

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

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

For the quarterly period ended: **June 30, 2015**

Commission file No.: **1-4601**

**SCHLUMBERGER N.V.
(SCHLUMBERGER LIMITED)**

(Exact name of registrant as specified in its charter)

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

Registrant's telephone number in the United States, including area code, is:

(713) 513-2000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

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

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

| | | | |
|-------------------------|--|---------------------------|--------------------------|
| Large accelerated filer | <input checked="" type="checkbox"/> | Accelerated filer | <input type="checkbox"/> |
| Non-accelerated filer | <input type="checkbox"/> (Do not check if a smaller reporting company) | Smaller reporting company | <input type="checkbox"/> |

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

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

| <u>Class</u> | <u>Outstanding at June 30, 2015</u> |
|--|-------------------------------------|
| COMMON STOCK, \$0.01 PAR VALUE PER SHARE | 1,265,449,047 |

SCHLUMBERGER LIMITED
Second Quarter 2015 Form 10-Q
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PART I. FINANCIAL INFORMATION**Item 1. Financial Statements.****SCHLUMBERGER LIMITED AND SUBSIDIARIES****CONSOLIDATED STATEMENT OF INCOME****(Unaudited)***(Stated in millions, except per share amounts)*

| | Second Quarter | | Six Months | |
|---|----------------|-----------|------------|-----------|
| | 2015 | 2014 | 2015 | 2014 |
| <i>Revenue</i> | \$ 9,010 | \$ 12,054 | \$ 19,258 | \$ 23,294 |
| <i>Interest & other income</i> | 47 | 64 | 96 | 141 |
| <i>Expenses</i> | | | | |
| Cost of revenue | 7,136 | 9,269 | 15,231 | 18,017 |
| Research & engineering | 279 | 309 | 546 | 593 |
| General & administrative | 120 | 123 | 239 | 228 |
| Restructuring & other | - | - | 439 | - |
| Interest | 86 | 90 | 169 | 193 |
| <i>Income before taxes</i> | 1,436 | 2,327 | 2,730 | 4,404 |
| Taxes on income | 302 | 506 | 608 | 975 |
| <i>Income from continuing operations</i> | 1,134 | 1,821 | 2,122 | 3,429 |
| <i>Loss from discontinued operations</i> | - | (205) | - | (205) |
| <i>Net income</i> | 1,134 | 1,616 | 2,122 | 3,224 |
| Net income attributable to noncontrolling interests | 10 | 21 | 23 | 37 |
| <i>Net income attributable to Schlumberger</i> | \$ 1,124 | \$ 1,595 | \$ 2,099 | \$ 3,187 |
| Schlumberger amounts attributable to: | | | | |
| Income from continuing operations | 1,124 | 1,800 | 2,099 | 3,392 |
| Loss from discontinued operations | - | (205) | - | (205) |
| Net income | \$ 1,124 | \$ 1,595 | \$ 2,099 | \$ 3,187 |
| Basic earnings per share of Schlumberger | | | | |
| Income from continuing operations | \$ 0.89 | \$ 1.38 | \$ 1.65 | \$ 2.60 |
| Loss from discontinued operations | - | (0.16) | - | (0.16) |
| Net income (1) | \$ 0.89 | \$ 1.23 | \$ 1.65 | \$ 2.45 |
| Diluted earnings per share of Schlumberger | | | | |
| Income from continuing operations | \$ 0.88 | \$ 1.37 | \$ 1.64 | \$ 2.58 |
| Loss from discontinued operations | - | (0.16) | - | (0.16) |
| Net income | \$ 0.88 | \$ 1.21 | \$ 1.64 | \$ 2.42 |
| Average shares outstanding: | | | | |
| Basic | 1,269 | 1,300 | 1,273 | 1,303 |
| Assuming dilution | 1,280 | 1,315 | 1,282 | 1,316 |

(1) Amounts may not add due to rounding.

See Notes to Consolidated Financial Statements

SCHLUMBERGER LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(Unaudited)

(Stated in millions)

| | Second Quarter | | Six Months | |
|--|-----------------|-----------------|-----------------|-----------------|
| | 2015 | 2014 | 2015 | 2014 |
| <i>Net income</i> | \$ 1,134 | \$ 1,616 | \$ 2,122 | \$ 3,224 |
| <i>Currency translation adjustments</i> | | | | |
| Unrealized net change arising during the period | 19 | 58 | (94) | (30) |
| <i>Marketable securities</i> | | | | |
| Unrealized gain (loss) arising during the period | 8 | 19 | (10) | 30 |
| <i>Cash flow hedges</i> | | | | |
| Net gain (loss) on cash flow hedges | 42 | (3) | (110) | 13 |
| Reclassification to net income of net realized loss | 22 | 9 | 140 | 6 |
| <i>Pension and other postretirement benefit plans</i> | | | | |
| Actuarial loss | | | | |
| Amortization to net income of net actuarial loss | 69 | 59 | 143 | 100 |
| Prior service cost | | | | |
| Amortization to net income of net prior service cost | 24 | 24 | 51 | 56 |
| Income taxes on pension and other postretirement benefit plans | (7) | (10) | (22) | (20) |
| <i>Comprehensive income</i> | <u>1,311</u> | <u>1,772</u> | <u>2,220</u> | <u>3,379</u> |
| Comprehensive income attributable to noncontrolling interests | 10 | 21 | 23 | 37 |
| <i>Comprehensive income attributable to Schlumberger</i> | <u>\$ 1,301</u> | <u>\$ 1,751</u> | <u>\$ 2,197</u> | <u>\$ 3,342</u> |

See Notes to Consolidated Financial Statements

SCHLUMBERGER LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

(Stated in millions)

| | Jun. 30, 2015 (Unaudited) | Dec. 31, 2014 |
|---|---------------------------------|------------------|
| ASSETS | | |
| <i>Current Assets</i> | | |
| Cash | \$ 3,541 | \$ 3,130 |
| Short-term investments | 3,733 | 4,371 |
| Receivables less allowance for doubtful accounts (2015 - \$282; 2014 - \$275) | 9,569 | 11,171 |
| Inventories | 4,581 | 4,628 |
| Deferred taxes | 168 | 144 |
| Other current assets | 1,269 | 1,250 |
| | <u>22,861</u> | <u>24,694</u> |
| <i>Fixed Income Investments, held to maturity</i> | 469 | 442 |
| <i>Investments in Affiliated Companies</i> | 3,362 | 3,235 |
| <i>Fixed Assets less accumulated depreciation</i> | 14,848 | 15,396 |
| <i>Multiclient Seismic Data</i> | 913 | 793 |
| <i>Goodwill</i> | 15,525 | 15,487 |
| <i>Intangible Assets</i> | 4,525 | 4,654 |
| <i>Other Assets</i> | 2,250 | 2,203 |
| | <u>\$ 64,753</u> | <u>\$ 66,904</u> |
| LIABILITIES AND EQUITY | | |
| <i>Current Liabilities</i> | | |
| Accounts payable and accrued liabilities | 7,479 | 9,246 |
| Estimated liability for taxes on income | 1,424 | 1,647 |
| Long-term debt - current portion | 2,092 | 1,244 |
| Short-term borrowings | 2,139 | 1,521 |
| Dividends payable | 640 | 518 |
| | <u>13,774</u> | <u>14,176</u> |
| <i>Long-term Debt</i> | 9,110 | 10,565 |
| <i>Postretirement Benefits</i> | 1,348 | 1,501 |
| <i>Deferred Taxes</i> | 1,333 | 1,296 |
| <i>Other Liabilities</i> | 1,003 | 1,317 |
| | <u>26,568</u> | <u>28,855</u> |
| <i>Equity</i> | | |
| Common stock | 12,586 | 12,495 |
| Treasury stock | (12,671) | (11,772) |
| Retained earnings | 42,158 | 41,333 |
| Accumulated other comprehensive loss | (4,108) | (4,206) |
| Schlumberger stockholders' equity | 37,965 | 37,850 |
| Noncontrolling interests | 220 | 199 |
| | <u>38,185</u> | <u>38,049</u> |
| | <u>\$ 64,753</u> | <u>\$ 66,904</u> |

See Notes to Consolidated Financial Statements

SCHLUMBERGER LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

(Stated in millions)

| | Six Months Ended Jun. 30, | |
|---|----------------------------------|-----------------|
| | 2015 | 2014 |
| Cash flows from operating activities: | | |
| Net income | \$ 2,122 | \$ 3,224 |
| Add: Loss from discontinued operations | - | 205 |
| Adjustments to reconcile net income to cash provided by operating activities: | | |
| Restructuring and other charges | 439 | - |
| Depreciation and amortization (1) | 2,089 | 1,997 |
| Pension and other postretirement benefits expense | 217 | 190 |
| Stock-based compensation expense | 167 | 162 |
| Pension and other postretirement benefits funding | (214) | (127) |
| Earnings of equity method investments, less dividends received | (65) | (90) |
| Change in assets and liabilities: (2) | | |
| Decrease (increase) in receivables | 1,682 | (590) |
| Decrease (increase) in inventories | 39 | (90) |
| (Increase) decrease in other current assets | (13) | 82 |
| Decrease (increase) in other assets | 3 | (60) |
| Decrease in accounts payable and accrued liabilities | (2,126) | (515) |
| (Decrease) increase in estimated liability for taxes on income | (419) | 23 |
| Decrease in other liabilities | (86) | (204) |
| Other | 249 | 12 |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | 4,084 | 4,219 |
| Cash flows from investing activities: | | |
| Capital expenditures | (1,193) | (1,786) |
| SPM investments | (222) | (377) |
| Multiclient seismic data capitalized | (221) | (154) |
| Business acquisitions and investments, net of cash acquired | (171) | (471) |
| Sale of investments, net | 610 | 349 |
| Other | (119) | 3 |
| NET CASH USED IN INVESTING ACTIVITIES | (1,316) | (2,436) |
| Cash flows from financing activities: | | |
| Dividends paid | (1,151) | (932) |
| Proceeds from employee stock purchase plan | 144 | 134 |
| Proceeds from exercise of stock options | 112 | 358 |
| Stock repurchase program | (1,239) | (2,074) |
| Proceeds from issuance of long-term debt | 1,779 | 1,979 |
| Repayment of long-term debt | (2,340) | (2,104) |
| Net increase (decrease) in short-term borrowings | 586 | (302) |
| Other | (2) | (32) |
| NET CASH USED IN FINANCING ACTIVITIES | (2,111) | (2,973) |
| CASH FLOWS USED BY DISCONTINUED OPERATIONS - OPERATING ACTIVITIES | (233) | - |
| Net increase (decrease) in cash before translation effect | 424 | (1,190) |
| Translation effect on cash | (13) | (15) |
| Cash, beginning of period | 3,130 | 3,472 |
| Cash, end of period | \$ 3,541 | \$ 2,267 |

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

(2) Net of the effect of business acquisitions.

See Notes to Consolidated Financial Statements

SCHLUMBERGER LIMITED AND SUBSIDIARIES

**CONSOLIDATED STATEMENT OF EQUITY
(Unaudited)**

(Stated in millions)

| | Common Stock | | Retained Earnings | Accumulated Other Comprehensive Loss | Noncontrolling Interest | Total |
|---|--------------|-------------|-------------------|--------------------------------------|-------------------------|-----------|
| | Issued | In Treasury | | | | |
| January 1, 2015 – June 30, 2015 | | | | | | |
| Balance, January 1, 2015 | \$ 12,495 | \$ (11,772) | \$ 41,333 | \$ (4,206) | \$ 199 | \$ 38,049 |
| Net income | | | 2,099 | | 23 | 2,122 |
| Currency translation adjustments | | | | (94) | | (94) |
| Changes in unrealized gain on marketable securities | | | | (10) | | (10) |
| Changes in fair value of cash flow hedges | | | | 30 | | 30 |
| Pension and other postretirement benefit plans | | | | 172 | | 172 |
| Shares sold to optionees, less shares exchanged | (25) | 137 | | | | 112 |
| Vesting of restricted stock | (67) | 67 | | | | - |
| Shares issued under employee stock purchase plan | 9 | 135 | | | | 144 |
| Stock repurchase program | | (1,239) | | | | (1,239) |
| Stock-based compensation expense | 167 | | | | | 167 |
| Dividends declared (\$1.00 per share) | | | (1,274) | | | (1,274) |
| Other | 7 | 1 | | | (2) | 6 |
| Balance, June 30, 2015 | \$ 12,586 | \$ (12,671) | \$ 42,158 | \$ (4,108) | \$ 220 | \$ 38,185 |

(Stated in millions)

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

**SHARES OF COMMON STOCK
(Unaudited)**

(Stated in millions)

| | Issued | In Treasury | Shares Outstanding |
|--|--------|-------------|--------------------|
| Balance, January 1, 2015 | 1,434 | (159) | 1,275 |
| Shares sold to optionees, less shares exchanged | - | 1 | 1 |
| Vesting of restricted stock | - | 1 | 1 |
| Shares issued under employee stock purchase plan | - | 2 | 2 |
| Stock repurchase program | - | (14) | (14) |
| Balance, June 30, 2015 | 1,434 | (169) | 1,265 |

See Notes to Consolidated Financial Statements

SCHLUMBERGER LIMITED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Basis of Presentation

The accompanying unaudited consolidated financial statements of Schlumberger Limited and its subsidiaries (“Schlumberger”) have been prepared in accordance with generally accepted accounting principles in the United States of America for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of Schlumberger management, all adjustments considered necessary for a fair statement have been included in the accompanying unaudited financial statements. All intercompany transactions and balances have been eliminated in consolidation. Operating results for the six-month period ended June 30, 2015 are not necessarily indicative of the results that may be expected for the full year ending December 31, 2015. The December 31, 2014 balance sheet information has been derived from the Schlumberger 2014 audited financial statements. For further information, refer to the *Consolidated Financial Statements* and notes thereto included in the Schlumberger Annual Report on Form 10-K for the year ended December 31, 2014, filed with the Securities and Exchange Commission on January 29, 2015.

Certain prior period items have been reclassified to conform to the current period presentation.

New Accounting Pronouncement

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*. This ASU amends the existing accounting standards for revenue recognition and is based on the principle that revenue should be recognized to depict the transfer of goods or services to a customer at an amount that reflects the consideration a company expects to receive in exchange for those goods or services. Schlumberger is required to adopt this ASU no later than January 1, 2018 with early adoption permitted on January 1, 2017. Schlumberger does not expect this ASU to have a material impact on its consolidated financial statements.

2. Charges and Credits

Schlumberger recorded the following charges and credits in continuing operations during the first quarter of 2015:

- As a result of the severe fall in activity in North America, combined with the impact of lower international activity due to customer budget cuts driven by lower oil prices, Schlumberger decided to reduce its headcount during the first quarter of 2015. Schlumberger recorded a \$390 million charge during the first quarter associated with this headcount reduction as well as an incentivized leave of absence program.
- During 2014, Venezuela enacted certain changes to its foreign exchange system such that, in addition to the official rate of 6.3 Venezuelan Bolivares per US dollar, there were two other legal exchange rates that could be obtained via different exchange rate mechanisms. These changes included the expansion of the SICAD I auction rate and the introduction of what was known as the SICAD II auction process. The SICAD I and SICAD II exchange rates were approximately 11 and 50 Venezuelan Bolivares to the US dollar, respectively, at December 31, 2014.

