North America, up 104%, and in South America, Europe and the CIS. Also during the quarter, GeoQuest signed an agreement with a major European oil company to jointly develop data management software applications.

#### MEASUREMENT & SYSTEMS

Measurement & Systems revenue was essentially flat compared to last year, after an unfavorable exchange rate effect. A decrease at Electricity & Gas Metering in Europe offset growth at Electronic Transactions and Water Management in the US and South America. Orders rose 3%.

Operating income decreased 22%. Market conditions further weakened for Electricity & Gas Metering, while pricing pressures in Europe impacted the results of Water Management and Electronic Transactions.

In the first quarter, Automatic Test Equipment revenue increased 3% from the same period last year, reflecting a greater volume of assembly systems and test handlers, and higher deliveries of IDS10000\* and P2X diagnostic systems. Orders declined 10%, primarily due to significant prior-year bookings of upgrades for the ITS9000\* family of products. Revenue from the metering business was down compared with last year, as gains in the North American and South American markets were more than offset by declining conditions in Europe. Metering orders were down 7%. Systems & Services revenue grew 6% compared with the first quarter of 1996. European service activity continued to benefit from the addition of selective contract portfolios and the growth in the service and maintenance segment in the UK. Orders were up 15%, primarily due to an increase in demand at Meter Communication Systems. Electronic Transactions revenue rose 28% from the same period last year, reflecting strong card growth and the acquisition of Solaic, a French card manufacturer, and contributions from the earlier acquisitions of Printer, Gueant and Germann. Orders increased 41%, reflecting the inclusion of the acquired companies and strong growth of cards. Business conditions in Asia continued to strengthen as demonstrated by the 50% increase in orders.

Interest and other income increased \$1 million from the first quarter of 1996 primarily due to higher average investment balances. Gross margin increased from 24% to 26%. Research and engineering expense increased 6% from last year but decreased to 4.9% of operating revenue from 5.5% in 1996. Marketing expense was up 2%. General expense, expressed as a percentage of operating revenue, decreased from 4.2% to 3.7%. Interest expense was flat. The effective tax rate increased 5 percentage points to 23%. Approximately 4 percentage points relate to higher US income tax expense following the recognition of the tax loss carryforward, as explained on page 5 on the "Income Tax Expense" section.

\*Mark of Schlumberger

PART II. OTHER INFORMATION

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

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- a) The Annual General Meeting of Stockholders of the Registrant ("the Meeting") was held on April 9, 1997.
  - b) At the Meeting, the number of Directors was fixed at 11 and the following-named 11 individuals were elected to comprise the entire Board of Directors of the Registrant, each to hold office until the next Annual General Meeting of Stockholders and until a director's successor is elected and qualified or until a director's death, resignation or removal. All of the nominees, except John Deutch and Yoshihiko Wakumoto, were directors who were previously elected by the stockholders. Mr. Deutch was a director from May 15, 1987 until 1993 when he resigned to accept a position with the US government. Eiji Umene, a director since 1989, had reached retirement age and did not stand for re-election.  
  
Don E. Ackerman  
D. Euan Baird  
John Deutch  
Denys Henderson  
Andre Levy-Lang  
William T. McCormick, Jr.  
Didier Primat  
Nicolas Seydoux  
Linda Gillespie Stuntz  
Sven Ullring  
Yoshihiko Wakumoto
  - c) The Meeting also voted (i) to approve the Company's Consolidated Balance Sheet as at December 31, 1996, its Consolidated Statement of Income for the year ended December 31, 1996, and the declaration of dividends reflected in the Company's 1996 Annual Report to Stockholders; (ii) to amend the Company's Deed of Incorporation to increase the authorized Common Stock from 500,000,000 to 1,000,000,000 shares; (iii) to approve the appointment of Price Waterhouse LLP as independent public accountants to audit the accounts of the Company for the year 1997.

The votes cast for the election of directors, for the approval of financial statements and dividends, to increase the authorized Common Stock, and for the approval of the appointment of Price Waterhouse LLP were as follows:

|                           | For         | Withheld  |
|---------------------------|-------------|-----------|
| Don E. Ackerman           | 217,316,264 | 898,904   |
| D. Euan Baird             | 217,386,883 | 828,285   |
| John Deutch               | 217,452,961 | 762,207   |
| Denys Henderson           | 217,430,098 | 785,070   |
| Andre Levy-Lang           | 216,328,264 | 1,886,904 |
| William T. McCormick, Jr. | 217,477,321 | 737,847   |
| Didier Primat             | 217,412,615 | 802,553   |
| Nicolas Seydoux           | 217,411,868 | 803,300   |
| Linda Gillespie Stuntz    | 217,464,525 | 750,643   |
| Sven Ullring              | 217,438,659 | 776,509   |
| Yoshihiko Wakumoto        | 217,386,617 | 828,551   |

|   | For         | Against    | Abstain   | Non-vote |
|---|-------------|------------|-----------|----------|
| Financials:<br>-----                            | 216,433,318 | 235,256    | 1,546,594 | - 0 -    |
| Amendment to Deed<br>of Incorporation:<br>----- | 181,772,018 | 35,948,186 | 491,566   | 3,398    |
| Price Waterhouse:<br>-----                      | 217,689,477 | 192,447    | 333,244   | - 0 -    |

