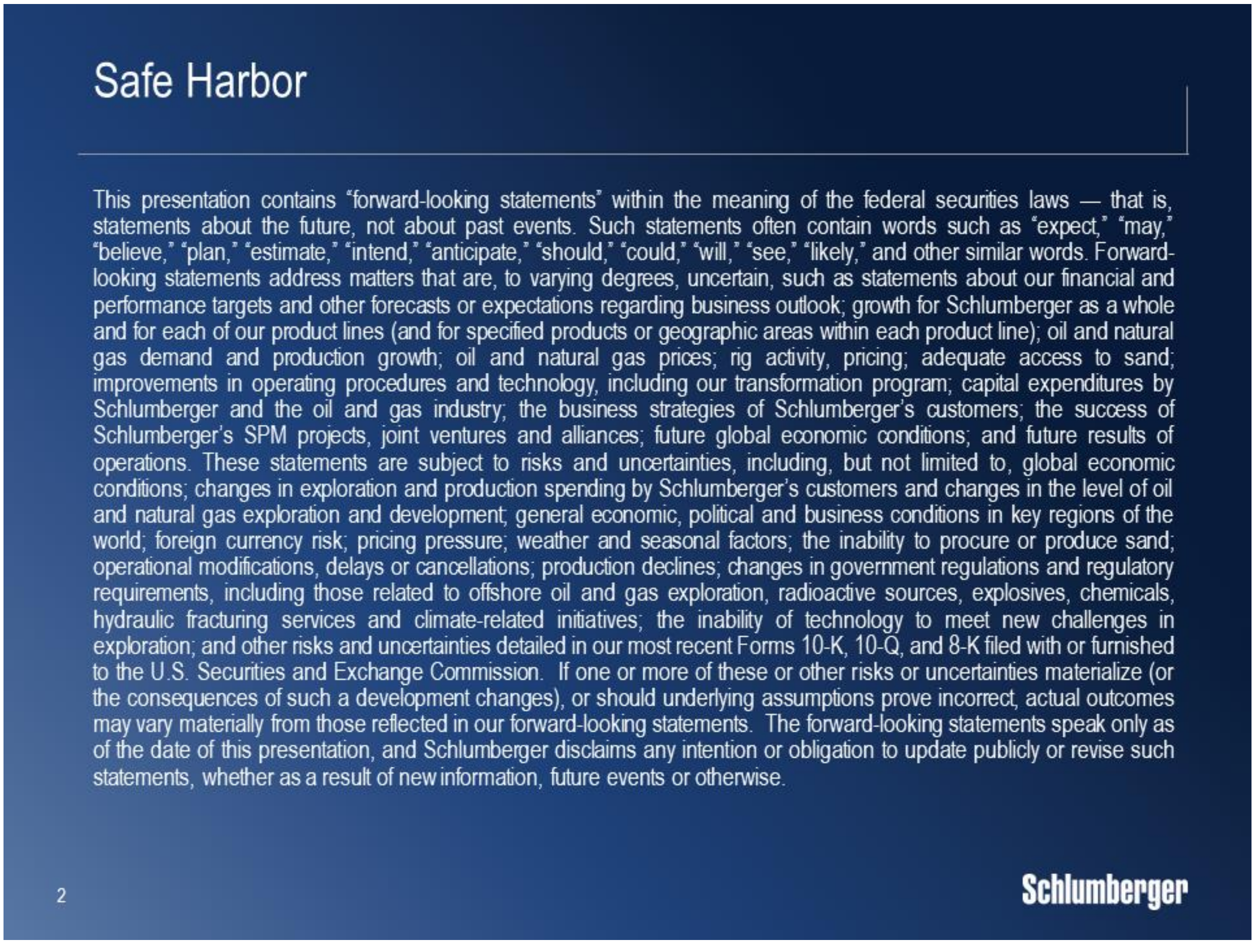
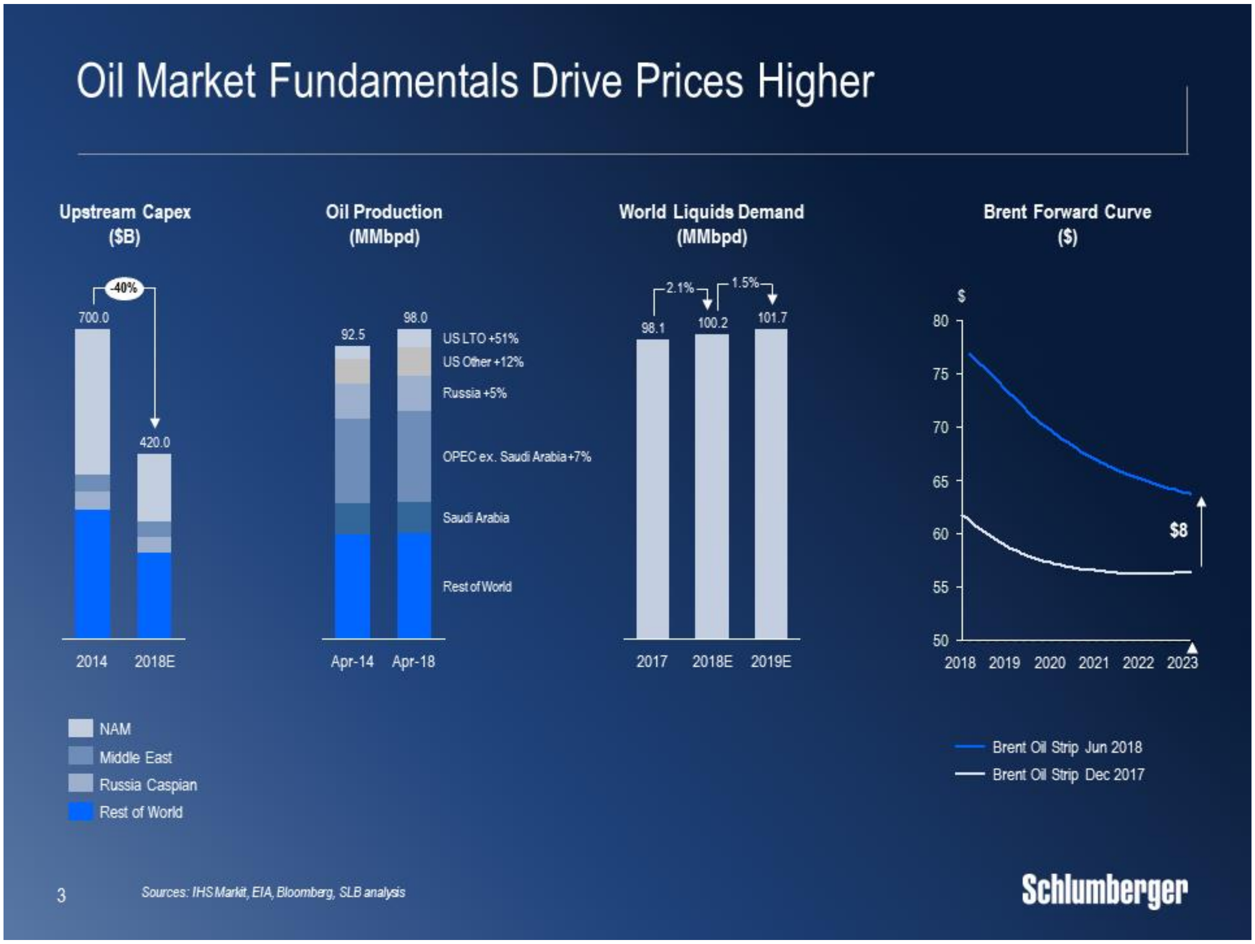
Ladies and gentlemen, good morning. My thanks to Jud Bailey and Wells Fargo for the opportunity to be here today. My plan is to begin with some prepared remarks on the market fundamentals before detailing how much has changed over the three years of the downturn—both in the industry at large and in Schlumberger specifically. I'll then describe some of the new initiatives and new ways of working that are extending our leadership before briefly commenting on current activity and the outlook for later this year.