Although the functional currency of Schlumberger’s operations in Venezuela is the US dollar, a portion of the transactions in Venezuela are denominated in local currency. Prior to December 31, 2014, Schlumberger had applied the official exchange rate to remeasure local currency transactions and balances into US dollars.

Effective December 31, 2014, Schlumberger concluded that it was appropriate to apply the SICAD II exchange rate, as it believed this rate best represented the economics of Schlumberger’s business activity in Venezuela. As a result, Schlumberger recorded a \$472 million devaluation charge during the fourth quarter of 2014.

In February 2015, the Venezuelan government replaced SICAD II with a new foreign exchange market system known as SIMADI. The SIMADI exchange rate was approximately 192 Venezuela Bolivares to the US dollar as of March 31, 2015. As a result, Schlumberger recorded a \$49 million devaluation charge during the first quarter of 2015, reflecting the adoption of the SIMADI exchange rate.

These changes result in a reduction in the US dollar reported amount of local currency denominated revenues, expenses and, consequently, income before taxes and net income in Venezuela. For example, if Schlumberger had applied an exchange rate of 192 Venezuelan Bolivares to the US dollar throughout 2014, it would have reduced Schlumberger earnings by approximately \$0.09 per share.

The following is a summary of these charges:

(Stated in millions)

| | Pretax | Tax | Net | Classification |
|--|---------------|--------------|---------------|-----------------------|
| Workforce reduction | \$ 390 | \$ 56 | \$ 334 | Restructuring & other |
| Currency devaluation loss in Venezuela | 49 | - | 49 | Restructuring & other |
| | <u>\$ 439</u> | <u>\$ 56</u> | <u>\$ 383</u> | |

There were no charges or credits recorded during the second quarter of 2015 or the first six months of 2014.

3. Earnings Per Share

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

(Stated in millions, except per share amounts)

| | 2015 | | | 2014 | | |
|-----------------------------------|---|----------------------------------|--|---|----------------------------------|--|
| | Schlumberger Income from Continuing Operations | Average Shares Outstanding | Earnings per Share from Continuing Operations | Schlumberger Income from Continuing Operations | Average Shares Outstanding | Earnings per Share from Continuing Operations |
| Second Quarter | | | | | | |
| Basic | \$ 1,124 | \$ 1,269 | \$ 0.89 | \$ 1,800 | \$ 1,300 | \$ 1.38 |
| Assumed exercise of stock options | - | 7 | | - | 11 | |
| Unvested restricted stock | - | 4 | | - | 4 | |
| Diluted | <u>\$ 1,124</u> | <u>\$ 1,280</u> | <u>\$ 0.88</u> | <u>\$ 1,800</u> | <u>\$ 1,315</u> | <u>\$ 1.37</u> |

| | 2015 | | | 2014 | | |
|-----------------------------------|---|----------------------------------|--|---|----------------------------------|--|
| | Schlumberger Income from Continuing Operations | Average Shares Outstanding | Earnings per Share from Continuing Operations | Schlumberger Income from Continuing Operations | Average Shares Outstanding | Earnings per Share from Continuing Operations |
| Six Months | | | | | | |
| Basic | \$ 2,099 | \$ 1,273 | \$ 1.65 | \$ 3,392 | \$ 1,303 | \$ 2.60 |
| Assumed exercise of stock options | - | 5 | | - | 9 | |
| Unvested restricted stock | - | 4 | | - | 4 | |
| Diluted | <u>\$ 2,099</u> | <u>\$ 1,282</u> | <u>\$ 1.64</u> | <u>\$ 3,392</u> | <u>\$ 1,316</u> | <u>\$ 2.58</u> |

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

(Stated in millions)

| | 2015 | 2014 |
|----------------|------|------|
| Second Quarter | 11 | - |
| Six Months | 13 | 5 |

4. Inventories

A summary of inventories follows:

(Stated in millions)

| | Jun. 30, 2015 | Dec. 31, 2014 |
|----------------------------------|------------------|------------------|
| Raw, materials & field materials | \$ 2,774 | \$ 2,666 |
| Work in progress | 225 | 273 |
| Finished goods | 1,582 | 1,689 |
| | <u>\$ 4,581</u> | <u>\$ 4,628</u> |

5. Fixed Assets

A summary of fixed assets follows:

(Stated in millions)

| | Jun. 30, 2015 | Dec. 31, 2014 |
|--------------------------------|------------------|------------------|
| Property, plant & equipment | \$ 37,332 | \$ 36,964 |
| Less: Accumulated depreciation | 22,484 | 21,568 |
| | <u>\$ 14,848</u> | <u>\$ 15,396</u> |

Depreciation expense relating to fixed assets was as follows:

(Stated in millions)

| | 2015 | 2014 |
|----------------|--------|--------|
| Second Quarter | \$ 819 | \$ 800 |
| Six Months | 1,646 | 1,593 |

6. Multiclient Seismic Data

The change in the carrying amount of multiclient seismic data for the six months ended June 30, 2015 was as follows:

(Stated in millions)

| | |
|------------------------------|---------------|
| Balance at December 31, 2014 | \$ 793 |
| Capitalized in period | 221 |
| Charged to expense | (101) |
| Balance at June 30, 2015 | <u>\$ 913</u> |

7. Goodwill

The changes in the carrying amount of goodwill by reporting unit for the six months ended June 30, 2015 were as follows:

(stated in millions)

| | Reservoir | | | |
|-------------------------------------|------------------|-----------------|-----------------|------------------|
| | Characterization | Drilling | Production | Total |
| Balance at December 31, 2014 | \$ 3,812 | \$ 8,488 | \$ 3,187 | \$ 15,487 |
| Acquisitions | - | 30 | 30 | 60 |
| Impact of changes in exchange rates | (9) | (6) | (7) | (22) |
| Balance at June 30, 2015 | <u>\$ 3,803</u> | <u>\$ 8,512</u> | <u>\$ 3,210</u> | <u>\$ 15,525</u> |

8. Intangible Assets

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

(Stated in millions)

| | Jun. 30, 2015 | | | Dec. 31, 2014 | | |
|-------------------------------|------------------|--------------------------|-----------------|------------------|--------------------------|-----------------|
| | Gross Book Value | Accumulated Amortization | Net Book Value | Gross Book Value | Accumulated Amortization | Net Book Value |
| Technology/Technical Know-How | \$ 1,734 | \$ 592 | \$ 1,142 | \$ 1,747 | \$ 535 | \$ 1,212 |
| Tradenames | 1,640 | 352 | 1,288 | 1,641 | 319 | 1,322 |
| Customer Relationships | 2,537 | 591 | 1,946 | 2,531 | 523 | 2,008 |
| Other | 416 | 267 | 149 | 380 | 268 | 112 |
| | <u>\$ 6,327</u> | <u>\$ 1,802</u> | <u>\$ 4,525</u> | <u>\$ 6,299</u> | <u>\$ 1,645</u> | <u>\$ 4,654</u> |

Amortization expense charged to income was as follows:

(Stated in millions)

| | 2015 | | 2014 | |
|----------------|------|-----|------|-----|
| | | | | |
| Second Quarter | \$ | 93 | \$ | 86 |
| Six Months | \$ | 179 | \$ | 169 |

Based on the net book value of intangible assets at June 30, 2015, amortization charged to income for the subsequent five years is estimated to be: remainder of 2015—\$174 million; 2016—\$355 million; 2017—\$347 million; 2018—\$336 million; 2019—\$327 million; and 2020—\$306 million.

9. Long-term Debt

A summary of *Long-term Debt* follows:

(Stated in millions)

| | Jun. 30, 2015 | Dec. 31, 2014 |
|---------------------------------|-----------------|------------------|
| | | |
| 3.30% Senior Notes due 2021 | \$ 1,597 | \$ 1,597 |
| 3.65% Senior Notes due 2023 | 1,496 | 1,495 |
| 1.95% Senior Notes due 2016 | 1,100 | 1,100 |
| 4.20% Senior Notes due 2021 | 1,100 | 1,100 |
| 1.25% Senior Notes due 2017 | 1,000 | 1,000 |
| 2.40% Senior Notes due 2022 | 999 | 999 |
| 1.50% Guaranteed Notes due 2019 | 576 | 628 |
| 2.65% Senior Notes due 2016 | - | 500 |
| Commercial paper borrowings | 510 | 1,538 |
| Other | 732 | 608 |
| | <u>\$ 9,110</u> | <u>\$ 10,565</u> |

The estimated fair value of Schlumberger's *Long-term Debt* at June 30, 2015 and December 31, 2014, based on quoted market prices, was \$9.3 billion and \$10.7 billion, respectively.

Borrowings under the commercial paper program at June 30, 2015 were \$0.9 billion, of which \$0.4 billion is classified within *Long-term debt – current portion* in the *Consolidated Balance Sheet*. At December 31, 2014, borrowings under the commercial paper program were \$1.5 billion, all of which were classified within *Long-term Debt* in the *Consolidated Balance Sheet*.

10. Derivative Instruments and Hedging Activities

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

Interest Rate Risk

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

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

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

At June 30, 2015, Schlumberger had fixed rate debt aggregating \$8.9 billion and variable rate debt aggregating \$4.4 billion, after taking into account the effect of the swap.

Short-term investments and *Fixed income investments, held to maturity*, totaled \$4.2 billion at June 30, 2015. The carrying value of these investments approximated fair value, which was estimated using quoted market prices for those or similar investments.

Foreign Currency Exchange Rate Risk

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

Schlumberger is exposed to risks on future cash flows to the extent that the local currency is not the functional currency and expenses denominated in local currency are not equal to revenues denominated in local currency. Schlumberger is also exposed to risks on future cash flows relating to certain of its fixed rate debt which is denominated in currencies other than the functional currency. Schlumberger uses foreign currency forward contracts and foreign currency options to provide a hedge against a portion of these cash flow risks. These contracts are accounted for as cash flow hedges, with the effective portion of changes in the fair value of the hedge recorded on the *Consolidated Balance Sheet* and in *Accumulated other comprehensive loss*. Amounts recorded in *Accumulated other comprehensive loss* are reclassified into earnings in the same period or periods that the hedged item is recognized in earnings. The ineffective portion of changes in the fair value of hedging instruments, if any, is recorded directly to earnings.

At June 30, 2015, Schlumberger recognized a cumulative net \$66 million loss in *Accumulated other comprehensive loss* relating to revaluation of foreign currency forward contracts and foreign currency options designated as cash flow hedges, the majority of which is expected to be reclassified into earnings within the next 12 months.

Schlumberger is exposed to changes in the fair value of assets and liabilities which are denominated in currencies other than the functional currency. While Schlumberger uses foreign currency forward contracts and foreign currency options to economically hedge this exposure as it relates to certain currencies, these contracts are not designated as hedges for accounting purposes. Instead, the fair value of the contracts is recorded on the *Consolidated Balance Sheet*, and changes in the fair value are recognized in the *Consolidated Statement of Income* as are changes in fair value of the hedged item.

At June 30, 2015, contracts were outstanding for the US dollar equivalent of \$6.0 billion in various foreign currencies, of which \$2.5 billion relate to hedges of debt denominated in currencies other than the functional currency.

The fair values of outstanding derivative instruments were as follows:

(Stated in millions)

| | Fair Value of Derivatives | | Consolidated Balance Sheet Classification |
|---------------------------------------|---------------------------|------------------|---|
| | Jun. 30, 2015 | Dec. 31, 2014 | |
| Derivative Assets | | | |
| Derivatives designated as hedges: | | | |
| Foreign exchange contracts | \$ 5 | \$ 3 | Other current assets |
| Foreign exchange contracts | 9 | 32 | Other Assets |
| | <u>\$ 14</u> | <u>\$ 35</u> | |
| Derivatives not designated as hedges: | | | |
| Foreign exchange contracts | \$ 22 | \$ 5 | Other current assets |
| | <u>\$ 36</u> | <u>\$ 40</u> | |
| Derivative Liabilities | | | |
| Derivatives designated as hedges: | | | |
| Foreign exchange contracts | \$ 58 | \$ 80 | Accounts payable and accrued liabilities |
| Foreign exchange contracts | 63 | 105 | Other Liabilities |
| Cross currency swap | 20 | 42 | Other Liabilities |
| | <u>\$ 141</u> | <u>\$ 227</u> | |
| Derivatives not designated as hedges: | | | |
| Foreign exchange contracts | \$ 4 | \$ 28 | Accounts payable and accrued liabilities |
| | <u>\$ 145</u> | <u>\$ 255</u> | |

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

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

(Stated in millions)

| | Gain (Loss) Recognized in Income | | | | Consolidated Statement of Income Classification |
|--|----------------------------------|---------------|----------------|---------------|--|
| | Second Quarter | | Six Months | | |
| | 2015 | 2014 | 2015 | 2014 | |
| Derivatives designated as fair value hedges: | | | | | |
| Cross currency swap | <u>\$ 19</u> | <u>\$ (8)</u> | <u>\$ (51)</u> | <u>\$ (9)</u> | Interest |
| Derivatives not designated as hedges: | | | | | |
| Foreign exchange contracts | <u>\$ 57</u> | <u>\$ (8)</u> | <u>\$ (61)</u> | <u>\$ 5</u> | Cost of revenue |

11. Income Taxes

Income before taxes subject to US and non-US income taxes was as follows:

(Stated in millions)

| | Second Quarter | | Six Months | |
|-----------------------|-----------------|-----------------|-----------------|-----------------|
| | 2015 | 2014 | 2015 | 2014 |
| United States | \$ 115 | \$ 625 | \$ 280 | \$ 1,150 |
| Outside United States | 1,321 | 1,702 | 2,450 | 3,254 |
| | <u>\$ 1,436</u> | <u>\$ 2,327</u> | <u>\$ 2,730</u> | <u>\$ 4,404</u> |

Schlumberger recorded pretax charges of \$439 million during the six months ended June 30, 2015 (\$93 million of charges in the US and \$346 million of charges outside the US). See Note 2 – *Charges and Credits*.

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

(Stated in millions)

| | Jun. 30, 2015 | Dec. 31, 2014 |
|------------------------------------|-------------------|-------------------|
| Postretirement benefits | \$ 299 | \$ 327 |
| Intangible assets | (1,470) | (1,435) |
| Investments in non-US subsidiaries | (188) | (263) |
| Other, net | 194 | 219 |
| | <u>\$ (1,165)</u> | <u>\$ (1,152)</u> |

The above deferred tax balances at June 30, 2015 and December 31, 2014 were net of valuation allowances relating to net operating losses in certain countries of \$158 million and \$190 million, respectively.

