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JP Morgan 2020 Energy, Power & Renewables Conference

Olivier Le Peuch, CEO

Schlumberger

Ladies and gentlemen, good morning. I'm very happy to be here with you today, and I would like to thank Sean Meakim and J.P. Morgan for the invitation to present at this conference.

Last fall, I introduced a vision for evolving Schlumberger for a resilient future. Since then, the world has changed, reinforcing my conviction about the new industry landscape and the need to build the Schlumberger of the future. I shared my view that the Schlumberger of tomorrow will not be the Schlumberger of today—this is now certain, and the company has already evolved significantly. We have accelerated the restructuring of the company to execute on our strategy, which is centered on driving our customers' performance—as performance clearly matters in this new normal.

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Schlumberger
New Energy



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Today, I will update you on our view of the short- and mid-term industry outlook and our response to the new industry normal.

I will also give you an update on our digital strategy and reiterate our sustainability ambitions, followed by an introduction of a completely new business, Schlumberger New Energy, which represents a new element of our corporate strategy—specifically in the New Horizons of Growth theme.

Cautionary Statement

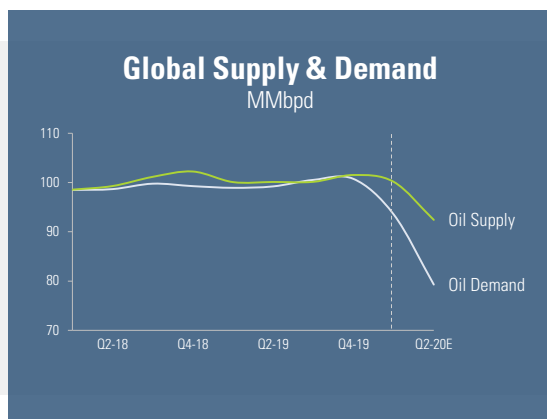
This presentation contains “forward-looking statements” within the meaning of the federal securities laws — that is, statements about the future, not about past events. Such statements often contain words such as “expect,” “may,” “believe,” “plan,” “estimate,” “intend,” “anticipate,” “should,” “could,” “will,” “see,” “likely,” and other similar words. Forward-looking statements address matters that are, to varying degrees, uncertain, such as statements about our financial and performance targets and other forecasts or expectations regarding, or dependent on, our business outlook; the growth for Schlumberger as a whole and for each of our product lines (and for specified products or geographic areas within each product line); oil and natural gas demand and production growth; oil and natural gas prices; pricing; Schlumberger’s response to, and preparedness for, the COVID-19 outbreak; access to raw materials; improvements in operating procedures and technology; capital expenditures by Schlumberger, as well as by the oil and gas industry; the business strategies of Schlumberger and those of its customers; our digital strategy; our restructuring efforts and charges recorded as a result of such efforts; our New Energy efforts in low-carbon and carbon-neutral energy technologies; future global economic conditions; and future results of operations. These statements are subject to risks and uncertainties, including, but not limited to, global economic conditions; changes in exploration and production spending by Schlumberger’s customers and changes in the level of oil and natural gas exploration and development; our inability to achieve our financial and performance targets and other forecasts and expectations; our inability to sufficiently monetize assets; the extent of future charges; general economic, geopolitical and business conditions in key regions of the world; foreign currency risk; pricing pressure; weather and seasonal factors; unfavorable effects of health pandemics; availability and cost of raw materials; operational modifications, delays or cancellations; challenges in our supply chain; production declines; our inability to recognize intended benefits from our digital strategy or our New Energy initiatives; changes in government regulations and regulatory requirements, including those related to offshore oil and gas exploration, radioactive sources, explosives, chemicals, hydraulic fracturing services and climate-related initiatives; the inability of technology to meet new challenges in exploration; and other risks and uncertainties detailed in our most recent Forms 10-K, 10-Q, and 8-K filed with or furnished to the SEC. If one or more of these or other risks or uncertainties materialize (or the consequences of such a development changes), or should underlying assumptions prove incorrect, actual outcomes may vary materially from those reflected in our forward-looking statements. The forward-looking statements speak only as of the date of this presentation, and Schlumberger disclaims any intention or obligation to update publicly or revise such statements, whether as a result of new information, future events or otherwise.