First, the legal information. Some of the statements I will be making today are forward-looking. These statements are subject to risks and uncertainties that could cause our results to materially differ from those projected in these statements. I therefore refer you to our latest 10-K and other SEC filings.

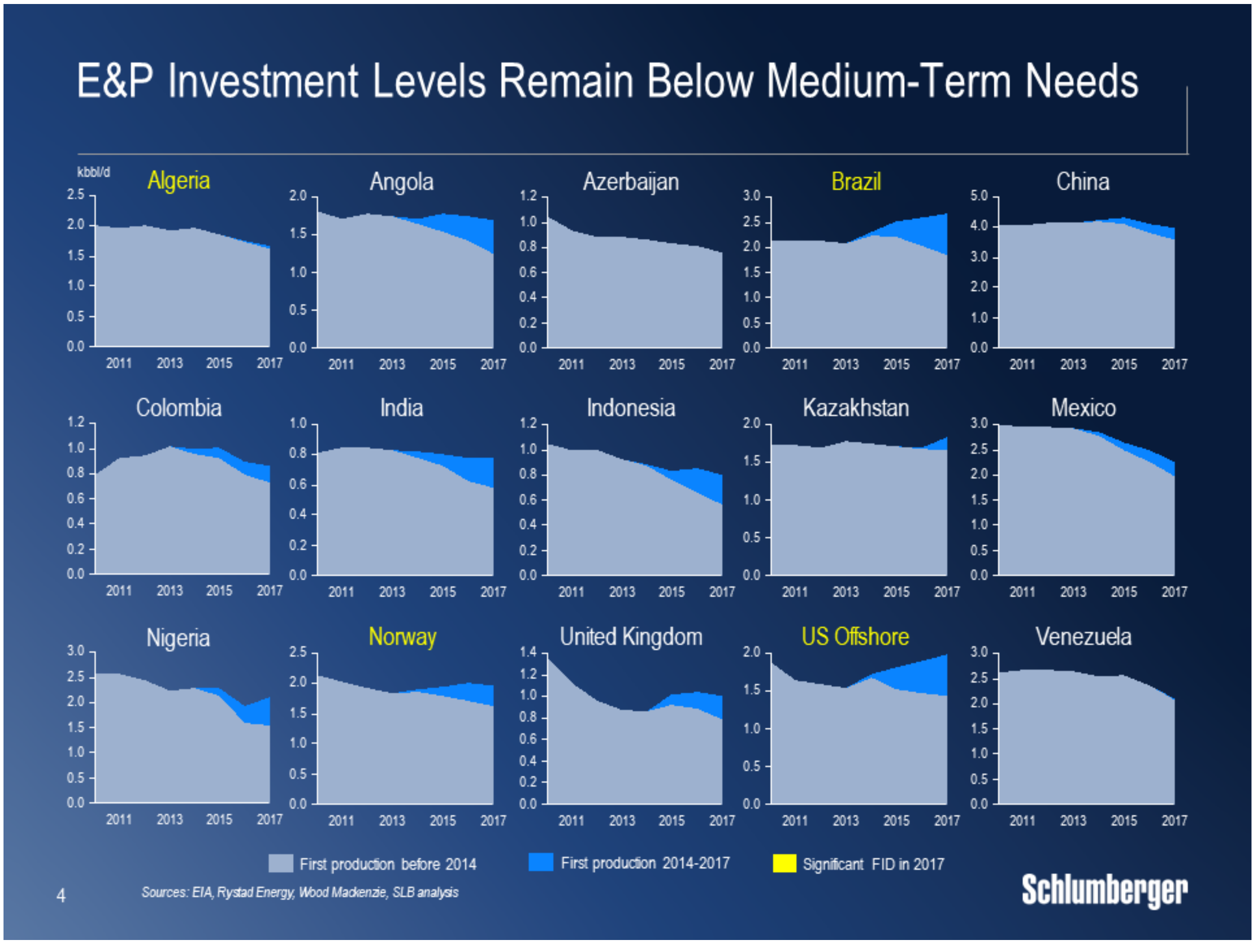
Thank you, let's move on.



The ability of the E&P industry to meet rising demand despite a paradigm shift in supply has been remarkable. Not only have we weathered the deepest downturn in 30 years with annual E&P investment falling by 40%, we have adjusted to an environment dominated by a dramatic increase in shale oil production where the market has only really become balanced through close compliance with production cuts by OPEC and Russia. Outside the major producing areas of the US, Russia, and Middle Eastern OPEC, production in the rest of the world has remained largely unchanged, indicating that E&P investment in the rest of world has been just enough to replace production lost through the decline of the world's large mature oilfields.

With demand remaining robust, supported by strong GDP growth around the world, it is becoming increasingly pressing for investment levels to rise—both in the US and in the international areas—and particularly as reservoir, production, and logistical challenges to shale oil production in the US continue to emerge. These include interference between wells in tightly spaced developments in top acreage, pipeline bottlenecks that can be expected to continue as growth in production capacity exceeds that of planned pipeline volumes, and operational constraints on surface transportation.