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

(Stated in millions)

| | Second Quarter | | Six Months | |
|-----------------------|----------------|---------------|---------------|---------------|
| | 2015 | 2014 | 2015 | 2014 |
| Current: | | | | |
| United States-Federal | \$ 41 | \$ 131 | \$ 116 | \$ 278 |
| United States-State | 9 | 12 | 14 | 19 |
| Outside United States | 302 | 355 | 550 | 691 |
| | <u>352</u> | <u>498</u> | <u>680</u> | <u>988</u> |
| Deferred: | | | | |
| United States-Federal | \$ (3) | \$ 4 | \$ (29) | \$ 11 |
| United States-State | (1) | 3 | (1) | 2 |
| Outside United States | (25) | 1 | (21) | (26) |
| Valuation Allowance | (21) | - | (21) | - |
| | <u>(50)</u> | <u>8</u> | <u>(72)</u> | <u>(13)</u> |
| | <u>\$ 302</u> | <u>\$ 506</u> | <u>\$ 608</u> | <u>\$ 975</u> |

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

| | Second Quarter | | Six Months | |
|--|----------------|-------------|-------------|-------------|
| | 2015 | 2014 | 2015 | 2014 |
| US federal statutory rate | 35 % | 35 % | 35 % | 35 % |
| Non-US income taxed at different rates | (13) | (11) | (12) | (11) |
| Charges and credits (See Note 2) | - | - | 1 | - |
| Other | (1) | (2) | (2) | (2) |
| | <u>21 %</u> | <u>22 %</u> | <u>22 %</u> | <u>22 %</u> |

12. Contingencies

During 2015, Schlumberger resolved a previously disclosed investigation by the U.S. Department of Justice into past violations of US sanctions regarding its historical operations in Iran and Sudan that occurred between 2004 and 2010. A non-US subsidiary of Schlumberger pleaded guilty to one criminal count of conspiracy to violate the International Emergency Economic Powers Act. Under the terms of the plea agreement, Schlumberger paid a total amount of approximately \$233 million in fines, penalties and assessments during the second quarter of 2015, which had been previously accrued. This payment is reflected within *Cash flows used in discontinued operations – operating activities* in Schlumberger's *Consolidated Statement of Cash Flows*.

Schlumberger and its subsidiaries are party to various other legal proceedings from time to time. A liability is accrued when a loss is both probable and can be reasonably estimated. Management believes that the probability of a material loss with respect to these other

legal proceedings is remote. However, litigation is inherently uncertain and it is not possible to predict the ultimate disposition of any of these proceedings.

13. Segment Information

(Stated in millions)

| | Second Quarter 2015 | | Second Quarter 2014 | |
|----------------------------|---------------------|---------------------|---------------------|---------------------|
| | Revenue | Income before Taxes | Revenue | Income before Taxes |
| Reservoir Characterization | \$ 2,425 | \$ 642 | \$ 3,231 | \$ 933 |
| Drilling | 3,511 | 685 | 4,653 | 981 |
| Production | 3,103 | 397 | 4,208 | 710 |
| Eliminations & other | (29) | (16) | (38) | (3) |
| Pretax operating income | | 1,708 | | 2,621 |
| Corporate & other (1) | | (199) | | (216) |
| Interest income (2) | | 6 | | 8 |
| Interest expense (3) | | (79) | | (86) |
| | <u>\$ 9,010</u> | <u>\$ 1,436</u> | <u>\$ 12,054</u> | <u>\$ 2,327</u> |

(1) Comprised principally of certain corporate expenses not allocated to the segments, stock-based compensation costs, amortization expense associated with certain intangible assets, certain centrally managed initiatives and other nonoperating items.

(2) Interest income excludes amounts which are included in the segments' income (\$6 million in 2015; \$5 million in 2014).

(3) Interest expense excludes amounts which are included in the segments' income (\$7 million in 2015; \$4 million in 2014).

(Stated in millions)

| | Six Months 2015 | | Six Months 2014 | |
|----------------------------|------------------|---------------------|------------------|---------------------|
| | Revenue | Income before Taxes | Revenue | Income before Taxes |
| Reservoir Characterization | \$ 4,977 | \$ 1,297 | \$ 6,214 | \$ 1,726 |
| Drilling | 7,474 | 1,475 | 8,984 | 1,862 |
| Production | 6,870 | 946 | 8,193 | 1,433 |
| Eliminations & other | (63) | (17) | (97) | (32) |
| Pretax operating income | | 3,701 | | 4,989 |
| Corporate & other (1) | | (390) | | (417) |
| Interest income (2) | | 14 | | 15 |
| Interest expense (3) | | (156) | | (183) |
| Charges and credits (4) | | (439) | | - |
| | <u>\$ 19,258</u> | <u>\$ 2,730</u> | <u>\$ 23,294</u> | <u>\$ 4,404</u> |

(1) Comprised principally of certain corporate expenses not allocated to the segments, stock-based compensation costs, amortization expense associated with certain intangible assets, certain centrally managed initiatives and other nonoperating items.

(2) Interest income excludes amounts which are included in the segments' income (\$11 million in 2015; \$10 million in 2014).

(3) Interest expense excludes amounts which are included in the segments' income (\$13 million in 2015; \$10 million in 2014).

(4) Charges and credits recorded during the six months of 2015 are described in detail in Note 2 to the *Consolidated Financial Statements*.

14. Pension and Other Postretirement Benefit Plans

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

(Stated in millions)

| | Second Quarter | | | | Six Months | | | |
|------------------------------------|----------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|
| | 2015 | | 2014 | | 2015 | | 2014 | |
| | US | Int'l | US | Int'l | US | Int'l | US | Int'l |
| Service cost | \$ 21 | \$ 50 | \$ 16 | \$ 29 | \$ 43 | \$ 99 | \$ 35 | \$ 60 |
| Interest cost | 44 | 75 | 35 | 56 | 85 | 149 | 76 | 128 |
| Expected return on plan assets | (59) | (129) | (44) | (88) | (115) | (257) | (96) | (200) |
| Amortization of prior service cost | 1 | 31 | 3 | 22 | 6 | 61 | 6 | 52 |
| Amortization of net loss | 31 | 36 | 24 | 32 | 62 | 74 | 44 | 52 |
| | <u>\$ 38</u> | <u>\$ 63</u> | <u>\$ 34</u> | <u>\$ 51</u> | <u>\$ 81</u> | <u>\$ 126</u> | <u>\$ 65</u> | <u>\$ 92</u> |

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

(Stated in millions)

| | Second Quarter | | Six Months | |
|--------------------------------------|----------------|--------------|--------------|--------------|
| | 2015 | 2014 | 2015 | 2014 |
| | Service cost | \$ 10 | \$ 11 | \$ 21 |
| Interest cost | 11 | 15 | 24 | 30 |
| Expected return on plan assets | (13) | (10) | (26) | (21) |
| Amortization of prior service credit | (8) | (1) | (16) | (2) |
| Amortization of net loss | 2 | 3 | 7 | 4 |
| | <u>\$ 2</u> | <u>\$ 18</u> | <u>\$ 10</u> | <u>\$ 33</u> |

15. Accumulated Other Comprehensive Loss

Accumulated other comprehensive loss consists of the following:

(Stated in millions)

| | Currency Translation Adjustments | Unrealized Gain/(Loss) on Marketable Securities | Cash Flow Hedges | Pension and Other Postretirement Benefit Plans | Total |
|--|--|--|---------------------|---|-------------------|
| Balance, January 1, 2015 | \$ (1,531) | \$ 10 | \$ (96) | \$ (2,589) | \$ (4,206) |
| Other comprehensive loss before reclassifications | (94) | (10) | (110) | - | (214) |
| Amounts reclassified from accumulated other comprehensive loss | - | - | 140 | 194 | 334 |
| Income taxes | - | - | - | (22) | (22) |
| Net other comprehensive income (loss) | (94) | (10) | 30 | 172 | 98 |
| Balance, June 30, 2015 | <u>\$ (1,625)</u> | <u>\$ -</u> | <u>\$ (66)</u> | <u>\$ (2,417)</u> | <u>\$ (4,108)</u> |

(Stated in millions)

| | Currency Translation Adjustments | Unrealized Gain/(Loss) on Marketable Securities | Cash Flow Hedges | Pension and Other Postretirement Benefit Plans | Total |
|--|---|--|-----------------------------|---|-------------------|
| Balance, January 1, 2014 | \$ (1,068) | \$ 176 | \$ 29 | \$ (1,691) | \$ (2,554) |
| Other comprehensive (loss) income before reclassifications | (30) | 30 | 13 | - | 13 |
| Amounts reclassified from accumulated other comprehensive loss | - | - | 6 | 156 | 162 |
| Income taxes | - | - | - | (20) | (20) |
| Net other comprehensive income (loss) | (30) | 30 | 19 | 136 | 155 |
| Balance, June 30, 2014 | <u>\$ (1,098)</u> | <u>\$ 206</u> | <u>\$ 48</u> | <u>\$ (1,555)</u> | <u>\$ (2,399)</u> |

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.**Second Quarter 2015 Compared to First Quarter 2015****Product Groups***(Stated in millions)*

| | Second Quarter 2015 | | First Quarter 2015 | |
|----------------------------|---------------------|---------------------|--------------------|---------------------|
| | Revenue | Income before Taxes | Revenue | Income before Taxes |
| Reservoir Characterization | 2,425 | 642 | 2,552 | 655 |
| Drilling | 3,511 | 685 | 3,963 | 790 |
| Production | 3,103 | 397 | 3,767 | 549 |
| Eliminations & other | (29) | (16) | (34) | (1) |
| Pretax operating income | | 1,708 | | 1,993 |
| Corporate & other (1) | | (199) | | (192) |
| Interest income (2) | | 6 | | 8 |
| Interest expense (3) | | (79) | | (76) |
| Charges and credits (4) | | - | | (439) |
| | 9,010 | 1,436 | 10,248 | 1,294 |

Geographic Areas*(Stated in millions)*

| | Second Quarter 2015 | | First Quarter 2015 | |
|-------------------------|---------------------|---------------------|--------------------|---------------------|
| | Revenue | Income before Taxes | Revenue | Income before Taxes |
| North America | 2,361 | 242 | 3,222 | 416 |
| Latin America | 1,537 | 343 | 1,648 | 354 |
| Europe/CIS/Africa | 2,413 | 513 | 2,538 | 532 |
| Middle East & Asia | 2,575 | 740 | 2,703 | 774 |
| Eliminations & other | 124 | (130) | 137 | (83) |
| Pretax operating income | | 1,708 | | 1,993 |
| Corporate & other (1) | | (199) | | (192) |
| Interest income (2) | | 6 | | 8 |
| Interest expense (3) | | (79) | | (76) |
| Charges and credits (4) | | - | | (439) |
| | 9,010 | 1,436 | 10,248 | 1,294 |

(1) Comprised principally of certain corporate expenses not allocated to the segments, stock-based compensation costs, amortization expense associated with certain intangible assets, certain centrally managed initiatives and other nonoperating items.

(2) Interest income excludes amounts which are included in the segments' income (\$6 million in the second quarter 2015; \$5 million in the first quarter in 2015).

(3) Interest expense excludes amounts which are included in the segments' income (\$7 million in the second quarter 2015; \$6 million in the first quarter 2015).

(4) Charges and credits recorded during the first quarter of 2015 are described in detail in Note 2 to the *Consolidated Financial Statements*.

Second-quarter 2015 revenue of \$9.0 billion was 12% lower sequentially while pretax operating income of \$1.7 billion was 14% lower sequentially. Pretax operating margin decreased 49 basis points (bps) to 19.0%.

North America second-quarter revenue of \$2.4 billion decreased 27% sequentially. In the US and Western Canada, revenue fell on lower pressure pumping activity and persistent pricing pressure as the land rig count dropped 40%, exacerbated by the early onset of the Canadian spring break-up. In the US Gulf of Mexico, revenue declined as the deepwater rig count decreased and activity shifted from exploration to development and completion. On land, pricing fell to unsustainable levels in some basins leading to pressure pumping equipment being stacked and crews reassigned. In other basins, hydraulic fracturing fleet deployment was maintained in pursuit of market share and new technology opportunities.

North America pretax operating margin declined 268 bps sequentially to 10.2% on decreased pressure pumping activity and pricing weakness on land. Offshore operating margin declined due to an unfavorable revenue mix as a result of the shift from high-margin deepwater exploration work to development and completion activity. Despite the severity of the revenue decline in North America, focused execution and prompt action on cost management limited the sequential margin decline.

Revenue for the International Areas of \$6.5 billion decreased 5% sequentially, driven by customer budget cuts and continued pricing concessions. Middle East & Asia Area revenue of \$2.6 billion declined 5% sequentially, mainly due to lower activity in Asia-Pacific and Australia from customer exploration budget cuts. Activity in India declined on project delays while activities in Iraq and China remained muted. The Middle East GeoMarkets remained robust on higher activity, particularly in Saudi Arabia, the United Arab Emirates and Kuwait, but revenue in the region declined slightly as pricing concessions affected results for a full quarter. Europe/CIS/Africa Area revenue of \$2.4 billion decreased 5% sequentially, primarily due to Sub-Saharan Africa as exploration decreased and offshore rigs demobilized. Customer budget pressure in Angola and delays in Nigeria also affected results. Russia rebounded on a seasonal increase in conventional land activity while the Russian ruble slightly recovered. North Sea revenue declined on lower rig count, pricing pressure and a continued shift from exploration to development activity. North Africa activity increased slightly while work in Libya continued to be limited as the security situation remained unchanged. Revenue in the Latin America Area of \$1.5 billion dropped 7% on lower activity in Mexico, Brazil and Colombia due to sustained customer budget cuts. This reduction was partially offset by strong exploration and a ramp-up of activity in the Venezuela, Trinidad and Tobago GeoMarket. Activities in Argentina and Ecuador remained resilient.

International Area pretax operating margin of 24.5% increased 35 bps sequentially. Middle East & Asia pretax operating margin increased slightly by 8 bps to 28.7%, Latin America expanded 81 bps to 22.3%, and Europe/CIS/Africa grew 29 bps to 21.3%.

Reservoir Characterization Group

Reservoir Characterization Group revenue of \$2.4 billion declined 5% sequentially, primarily due to sustained cuts in exploration spending that impacted Wireline and Testing Services activities in Europe/CIS & Africa, the US Gulf of Mexico, and Australia. This decline was partially offset by increased software license sales and by WesternGeco revenue that improved slightly on higher land seismic activity in North Africa and the United Arab Emirates.

Pretax operating margin of 26.5% was 84 bps higher sequentially as an unfavorable revenue mix was offset by increased higher-margin software license sales.

Drilling Group

Drilling Group revenue of \$3.5 billion decreased 11% sequentially, primarily due to a further drop in rig count in North America that impacted activities of Drilling & Measurements and M-I SWACO. Lower drilling activity in Sub-Saharan Africa, Australia and Colombia also contributed to the decline.

Pretax operating margin of 19.5% declined 44 bps sequentially. Despite the revenue decline, prompt action on cost management limited the operating margin decline.

Production Group

Production Group revenue of \$3.1 billion decreased 18% sequentially with more than 80% of the decrease attributable to North America land. Pressure pumping activity continued to fall and pricing pressure increased as the land rig count in North America extended its decline.