Item 5: Other Information  
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On April 16, 1997, the Board of Directors of the Registrant (the "Board") declared a 2-for-1 stock split pursuant to which each holder of record of Common Stock at the close of business on June 2, 1997 will receive one share of the Registrant's common stock, par value \$0.01 per share (the "Common Stock"), for each share registered in the name of such holder. Pursuant to its authority under the Schlumberger Discounted Stock Purchase Plan (the "Plan"), the Discounted Stock Purchase Plan Committee has adjusted the Plan to reflect the stock split by increasing by 2,012,245 the number of shares of Common Stock that remain available for purchase under the Plan, and the Board has authorized the reservation of a corresponding number of shares of Common Stock (on a post-split basis) for the Plan. Following these actions, the number of shares of Common Stock (on a post-split basis) covered by the Registrant's registration statement on Form S-8 relating to the Plan (registration no.33-47592) is 7,012,245 shares.

Item 6: Exhibits and Reports on Form 8-K  
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(a) Exhibits : Exhibit 3(i) - Deed of Incorporation as amended April 29, 1997.

Exhibit 99 - Press and Earnings Release dated April 17, 1997, re Stock Split, Quarterly Dividend and 1997 First Quarter Earnings.

(b) Reports on Form 8-K: None

SIGNATURE  
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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 principal financial officer.

Schlumberger Limited  
(Registrant)

Date: May 15, 1997  
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/s/ Arthur Lindenauer  
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Arthur Lindenauer  
Executive Vice President - Finance  
and Chief Financial Officer

INDEX TO EXHIBITS

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| Exhibit No.<br>----- | Description<br>-----   | Appendix<br>----- |
|----------------------|--|-------------------|
| Exhibit 3(i) -       | Deed of Incorporation as amended April 29, 1997.   | A                 |
| Exhibit 99 -         | Press and Earnings Release dated April 17, 1997, re Stock Split, Quarterly Dividend and 1997 First Quarter Earnings. | B                 |

[ART APPEARS HERE]

MR. G.C.A. SMEETS

MR. J.W.M. THESELING

NOTARISSEN

CURACAO

NEDERLANDSE ANTILLEN

SMEETS THESELING VAN BOKHORST SPIGT

CURACAO

NEW YORK

BRUSSELS

APPENDIX A

THE UNDERSIGNED:

ANDREAS MARIA PETRUS ESHUIS, a deputy Civil Law Notary, residing in Curacao, acting for Gerard Christoffel Antonius Smeets, a Civil Law Notary, residing in Curacao, Netherlands Antilles;

herewith certifies:

that the limited liability company SCHLUMBERGER N.V., established on Curacao,

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was legally incorporated on November 6, 1956 by deed passed before Antonius Adrianus Gerard Smeets, at that time a civil-law notary in Curacao, the original of which deed is in the custody of Notary Gerard Christoffel Antonius Smeets, aforementioned, on a draft of which deed the declaration of no-objection was granted by National Ordinance dated November 2, 1956, Number 1;

that the articles of incorporation have been amended several times;

that by deed passed before Antonius Adrianus Gerard Smeets on September 19, 1972 the original of which is in the custody of Notary Gerard Christoffel Antonius Smeets, aforementioned, the articles of incorporation have in their entirety been amended and laid down anew, on a draft of which deed the declaration of no-objection was granted by Ministerial Decree of September 19, 1972 under number 8293/JAZ;

that the articles of incorporation have again been amended:

- a) by deed passed before Notary Gerard Christoffel Antonius Smeets, aforementioned, on May 7 1975, on a draft of which deed the declaration of no-objection was granted by Ministerial Decree of May 6, 1975, under number 3961/JAZ;
- b) by deed passed before Notary Gerard Christoffel Antonius Smeets, aforementioned, on May 5, 1976 on a draft of which deed the declaration of no-objection was granted by Ministerial Decree of May 5, 1976, under number 4055/JAZ;
- c) by deed passed before Notary Gerard Christoffel Antonius Smeets, aforementioned, on May 10, 1977 on a draft of which deed the declaration of no-objection was granted by Ministerial Decree of May 10, 1977, under number 4902/JAZ;
- d) by deed passed before Notary Gerard Christoffel Antonius Smeets, aforementioned, on June 22, 1979 on a draft of which deed the declaration of no-objection was granted by Ministerial Decree of June 21, 1979, under number 3057/N.V.;
- e) by deed passed before Notary Gerard Christoffel Antonius Smeets, aforementioned on May 12, 1981 on a draft of which deed the declaration of no-objection was granted by Ministerial Decree of May 11, 1981, under number 2064/N.V.;