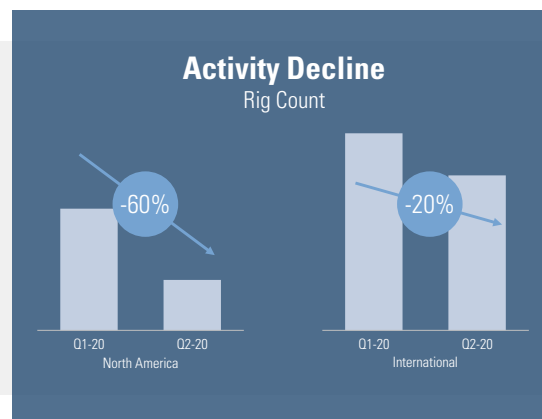
Before I go any further, let me remind you that some of the statements I will be making today are forward looking. These statements are subject to risks and uncertainties that could cause our results to materially differ from those projected in these statements. I therefore refer you to our latest 10-K and other SEC filings.

Let’s begin by considering the magnitude and speed of change we are witnessing.

Historic Imbalance and Activity Decline



Source: IEA data with projections supplemented by EIA and Energy Aspects
Projections in this chart assume full compliance by OPEC+ signatories



Source: Schlumberger Global Activity Capture
International excludes NAM, China Land, Russia Land

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At the end of March, global oil demand and supply were at a historical imbalance. Demand destruction resulting from coronavirus containment efforts magnified the effects of existing oversupply conditions. Two months into the most challenging quarter in our history, it is clear that the extent to which oil demand returns and how quickly it grows will determine industry activity and investment for the next two years and beyond.

North America land activity during the second quarter, as represented by rig count, stage count, and completed wells, is declining sequentially to the upper end of our expected range of 40 to 60%. US land activity has dropped more than expected—particularly frac activity—falling in excess of 60%. Drilling in US land has fared marginally better, though the rig count has fallen slightly more than half.

Internationally, Latin America, Africa, and Europe have experienced the largest activity declines in the quarter. These markets have endured more COVID-related restrictions, while deepwater activity has also fallen more sharply than anticipated. Meanwhile, the activity of low-cost producers, such as those in the Middle East and Russia basins, is proving more resilient. In aggregate, the second-quarter international rig activity is expected to decline by about 20% sequentially, excluding Russia land and China.

Although we forewarned that Q2 will decline severely, the drop has been sharper than expected, due not only to the severe decline in North America land activity, but also due to the COVID-related disruptions in the international markets. In addition, there was more than a month's disruption in our APS production projects in Ecuador caused by a major land slide leading to the rupture of the main pipeline.

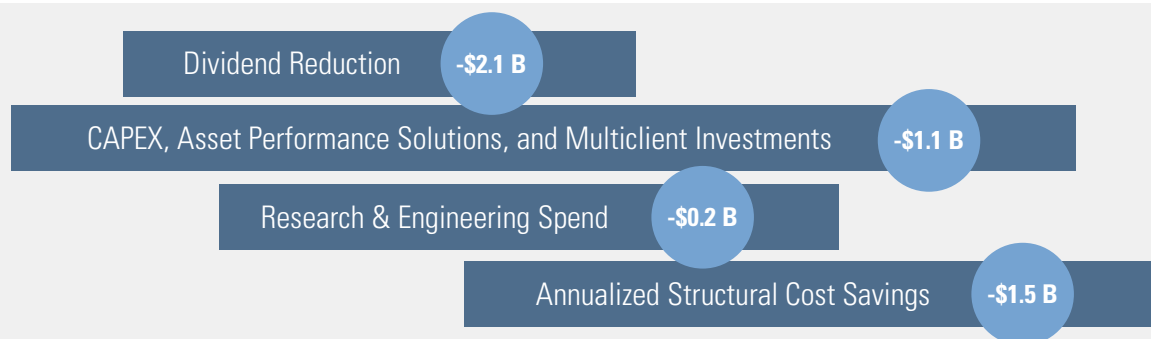
In this difficult environment, we are staying closer to our customers, working collaboratively with them to eliminate costs, as opposed to responding with pricing concessions. We continue to focus on resilience and performance. The feedback from our customers is very positive and will favor us when activity levels rebound.