Pretax operating margin of 12.8% declined 179 bps sequentially as lower activity and increasing pricing pressure continued during the quarter. Despite the severe revenue decline, prompt action on cost management and alignment of resources with activity limited the operating margin decline.

Second Quarter 2015 Compared to Second Quarter 2014

Product Groups

(Stated in millions)

| | Second Quarter 2015 | | Second Quarter 2014 | |
|----------------------------|---------------------|---------------------------|---------------------|---------------------------|
| | Revenue | Income before Taxes | Revenue | Income before Taxes |
| Reservoir Characterization | \$ 2,425 | \$ 642 | \$ 3,231 | \$ 933 |
| Drilling | 3,511 | 685 | 4,653 | 981 |
| Production | 3,103 | 397 | 4,208 | 710 |
| Eliminations & other | (29) | (16) | (38) | (3) |
| Pretax operating income | | 1,708 | | 2,621 |
| Corporate & other (1) | | (199) | | (216) |
| Interest income (2) | | 6 | | 8 |
| Interest expense (3) | | (79) | | (86) |
| | \$ 9,010 | \$ 1,436 | \$ 12,054 | \$ 2,327 |

Geographic Areas

(Stated in millions)

| | Second Quarter 2015 | | Second Quarter 2014 | |
|-------------------------|---------------------|---------------------------|---------------------|---------------------------|
| | Revenue | Income before Taxes | Revenue | Income before Taxes |
| North America | \$ 2,361 | \$ 242 | \$ 3,888 | \$ 700 |
| Latin America | 1,537 | 343 | 1,852 | 393 |
| Europe/CIS/Africa | 2,413 | 513 | 3,268 | 723 |
| Middle East & Asia | 2,575 | 740 | 2,966 | 826 |
| Eliminations & other | 124 | (130) | 80 | (21) |
| Pretax operating income | | 1,708 | | 2,621 |
| Corporate & other (1) | | (199) | | (216) |
| Interest income (2) | | 6 | | 8 |
| Interest expense (3) | | (79) | | (86) |
| | \$ 9,010 | \$ 1,436 | \$ 12,054 | \$ 2,327 |

(1) Comprised principally of certain corporate expenses not allocated to the segments, stock-based compensation costs, amortization expense associated with certain intangible assets, certain centrally managed initiatives and other nonoperating items.

(2) Interest income excludes amounts which are included in the segments' income (\$6 million in 2015; \$5 million in 2014).

(3) Interest expense excludes amounts which are included in the segments' income (\$7 million in 2015; \$4 million in 2014).

Second-quarter 2015 revenue of \$9.0 billion was 25% lower year-on-year while pretax operating income of \$1.7 billion was lower by 35%. Pretax operating margin decreased 278 bps to 19.0%

North America second-quarter 2015 revenue of \$2.4 billion decreased 39% year-on-year mainly from land, while offshore was down slightly compared to the same period of 2014. The decrease in land was driven by severe activity and pricing declines as customer spending was cut and the average land rig count declined by more than 50%. Offshore activity in the US Gulf of Mexico remained resilient, although revenue did decline as a result of a steady change in service mix from exploration towards development driven by customer budget cuts.

North America pretax operating margin declined 777 bps year-on-year to 10.2% on decreased pressure pumping activity and pricing weakness on land.

Revenue for the International Areas of \$6.5 billion decreased 19% year-on-year as a result of lower activities in a number of GeoMarkets, primarily offshore and in certain land markets, due to customer budget cuts and pricing concessions as customers responded to lower commodity prices. Revenue was also impacted by the fall of certain currencies against the US dollar. Europe/CIS/Africa Area revenue decreased 26%, mainly due to the weakness in the Russian ruble. Exploration activities in the UK and Norway fell as customer spending decelerated. In Sub-Saharan Africa, offshore rigs demobilized as exploration activity decreased. In North Africa, work progressed slowly while Libya activity remained muted as onshore operations were limited due to security concerns. Revenue in the Latin America Area declined 17% due to decreased activity in Mexico, Brazil and Colombia as a result of sustained budget cuts. This reduction was partially offset by resilient activity in Argentina, and a ramp-up of activity in the Venezuela, Trinidad and Tobago GeoMarket which was offset by the impact of the devaluation of the Venezuela bolivar. Middle East & Asia Area revenue decreased 13% due to a double-digit drop in revenue in the Asia-Pacific region, including Australia. This decrease was offset, in part, by robust activity in the Gulf Cooperation Council countries in the Middle East, particularly in Saudi Arabia and Kuwait, while Iraq activity continued to decline.

International Area pretax operating margin of 24.5% increased 44 bps year-on-year. Middle East & Asia pretax operating margin increased 87 bps to 28.7%, Latin America expanded 111 bps to 22.3%, and Europe/CIS/Africa declined 85 bps to 21.3%. Despite the revenue decline and increasingly unfavorable shift in revenue mix, pretax operating margins expanded as a result of proactive cost and resource management.

Reservoir Characterization Group

Second-quarter 2015 revenue of \$2.4 billion was 25% lower than the same period last year primarily due to sustained cuts in exploration and discretionary spending that impacted Wireline Technologies and software sales. Revenue also declined due to lower WesternGeco marine vessel utilization and reduced multiclient sales.

Year-on-year, pretax operating margin decreased 239 bps to 26.5% as a result of reduced high-margin multiclient and software sales as well as an unfavorable overall revenue mix due to the fall in high-margin exploration activity which impacted Wireline Technologies.

Drilling Group

Second-quarter 2015 revenue of \$3.5 billion was 25% lower than the previous year, primarily due to the severe drop in rig count in North America that mainly affected Drilling & Measurements and M-I SWACO Technologies and unfavorable currency effects in Russia and Venezuela.

Year-on-year, pretax operating margin decreased 157 bps to 19.5%, primarily due to a decrease in higher-margin activities of Drilling & Measurements. Despite the revenue decline, prompt action on cost management and the benefit of a local cost structure minimized the impact of unfavorable currency effects on pretax operating income, which helped limit the operating margin decline.

Production Group

Second-quarter 2015 revenue of \$3.1 billion decreased 26% year-on-year, with more than 70% of the decline attributable to Well Services pressure pumping technologies as a result of the fall in activity and pricing pressure as the land rig count declined dramatically in North America.

Year-on-year, pretax operating margin decreased 406 bps to 12.8% as lower activity and increasing pricing pressure continued in North America land.

Six Months 2015 Compared to Six Months 2014

Product Groups

(Stated in millions)

| | Six Months 2015 | | Six Months 2014 | |
|----------------------------|-----------------|---------------------------|-----------------|---------------------------|
| | Revenue | Income before Taxes | Revenue | Income before Taxes |
| Reservoir Characterization | \$ 4,977 | \$ 1,297 | \$ 6,214 | \$ 1,726 |
| Drilling | 7,474 | 1,475 | 8,984 | 1,862 |
| Production | 6,870 | 946 | 8,193 | 1,433 |
| Eliminations & other | (63) | (17) | (97) | (32) |
| Pretax operating income | | 3,701 | | 4,989 |
| Corporate & other (1) | | (390) | | (417) |
| Interest income (2) | | 14 | | 15 |
| Interest expense (3) | | (156) | | (183) |
| Charges and credits (4) | | (439) | | - |
| | \$ 19,258 | \$ 2,730 | \$ 23,294 | \$ 4,404 |

Geographic Areas

(Stated in millions)

| | Six Months 2015 | | Six Months 2014 | |
|-------------------------|-----------------|---------------------------|-----------------|---------------------------|
| | Revenue | Income before Taxes | Revenue | Income before Taxes |
| North America | \$ 5,584 | \$ 658 | \$ 7,572 | \$ 1,383 |
| Latin America | 3,184 | 697 | 3,610 | 764 |
| Europe/CIS/Africa | 4,951 | 1,046 | 6,149 | 1,308 |
| Middle East & Asia | 5,278 | 1,514 | 5,811 | 1,575 |
| Eliminations & other | 261 | (214) | 152 | (41) |
| Pretax operating income | | 3,701 | | 4,989 |
| Corporate & other (1) | | (390) | | (417) |
| Interest income (2) | | 14 | | 15 |
| Interest expense (3) | | (156) | | (183) |
| Charges and credits (4) | | (439) | | - |
| | \$ 19,258 | \$ 2,730 | \$ 23,294 | \$ 4,404 |

(1) Comprised principally of certain corporate expenses not allocated to the segments, stock-based compensation costs, amortization expense associated with certain intangible assets, certain centrally managed initiatives and other nonoperating items.

(2) Interest income excludes amounts which are included in the segments' income (\$11 million in 2015; \$10 million in 2014).

(3) Interest expense excludes amounts which are included in the segments' income (\$13 million in 2015; \$10 million in 2014).

(4) Charges and credits recorded during the first six months of 2015 are described in detail in Note 2 to the *Consolidated Financial Statements*.

Six-month 2015 revenue of \$19.3 billion was 17% lower as compared to the same period last year while pretax operating income of \$3.7 billion was lower by 26%. Pretax operating margin decreased 220 bps to 19.2%.

North America six-month 2015 revenue of \$5.6 billion decreased 26% year-on-year mainly from land, while offshore was down slightly compared to the same period of 2014. The decrease in land was driven by severe activity and pricing declines as customer spending was cut and the average land rig count declined by more than 40%. Offshore activity in the US Gulf of Mexico remained resilient, although revenue did decline as a result of a steady change in service mix from exploration towards development driven by customer budget cuts.

North America pretax operating margin declined 648 bps year-on-year to 11.8% on decreased pressure pumping activity and pricing weakness on land.

Revenue for the International Areas of \$13.4 billion decreased 14% year-on-year due to customer budget cuts and pricing concessions as customers responded to lower commodity prices. Revenue was also impacted by the fall of certain currencies against the US dollar. Europe/CIS/Africa Area revenue decreased 20%, mainly due to the weakness in the Russian ruble. Exploration activities in the UK and Norway fell as customer spending decelerated. In Sub-Saharan Africa, offshore rigs demobilized as exploration decreased. In North Africa, work has progressed slowly while Libya activity remained muted as onshore operations were limited due to security concerns. Revenue in the Latin America Area declined 12% due to decreased activity in Mexico, Brazil and Colombia as a result of sustained budget cuts. This reduction was partially offset by resilient activity in Argentina, and a ramp-up of activity in the Venezuela, Trinidad and Tobago GeoMarket, which was offset by the devaluation of the Venezuela bolivar. Middle East & Asia Area revenue decreased 9% due to a double-digit drop in revenue in the Asia-Pacific region, including Australia. This decrease was offset, however, by robust activity in the Gulf Cooperation Council countries in the Middle East, particularly in Saudi Arabia and Kuwait, while Iraq activity continued to decline.

International Area pretax operating margin of 24.3% increased 85 bps year-on-year. Middle East & Asia pretax operating margin increased 157 bps to 28.7%, Latin America expanded 73 bps to 21.9%, and Europe/CIS/Africa declined 16 bps to 21.1%. Despite the revenue decline and increasingly unfavorable shift in revenue mix, pretax operating margins expanded as a result of proactive cost and resource management.

Reservoir Characterization Group

Six-month 2015 revenue of \$5.0 billion was 20% lower than the same period last year primarily due to sustained cuts in exploration and discretionary spending that impacted Wireline Services and software sales. Revenue also decreased due to lower WesternGeco marine vessel utilization and reduced multiclient sales.

Year-on-year, pretax operating margin decreased 172 bps to 26.1% as a result of reduced high-margin multiclient and software sales as well as an unfavorable overall revenue mix from the fall in high-margin exploration activity.

Drilling Group

Six-month 2015 revenue of \$7.5 billion was 17% lower than the previous year primarily due to the severe drop in rig count in North America that mainly affected Drilling & Measurements and M-I SWACO technologies and unfavorable currency effects in Russia and Venezuela.

Year-on-year, pretax operating margin decreased 99 bps to 19.7% primarily due to a decrease in higher-margin activities of Drilling & Measurements. Despite the revenue decline, prompt action on cost management and the benefit of a local cost structure minimized the impact of unfavorable currency effects on pretax operating income, which helped limit the operating margin decline.

Production Group

Six-month 2015 revenue of \$6.9 billion decreased 16% year-on-year, with more than 75% of the decline attributable to Well Services pressure pumping technologies as a result of the fall in activity and pricing pressure as the land rig count declined dramatically in North America.

Year-on-year, pretax operating margin decreased 371 bps to 13.8% as lower activity and increasing pricing pressure continued in North America land.

Interest and Other Income

Interest & other income consisted of the following:

(Stated in millions)

| | Second Quarter | | Six Months | |
|--|----------------|--------------|--------------|---------------|
| | 2015 | 2014 | 2015 | 2014 |
| Equity in net earnings of affiliated companies | \$ 35 | \$ 51 | \$ 71 | \$ 115 |
| Interest income | 12 | 13 | 25 | 26 |
| | <u>\$ 47</u> | <u>\$ 64</u> | <u>\$ 96</u> | <u>\$ 141</u> |

Other

Research & engineering and General & administrative expenses, as a percentage of Revenue, for the second quarter and six months ended June 30, 2015 and 2014 were as follows:

| | Second Quarter | | Six Months | |
|--------------------------|----------------|------|------------|------|
| | 2015 | 2014 | 2015 | 2014 |
| Research & engineering | 3.1% | 2.6% | 2.8% | 2.5% |
| General & administrative | 1.3% | 1.0% | 1.2% | 1.0% |

The effective tax rate for the second quarter of 2015 was 21.1% compared to 21.7% for the same period of the prior year. The decrease in the effective tax rate was primarily attributable to the geographic mix of earnings, as Schlumberger generated a smaller portion of its pretax earnings in North America during the second quarter of 2015 as compared to the same period last year.

The effective tax rate for the six months ended June 30, 2015 was 22.3% compared to 22.1% for the same period of 2014. The effective tax rate for the six months ended June 30, 2015 was impacted by the charges and credits described in Note 2 to the *Consolidated Financial Statements*. Excluding the impact of these charges and credits, the effective tax rate for the six months ended June 30, 2015 would have been 21.0%. The year-on-year decrease is attributable to the geographic mix of earnings as Schlumberger generated a smaller portion of its pretax earnings in North America during the six months ended June 30, 2015 as compared to the same period last year.

Charges and Credits

Schlumberger recorded significant charges and credits in continuing operations during the first quarter of 2015. These charges and credits, which are summarized below, are more fully described in Note 2 to the *Consolidated Financial Statements*.

(Stated in millions)

| | Pretax | Tax | Net | Classification |
|--|---------------|--------------|---------------|-----------------------|
| Workforce reduction | \$ 390 | \$ 56 | \$ 334 | Restructuring & other |
| Currency devaluation loss in Venezuela | 49 | - | 49 | Restructuring & other |
| | <u>\$ 439</u> | <u>\$ 56</u> | <u>\$ 383</u> | |

There were no charges or credits recorded during the second quarter of 2015 or the first six months of 2014.