APPENDIX A

- f) by deed passed before Notary Gerard Christoffel Antonius Smeets, aforementioned, on August 15, 1983 on a draft of which deed the declaration of no-objection was granted by Ministerial Decree of August 12, 1983 under number 2385/N.V.;
- g) by deed passed before a substitute of Notary Gerard Christoffel Antonius Smeets, aforementioned, on September 19, 1983 on a draft of which deed the declaration of no-objection was granted by Ministerial Decree of September 16, 1983, under number 2706/N.V.;
- h) by deed passed before Notary Gerard Christoffel Antonius Smeets, aforementioned, on May 6, 1986 on a draft of which deed the declaration of no-objection was granted by Ministerial Decree of May 6, 1986, under number 1137/N.V.;
- i) by deed passed before Notary Gerard Christoffel Antonius Smeets, aforementioned, on May 22, 1987 on a draft of which deed the declaration of no-objection was granted by Ministerial Decree of May 21, 1987, under number 1066/N.V.;
- j) by deed passed before the Undersigned, on April 29, 1997 on a draft of which deed the declaration of no-objection was granted by Ministerial Decree of April 29, 1997, under number 904/N.V.;

that the limited liability company: SCHLUMBERGER N.V. is legally existing in

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good standing under the laws of the Netherlands Antilles with articles reading as per the attached documents.

IN WITNESS WHEREOF, I have set my hand hereunto, after having affixed the official seal of office.

[Notary Seal Appears here]

/s/ Andreas Maria Petrus Eshuis  
-----  
Andreas Maria Petrus Eshuis

Curacao, May 5, 1997.

APPENDIX A

ARTICLES OF INCORPORATION OF THE  
LIMITED LIABILITY COMPANY  
SCHLUMBERGER N.V.  
NAME AND DOMICILE  
Article I

1. The Company shall bear the name SCHLUMBERGER N.V.

2. In transactions in foreign countries, the name SCHLUMBERGER LIMITED may be used.

3. The Company is established in Curacao.

4. The Company may change its place of domicile in accordance with the Netherlands Antilles Ordinance on Transfer of Domicile to Third Countries pursuant to a resolution of the Board of Directors.

OBJECTS  
Article II

1. The objects of the Company are:

- a. to acquire, own, hold, manage and dispose of properties of whatever nature, wherever situated, movable and immovable, corporeal and incorporeal, including (but without limitation thereof) securities;
- b. to obtain income from the disposition or grant of rights to use copyrights, patents, designs, secret processes and formulae, trademarks and other analogous property, from royalties (including rentals) for the use of industrial, commercial or scientific equipment, and from compensation or other consideration received for technical assistance or services; and
- c. to establish, participate in and manage limited liability and other companies or other undertakings of every kind or nature whatsoever, and to engage in industry and trade.

2. In furtherance of its objects the Company is empowered, in general, to take any and all action of a financial, economic, industrial or other nature, of any kind whatsoever, which is in any way useful or necessary in the attainment of such objects or is in any way connected therewith, such powers including, without limitation, the following powers:

- a. to guarantee the payment of principal, premium, interest or dividends with respect to bonds, debentures, bills of exchange, notes and other evidences of indebtedness, stocks and other securities, and to guarantee the performance of any contract or obligation, entered into by any corporation, partnership, association, trust or any other entity or juristic or natural person whether established or domiciled within or outside the Netherlands Antilles;
- b. to borrow moneys upon the issuance of its bonds, debentures, notes or other obligations and to give security therefor; and
- c. to place in trust all or any of its properties, including securities.

DURATION  
Article III

The Company shall have perpetual existence.

CAPITAL AND SHARES  
Article IV

APPENDIX A

1. The authorized capital of the Company shall be TWELVE MILLION UNITED STATES DOLLARS (U.S.\$12,000,000), divided into (a) one billion (1,000,000,000) shares of Common Stock of the par value of One United States Cent (U.S.\$0.01) per share and (b) two hundred million (200,000,000) shares of cumulative Preferred Stock of the par value of One United States Cent (U.S.\$0.01) per share, which may be issued in different series.
2. Shares of Common Stock representing more than twenty percent (20%) of the authorized capital of the Company have been duly issued and fully paid.
3. The remaining unissued shares of Common Stock shall be issued at such times, under such conditions, and for such consideration, not less than the par value thereof, as may be determined by the Board of Directors.
4. Subject to the provisions of this Article, shares of cumulative Preferred Stock may be issued from time to time in one or more series on such terms and conditions as may be determined by the affirmative vote of three-fourths of the members of the Board of Directors, after considering the interests of the holders of shares of Common Stock of the Company, for consideration not less than the par value thereof and not less than fair value taking into account the terms and conditions for the issuance thereof and the relative voting, dividend and liquidation rights of such cumulative Preferred Stock. Prior to the issuance of any series of Preferred Stock the Board of Directors shall specify:
  - (a) the distinctive designation of such series and the number of shares to constitute such series;
  - (b) the annual dividend rate with respect to shares of such series, which shall be based on the consideration paid on issuance of such shares and which may be a fixed rate or a rate that fluctuates on dividend adjustment dates set under a formula or procedure determined by the Board of Directors prior to issuance, subject, in all cases, to the following limitations:
    - (1) the annual dividend rate shall not exceed the greater of (A) twenty percent (20%) or (B) one hundred and twenty percent (120%) of the Standard & Poor's Weekly Preferred Stock Yield Index or, in the event the Standard & Poor's Weekly Preferred Stock Yield Index is no longer published, any substantially equivalent preferred stock index, most recently published before the date of issuance or the relevant dividend adjustment date; and
    - (2) the annual dividend rate shall not be less than the smaller of (A) six percent (6%) or (B) eighty percent (80%) of the Standard & Poor's Weekly Preferred Stock Yield Index or, in the event the Standard & Poor's Weekly Preferred Stock Yield Index is no longer published, any substantially equivalent preferred stock index, most recently published before the date of issuance or