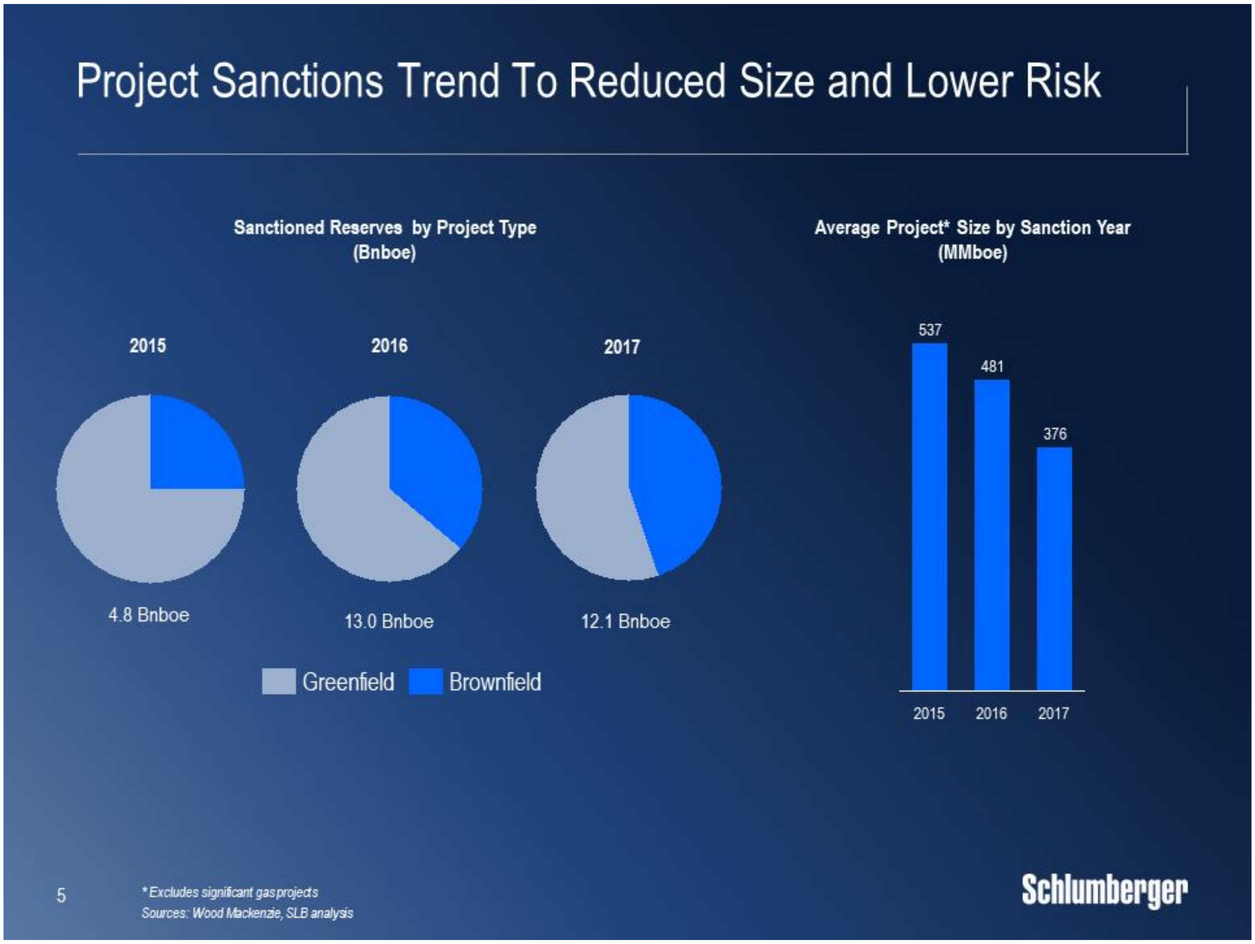
These comments, of course, offer little granularity on production in the rest of world, so now let's look at 15 of the top producing regions of conventional oil outside Russia and the Middle East.



In many of these regions, production continues to decline, indicating that E&P investment is largely insufficient. However, we must also recognize that the reappearance of significant geopolitical events, such as the freefall in production in Venezuela and the effect of potential changes in sanctions on Iran, are likely to accelerate the need for greater international investment.