Discontinued Operations

In 2009, the U.S. Department of Justice began an investigation into past violations of US sanctions regarding Schlumberger's historical operations in Iran and Sudan that occurred between 2004 and 2010. During the second quarter of 2014, these discussions progressed to a point whereby Schlumberger determined that it was appropriate to increase its liability for this contingency. Accordingly, Schlumberger recorded a \$205 million charge, which is reflected within *Loss from discontinued operations* in the *Consolidated Statement of Income* during the second quarter of 2014. As further discussed in Note 12 to the *Consolidated Financial Statements*, during 2015, a non-US subsidiary of Schlumberger pleaded guilty to one criminal count of conspiracy to violate the International Emergency Economic Powers Act. Under the terms of the plea agreement, Schlumberger paid a total amount of approximately \$233 million in fines, penalties and assessments during the second quarter of 2015, which had been previously accrued.

Net Debt

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

Details of Net Debt follow:

(Stated in millions)

| | Six Months ended Jun. 30, | |
|---|---------------------------|--------------|
| | 2015 | 2014 |
| Income from continuing operations | \$ 2,122 | \$ 3,429 |
| Restructuring and other charges | 439 | - |
| Depreciation and amortization (1) | 2,089 | 1,997 |
| Earnings of equity method investments, less dividends received | (65) | (90) |
| Pension and other postretirement benefits expense | 217 | 190 |
| Stock-based compensation expense | 167 | 162 |
| Pension and other postretirement benefits funding | (214) | (127) |
| Increase in working capital | (837) | (1,090) |
| Other | 166 | (252) |
| Cash flow from operations | 4,084 | 4,219 |
| Capital expenditures | (1,193) | (1,786) |
| SPM investments | (222) | (377) |
| Multiclient seismic data capitalized | (221) | (154) |
| Free cash flow (2) | 2,448 | 1,902 |
| Dividends paid | (1,151) | (2,074) |
| Proceeds from employee stock plans | 256 | 492 |
| Stock repurchase program | (1,239) | (932) |
| | 314 | (612) |
| Business acquisitions and investments, net of cash acquired plus debt assumed | (206) | (964) |
| Discontinued operations - settlement with U.S. Department of Justice | (233) | - |
| Other | (86) | (47) |
| Increase in Net Debt | (211) | (1,623) |
| Net Debt, Beginning of period | (5,387) | (4,443) |
| Net Debt, End of period | \$ (5,598) | \$ (6,066) |

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

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

(Stated in millions)

| Components of Net Debt | Jun. 30, 2015 | Jun. 30, 2014 | Dec. 31, 2014 |
|--|------------------|------------------|------------------|
| Cash | \$ 3,541 | \$ 2,267 | \$ 3,130 |
| Short-term investments | 3,733 | 4,432 | 4,371 |
| Fixed income investments, held to maturity | 469 | 480 | 442 |
| Long-term debt – current portion | (2,092) | (837) | (1,244) |
| Short-term borrowings | (2,139) | (668) | (1,521) |
| Long-term debt | (9,110) | (11,740) | (10,565) |
| | \$ (5,598) | \$ (6,066) | \$ (5,387) |

Key liquidity events during the first six months of 2015 and 2014 included:

- On July 18, 2013, the Board approved a \$10 billion share repurchase program to be completed at the latest by June 30, 2018. Schlumberger had repurchased \$7.6 billion of shares under this new share repurchase program as of June 30, 2015.

The following table summarizes the activity under this share repurchase program:

(Stated in millions, except per share amounts)

| | Total cost of shares purchased | Total number of shares purchased | Average price paid per share |
|---------------------------------------|--------------------------------------|--|------------------------------------|
| Six months ended June 30, 2015 | \$ 1,239 | 14.4 | \$ 85.80 |
| Six months ended June 30, 2014 | \$ 2,074 | 21.5 | \$ 96.50 |

Capital expenditures were \$1.2 billion during the first six months of 2015 compared to \$1.8 billion during the first six months of 2014. Capital expenditures for full-year 2015 are expected to be approximately \$2.5 billion, as compared to expenditures of \$4.0 billion in 2014.

At times in recent periods, Schlumberger has experienced delays in payments from its national oil company customer in Venezuela. Schlumberger operates in more than 85 countries. At June 30, 2015, only four of those countries (including Venezuela) individually accounted for greater than 5% of Schlumberger's accounts receivable balance, of which only one (the United States) was greater than 10%.

On January 20, 2015, Schlumberger announced that it has entered into an agreement to acquire a minority ownership of approximately 46% in Eurasia Drilling Company Limited, the largest provider of onshore drilling services in Russia. The total cost of this transaction, including an option which will allow Schlumberger, at its election, to purchase the remaining shares during a two-year period commencing on the third anniversary of the closing of the transaction, is approximately \$1.7 billion in cash. This transaction is expected to close during the second half of 2015.

As of June 30, 2015, Schlumberger had \$7.3 billion of cash and short-term investments on hand. Schlumberger had separate committed debt facility agreements aggregating \$3.8 billion with commercial banks, of which \$2.9 billion was available and unused as of June 30, 2015. The \$3.8 billion of committed debt facility agreements included \$3.5 billion of committed facilities that support commercial paper programs. Schlumberger believes that these amounts are sufficient to meet future business requirements for at least the next 12 months.

Borrowings under the commercial paper programs at June 30, 2015 were \$0.9 billion.

Other Matters

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

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

FORWARD-LOOKING STATEMENTS

This Form 10-Q and other statements we make, contain "forward-looking statements" within the meaning of the federal securities laws, which include any statements that are not historical facts, such as our forecasts or expectations regarding business outlook; growth for Schlumberger as a whole and for each of its segments (and for specified products or geographic areas within each segment); oil and natural gas demand and production growth; oil and natural gas prices; improvements in operating procedures and technology; capital expenditures by Schlumberger and the oil and gas industry; the business strategies of Schlumberger's customers; the success of Schlumberger's acquisitions, joint ventures and alliances; future global economic conditions; and future results of operations. These statements are subject to risks and uncertainties, including, but not limited to, global economic conditions; changes in exploration and production spending by Schlumberger's customers and changes in the level of oil and natural gas exploration and development; general economic, political and business conditions in key regions of the world, including in Russia and the Ukraine; pricing erosion; weather and seasonal factors; operational delays; production declines; changes in government regulations and regulatory requirements, including those related to offshore oil and gas exploration, radioactive sources, explosives, chemicals, hydraulic fracturing services and climate-related initiatives; the inability of technology to meet new challenges in exploration; and other risks and uncertainties detailed in our second-quarter 2015 earnings release, our most recent Form 10-K, and other filings that we make with the Securities

and Exchange Commission. If one or more of these or other risks or uncertainties materialize (or the consequences of any such development changes), or should our underlying assumptions prove incorrect, actual outcomes may vary materially from those reflected in our forward-looking statements. Schlumberger disclaims any intention or obligation to update publicly or revise such statements, whether as a result of new information, future events or otherwise.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

For quantitative and qualitative disclosures about market risk affecting Schlumberger, see Item 7A, “Quantitative and Qualitative Disclosures about Market Risk,” of the Schlumberger Annual Report on Form 10-K for the fiscal year ended December 31, 2014. Schlumberger’s exposure to market risk has not changed materially since December 31, 2014.

Item 4. Controls and Procedures.

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

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

The information with respect to this Item 1 is set forth under Note 12—*Contingencies*, in the *Consolidated Financial Statements*.

Item 1A. Risk Factors.

As of the date of this filing, there have been no material changes from the risk factors previously disclosed in Part 1, Item 1A, of Schlumberger's Annual Report on Form 10-K for the fiscal year ended December 31, 2014.

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

Unregistered Sales of Equity Securities

None.

Issuer Repurchases of Equity Securities

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

Schlumberger's common stock repurchase program activity for the three months ended June 30, 2015 was as follows:

(Stated in thousands, except per share amounts)

| | Total number of shares purchased | Average price paid per share | Total number of shares purchased as part of publicly announced program | Maximum value of shares that may yet be purchased under the program |
|--------------------------------|-------------------------------------|---------------------------------|--|---|
| April 1 through April 30, 2015 | - | \$ - | - | \$ 2,886,467 |
| May 1 through May 31, 2015 | 802.0 | \$ 91.15 | 802.0 | \$ 2,813,360 |
| June 1 through June 30, 2015 | 4,981.9 | \$ 89.83 | 4,981.9 | \$ 2,365,834 |
| | <u>5,783.9</u> | <u>\$ 90.01</u> | <u>5,783.9</u> | |

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

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

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

Item 5. Other Information.

None.

Item 6. Exhibits.

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

Exhibit 3.2—Amended and Restated By-laws of Schlumberger Limited (Schlumberger N.V.) (incorporated by reference to Exhibit 3.1 to Schlumberger's Current Report on Form 8-K filed on May 14, 2015)

* Exhibit 10.1—Form of Incentive Stock Option Agreement under the Schlumberger 2013 Omnibus Stock Incentive Plan

* Exhibit 10.2—Form of Restricted Stock Unit Award Agreement under the Schlumberger 2013 Omnibus Stock Incentive Plan

* Exhibit 10.3—Form of 2016 Three Year Performance Share Unit Award Agreement under the Schlumberger 2013 Omnibus Stock Incentive Plan, Applicable to Employees who did not receive a 2013 Transition Award

* Exhibit 10.4—Form of 2016 Three Year Performance Share Unit Award Agreement under the Schlumberger 2013 Omnibus Stock Incentive Plan, Applicable to Employees who received a 2013 Transition Award

* Exhibit 10.5—Form of Non-Qualified Stock Option Agreement under the Schlumberger 2013 Omnibus Stock Incentive Plan

* Exhibit 10.6—Form of Incentive Stock Option Agreement under the Schlumberger 2010 Omnibus Stock Incentive Plan

* Exhibit 10.7—Form of Restricted Stock Unit Award Agreement under the Schlumberger 2010 Omnibus Stock Incentive Plan

* Exhibit 10.8—Form of Non-Qualified Stock Option Agreement under the Schlumberger 2010 Omnibus Stock Incentive Plan

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

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

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

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

* Exhibit 95—Mine Safety Disclosures

* Exhibit 101—The following materials from Schlumberger Limited's Quarterly Report on Form 10-Q for the quarter ended June 30, 2015, formatted in XBRL (Extensible Business Reporting Language): (i) Consolidated Statement of Income; (ii) Consolidated Statement of Comprehensive Income; (iii) Consolidated Balance Sheet; (iv) Consolidated Statement of Cash Flows; (v) Consolidated Statement of Equity and (vi) Notes to Consolidated Financial Statements.

* Filed with this Form 10-Q.

** Furnished with this Form 10-Q.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized and in his capacity as Chief Accounting Officer.

Schlumberger Limited
(Registrant)

Date: July 22, 2015

/s/ Howard Guild

Howard Guild
Chief Accounting Officer and Duly Authorized Signatory

**OPTION AGREEMENT
SCHLUMBERGER 2013 OMNIBUS STOCK INCENTIVE PLAN
INCENTIVE STOCK OPTION**

SCHLUMBERGER LIMITED, a Curaçao corporation (the “Company”), hereby grants to you an incentive stock option (the “ISO”) to purchase common stock of the Company, par value \$0.01 per share (“Common Stock”) pursuant to this option agreement (as may be amended, the “Agreement”). Your ISO is subject to all the terms and conditions of the Schlumberger 2013 Omnibus Stock Incentive Plan, as may be amended (the “Plan”) and this Agreement. Your ISO is intended to constitute an “incentive stock option” under Section 422 of the U.S. Internal Revenue Code of 1986 and the Treasury Regulations promulgated thereunder.

1. Award. The date of grant of this ISO (the “Grant Date”), the ISO exercise price and the number of shares of Common Stock subject to this ISO (collectively, the “Option Shares”) are set forth in an award notice that has been previously delivered to you. Except as set forth below, this ISO expires on the tenth anniversary of the Grant Date.

2. Vesting of ISO.

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

| <u>DATE</u> | <u>OPTION SHARES PURCHASABLE</u> |
|-----------------------------------|----------------------------------|
| 1st Anniversary of the Grant Date | 20% |
| 2nd Anniversary of the Grant Date | 20% |
| 3rd Anniversary of the Grant Date | 20% |
| 4th Anniversary of the Grant Date | 20% |
| 5th Anniversary of the Grant Date | 20% |

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

3. Exercise of ISO.

(a) This ISO may be exercised only by delivering to the Company a written notice (or an electronic notice in the manner specified by the Compensation Committee of the Board of Directors (the “Board”) of the Company (the “Committee”)) specifying the number of shares of Common Stock you wish to purchase. The Committee, which is authorized by the Board to administer the Plan, hereby notifies you that the ISO price may be paid, subject to such rules and procedures in effect at such time and as the Committee may prescribe from time to time, (1) in

cash or certified check, (2) by the delivery of shares of Common Stock with a Fair Market Value at the time of exercise equal to the total ISO price, (3) by a combination of the methods described in (1) and (2), and (4) subject to applicable law, and the Company's Securities Transactions – Insider Trading Standard through a broker-assisted cashless exercise, or “sell-to-cover” arrangement in accordance with the procedures approved by the Committee.

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

4. Termination of Employment. This ISO will expire earlier than the date set forth above if you terminate employment with the Company and its Subsidiaries.

(a) Termination with Company Consent. If you terminate employment with consent of the Company or a Subsidiary, as applicable, any exercise of this ISO must be made within three (3) months of termination of employment (or expiration date, if earlier) and then only to the extent the ISO was exercisable upon termination, unless you terminate employment due to Retirement (as provided in Section 4(b) below) or Special Retirement (as provided in Section 4(c) below), or terminate employment as a result of death or Disability (as provided in Section 4(d) below).

(b) Retirement. If your employment with the Company and its Subsidiaries is terminated due to Retirement (as defined in Section 10 below), your ISO will, subject to forfeiture provisions in the event you engage in Detrimental Activity (as defined in Section 10 below): (i) continue to vest post-Retirement as if you remained employed with the Company and its Subsidiaries and (ii) have an exercise period of 10 years from the original date of grant (the “Retirement Exercise Period”). As more fully described in the Prospectus related to the Plan, if you exercise your option more than three (3) months following your Retirement or Special Retirement, your Option Shares will be treated as attributable to the exercise of a non-qualified stock option for tax purposes.

(c) Special Retirement. If your employment with the Company and its Subsidiaries is terminated due to Special Retirement (as defined in Section 10 below), your ISO will be exercisable at any time during the period of sixty (60) months after such termination or the remainder of the term of the ISO, whichever is less (the “Special Retirement Exercise Period”), provided that such option may be exercised after such termination and before expiration only to the extent that it is exercisable on the date of such termination.

(d) Death or Disability. If your employment with the Company and its Subsidiaries is terminated due to death or Disability (as defined in Section 10 below), your ISO will automatically become fully vested and exercisable. You may exercise the outstanding ISO at any time during the period of 60 months after such termination or the remainder of the term of the ISO, whichever is less (the “Disability Exercise Period” or “Death Exercise Period”, as applicable). As more fully described in the Prospectus related to the Plan, if you exercise your option more than 12 months after you terminate employment due to Disability, your Option Shares will be treated as attributable to the exercise of a non-qualified stock option for tax

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

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

(f) Detrimental Activity. This ISO may be forfeited, and any exercise you have made of this ISO may be rescinded, as further described below, if you engage in certain Detrimental Activity (as defined in Section 10 below). Specifically, if you engage in Detrimental Activity while employed with the Company or its Subsidiaries or within one year following termination of employment for any reason other than Retirement, Special Retirement or Disability, this ISO will immediately and automatically expire and terminate and the Committee may rescind any exercise that you made under this option within six months preceding or three months following your termination.