the relevant dividend adjustment date;

- (c) whether such dividends shall be payable annually or in installments;
- (d) the rights, if any, of the holders of shares of such series to convert shares of such series for shares of any other series of Preferred Stock or for shares of Common Stock, provided that shares of any series shall not be convertible into shares of any series senior thereto;
- (e) the rights, if any, of the Company to redeem shares of such series (in which case the directors shall specify the date on or after which the shares of such series may be called for redemption by the Company and the consideration to be paid therefor, or the manner by which such consideration shall be calculated) and the rights, if any, of holders of such shares to require the Company to purchase such shares, and the provisions, if any, of any sinking fund or other arrangement to be used in connection with such redemption or purchase; and
- (f) any other terms and conditions of such series which are not inconsistent with this Deed of Incorporation or Netherlands Antilles law.

Certificates for shares of Preferred Stock shall be issued bearing a legend describing the terms and conditions thereof specified by the Board of Directors.

5. Preferred Stock of all series shall rank prior to the Common Stock with respect to dividends and liquidation preferences. Any series of Preferred Stock may be ranked by the Board of Directors as to dividend and liquidation preferences, provided that no series issued after any other series shall rank prior to such other series as to such preferences. Any such series may be ranked equally with any one or more other series as the Board of Directors may determine.

6. Upon liquidation of the Company, the holders of shares of any series of Preferred Stock shall be entitled to receive, before any distribution is made to the holders of any other series of Preferred Stock ranking junior to such series as to liquidation preference, and before any distribution to the holders of Common Stock, the amount of the liquidation preference of such shares which shall not exceed the sum of:

- (1) the amount paid for such Preferred Shares on issuance, plus
- (2) all accumulated and unpaid dividends on such Preferred Shares to the date fixed for distribution.

#### Article V

No holder of shares of the Company shall have as such shareholder any preferential or preemptive right to purchase or subscribe for any shares of stock or any options, warrants or rights to purchase stock or any securities convertible into or exchangeable for stock which the Company may issue or, except those rights of conversion, if any, of Preferred Stock specified in or determined in accordance with Article IV.

#### Article VI

- 1. The Company may for its own account and for valuable consideration from time to time acquire fully paid shares of stock,

#### APPENDIX A

provided that at least one-fifth part of its authorized capital remains outstanding with others than the Company itself.

2. The Company shall not acquire any voting rights by reason of ownership of shares of its stock, and, in connection with any general meeting of shareholders, shares owned by the Company shall not be counted as outstanding, or as present or represented, for the purpose of determining a quorum or for any other purpose.

#### Article VII

1. The Board of Directors will maintain or cause to be maintained a register of issued shares.

2. The shares of stock shall be issued as registered shares, represented by consecutively numbered certificates bearing the corporate seal, or a facsimile thereof, issued in such form as may be determined by the Board of Directors and signed by two persons designated by the Board of Directors. The Board of Directors may provide that such signatures, or either of them, may be effected in facsimile.

3. The Board of Directors shall determine the conditions under which lost, stolen, mutilated or destroyed certificates shall be replaced, and such determination shall be conclusive.

#### MANAGEMENT

#### Article VIII

1. The management of all the affairs, property and business of the Company shall be vested in a Board of Directors, who shall have and may exercise all powers except such as are exclusively conferred upon the shareholders by law or by the Deed of Incorporation of the Company, as from time to time amended.

2. With respect to the issuance of shares of stock, the Board of Directors may, and the Management of the Company, pursuant to resolution duly adopted by the Board of Directors may, enter into and conclude agreements without the necessity of any action by the general meeting of shareholders:

- a. imposing special obligations upon the Company in connection with the subscription for shares;
- b. concerning the issue of shares on a basis other than that on which participation in the Company is open to the public; or
- c. providing for the payment for shares by means other than by legal tender of the Netherlands Antilles.