Looking to the second half of the year, we expect production curtailment and the gradual resumption of demand to hold supply and demand in relative balance while maintaining a floor on oil price. As a consequence, in North America, the conditions are set for a temporary—albeit modest—activity increase in DUC completions, though from a very low base. By contrast, risk of further decline persists in the international markets due to continued disruption of rig operations as a result of the pandemic and the impact of OPEC Plus supply cuts. These declines will be partially offset by the seasonal activity rebound in some basins. Hence, directionally, international activity is likely still looking for the bottom during the second half.

Before we look into some strategic investments for the future industry landscape, let me reiterate the actions we have taken to manage the crisis and position the company to be more resilient in the future.

Managing the Crisis

Adjusting Capital Spend and Cost Baseline



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As the magnitude of the crisis became apparent, we reacted swiftly. We reduced operational capacity to meet the lower activity level and took exceptional measures to preserve liquidity. We made the prudent decision to reduce our dividend and altered our capital investment plan, by cutting 2020 capex—including APS and multiclient—by 40% from \$2.7 billion in 2019 to \$1.6 billion in 2020, and lowering our research and engineering spend by 25% from \$717 million to an annualized run rate of \$540 million.

However, as we looked beyond the downturn, we realized we had to transform Schlumberger into a leaner, more responsive company, quickening the strategic changes already underway—particularly those relating to our capital stewardship focus and fit-for-basin approach. To construct the platform from which we will execute our new strategy, major changes to our organizational structure were accelerated. With the ambition of a more agile organization fully aligned with our customer workflows, we are moving to four divisions from 17 product lines and are structuring our geographic organization around five key basins of activity. The impact of this reorganization, and other actions we have taken, will permanently remove over \$1.5 billion of structural costs on an annual basis.

We will incur cash costs of approximately \$1.2 to \$1.4 billion as a result of both restructuring and reducing our variable headcount. The payback period for these cash costs will be less than one year. Additionally, the rationalization of our asset base is ongoing and will result in additional non-cash charges.

While we are confident that the outcome of these restructuring efforts will materialize in our Q2 results, greater impact will be realized during the second half of the year. We are indeed on plan to fare significantly better than in previous down cycles—as measured by margin decrements—but also expect this new structure to support improved incremental margins, as we progress through this downturn and activity firms up.

These are changes that will have a lasting impact. Schlumberger will be a new company for a new era that will reward the best operational performers, the most disciplined allocators of capital, and the most responsive with digital technology, and we intend to be the leader in all of these.

With that in mind, I would like to discuss parts of our strategy that will drive our performance partnerships with our customers. These include digital, sustainability, and New Energy.



Today, I would like to share with you two perspectives on digital: first the impact of digital on our own operations, and second, the acceleration of digital adoption among our customers and across their workflows and operations.

Several years ago, we redesigned our wellsite operating model leveraging digital technologies and processes that enable remote work, resulting in 60% of our current drilling operations being run remotely with real-time control. The recent crisis accelerated customer acceptance of remote drilling operations, which for Schlumberger have increased 30% over Q1 thus far. Moreover, we are using remote capabilities in over 80 countries and workflows beyond drilling; for instance, we are using digital inspection in manufacturing centers across 13 countries.