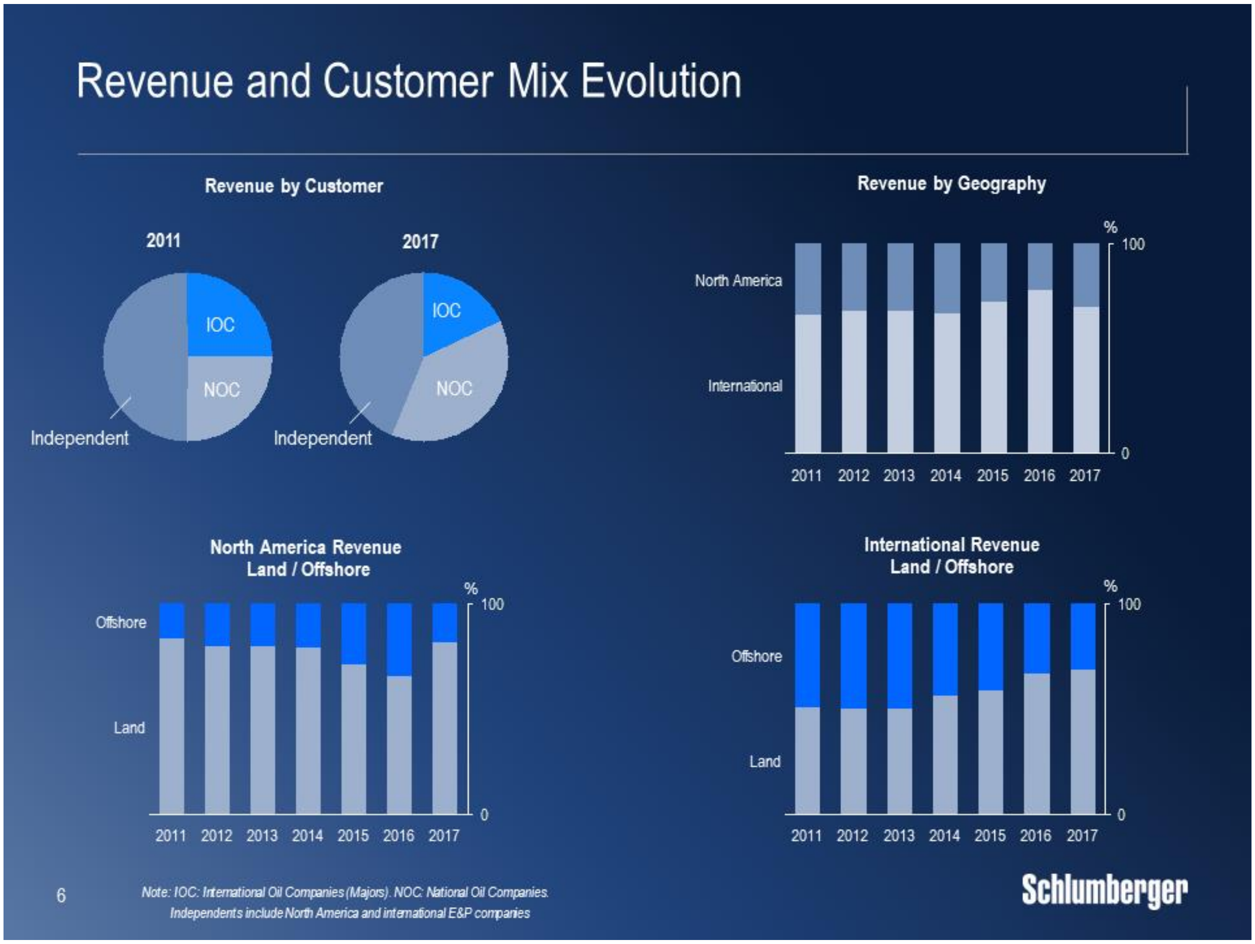
These 15 regions contributed 27% of global oil supply in 2017 but only four of them saw significant FID activity that year. Total production across the regions was boosted by new projects that were sanctioned and put into production during the upward leg of the previous cycle. However, these projects were not enough to slow the aggregate base decline, which increased from approximately 5% in 2015 to around 7% in 2017. Given this acceleration, it is probably not realistic to expect the new projects slated to come online during the next few years to be enough to reverse production decline outside of the US and Middle East.

If we look now at the type of projects sanctioned during the downturn, we see another important change.



Beginning in 2015, there has been a clear trend toward smaller brownfield projects. Smaller projects imply shorter production lives, and modular development phases that accelerate production and increase cash flow. And while the number of new projects has increased since 2015, their average size has been smaller. In addition, they are not in aggregate expected to reach peak production until 2025, leading to the view that we will face a supply gap sometime before then. We can also conclude that the market has been moving toward short-cycle E&P activity that is more averse to risk than in the past. This move also requires a parallel shift toward new technologies and service models.