3. The directors shall be elected at the annual general meeting of shareholders. The number of persons constituting the whole Board of Directors shall be not less than five nor more than twenty-four as fixed and elected by the general meeting of shareholders. The number of persons constituting the whole Board of Directors shall, until changed at any succeeding general meeting of shareholders, be the number so fixed and elected. Directors may be removed at any general meeting of shareholders. At any general meeting of shareholders at which action is taken to increase the number of the whole Board of

#### APPENDIX A

Directors or to remove a director, or at any subsequent general meeting, the shareholders may fill any vacancy or vacancies created by such action.

4. Each director shall be elected to serve until the next annual general meeting of shareholders and until his successor shall be elected and qualify, or until his death, resignation or removal.

5. In the event that one or more of the directors is prevented from or is incapable of acting as a director, the remaining directors (or the remaining director, if there should be only one) may appoint one or more persons to fill the vacancy or vacancies thereby created on the Board of Directors until the next general meeting of shareholders, provided that if at any time the number of directors then in office shall be reduced to less than a majority of the number constituting the whole Board of Directors, the remaining directors or director shall forthwith call a general meeting of shareholders for the purpose of filling the vacancies in the Board of Directors, and provided further that in the event that all of the directors are prevented from or are incapable of acting as directors, the Company shall be temporarily managed by any person or persons previously appointed by the Board of Directors so to act, who shall forthwith call a general meeting of shareholders for the purpose of electing a Board of Directors. If no such general meeting of shareholders shall be called, and if no such person shall have been appointed, any person or persons holding in the aggregate at least five percent of the outstanding shares of stock of the Company may call a general meeting of shareholders for the purpose of electing a Board of Directors.

6. Directors need not be Netherlands citizens or residents of the Netherlands Antilles or shareholders of the Company. A majority of the whole Board of Directors shall constitute a quorum for the conduct of any business and the action of the majority of the directors present, in person or by proxy as hereinafter provided, at a meeting at which a quorum is so present, shall constitute the action of the Board of Directors. Meetings of the Board of Directors may be held within or without the Netherlands Antilles. Meetings may be held through conference telephone or other communication equipment allowing all persons participating in the meeting to hear each other or through any other device permitted by then applicable law, and participation in a meeting through any such lawful device or arrangement shall constitute presence at such meeting. When action by the Board of Directors is required or permitted to be taken, action at a meeting may be dispensed with if all the directors shall consent in writing to such action taken or being taken. Directors may by telegram, cable or other writing appoint a proxy to act at any meeting of the Board of Directors, such proxy to be restricted, however, to the particular meeting specified therein. Such proxy must be another director of the Company, provided, however, that at any meeting of the Board of

Directors a director may not act as proxy for more than one director. The Board of Directors may adopt, amend and repeal such By-Laws, rules, regulations and resolutions as it may deem appropriate with respect to notice and the holding of meetings and otherwise with respect to the conduct of its affairs. Such By-Laws, rules, regulations and resolutions must be consistent with this Deed of Incorporation.

Article IX

1. The Company shall be represented at law and otherwise, and shall be bound with respect to third parties:

a. by those directors authorized by the Board of Directors to represent the Company, who shall have the following titles and occupy the following offices:

- ( i) Chairman;
- ( ii) President; or

b. by persons, who may or may not be directors, authorized by the Board of Directors to represent the Company, who shall have the following titles and occupy the following offices:

- ( i) one or more Vice Presidents;
- ( ii) Controller;
- (iii) Treasurer;
- ( iv) Secretary.

The Board of Directors may also from time to time authorize other persons, who may or may not be directors, to represent the Company, who shall have such titles and occupy such additional offices as the Board of Directors may determine.

2. The general meetings of shareholders may grant specific authority to the Chairman, the President or any member of the Board of Directors to represent the Company with respect to any particular matter as specified by such general meeting.

3. The Board of Directors shall from time to time designate an officer of the Company to be the Chief Executive Officer of the Company and may from time to time designate an officer of the Company to be the Chief Operating Officer of the Company. The persons holding the above-mentioned offices or any other offices which the Board of Directors may from time to time authorize as herein provided shall, respectively, have such power and authority as the Board of Directors may from time to time grant to the holders of the offices held by them. The Chairman, the President, the persons holding the offices specified above or other offices authorized by the Board of Directors as herein provided, and the chairman and members of any committee of the Board of Directors established by the Board of Directors as hereinafter in Section 4 of this Article IX provided, are herein sometimes collectively referred to as the Management.

4. The Board of Directors may grant general or specific authority to additional agents or to committees, giving such agents or committees such general or limited powers or duties as it may deem appropriate.

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5. The Board of Directors shall adopt and may amend and repeal such By-Laws and other rules, regulations and resolutions, as it may deem appropriate for the conduct of the affairs and the management of the Company, including rules, regulations and resolutions setting forth the specific powers and duties of the holders of the above-mentioned offices and other persons authorized by the Board of Directors to represent the Company. Such By-Laws, rules, regulations and resolutions must be consistent with this Deed of Incorporation.