I am convinced that massive adoption of digital technologies will help us reset our operating model and dramatically reduce our operating cost base. Today, we routinely reduce our operational headcount by 25% when operating remotely, and soon we will reach or exceed 50% on certain wellsite operations. At the same time, we will increase our performance differentiation, using data science and automation to optimize equipment and operating procedures with greater efficiency and lower costs. Digitalization of our own operations will significantly impact incremental margins when activity rebounds.



Last fall, I declared the future is digital. Actually, that was misleading, the present is digital!

Our customers recognize the potential value of digital transformation, and are evolving the methods of finding, developing, and producing hydrocarbons. They will rely on increased volumes of data captured and consumed through integrated and reengineered workflows, allowing them to make faster and better decisions.

Foreseeing the value that cloud capabilities and data in an open architecture would produce, we created a digital environment, DELFI*. Here, customers can innovate and integrate workflows, supported by powerful yet accessible AI capabilities. Last year we contributed our data ecosystem to the Open Subsurface Data Universe Forum, an open industry consortium. The OSDU now has over 140 member E&P companies, five global cloud providers, and multiple system integrators who are jointly working to standardize on this open data ecosystem.

This has truly created the digital foundation for the industry, ready for scale adoption. In this context, the collaboration with Chevron and Microsoft announced last fall is progressing very well as a prime example of digital transformation.

As customers worked through their digital strategies, we have seen significant acceleration of customer engagement and DELFI adoption. In the last twelve months alone, DELFI user growth has exceeded 300%.

Let me now share three specific examples where our digital offerings are creating value for our customers.

Increasingly, customers seeking to accelerate field development are electing to adopt our comprehensive digital solutions for their subsurface workflows. Woodside—a leading Australian gas producer—has chosen an enterprise-wide deployment of the DELFI environment and subsurface workflows to reduce time to final investment decisions and to lower technical unit costs. During the COVID pandemic, Woodside accelerated the deployment of DELFI to enable remote working for one of their international asset teams.

Beyond subsurface, customers realize that significant value can be unlocked in their drilling operations. We have developed a digital drilling planning solution, DrillPlan*, that uniquely brings together all participants in the well delivery process, increasing efficiency and consistency while reducing costs. ExxonMobil, one of the early adopters, is using the DrillPlan solution in their unconventional operations. We are pleased to share a common view on digital drilling solutions with such an industry leader.

Finally, we have an opportunity to create data business models, leveraging our unique digital capabilities. GAIA*, our digital subsurface platform, is enabling some of these new business models—for example, the National Upstream Gateway solution. It digitizes a country's subsurface information and allows us to enrich, develop, and better market the resource holder's assets to a global audience. We recently announced the Egypt Upstream Gateway, where we are working closely with Egypt's Ministry of Petroleum and its affiliates to promote Egypt's exploration and production potential worldwide through this digital platform. We are proud to be trusted by the Egyptian Government to support their E&P vision and believe the success of this model will support further adoption in other countries.

These different applications generate new revenue streams not previously touched by Schlumberger. Indeed, we are not relying solely on software application sales, but are combining enterprise deployment digital services, Software as a Service, cloud operations, and data transactions.

We have been bold on the promise of digital in the future. Today, we see the industry adopting digital technologies at scale and we believe that our early digital investments have positioned us very well to benefit from this acceleration.

Just as leading in digital is critical in this new landscape, so is sustainability—both in the oil and gas space and in the context of the energy transition.

Leading a Sustainable Future

Our Commitment to Stewardship

Addressing climate change and **positively impacting** both our own and our customers' **environmental footprint**

Schlumberger's Target

Reduce green house gas emissions from fuel and power **30% by 2025**

Industry Impact

100 technologies impacting customer decarbonization and biodiversity



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Stewardship is part of our culture, and we have a number of programs and initiatives that impact sustainability, some of which we have been actively engaged in for decades. More recently, I updated the vision and purpose of the company to more explicitly articulate our commitment. In our most recent proxy, we outlined our current ESG priorities and goals, some of which are incorporated in my cash compensation objectives and those of my executive team.