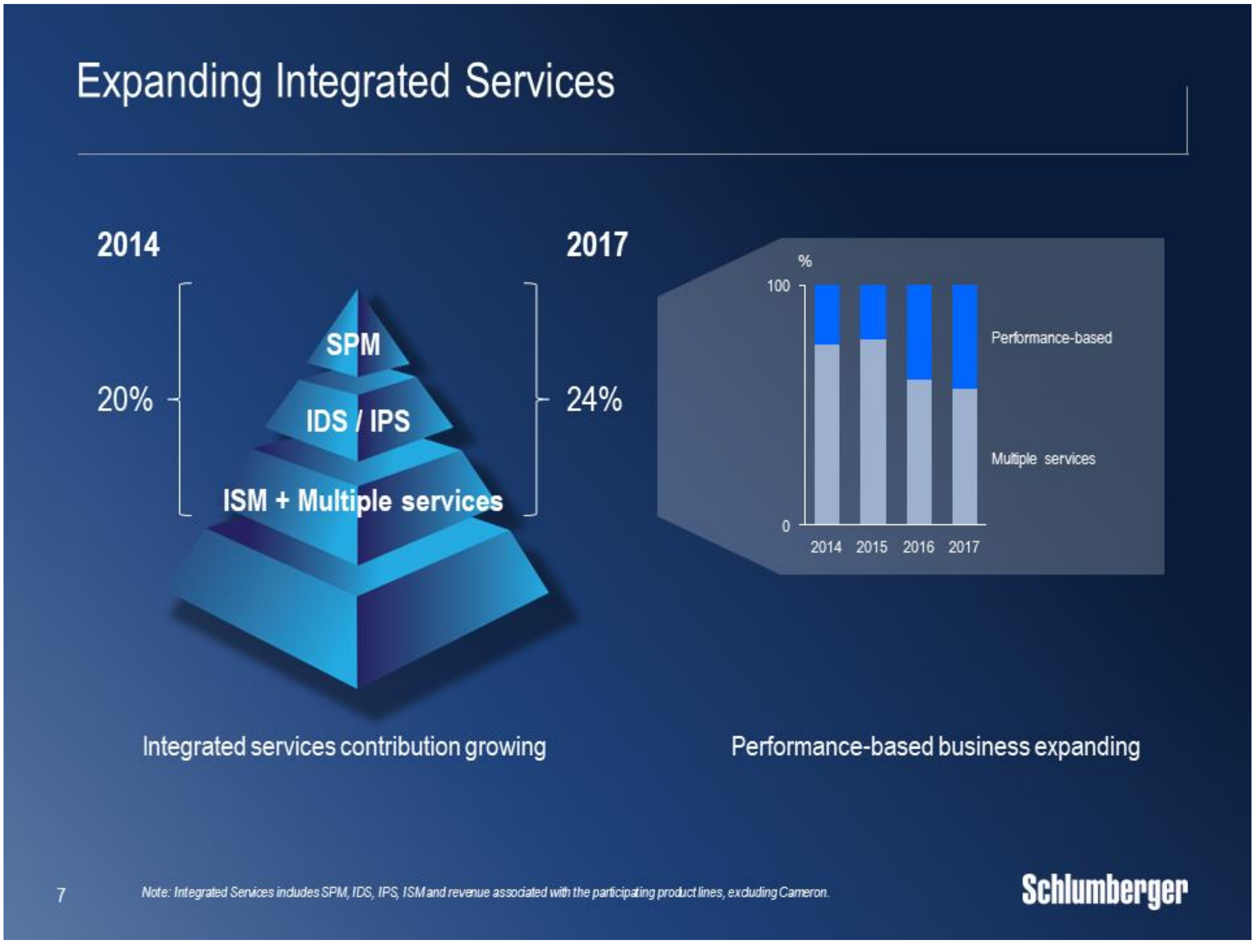
The shifts that I have described have been reflected in our revenue mix over the past several years.



First, the percentage of our revenue from international offshore activity, which was already in decline before 2014, decreased from 50% in 2011 to 30% in 2017. Accordingly, the share of land revenue increased to 70%. Second, because most of our international land revenue comes from the national oil companies, their share of our global business grew from 25% in 2011 to 38% in 2017 with the major operators and international oil companies dropping from 25% to 18%. Both North American and international independents represented 44% of our revenue in 2017. Third, our geographical revenue distribution between North America and the international areas has remained unchanged although the percentage contribution from the Middle East & Asia has grown from 22% in 2011 to 29% in 2017.

Now let's turn to the effects of the downturn, the changes these have brought, and the opportunities they have created for Schlumberger.

One of the most important opportunities lies in the accelerating trend toward the integration of services and collaboration models between operator and service company. As one of the main drivers of this change, our tiered levels of service integration—from the basic coordination of our services all the way to full field management through SPM—have created new pathways for growth.



The first of these is Integrated Services Management, where trained project managers provide scheduling, planning, and activity coordination for the various Schlumberger product lines involved in a given project. This greatly simplifies management of the interface with our customers and helps drive project safety, quality, and efficiency.

The second is Integrated Drilling Services and Integrated Production Services, which house a large part of our project management, engineering design, and technical optimization capabilities to help joint teams develop fit-for-purpose solutions.

The highest level of collaboration and commercial alignment is SPM, where we deploy the complete range of Schlumberger products, services, and technical expertise. Our investment in these projects includes the value of our products and services—and, in some cases, cash investments. Our compensation is directly linked to the production we generate from the field and provides the highest level of alignment with the customer's objectives.