6. The directors, the holders of the above-mentioned offices and other persons authorized by the Board of Directors to represent the Company shall receive such compensation as the Board of Directors may from time to time prescribe.

7. (a) The Company shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Company) by reason of the fact that he is or was a director, officer, employee or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise or entity against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(b) The Company shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Company to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise or entity against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been finally adjudged to be liable to the Company for improper conduct unless and only to the extent that the court in which such action or suit was brought or any other court having appropriate jurisdiction shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses, judgments, fines and amounts paid in settlement which the court in which the action or suit was brought or such other court having appropriate jurisdiction shall deem proper.

(c) To the extent that a director, officer, employee or agent of the Company has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections (a) and (b), or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

(d) Any indemnification under subsections (a) and (b), (unless ordered by a court), shall be made by the Company only as authorized by contract approved, or by by-laws, resolution or other action adopted or taken, by the Board of Directors or by the shareholders.

(e) Expenses incurred in defending a civil or criminal action, suit or proceeding will be paid by the Company in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Company as authorized by this Section.

(f) The indemnification and advancement of expenses provided by or granted pursuant to the other subsections of this Article IX shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any law, by-law, agreement, vote of stockholders or disinterested directors, or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

(g) The Company shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Company would have the power to indemnify him against such liability under the provisions of this Section.

(h) For purposes of this Section, reference to the Company shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Section with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

#### APPENDIX A

MEETINGS OF SHAREHOLDERS

Article X

1. All general meetings of shareholders shall be held in Curacao.

2. The annual general meeting of shareholders shall be held on a date determined from year to year by the Board of Directors within the period permitted by the laws of the Netherlands Antilles, for the purpose of electing directors, reporting on the course of business during the preceding fiscal year and for any other purposes required by law, and for such additional purposes as may be specified in the notice of such meeting.

3. If the annual general meeting of shareholders shall not be held on the day above designated, the Board of Directors shall call a special general meeting of shareholders to be held in place thereof, to be held within nine months after the end of the preceding fiscal year, at which the above-mentioned matters shall be dealt with, and any business transacted or elections held at said special meeting shall have the same effect as if transacted or held at the annual general meeting.

4. Special general meetings of shareholders may be called at any time upon the direction of the Chairman, the President, the Board of Directors, or, in the manner provided in Article 82 of the Code of Commerce of the Netherlands Antilles, by one or more holders of shares representing in the aggregate a majority of the shares of stock then outstanding.

5. Notice of meetings of shareholders, whether annual general meetings or special general meetings, stating the time and place of the meeting, shall be given to the shareholders not less than twenty (20) or more than fifty (50) days prior to the date of the meeting in question by mailing written notice to each shareholder at the address thereof appearing in the share register.

6. All notices of general meetings of shareholders shall state the matters to be considered at the meeting.

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Article XI

1. Every shareholder has the right to attend any general meeting of shareholders in person or by proxy, and to address the meeting and vote.

2. For the purpose of determining shareholders entitled to notice of or to vote at any general meeting of shareholders, or entitled to receive payment of any dividend, or in order to make a determination of shareholders for any other proper purpose, the Board of Directors of the Company may provide that the stock transfer books shall be closed for a stated period but not to exceed, in any case, fifty (50) days. If the stock transfer books shall be closed for the purpose of determining shareholders entitled to notice of or to vote at a general meeting of shareholders, such books shall be closed for at least ten (10) days immediately preceding such meeting. In lieu of closing the stock transfer books, the Board of Directors may fix in advance a date as the record date for any such determination of shareholders, such date in any case to be not more than fifty (50) days and, in case of a general meeting of shareholders, not less than ten (10) days prior to the date on which the particular action requiring such determination of shareholders is to be taken. If the stock transfer books are not closed and no record date is fixed for the determination of shareholders entitled to notice of or to vote at a general meeting of shareholders, or shareholders entitled to receive payment of a dividend, the date on which notice of the meeting is mailed or the date on which the resolution of the Board of Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of shareholders. When a determination of shareholders entitled to vote at any general meeting of shareholders has been made as herein provided, such determination shall apply to any adjournment thereof except where the determination has been made through the closing of stock transfer books and the stated period of closing has expired.

3. Each holder of Common Stock and Preferred Stock shall be entitled to one vote for each share held.

Article XII

1. Except as otherwise provided herein, no action may be taken at any general meeting of shareholders unless a quorum consisting of the holders of at least one-half of the outstanding shares are present at such meeting in person or by proxy.

2. If a quorum is not present in person or by proxy at any general meeting of shareholders, a second general meeting shall be called in the same manner as such original meeting of shareholders, to be held within two months, at which second meeting, regardless of the number of shares represented (but subject to the provisions of Articles XV, XVI and XVIII), valid resolutions may be adopted with respect to any matter stated in the notice of the original meeting and also in the notice of such second meeting or which by law is required to be brought before the shareholders despite the absence of a quorum.