To address Schlumberger's emissions footprint, last December I committed to set a science-based target, making Schlumberger the first service company in upstream oil and gas to do so. Unlike setting a net-zero target for some distant future date, we committed to setting a science-based target by 2021—which we are on track to do—with results to be completed within a five- to fifteen-year period. These targets cover both our direct emissions and those of key suppliers, including end products and services. Our target will be validated externally by the Science-Based Target Initiative.

Meanwhile, we have set an initial target to reduce GHG emissions intensity from Scope 1 and 2 sources 30% by 2025. We are seeing significant progress with strong examples across our organization. For example, our Egypt operations base, shown here, has reduced electricity consumption by 26% with the integration of solar into power generation and will reach up to 50% with the completion of Solar Energy Phase 2 by year end.

To help our customers achieve their sustainability goals, we currently have around 100 technologies or solutions that reduce emissions or negative impacts on local biodiversity. For instance, Schlumberger developed a fit-for-basin solution for BP Oman to achieve a significant reduction in CO₂ emissions to clean up and produce gas from the Khazzan Field after fracturing. In 2019, this technique was applied to ten wells and resulted in 80,000 tons of CO₂ emission reduction.

Engagement with customers for collaboration on new decarbonization solutions is increasing. We reiterate our commitment to be a more sustainable industry participant and are developing a number of technologies to support that commitment.

Finally, I want to give you an introduction into Schlumberger New Energy, the division we launched early this year to explore new business opportunities in low carbon or carbon-neutral energy technologies.

Schlumberger New Energy

New Horizons of Growth

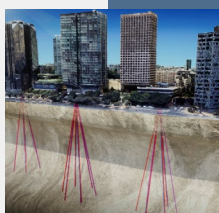
Focused on low carbon and carbon neutral energy technologies

A Different Approach

Technology ventures for deployment

Leveraging Our Strength

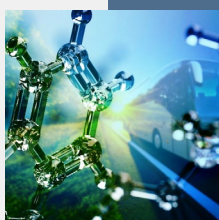
Using our technology expertise and unique track record for global deployment at scale



Celsius Energy™

Using **geothermal energy** sources to provide digitally controlled heating and cooling needs

CO2 emissions **reduction near 90%**



Genvia™

Method to **produce clean hydrogen** using a renewable source of electricity

Significantly less electricity use per kg of hydrogen produced

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I am sharing this new element of our corporate strategy with you for the first time, as we recognize the future of Schlumberger will expand beyond oil and gas with the energy transition, and consequently are positioning the company for significant growth opportunities for the long term.

I'll give you two examples within the Schlumberger New Energy portfolio that show our differentiated approach to participating in the low-carbon economy. Our business venture approach will focus on energy efficiency and energy storage as a priority, aimed at creating unique positions in adjacent markets and introducing breakthrough technologies in energy verticals beyond oil and gas.

One example highlights how we will use our domain expertise in areas adjacent to our existing activities, where we can deliver at scale with our global footprint and execution platform. The other illustrates how we use the new partnership models combined with our experience in technology industrialization to develop a new market for Schlumberger.

The first example is in a domain where Schlumberger has a long track record: geothermal. Here we can create access to the most reliable and continuous form of low-carbon energy resource. Last year, we began work on low-heat geothermal as a source of heat for buildings and campuses, which led to a start-up called Celsius Energy™ in France.

Today, 25% of greenhouse gas emissions stem from the heating and cooling of buildings. Celsius Energy aspires to plug buildings into the Earth's continuous and resilient energy resources to meet heating and cooling needs, reducing the associated CO₂ emissions by as much as 90%.

Celsius Energy combines in-house technology, proprietary design optimization, and modern digital control systems to offer a fit-for-purpose solution for either existing or new construction buildings. Our solution integrates a subsurface multi-well heat exchange system with a surface heat pump exchange technology, operated by an automated digital platform. The result is a simple and smart solution for both heating and cooling, optimized for the local weather profile.