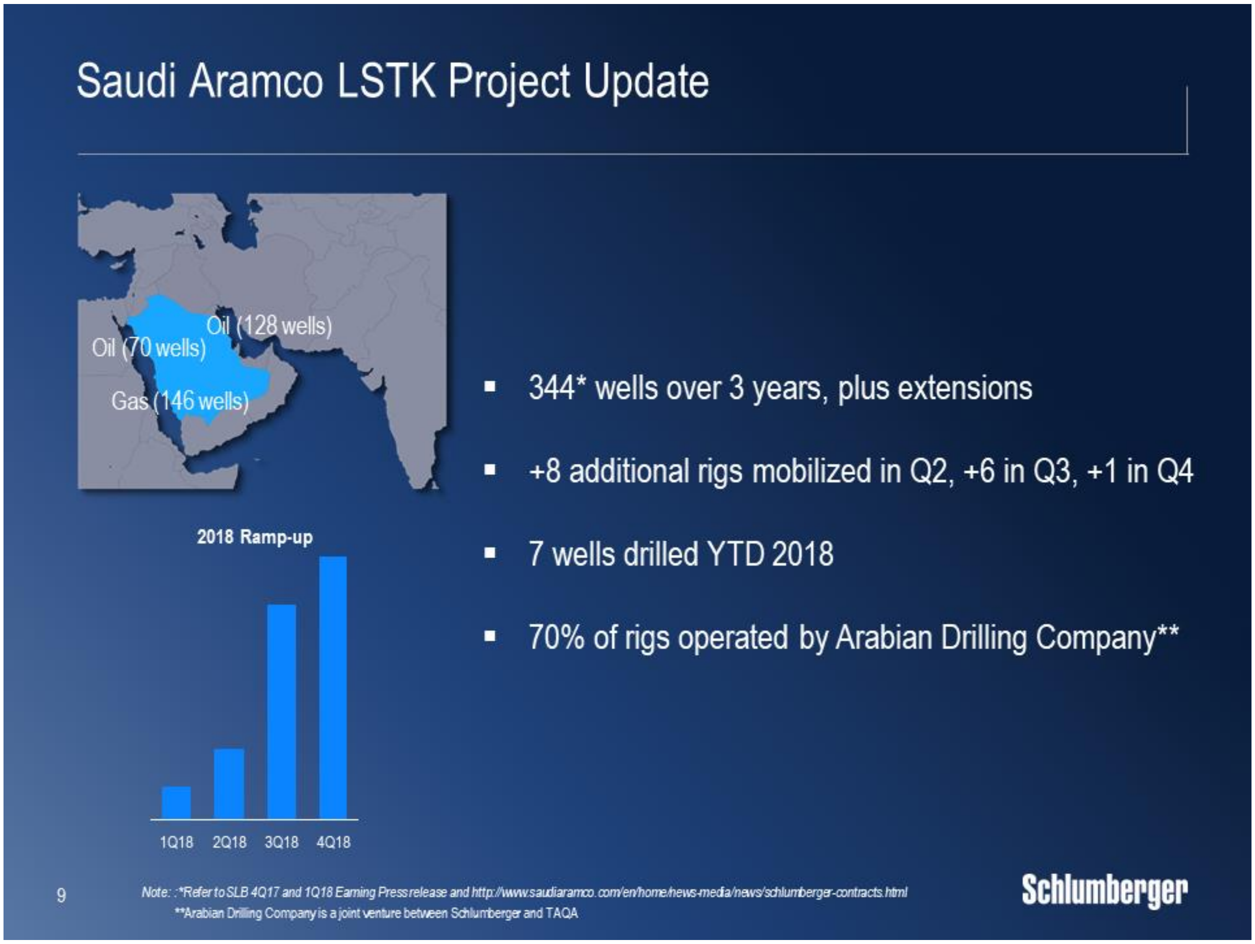
Over the past three years, the total integrated services contribution to our revenue increased from 20% in 2014 to 24% in 2017, while the percentage of this revenue based on performance has nearly doubled.

One of our fastest growing integrated offerings has been Integrated Drilling Services.

Schlumberger has drilled more than 12,700 wells in this way since the first IPM project of this type in Latin America 20 years ago. Customers for the service have included 25 national oil companies, 6 international oil companies, and numerous independents, with approximately 80% of the wells being drilled on land. The combination of our experience, proprietary downhole technologies, our acquisitions of Smith and Cameron, as well as key technologies such as the full range of rotary steerable systems and high-performance drill bits have all contributed to this success.

More recently, an increasing percentage of the work has come through lump-sum turnkey, or LSTK, contracts. LSTK work is based on a contract that sets a fixed price to drill and complete a well. The model is typically applied to development land drilling activity in areas where a significant number of wells have already been drilled. This means that substantial data and records are available to define drilling programs that minimize risk. For Schlumberger, the advantages include the ability to capture the value generated by operational efficiency and reliability—two pillars of our transformation program—as well as to capture the value of well engineering and differentiated technology. At the same time, risk is managed and capped at an agreed level.

With the longer timespans of LSTK projects, increasing performance becomes accretive to margin through the benefits of the learning curves acquired. On recent contracts in the Middle East, for example, we have been able to increase footage drilled per day by 40% during a three-year period, and decrease non-productive time by more than half over the same period.



The latest LSTK contracts signed in Saudi Arabia cover a total of 344 wells during a three-year term with optional extensions. Rig mobilization has begun, with 8 additional rigs in the second quarter and an additional 7 rigs in the second half of the year. Approximately 70% of the rigs to be mobilized on the project are operated by the Arabian Drilling Company (ADC), which is a joint venture between Schlumberger and TAQA. Seven wells have already been drilled as the ramp-up accelerates and the project forms the perfect environment to progressively introduce new drilling technologies.