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3. Subject to the provisions of Articles XV, XVI, and XVIII, a majority of the votes cast shall be necessary to adopt any resolution at any general meeting of shareholders.

4. The Board of Directors shall from time to time appoint a person to preside at general meetings of shareholders.

5. At any general meeting of shareholders, a shareholder may vote upon all matters before the meeting, even if the decision to be taken would grant him, in a capacity other than as a shareholder, any right against the Company or would in such other capacity relieve him of any obligation to be Company.

6. No member of the Board of Directors or of the Management and in general no employee of the Company may act as a proxy at any general meeting of shareholders.

#### DISTRIBUTION OF PROFITS

##### Article XIII

1. Dividends on the stock of the Company may be distributed either in cash, property or in shares of capital stock of the Company, out of the profits of the preceding year or years then available for distribution. To the extent that profits of any year which are available for distribution shall not be distributed, they shall be carried forward and, unless extinguished as the result of subsequent operations or otherwise applied by the Board of Directors, shall be available for distribution in any subsequent year or years.

2. If, as appears from the approved profit and loss statement, a loss has been suffered which cannot be covered by a reserve or which cannot be extinguished through the application of undistributed profits from previous years or otherwise, no distribution of profits shall be effected in subsequent years so long as such loss has not been made good.

3. The annual general meeting of shareholders shall, after the balance sheet and profit and loss account for the fiscal year have been submitted, determine the dividends for such fiscal year, provided, however, that if dividends are to be distributed, the holders of Preferred Shares shall have preference as to such dividends in accordance with the preferences of such shares as determined at the issuance thereof, and further provided, that the Board of Directors may at any time resolve to distribute one or more interim dividends as an advance payment of the dividend expected to be determined by the shareholders at the annual general meeting.

#### FISCAL YEAR

##### Article XIV

The fiscal year of the Company shall be the calendar year.

#### DISPOSITION OF ASSETS

##### Article XV

Notwithstanding any provision of Article XII, any sale or other disposition of all or substantially all of the assets of the Company, whether for cash, property, stock or other securities of another company, or for any other consideration, shall be made only pursuant to a resolution duly adopted at a general meeting of shareholders by the holder or holders of at least a majority of the shares of the Company at the time outstanding and entitled to vote, the notice of which meeting shall have specified the terms of such proposed sale or other disposition; provided, however, the foregoing shall not apply to any reorganization or rearrangement of the Company, or of any of its subsidiaries or of any of its assets in any transaction whereby there shall be no diminution of the beneficial interest of the shareholders of the Company in such assets.

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DISSOLUTION  
Article XVI

Notwithstanding any provision of Article XII, any resolution providing for the dissolution, liquidation or winding up of the Company shall be valid only if duly adopted at a general meeting of shareholders by the holder or holders of at least a majority of the shares of the Company at the time outstanding and entitled to vote, the notice of which meeting shall have specified the nature of any such resolution to be voted upon at such meeting.

ACTION BY SHAREHOLDERS WITHOUT MEETING  
Article XVII

1. Notwithstanding any provision of Article XII, XV, XVI or XVIII, any action which by law or by this Deed of Incorporation is required or permitted to be taken at a general meeting of shareholders may be taken without a meeting if taken by the written consent of the holder or holders of at least the absolute majority of the shares of the Company outstanding and entitled to vote. Each shareholder may evidence his consent by separate instrument which may be executed by himself or on his behalf by a duly appointed proxy. Written notice of any action proposed to be taken under this Article XVII shall be mailed to each shareholder at his address appearing in the share register, such notice to designate the date on or before which such written consent must be received by the Secretary of the Company in order to be counted. Any shareholder may revoke his consent by instrument received by the Secretary of the Company on or before the date so designated, or before written consents from the holders of the absolute majority of the shares outstanding and entitled to vote have been received by the Secretary of the Company, whichever first occurs, and not thereafter.

2. For the purpose of determining who is a holder of a share outstanding and entitled to vote as referred to in Section 1 of this Article XVII, and who is consequently entitled to notice and to give written consent to any action proposed to be taken under this Article XVII, the Board of Directors of the Company may provide that the stock transfer books shall be closed for a stated period not to exceed fifty (50) days. Such books shall be closed for at least ten (10) days immediately preceding the date on or before which written consents must be received by the Secretary of the Company in order to be counted. In lieu of closing the stock transfer books, the Board of Directors may fix in advance a date as the record date for any such determination of shareholders, such date to be not more than fifty (50) days nor less than ten (10) days prior to the date on or before which written consents must be received by the Secretary of the Company in order to be counted. If the stock transfer books are not closed and no record date is fixed for the determination of shareholders, the date on which notice of the action proposed to be taken hereunder is mailed shall be the record date for such determination of shareholders.