The technology can reduce overall building energy consumption from conventional sources by 60%, along with associated carbon emissions.

Celsius Energy is installing its technical demonstration in our own Schlumberger Riboud Product Center in Clamart, France. For this innovative solution, Celsius Energy received the Solar Impulse label of sustainable solutions and was recognized by the United Nations and the Bloomberg 50 Climate Leaders' Program. We have also attracted significant commercial interest from city councils, industrial site operators, and building developers.

The second example illustrates an area that not only leverages our technology industrialization knowhow, but also a new partnership model.

Hydrogen is a versatile energy carrier and a key component of the energy transition for all countries that have set carbon neutrality targets by 2050. Both low-carbon—or blue hydrogen—and zero-emission, or clean hydrogen, are critical to achieve worldwide emission reduction objectives. We will pursue both emerging markets for carbon-neutral hydrogen production: the first by combining carbon capture and storage—CCS—with hydrogen production using natural gas as a feedstock, and the second through water electrolysis powered by renewable electricity.

In clean hydrogen, Schlumberger New Energy is launching Genvia™, a hydrogen-production technology venture in partnership with the French Alternative Energies and Atomic Energy Commission (CEA), and with Vinci Construction. This new venture will accelerate the development and first industrial deployment of the CEA high-temperature reversible solid oxide electrolyzer (SOE) technology.

SOE can potentially be a game-changing technology in the medium term because it offers a unique and efficient method to produce clean hydrogen by water electrolysis using a renewable source of electricity. Genvia's mission is to deliver differentiated system efficiency when producing hydrogen from water, compared to current commercial electrolyzer technology, and as such, enabling clean hydrogen production at highly competitive price.

Low-carbon hydrogen could reach volumes greater than 10 megatons by 2035, representing a significant growth opportunity for Genvia and for partnerships in CCS hydrogen production.

As you have seen from these ventures, New Energy opens an exciting new chapter for the company, a chapter with diversified growth in new market verticals, yet building on the Schlumberger intellectual capital and unique international franchise.

Closing Remarks

- Proactive measures taken will **protect the balance sheet** and deliver more **resilient margins**
- **Organizational restructure** aligned to accelerate the realization of our **performance strategy**
- Pace and scale of **digital adoption is gaining momentum** across our industry, improving operational efficiency
- We are making a step-change to our **sustainability commitment**, and the launch of **New Energy** is a key milestone



Ladies and gentlemen, I want to leave you with four key takeaways.

First, we believe the decisive and comprehensive measures taken in recent months to face the reality of our industry will protect our liquidity and cash positions and sustain more resilient margins with lower decrements compared to the last downturn.

Second, we have taken a long-view approach to restructuring our company, not only to align with our customer workflows and to empower a lean and agile organization, but also to accelerate the realization of our performance strategy, with capital stewardship, fit-for-basin, and digital as key attributes of success. We are building Schlumberger for the new industry landscape.

Third, we are accelerating our own digital transformation for operations, with a significant efficiency prize to be captured. We are also convinced that our DELFI environment will be the industry foundation for the future of both subsurface workflows and data value services. We are positioned for the greatest benefit in this new age, as leading digital partners and customers continue to adopt our platform, allowing us to expand into new revenue streams and business models.

Finally, we are making a step change in our commitment to sustainability, and to the decarbonization of oil and gas operations, including our own operations. At the same time, we are accelerating the introduction of low-carbon technology solutions to our customers.

The launch of our New Energy business represents a key milestone in our sustainability journey. It holds the promise of diversification and new horizons of growth beyond oil and gas, building on our domain knowledge and technology expertise. Our venture approach will allow us to hedge our investments across several technologies and market sectors.

Whilst the path to activity recovery will remain uncertain, I am extremely optimistic about the potential of Schlumberger as a new company in the future industry landscape. Thank you.