A number of other new technologies have been specified for this contract. These include Wireline Thrubit* through-the-bit logging services to reduce logging times, the family of M-I SWACO DRILPLEX water-base drilling fluid systems for ultimate drilling performance, and new managed pressure drilling systems to avoid formation damage.

LSTK projects are gaining customer acceptance as the advantages of increased efficiency, improved cost effectiveness, and high operational safety standards become more generally appreciated.

I would now like to review our expectations for the second quarter.

On land in North America, we are continuing to deploy new capacity into both the hydraulic fracturing and drilling services markets, with second quarter rig activity and pricing evolving in line with our expectations. In the hydraulic fracturing market, we are seeing an accelerating customer trend of separating the procurement of pumping services and sand supply. This trend is impacting the total market participation of service companies that are unable to effectively compete in both the production and delivery of sand.

The early implementation of our vertical integration strategy, however, where at present we own and operate two Northern white sand mines and this month started up our first Permian-based mine, has allowed us to competitively bid on integrated or standalone sand contracts. In turn, this has enabled us to continue participating in the full revenue potential for both pumping services and sand provision. We expect our vertical integration position to become an increasing tailwind in the second half of the year as we ramp up our production of Permian sand to support this undersupplied regional market.

Our North America offshore business is also progressing in line with expectations as the demand for our high-end technology and bankable service quality is again becoming sought after as some of our competitors are struggling in this very challenging operating environment.

In the international markets, second-quarter sequential revenue growth is in line with our expectations at around 6% to 7%. The make-up of this growth, however, has changed.

In Russia, second-quarter revenue is flat sequentially so far and well short of our expectations as we have experienced delays in the start-up of the summer offshore campaigns. The weakness in the ruble exchange rate has also impacted our revenue.

In the Middle East, we also see lower-than-expected sequential growth due to delays and drilling challenges in the start-up phase of our large integrated drilling projects in Saudi Arabia, Iraq, and India. For reference, we operated 59 drilling rigs in total in the international market at the end of the first quarter, and we are mobilizing another 30 rigs during the second quarter, with a further 25 rigs to be added in the third quarter to serve our recent contract wins. While we proactively seek to mitigate and prevent mobilization and performance issues in the early phase of all our integrated drilling projects, the magnitude and pace of the ramp up we are currently undertaking is unprecedented. We are confident, however, that our strong teams on the ground will overcome these challenges in the coming months and continue to drive our drilling performance from there over the course of these multiyear contracts.

With the transient challenges seen in Russia and the Middle East in the second quarter, we are happy to report that revenue growth in the second quarter is being driven by Asia, Europe, Africa, and Latin America. This is a clear sign that a broader-based international recovery has started.

However, due to the prolonged market weakness in these regions, the revenue quality at present is below our international average. Therefore, as we have now started to transfer assets into these regions and reactivate existing capacity to support our customers, we have also engaged in discussions about improved contract terms and service pricing, and already established positive traction.

So, while the added reactivation and repositioning costs from these developments represent an earnings headwind for the second quarter, similar to the ramp-up of our US land operations last year, we expect to see the benefits of these investments in the coming quarters.

Based on all of these factors, our updated view on the second quarter is 12% to 13% revenue growth in North America, 6% to 7% revenue growth in the International markets, and 10% to 15% growth in earnings per share, with this range being defined by our ability to monetize our second-quarter capacity investments within the quarter.

The developments in the international markets in the second quarter strengthen the confidence we have in the activity and business outlook for the rest of 2018 and 2019. Accordingly, our main priority at present is to optimally position the company to generate both leading revenue growth and incremental margins in the broader-based international upturn that is finally upon us.

Ladies and gentlemen, before I take your questions, let me summarize my major points today.

First, the oil market is now balanced as a result of continued demand growth and a supply-side characterized overall by production cuts led by OPEC and Russia and a weakening global production base. Even though strong growth has returned to North American shale oil production since the end of March, a global supply response will be increasingly needed to balance the market in the near future, which implies a return to growth in all parts of our business.

Second, the positive sentiments in the oil market are already reflected in the 2018 E&P spend forecasts where the third-party surveys indicate growth of 15% to 20% in North America and 5% internationally. Tendering activity remains high internationally with a clear move toward performance-based contracts. We clearly welcome this trend as it offers strong alignment with our customers and provides us with a clear financial upside.

Finally, our approach in the past three years has been to broaden our technology portfolio, leverage our transformation program, and fine-tune our organization to be ready for the market recovery. In addition to enabling the development of new service offerings, this has also translated to capital allocation opportunities that will boost financial return in a growing market without increasing capex expenditure beyond the levels of the last two years.

We are excited about the outlook for Schlumberger. The management of our business during the downturn has prepared us for the opportunities that are increasingly apparent, and we are ready to deliver the best products and service to our customers, and superior returns to our shareholders.

Ladies and gentlemen, thank you very much. I'll now pass the floor to the chair.