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AMENDMENTS

Article XVIII

1. Notwithstanding any provision of Article XII, this Deed of Incorporation may be amended only pursuant to a resolution duly adopted at a general meeting of shareholders by the holder or holders of at least a majority of the shares of the Company at the time outstanding and entitled to vote, the notice of which meeting shall have set forth the exact text of the proposed amendment or amendments or shall have stated that a copy of such text has been deposited at the office of the Company in Curacao for inspection by the shareholders of the Company, and will remain available for inspection until the conclusion of said meeting.

2. Any amendment to this Deed of Incorporation which would increase or decrease the authorized shares of Preferred Stock or par value thereof, or the number of shares of any series thereof, or which would alter or change the powers, preferences or any special rights of the shares of the Preferred Stock, or of any series thereof, so as to affect them adversely, shall require the approval of the holders of a majority of the shares of the Preferred Stock, or of such series, as the case may be.

I, Mrs. EYDA ELISABETH BUTOT nee BOOMGAART, a sworn translator, residing in Curacao, knowing the Dutch and English languages, do hereby certify that the foregoing is a true translation of the articles of incorporation of the limited liability company:

SCHLUMBERGER N.V.  
established in Curacao.

IN WITNESS WHEREOF, I have set my hand hereunto and affixed my official seal of office on this fifth day of May nineteen hundred and ninety-seven.

[SEAL APPEARS HERE]

Appendix A

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Schlumberger PRESS AND EARNINGS RELEASE  
SCHLUMBERGER LIMITED . 227 PARK AVENUE . NEW YORK, NY 10172. FOR FURTHER  
INFORMATION: SIMONE CROOK, SCHULMBERGER LIMITED 1-212-350-9432  
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FOR IMMEDIATE RELEASE: THURSDAY, APRIL 17, 1997

SCHLUMBERGER EARNINGS PER SHARE INCREASE BY 51%;  
BOARD APPROVES A 2-FOR-1 STOCK SPLIT

#### SCHLUMBERGER DECLARES STOCK SPLIT AND QUARTERLY DIVIDEND

New York, April 17--The Board of Directors of Schlumberger Limited voted a two-for-one split of common stock of the Company to the stockholders of record on June 2, 1997. Certificates for the new shares will be mailed on or about July 11, 1997.

The Board also declared a quarterly dividend of 37.5 cents per share, payable on July 11, 1997, to stockholders of record on June 2, 1997. This dividend of 37.5 cents will be paid only on shares outstanding prior to the above stock split. On the larger number of shares outstanding after this stock split, this is equivalent to a dividend of 18.75 cents per share.

#### SCHLUMBERGER 1997 FIRST QUARTER EARNINGS

New York, April 17--Schlumberger Limited reported today that 1997 first quarter operating revenue was \$2.40 billion, 18.5% higher than the same period last year. Net income of \$260 million was 52% above first quarter 1996. After giving effect to the stock split, earnings per share were \$0.53, a 51% increase compared to \$0.35 a year ago.

Oilfield Services revenue increased 27% while rig count rose 12%. Significant contributions from all activities, spearheaded by Geco-Prakla and Sedco Forex, led to the 84% growth in operating income.

Measurement & Systems revenue was flat. Growth at Electronic Transactions and Automatic Test Equipment was offset by the decline in metering activities, particularly in Electricity & Gas, and by unfavorable currency exchange rates.

Chairman and Chief Executive Officer Euan Baird commented: Oilfield Services revenue continues to grow strongly despite the recent weakness in commodity pricing. The continuing robust demand for oil and gas and the heavy investments we are making in new technology and people, make us confident that this type of growth rate is sustainable."

# # #

APPENDIX B



THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM FORM 10Q AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENT.

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|          |             |         |
|----------|-------------|---------|
| 3-MOS    |             |         |
|          | DEC-31-1997 |         |
|          | JAN-01-1997 |         |
|          | MAR-31-1997 |         |
|          |             | 1201625 |
|          |             | 0       |
|          | 2436943     |         |
|          | (52826)     |         |
|          | 983609      |         |
|          | 5043502     |         |
|          |             | 9667875 |
|          | (6307034)   |         |
|          | 10338466    |         |
|          | 3317681     |         |
|          |             | 0       |
|          | 0           |         |
|          |             | 0       |
|          |             | 824285  |
|          |             | 4972643 |
| 10338466 |             |         |
|          |             | 590148  |
|          | 2420165     |         |
|          |             | 392967  |
|          | 1782788     |         |
|          | 280367      |         |
|          | 1496        |         |
|          | 17819       |         |
|          | 339191      |         |
|          |             | 79248   |
|          | 259943      |         |
|          |             | 0       |
|          |             | 0       |
|          |             | 0       |
|          |             | 259943  |
|          |             | 0.53    |
|          |             | 0.53    |

Adjusted for the two-for-one stock split announced April 17, 1997.