If you engage in Detrimental Activity while employed with the Company or its Subsidiaries or within five years following termination of employment by reason of Special Retirement or Disability, this ISO will immediately and automatically expire and terminate and the Committee may rescind any exercise that you made under this option within the period beginning six months prior to your termination by Special Retirement or Disability and ending on the expiration of your Special Retirement Exercise Period or Disability Exercise Period.

If you engage in Detrimental Activity while employed with the Company or its Subsidiaries or within your Retirement Exercise Period, this ISO will immediately and automatically expire and terminate and the Committee may rescind any exercise that you made under this option within the period beginning six months prior to your termination by Retirement and ending on the expiration of your Retirement Exercise Period. In the event that any option exercise is rescinded by the Committee as described above, you will be obligated to pay the Company within 10 days following written demand an amount equal to the spread on the shares of Common Stock with respect to which the rescinded exercise applied. (The "spread" for this purpose is the difference between the aggregate exercise price and aggregate Fair Market Value of the shares as to which you exercised your option, with Fair Market Value determined as of the exercise date.)

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

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

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

8. No Right to Future Awards. The grant of this ISO is subject to the terms of the Plan, which is discretionary in nature, and the terms of this Agreement. The grant of this ISO is a one-time benefit, and does not create any contractual or other right to receive future grants of options, or benefits in lieu of options. All determinations with respect to any such future grants, including, but not limited to, the times when options will be granted, the number of shares of Common Stock subject to each option, the option price, and the time or times when each option will be exercisable, will be at the sole discretion of the Committee. Your participation in the Plan is voluntary. The grant of this ISO is an extraordinary item of compensation which is outside the scope of your oral, written or implied employment contract, if any. This ISO is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments. The vesting of this ISO ceases upon termination of employment for any reason except as otherwise explicitly provided in this Agreement.

9. Disclosure. You (i) authorize the Committee, the Company and any affiliated

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

10. Definitions.

(a) "Agreement" is defined in the introduction.

(b) "Board" is defined in Section 3(a).

(c) "Clawback Policy" is defined in Section 12.

- (d) “Committee” is defined in Section 3(a).
- (e) “Common Stock” is defined in the introduction.
- (f) “Company” means Schlumberger Limited.

(g) “Detrimental Activity” means activity that is determined by the Committee in its sole and absolute discretion to be detrimental to the interests of the Company or any of its Subsidiaries, including but not limited to situations where you: (i) divulge trade secrets, proprietary data or other confidential information relating to the Company or to the business of the Company and any Subsidiaries; (ii) enter into employment with or otherwise provides services to (A) any company listed, as of the date of your termination of employment, on the Philadelphia Oil Service Sector Index (or any successor index) or (B) any affiliate of any such listed company, in either case under circumstances suggesting that you will be using unique or special knowledge gained as a Company employee or Subsidiary employee with the effect of competing with the Company or its Subsidiaries; (iii) enter into employment with or otherwise provides services to any Direct Competitor; (iv) engage or employ, or solicit or contact with a view to the engagement or employment of, any person who is an employee of the Company or its Subsidiaries; (v) canvass, solicit, approach or entice away or cause to be canvassed, solicited, approached or enticed away from the Company or its Subsidiaries any person who or which is a customer of any of such entities during the period of time between the Grant Date and the vesting of the Option Shares; (vi) are determined to have engaged (whether or not prior to termination) in either gross misconduct or criminal activity harmful to the Company or a Subsidiary; or (vii) take any action that otherwise harms the business interests, reputation, or goodwill of the Company or its Subsidiaries. The Committee may delegate, to an officer of the Company or to a subcommittee of the Committee, its authority to determine whether you have engaged in “Detrimental Activity.”

(h) “Direct Competitor” means, as of the date of this Agreement any of the following: (i) Halliburton Company, Baker Hughes, Incorporated, Weatherford International plc, and any other oilfield equipment and services company; and (ii) any entity engaged in seismic data acquisition, processing and reservoir geosciences services to the oil and natural gas industry, including in all cases in (i) and (ii) above, any and all of their parents, subsidiaries, affiliates, joint ventures, divisions, successors, or assigns.

- (i) “Death Exercise Period” is defined in Section 4(d).

(j) “Disability” means such disability (whether through physical or mental impairment) which totally and permanently incapacitates you from any gainful employment in any field which you are suited by education, training, or experience, as determined by the Committee in its sole and absolute discretion.

- (k) “Disability Exercise Period” is defined in Section 4(d).

(l) “Fair Market Value” means, with respect to a share of Common Stock on a particular date, the mean between the highest and lowest composite sales price per share of the Common Stock, as reported on the consolidated transaction reporting system for the New York Stock Exchange for that date, or, if there will have been no such reported prices for that date, the

reported mean price on the last preceding date on which a composite sale or sales were effected on one or more of the exchanges on which the shares of Common Stock were traded will be the Fair Market Value.

(m) "Grant Date" is defined in Section 1.

(n) "ISO" is defined in the introduction.

(o) "Option Shares" is defined in Section 1.

(p) "Plan" is defined in the introduction.

(q) "Retirement" means either: (i) your voluntary election to retire from employment with the Company and its Subsidiaries at any time after you have reached both the age of 60 and 25 years of service, or (ii) your voluntary election to retire from employment with the Company and its Subsidiaries at any time after you have reached both the age of 55 and 20 years of service; subject, however, to the approval of either (A) the Committee, if you are an executive officer of the Company at the time of your election to retire, or (B) the Retirement Committee, if you are not an executive officer of the Company at the time of your election to retire, which approval under clauses (A) or (B) may be granted or withheld in the sole discretion of the Committee or the Retirement Committee, as applicable.

(r) "Retirement Committee" means a committee consisting of the Company's Vice President of Human Resources, the Director of HR Operations and the Compensation & Benefits Manager.

(s) "Retirement Exercise Period" is defined in Section 4(b).

(t) "Special Retirement" means termination of your employment with the Company and all Subsidiaries at or after (i) age 55 or (ii) age 50 and completion of at least 10 years of service with the Company and all Subsidiaries.

(u) "Special Retirement Exercise Period" is defined in Section 4(c).

(v) "Subsidiary" means (i) in the case of a corporation, a "subsidiary corporation" of the Company as defined in Section 424(f) of the Code and (ii) in the case of a partnership or other business entity not organized as a corporation, any such business entity of which the Company directly or indirectly owns 50% or more of the voting, capital or profits interests (whether in the form of partnership interests, membership interests or otherwise).

11. Acceptance of Award. If you do not wish to accept this Agreement and the ISO award, please return this Agreement to the Stock Option Department or notify the Stock Option Department in writing.

12. Clawback Policy. The Company's policy on recoupment of performance-based bonuses, as amended from time to time (its "Clawback Policy"), will apply to the ISO, any shares of Common Stock delivered hereunder, and any profits realized on the sale of such shares to the extent that you are covered by the Clawback Policy. You acknowledge that if you are

covered by such policy, the policy may result in the recoupment of the ISO, any shares of Common Stock delivered hereunder and profits realized on the sale of such shares either before, on or after the date on which you become subject to such policy.

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

SCHLUMBERGER LIMITED

By _____
Paal Kibsgaard

**SCHLUMBERGER 2013 OMNIBUS STOCK INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT**

This Restricted Stock Unit Award Agreement (as may be amended, the “Agreement”) is granted effective as of [date] by Schlumberger Limited (the “Company”), for the benefit of [_____] (“Employee”), pursuant to the Schlumberger 2013 Omnibus Stock Incentive Plan, as may be amended (the “Plan”). Capitalized terms used in this Agreement but not defined herein are defined in the Plan.

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

2. Vesting of Restricted Stock Units. The period of time between the grant date specified in the Award Notice (the “Grant Date”) and the vesting of Restricted Stock Units (and the termination of restrictions thereon) is the “Restricted Period.”

(a) Normal Vesting. The Restricted Stock Units will vest in a single vesting on the third anniversary of the Grant Date (“Vesting Date”), provided that the Employee has been continuously employed by the Company or any of its Subsidiaries from the Grant Date to the Vesting Date. Except as provided in Section 2(b) below, if there is any Termination of Employment (as defined in Section 11 below) during the period from and between the Grant Date until and including the Vesting Date, Employee will immediately and automatically forfeit all Restricted Stock Units. Any questions as to whether and when there has been a Termination of Employment, and the cause of such termination, will be resolved by the Committee (as defined in Section 11 below), and its determination will be final.

(b) Acceleration on Death or Disability. Upon Termination of Employment by reason of Employee’s death or Disability (as defined in Section 11 below) or upon Employee’s Disability prior to Termination of Employment (as determined by the Committee and within the meaning of Section 409A of the U.S. Internal Revenue Code (the “Code”)), all Restricted Stock Units that are not vested at that time immediately and automatically will become vested in full.

(c) Retirement. Upon Termination of Employment from the Company and its Subsidiaries by reason of Employee’s Retirement (as defined in Section 11 below), the Restricted Stock Units will continue to vest following Termination of Employment as if Employee continued to be employed with the Company or any of its Subsidiaries, subject to forfeiture in the discretion of the Committee in the event that Employee engages in Detrimental Activity (as defined in Section 11 below).

3. Settlement of Restricted Stock Units. If Employee’s Restricted Stock Units vest in accordance with the normal vesting schedule described in the first sentence of Section 2(a) above or pursuant to Section 2(b) above, payment of vested Restricted Stock Units will be made as soon as administratively practicable, but in no event later than 2-1/2 months following the date that the Restricted Stock Units vest (the date of any such payment, the “Settlement Date”). Notwithstanding the foregoing, the Committee may, in its sole and absolute discretion, settle the vested Restricted Stock Units

in cash based on the Fair Market Value (as defined in Section 11 below) of the shares of Common Stock on the settlement date.

4. Forfeitures of Restricted Stock Units.

(a) At any time during the Restricted Period, upon a Termination of Employment for any reason that does not result in an acceleration or continuation of vesting pursuant to Section 2, Employee will immediately and automatically forfeit all unvested Restricted Stock Units, without the payment of any consideration. Upon forfeiture, neither Employee nor any successors, heirs, assigns or legal representatives of Employee will thereafter have any further rights or interest in the unvested Restricted Stock Units.

(b) Notwithstanding any provision in this Agreement to the contrary, if at any time during the Restricted Period, Employee engages in Detrimental Activity, Employee will immediately and automatically forfeit all Restricted Stock Units without the payment of any consideration. Upon forfeiture, neither Employee nor any successors, heirs, assigns or legal representatives of Employee will thereafter have any further rights or interest in the unvested Restricted Stock Units.

5. Restrictions on Transfer.

(a) Restricted Stock Units granted hereunder to Employee may not be sold, assigned, transferred, pledged or otherwise encumbered, whether voluntarily or involuntarily, by operation of law or otherwise (any of the foregoing, a "Transfer"), other than (i) to the Company as a result of the forfeiture of Restricted Stock Units, or (ii) by will or the laws of descent and distribution. Payment of Restricted Stock Units after Employee's death will be made to Employee's estate or, in the sole and absolute discretion of the Committee, to the person or persons entitled to receive such payment under applicable laws of descent and distribution.

(b) Consistent with the foregoing, no right or benefit under this Agreement will be subject to Transfer, and any such attempt to Transfer, will have no effect and be void. No right or benefit hereunder will in any manner be liable for or subject to any debts, contracts, liabilities or torts of the person entitled to such benefits. If Employee attempts to Transfer any right or benefit hereunder or if any creditor attempts to subject the same to a writ of garnishment, attachment, execution, sequestration, or any other form of process or involuntary lien or seizure, then such attempt will have no effect and be void and immediately upon any such attempt the Restricted Stock Units will terminate and become of no further effect.

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

7. Taxes. To the extent that the receipt of Restricted Stock Units hereunder or the payment upon lapse of any restrictions results in income to Employee for federal or state income tax purposes or in any other case where the Company holds the view that it is obligated to withhold taxes, Employee shall deliver to the Company immediately prior to the time of such receipt or lapse, as the case may be, such amount of money or shares of Common Stock owned by Employee, at Employee's election, as the Company may require to meet its obligation under applicable tax laws or regulations, and, if Employee fails to do so, the Company is authorized to withhold for a number of vested Restricted Stock Units or cash or other form of remuneration then or thereafter payable to Employee equal to any tax required to be withheld due to such resulting compensation income.

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

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

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

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

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

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

11. Definitions.

(a) "Agreement" is defined in the introduction.

(b) "Award Notice" is defined in Section 1.

(c) "Clawback Policy" is defined in Section 15.

(d) "Code" is defined in Section 2(b).

(e) "Committee" means the Compensation Committee of the Board of Directors of the Company.

(f) "Common Stock" is defined in Section 1.

(g) "Company" means Schlumberger Limited.

(h) "Detrimental Activity" means activity that is determined by the Committee in its sole and absolute discretion to be detrimental to the interests of the Company or any of its Subsidiaries, including but not limited to situations where Employee: (i) divulges trade secrets, proprietary data or other confidential information relating to the Company or to the business of the Company and any Subsidiaries; (ii) enters into employment with or otherwise provides services to (A) any company listed, as of the date of Employee's Termination of Employment, on the Philadelphia Oil Service Sector Index (or any

successor index) or (B) any affiliate of any such listed company, in either case under circumstances suggesting that Employee will be using unique or special knowledge gained as a Company employee or Subsidiary employee with the effect of competing with the Company or its Subsidiaries; (iii) enters into employment with or otherwise provides services to any Direct Competitor; (iv) engages or employs, or solicits or contacts with a view to the engagement or employment of, any person who is an employee of the Company or its Subsidiaries; (v) canvasses, solicits, approaches or entices away or causes to be canvassed, solicited, approached or enticed away from the Company or its Subsidiaries any person who or which is a customer of any of such entities during the Restricted Period; (vi) is determined to have engaged (whether or not prior to termination) in either gross misconduct or criminal activity harmful to the Company or a Subsidiary; or (vii) takes any action that otherwise harms the business interests, reputation, or goodwill of the Company or its Subsidiaries. The Committee may delegate, to an officer of the Company or to a subcommittee of the Committee, its authority to determine whether Employee has engaged in “Detrimental Activity.”

(i) “Direct Competitor” means, as of the date of this Agreement any of the following: (i) Halliburton Company, Baker Hughes, Incorporated, Weatherford International plc, and any other oilfield equipment and services company; and (ii) any entity engaged in seismic data acquisition, processing and reservoir geosciences services to the oil and natural gas industry, including in all cases in (i) and (ii) above, any and all of their parents, subsidiaries, affiliates, joint ventures, divisions, successors, or assigns.

(j) “Disability” means such disability (whether physical or mental impairment) which totally and permanently incapacitates the Employee from any gainful employment in any field which the Employee is suited by education, training, or experience, as determined by the Committee in its sole and absolute discretion.

(k) “Employee” is defined in the introduction.

(l) “Fair Market Value” means, with respect to a share of Common Stock on a particular date, the mean between the highest and lowest composite sales price per share of the Common Stock, as reported on the consolidated transaction reporting system for the New York Stock Exchange for that date, or, if there is no such reported prices for that date, the reported mean price on the last preceding date on which a composite sale or sales were effected on one or more of the exchanges on which the shares of Common Stock were traded will be the Fair Market Value.

(m) “Grant Date” is defined in Section 2.

(n) “Plan” is defined in the introduction.

(o) “Restricted Period” is defined in Section 2.

(p) “Restricted Stock Units” is defined in Section 1.

(q) “Retirement” means either: (i) Employee’s voluntary election to retire from employment with the Company and its Subsidiaries at any time after Employee has reached both the age of 60 and 25 years of service, or (ii) Employee’s voluntary election to retire from employment with the Company and its Subsidiaries at any time after Employee has reached both the age of 55 and 20 years of service, subject, however, to the approval of either (A) the Committee, if Employee is an executive officer of the Company at the time of Employee’s election to retire, or (B) the Retirement Committee, if Employee is not an executive officer of the Company at the time of Employee’s election to retire, which approval under clauses (A) or (B) may be granted or withheld in the sole discretion of the Committee or the Retirement Committee, as applicable.

(r) “Retirement Committee” means a committee consisting of the Company’s Vice President of Human Resources, the Director of HR Operations and the Compensation & Benefits Manager.

(s) “Settlement Date” is defined in Section 3.

(t) “Subsidiary” means (i) in the case of a corporation, a “subsidiary corporation” of the Company as defined in Section 424(f) of the Code and (ii) in the case of a partnership or other business entity not organized as a corporation, any such business entity of which the Company directly or indirectly owns 50% or more of the voting, capital or profits interests (whether in the form of partnership interests, membership interests or otherwise).

(u) “Termination of Employment” means the termination of Employee’s employment with the Company and its Subsidiaries; provided, however, that temporary absences from employment because of illness, vacation or leave of absence and transfers among the Company and its Subsidiaries are not considered a Termination of Employment.

(v) “Transfer” is defined in Section 5(a).

(w) “Vesting Date” is defined in Section 2(a).

12. Committee Determination. Any questions as to whether and when (i) the Employee has engaged in Detrimental Activity, (ii) there has been a Disability, or (iii) there has been a Termination of Employment and the cause of such termination, will be resolved by the Committee, and its determination will be final.

13. Miscellaneous.

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

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

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

(d) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

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

(f) The failure of Employee or the Company to insist upon strict compliance with any provision of this Agreement or the failure to assert any right Employee or the Company may have under this Agreement will not be deemed to be a waiver of such provision or right or any other provision or right herein.

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

(h) This Agreement and the Plan (a) constitute the entire agreement among the Employee and the Company with respect to the Restricted Stock Units and this Agreement supersedes all prior agreements and understandings, both written and oral, with respect to the subject matter hereof; and (b) are not intended to confer upon any other Person any rights or remedies hereunder. Each party to this Agreement agrees that (i) no other party to this Agreement (including its agents and representatives) has made any representation, warranty, covenant or agreement to or with such party relating to the Restricted Stock Units other than those expressly set forth herein or in the Plan, and (ii) such party has not relied upon any representation, warranty, covenant or agreement relating to the Restricted Stock Units, other than those referred to in clause (i) above.

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

14. Section 409A Compliance. This award of Restricted Stock Units is intended to be exempt from or to comply with the provisions of Code Section 409A and will be construed and interpreted accordingly. If Employee is a “specified employee” within the meaning of Code Section 409A(a)(2)(B)(i) on the date of his or her “separation from service” within the meaning of U.S. Treasury Regulation Section 1.409A-1(h), the time of payment otherwise specified in this Agreement will be deferred to the extent required by Code Section 409A.

15. Clawback Policy. The Company’s policy on recoupment of performance-based bonuses, as amended from time to time (its “Clawback Policy”), will apply to the Restricted Stock Units, any shares of Common Stock delivered hereunder, and any profits realized on the sale of such shares to the extent that Employee is covered by the Clawback Policy. Employee acknowledges that if Employee is covered by such policy, the policy may result in the recoupment of Restricted Stock Units awarded, any shares of Common Stock delivered hereunder and profits realized on the sale of such shares either before, on or after the date on which Employee becomes subject to such policy.

16. Acceptance of Award. Employee is deemed to accept the award of Restricted Stock Units under this Agreement and to agree that such award is subject to the terms and conditions set forth in this Agreement and the Plan unless Employee provides the Company written notification not later than 10 days after Employee’s receipt of this Agreement of Employee’s rejection of this award of Restricted Stock Units (in which case such awards will be forfeited and Employee will have no further right or interest therein as of such date).

SCHLUMBERGER LIMITED

By: _____
Paal Kibsgaard

**SCHLUMBERGER 2013 OMNIBUS STOCK INCENTIVE PLAN
2016 THREE YEAR PERFORMANCE SHARE UNIT AWARD AGREEMENT**

This Performance Share Unit Award Agreement (as may be amended, the “Agreement”) is granted effective as of [Date of Grant] by Schlumberger Limited (the “Company”), for the benefit of _____ (“Employee”), pursuant to the Schlumberger 2013 Omnibus Stock Incentive Plan, as may be amended (the “Plan”).

1. Award. In consideration of Employee’s continued employment as hereinafter set forth, the Company hereby grants to Employee an award of “Performance Share Units,” provided that (except as otherwise provided in this Agreement) the final number of Performance Share Units will be determined in accordance with the performance criteria set forth on Attachment I. The target Performance Share Units subject to this award is set forth in an award notice previously delivered to Employee (the “Award Notice”). The Performance Share Units are notional units of measurement denominated in shares of common stock of the Company, \$.01 par value per share (“Common Stock”). Each Performance Share Unit represents a right to receive one share of Common Stock or equivalent value, subject to the conditions and restrictions on transferability set forth herein and in the Plan.

2. Vesting of Performance Share Units. The period of time between the grant date specified in the Award Notice (the “Grant Date”) and the vesting of Performance Share Units (and the termination of restrictions thereon) is the “Performance Period.” The Performance Share Units will vest as follows:

(a) On the first Friday following the first meeting of the Company’s Board of Directors (the “Board”) in January 2019 (the “Vesting Date”), a number of Performance Share Units will vest based on the extent to which the Company has satisfied the performance condition set forth on Attachment I to this Agreement, provided that Employee is continuously employed by the Company through the Vesting Date and has not experienced a Termination of Employment as of such date. Except as provided in Sections 2(b) and 2(c) below, if there is any Termination of Employment (as defined in Section 11 below) during the period from and between the Grant Date until and including the Vesting Date, Employee will immediately and automatically forfeit all Performance Share Units. Any questions as to whether and when there has been a Termination of Employment, and the cause of such termination, will be resolved by the Committee (as defined in Section 11 below), and its determination will be final.

(b) If Employee’s Termination of Employment (as defined in Section 11 below) occurs due to Retirement (as defined in Section 11 below), the Performance Share Units will vest in accordance with Section 2(a) above as if Employee had remained continuously employed by the Company through the Vesting Date.

(c) If Employee's Termination of Employment (as defined in Section 11 below) occurs due to Special Retirement (as defined in Section 11), Disability (as defined in Section 11 below) or death on or after the first anniversary of the Grant Date, then on the Vesting Date the number of Performance Share Units that will vest is determined by multiplying (i) the number of Performance Share Units that would have vested as determined in accordance Section 2(a) above had Employee's Termination of Employment not occurred and (ii) a fraction, the numerator of which is the number of days that elapsed between the Grant Date and the date of Employee's Termination of Employment and the denominator of which is 1095.

(d) If Employee ceases to be employed in a position eligible to receive Performance Share Units pursuant to this Agreement (as determined by the Committee) in its sole and absolute discretion) (an "Eligible Position") the Performance Share Units will vest in accordance with Section 2(a) above, provided that Employee (x) remains continuously employed by the Company through the Vesting Date or (y) experiences a Qualifying Termination after Employee ceases to be employed in an Eligible Position. For the avoidance of doubt, if Employee experiences a Qualifying Termination (as defined in Section 11 below) after Employee ceases to be employed in an Eligible Position, the provisions of Section 2(b) or 2(c), as applicable, will determine the number of Performance Share Units that will vest on the Vesting Date.

3. Settlement of Performance Share Units. Payment of vested Performance Share Units shall be made in shares of Common Stock as soon as administratively practicable, but in no event later than 2-1/2 months following the Vesting Date (the date of any such payment, the "Settlement Date"); provided, however, that the Committee may, in its sole and absolute discretion, settle the vested Performance Share Units in cash based on the Fair Market Value of the shares of Common Stock on the Settlement Date.

4. Forfeitures of Performance Share Units.

(a) At any time during the Performance Period, upon a Termination of Employment for any reason that does not result in a continuation of vesting pursuant to Section 2, Employee will immediately and automatically forfeit all unvested Performance Share Units, without the payment of any consideration. Upon forfeiture, neither Employee nor any successors, heirs, assigns or legal representatives of Employee will thereafter have any further rights or interest in the Performance Share Units.

(b) Notwithstanding any provision in this Agreement to the contrary, if at any time during the Performance Period, Employee engages in Detrimental Activity, Employee will immediately and automatically forfeit all Performance Share Units without the payment of any consideration. Upon forfeiture, neither Employee nor any successors, heirs, assigns or legal representatives of Employee will thereafter have any further rights or interest in the unvested Performance Share Units.

5. Restrictions on Transfer.

(a) Performance Share Units granted hereunder to Employee may not be sold, assigned, transferred, pledged or otherwise encumbered, whether voluntarily or involuntarily, by operation of law or otherwise (any of the foregoing, a "Transfer"), other than (i) to the Company

as a result of the forfeiture of Performance Share Units, or (ii) by will or the laws of descent and distribution. Payment of Performance Share Units after Employee's death will be made to Employee's estate or, in the sole and absolute discretion of the Committee, to the person or persons entitled to receive such payment under applicable laws of descent and distribution.

(b) Consistent with the foregoing, no right or benefit under this Agreement will be subject to Transfer, and any such attempt to Transfer, will have no effect and be void. No right or benefit hereunder will in any manner be liable for or subject to any debts, contracts, liabilities or torts of the person entitled to such benefits. If Employee attempts to Transfer any right or benefit hereunder or if any creditor attempts to subject the same to a writ of garnishment, attachment, execution, sequestration, or any other form of process or involuntary lien or seizure, then such attempt will have no effect and be void and immediately upon any such attempt the Performance Share Units will terminate and become of no further effect.

6. Rights as a Stockholder. Employee will have no rights as a stockholder of the Company with regard to the Performance Share Units. Rights as a stockholder of the Company will arise only if the Performance Share Units are settled in shares of Common Stock pursuant to Section 3 above.

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

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

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

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

- (a) give Employee or any other person or entity any right to be awarded any further Performance Share Units (or other form of stock incentive awards) other than in the sole discretion of the Committee;
- (b) give Employee or any other person or entity any interest in any fund or in any specified asset or assets of the Company (other than the Performance Share Units); or
- (c) confer upon Employee or any other person or entity the right to continue in the employment or service of the Company or any Subsidiary.

11. Definitions.

- (a) "Agreement" is defined in the introduction.
- (b) "Award Notice" is defined in Section 1.
- (c) "Board" is defined in Section 2(a).
- (d) "Clawback Policy" is defined in Section 15.
- (e) "Common Stock" is defined in Section 1.
- (f) "Company" means Schlumberger Limited.

(g) "Detrimental Activity" means activity that is determined by the Committee in its sole and absolute discretion to be detrimental to the interests of the Company or any of its Subsidiaries, including but not limited to situations where Employee: (i) divulges trade secrets, proprietary data or other confidential information relating to the Company or to the business of the Company and any Subsidiaries; (ii) enters into employment with or otherwise provides services to (A) any company listed, as of the date of Employee's Termination of Employment, on the Philadelphia Oil Service Sector Index (or any successor index) or (B) any affiliate of any such listed company, in either case under circumstances suggesting that Employee will be using unique or special knowledge gained as a Company employee or Subsidiary employee with the effect of competing with the Company or its Subsidiaries; (iii) enters into employment with or otherwise provides services to any Direct Competitor; (iv) engages or employs, or solicits or contacts with a view to the engagement or employment of, any person who is an employee of the Company or its Subsidiaries; (v) canvasses, solicits, approaches or entices away or causes to be canvassed, solicited, approached or enticed away from the Company or its Subsidiaries any person who or which is a customer of any of such entities during the Performance Period; (vi) is determined to have engaged (whether or not prior to termination) in either gross misconduct or criminal activity harmful to the Company or a Subsidiary; or (vii) takes any action that otherwise harms the business interests, reputation, or goodwill of the Company or its Subsidiaries. The Committee may delegate, to an officer of the Company or to a subcommittee of the Committee, its authority to determine whether Employee has engaged in "Detrimental Activity."

(h) "Direct Competitor" means, as of the date of this Agreement any of the following: (i) Halliburton Company, Baker Hughes, Incorporated, Weatherford International plc, and any other oilfield equipment and services company; and (ii) any entity engaged in seismic data acquisition, processing and reservoir geosciences services to the oil and natural gas industry, including in all cases in (i) and (ii) above, any and all of their parents, subsidiaries, affiliates, joint ventures, divisions, successors, or assigns.

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

(j) "Eligible Position" is defined in Section 2(d)

(k) "Employee" is defined in the introduction.

(l) "Fair Market Value" means, with respect to a share of Common Stock on a particular date, the mean between the highest and lowest composite sales price per share of the Common Stock, as reported on the consolidated transaction reporting system for the New York Stock Exchange for that date, or, if there is no such reported prices for that date, the reported mean price on the last preceding date on which a composite sale or sales were effected on one or more of the exchanges on which the shares of Common Stock were traded shall be the Fair Market Value.

(m) "Grant Date" is defined in Section 2.

(n) "Performance Period" is defined in Section 2

(o) "Performance Share Units" is defined in Section 1.

(p) "Plan" is defined in the introduction.

(q) "Qualifying Termination" means a Termination of Employment (i) due to Retirement or (ii) due to Employee's death or Disability or Special Retirement, on or after the first anniversary of the Grant Date.

(r) "Retirement" means either: (i) Employee's voluntary election to retire from employment with the Company and its Subsidiaries at any time after Employee has reached both the age of 60 and 25 years of service, or (ii) Employee's voluntary election to retire from employment with the Company and its Subsidiaries at any time after Employee has reached both the age of 55 and 20 years of service, subject, however, to the approval of either (A) the Committee, if Employee is an executive officer of the Company at the time of Employee's election to retire, or (B) the Retirement Committee, if Employee is not an executive officer of the Company at the time of Employee's election to retire, which approval under clauses (A) or (B) may be granted or withheld in the sole discretion of the Committee or the Retirement Committee, as applicable.

(s) “Retirement Committee” means a committee consisting of the Company’s Vice President of Human Resources, the Director of HR Operations and the Compensation & Benefits Manager.

(t) “Settlement Date” is defined in Section 3.

(u) “Special Retirement” means the Termination of Employment of Employee with the Company and all Subsidiaries at or after (i) age 55 or (ii) age 50 and completion of at least 10 years of service with the Company and all Subsidiaries.

(v) “Subsidiary” means (i) in the case of a corporation, a “subsidiary corporation” of the Company as defined in Section 424(f) of the Internal Revenue Code and (ii) in the case of a partnership or other business entity not organized as a corporation, any such business entity of which the Company directly or indirectly owns 50% or more of the voting, capital or profits interests (whether in the form of partnership interests, membership interests or otherwise).

(w) “Termination of Employment” means the termination of Employee’s employment with the Company and its Subsidiaries; provided, however, that temporary absences from employment because of illness, vacation or leave of absence and transfers among the Company and its Subsidiaries are not considered a Termination of Employment.

(x) “Transfer” is defined in Section 5(a).

(y) “Vesting Date” is defined in Section 2(a).

12. Miscellaneous.

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

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

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

(d) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(e) This Agreement may not be amended or modified except by a written agreement executed by the Company and Employee or their respective heirs, successors, assigns and legal

representatives. The captions of this Agreement are not part of the provisions hereof and are of no force or effect.

(f) The failure of Employee or the Company to insist upon strict compliance with any provision of this Agreement or the failure to assert any right Employee or the Company may have under this Agreement shall not be deemed to be a waiver of such provision or right or any other provision or right herein.

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

(h) This Agreement and the Plan (a) constitute the entire agreement among the Employee and the Company with respect to the Performance Share Units and this Agreement supersedes all prior agreements and understandings, both written and oral, with respect to the subject matter hereof; and (b) are not intended to confer upon any other Person any rights or remedies hereunder. Each party to this Agreement agrees that (i) no other party to this Agreement (including its agents and representatives) has made any representation, warranty, covenant or agreement to or with such party relating to the Performance Share Units other than those expressly set forth herein or in the Plan, and (ii) such party has not relied upon any representation, warranty, covenant or agreement relating to the Performance Share Units, other than those referred to in clause (i) above.

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

(j) Clawback Policy. The Company's policy on recoupment of performance-based bonuses, as amended from time to time (its "Clawback Policy"), will apply to the Performance Share Units, any shares of Common Stock delivered hereunder, and any profits realized on the sale of such shares to the extent that Employee is covered by the Clawback Policy. Employee acknowledges that if Employee is covered by such policy, the policy may result in the recoupment of Performance Share Units awarded, any shares of Common Stock delivered hereunder and profits realized on the sale of such shares either before, on or after the date on which Employee becomes subject to such policy.

13. Acceptance of Award. Employee is deemed to accept the award of Performance Share Units under this Agreement and to agree that such award is subject to the terms and conditions set forth in this Agreement and the Plan unless Employee provides the Company written notification not later than 10 days after Employee's receipt of this Agreement of Employee's rejection of this award of Performance Share Units (in which case such awards will be forfeited and Employee shall have no further right or interest therein as of such date).

SCHLUMBERGER LIMITED

By _____

Paal Kibsgaard

ATTACHMENT I
Performance Conditions

Subject to the provisions of this Agreement, vesting of the Performance Share Units is conditioned upon the Company achieving an average annual Return on Capital Employed (“ROCE”) greater than 12.5% for the period beginning on January 1, 2016 and ending on December 31, 2018 (the “Measurement Period”). ROCE is equal to the sum of (i) income from continuing operations before charges and credits and (ii) the after tax impact of net interest expense, divided by the sum of (x) the average quarterly equity, including noncontrolling interests and (y) the average quarterly net debt.

The Average Annual ROCE shall be calculated as the average ROCE for each calendar year contained in the Measurement Period.

The number of Performance Share Units that will vest on the vesting date will be equal to the product of (i) the target Performance Share Units and (ii) the Payout Factor (with any fractional shares rounded up to the next whole share).

The ROCE achieved will be certified by the Committee and will determine the Payout Factor based on the chart below. The Payout Factor for ROCE achievement levels between points on this chart will be determined by linear interpolation between the values listed.

**[Insert ROCE Performance Achievement levels,
Payout Factor and adjustment rules, if any.]**

[Form for Employees who did not receive 2013 Transition Award]

**SCHLUMBERGER 2013 OMNIBUS STOCK INCENTIVE PLAN
2016 THREE YEAR PERFORMANCE SHARE UNIT AWARD AGREEMENT**

This Performance Share Unit Award Agreement (as may be amended, the “Agreement”) is granted effective as of [Date of Grant] by Schlumberger Limited (the “Company”), for the benefit of _____ (“Employee”), pursuant to the Schlumberger 2013 Omnibus Stock Incentive Plan, as may be amended (the “Plan”).

1. Award. In consideration of Employee’s continued employment as hereinafter set forth, the Company hereby grants to Employee an award of “Performance Share Units,” provided that (except as otherwise provided in this Agreement) the final number of Performance Share Units will be determined in accordance with the performance criteria set forth on Attachment I. The target Performance Share Units subject to this award is set forth in an award notice previously delivered to Employee (the “Award Notice”). The Performance Share Units are notional units of measurement denominated in shares of common stock of the Company, \$.01 par value per share (“Common Stock”). Each Performance Share Unit represents a right to receive one share of Common Stock or equivalent value, subject to the conditions and restrictions on transferability set forth herein and in the Plan.

2. Vesting of Performance Share Units. The period of time between the grant date specified in the Award Notice (the “Grant Date”) and the vesting of Performance Share Units (and the termination of restrictions thereon) is the “Performance Period.” The Performance Share Units will vest as follows:

(a) On the first Friday following the first meeting of the Company’s Board of Directors (the “Board”) in January 2019 (the “Vesting Date”), a number of Performance Share Units will vest based on the extent to which the Company has satisfied the performance condition set forth on Attachment I to this Agreement, provided that Employee is continuously employed by the Company in an Eligible Position (as defined in Section 2(c) below) through the Vesting Date and has not experienced a Termination of Employment as of such date. Except as provided in Sections 2(b) and 2(c) below, if there is any Termination of Employment (as defined in Section 11 below) during the period from and between the Grant Date until and including the Vesting Date, Employee will immediately and automatically forfeit all Performance Share Units. Any questions as to whether and when there has been a Termination of Employment, and the cause of such termination, will be resolved by the Committee (as defined in Section 11 below), and its determination will be final.

(b) If Employee’s Termination of Employment (as defined in Section 15(e) below) occurs (i) due to Retirement (as defined in Section 15(d) below), on or after the Grant Date, or (ii) due to Special Retirement (as defined in Section 15(e) below), Disability (as defined in Section 15(b) below) or death, on or after the first anniversary of the Grant Date, then on the Vesting Date Employee will vest in the number of Performance Share Units determined by

multiplying (A) the number of Performance Share Units that would have vested as determined in accordance Section 2(a) above had Employee's Termination of Employment not occurred and (B) a fraction, the numerator of which is the number of days that elapsed between the Grant Date and the date of Employee's Termination of Employment and the denominator of which is 1095.

(c) If Employee ceases to be employed in a position eligible to receive Performance Share Units pursuant to this Agreement (as determined by the Compensation Committee of the Board (the "Committee") in its sole and absolute discretion) (an "Eligible Position") on or after the first anniversary of the Grant Date, then on the Vesting Date Employee will vest in the number of Performance Share Units determined by multiplying (i) the number of Performance Share Units that would have vested as determined in accordance Section 2(a) had Employee not ceased to be employed in an Eligible Position and (ii) a fraction, the numerator of which is the number of days that elapsed between the Grant Date and the date Employee ceased to be employed in an Eligible Position and the denominator of which is 1095, provided that Employee (x) is continuously employed by the Company through the Vesting Date or (y) experiences a Qualifying Termination (as defined in Section 15(c) below) after Employee ceases to be employed in an Eligible Position. For the avoidance of doubt, if Employee experiences a Qualifying Termination after Employee ceases to be employed in an Eligible Position, the provisions of this Subsection 2(c) will determine the number of Performance Share Units that will vest on the Vesting Date. If Employee ceases to be employed in an Eligible Position and then is again employed in an Eligible Position (while remaining continuously employed by the Company) during the Performance Period, the numerator in clause (ii) of this Section 2(c) will be equal to the total number of days that Employee is employed in an Eligible Position during the Performance Period.

3. Settlement of Performance Share Units. Payment of vested Performance Share Units will be made in shares of Common Stock as soon as administratively practicable, but in no event later than 2-1/2 months following the Vesting Date (the date of any such payment, the "Settlement Date"); provided, however, that the Committee may, in its sole and absolute discretion, settle the vested Performance Share Units in cash based on the Fair Market Value of the shares of Common Stock on the Settlement Date.

4. Forfeitures of Performance Share Units.

(a) At any time during the Performance Period, upon a Termination of Employment or Employee ceasing to be employed in an Eligible Position for any reason that does not result in a continuation of vesting pursuant to Section 2, Employee will immediately and automatically forfeit all unvested Performance Share Units, without the payment of any consideration. Upon forfeiture, neither Employee nor any successors, heirs, assigns or legal representatives of Employee will thereafter have any further rights or interest in the Performance Share Units.

(b) Notwithstanding any provision in this Agreement to the contrary, if at any time during the Performance Period, Employee engages in Detrimental Activity, Employee will immediately and automatically forfeit all Performance Share Units without the payment of any consideration. Upon forfeiture, neither Employee nor any successors, heirs, assigns or legal representatives of Employee will thereafter have any further rights or interest in the unvested Performance Share Units.

5. Restrictions on Transfer.

(a) Performance Share Units granted hereunder to Employee may not be sold, assigned, transferred, pledged or otherwise encumbered, whether voluntarily or involuntarily, by operation of law or otherwise (any of the foregoing, a "Transfer"), other than (i) to the Company as a result of the forfeiture of Performance Share Units, or (ii) by will or the laws of descent and distribution. Payment of Performance Share Units after Employee's death will be made to Employee's estate or, in the sole and absolute discretion of the Committee, to the person or persons entitled to receive such payment under applicable laws of descent and distribution.

(b) Consistent with the foregoing, no right or benefit under this Agreement will be subject to Transfer, and any such attempt to Transfer will have no effect and be void. No right or benefit hereunder will in any manner be liable for or subject to any debts, contracts, liabilities or torts of the person entitled to such benefits. If Employee attempts to Transfer any right or benefit hereunder or if any creditor attempts to subject the same to a writ of garnishment, attachment, execution, sequestration, or any other form of process or involuntary lien or seizure, then such attempt will have no effect and be void and immediately upon any such attempt the Performance Share Units will terminate and become of no further effect.

6. Rights as a Stockholder. Employee will have no rights as a stockholder of the Company with regard to the Performance Share Units. Rights as a stockholder of the Company will arise only if the Performance Share Units are settled in shares of Common Stock pursuant to Section 3 above.

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

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

9. Compliance With Securities Laws. The Company will not be required to deliver any shares of Common Stock pursuant to this Agreement if, in the opinion of counsel for the Company, such issuance would violate the Securities Act of 1933, as amended, or any other applicable federal or state securities laws or regulations or the laws of any other country. Prior to

the issuance of any shares of Common Stock pursuant to this Agreement, the Company may require that Employee (or Employee's legal representative upon Employee's death or Disability) enter into such written representations, warranties and agreements as the Company may reasonably request in order to comply with applicable securities laws or with this Agreement.

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

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

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

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

11. Definitions.

(a) "Agreement" is defined in the introduction.

(b) "Award Notice" is defined in Section 1.

(c) "Board" is defined in Section 2(a).

(d) "Clawback Policy" is defined in Section 15.

(e) "Common Stock" is defined in Section 1.

(f) "Company" means Schlumberger Limited.

(g) "Detrimental Activity" means activity that is determined by the Committee in its sole and absolute discretion to be detrimental to the interests of the Company or any of its Subsidiaries, including but not limited to situations where Employee: (i) divulges trade secrets, proprietary data or other confidential information relating to the Company or to the business of the Company and any Subsidiaries; (ii) enters into employment with or otherwise provides services to (A) any company listed, as of the date of Employee's Termination of Employment, on the Philadelphia Oil Service Sector Index (or any successor index) or (B) any affiliate of any such listed company, in either case under circumstances suggesting that Employee will be using unique or special knowledge gained as a Company employee or Subsidiary employee with the effect of competing with the Company or its Subsidiaries; (iii) enters into employment with or otherwise provides services to any Direct Competitor; (iv) engages or employs, or solicits or contacts with a view to the engagement or employment of, any person who is an employee of the Company or its Subsidiaries; (v) canvasses, solicits, approaches or entices away or causes to be canvassed, solicited, approached or enticed away from the Company or its Subsidiaries any person who or which is a customer of any of such entities during the Performance Period; (vi) is determined to have engaged (whether or not prior to termination) in either gross misconduct or criminal activity harmful to the Company or a Subsidiary; or (vii) takes any action that otherwise

harms the business interests, reputation, or goodwill of the Company or its Subsidiaries. The Committee may delegate, to an officer of the Company or to a subcommittee of the Committee, its authority to determine whether Employee has engaged in “Detrimental Activity.”

(h) “Direct Competitor” means, as of the date of this Agreement any of the following: (i) Halliburton Company, Baker Hughes, Incorporated, Weatherford International plc, and any other oilfield equipment and services company; and (ii) any entity engaged in seismic data acquisition, processing and reservoir geosciences services to the oil and natural gas industry, including in all cases in (i) and (ii) above, any and all of their parents, subsidiaries, affiliates, joint ventures, divisions, successors, or assigns.

(i) “Disability” means such disability (whether physical or mental impairment) which totally and permanently incapacitates Employee from any gainful employment in any field which Employee is suited by education, training, or experience, as determined by the Committee in its sole and absolute discretion.

(j) “Eligible Position” is defined in Section 2(d)

(k) “Employee” is defined in the introduction.

(l) “Fair Market Value” means, with respect to a share of Common Stock on a particular date, the mean between the highest and lowest composite sales price per share of the Common Stock, as reported on the consolidated transaction reporting system for the New York Stock Exchange for that date, or, if there is no such reported prices for that date, the reported mean price on the last preceding date on which a composite sale or sales were effected on one or more of the exchanges on which the shares of Common Stock were traded will be the Fair Market Value.

(m) “Grant Date” is defined in Section 2.

(n) “Performance Period” is defined in Section 2

(o) “Performance Share Units” is defined in Section 1.

(p) “Plan” is defined in the introduction.

(q) “Qualifying Termination” means a Termination of Employment (i) due to Retirement or (ii) due to Employee’s death, Disability or Special Retirement, on or after the first anniversary of the Grant Date.

(r) “Retirement” means either: (i) Employee’s voluntary election to retire from employment with the Company and its Subsidiaries at any time after Employee has reached both the age of 60 and 25 years of service, or (ii) Employee’s voluntary election to retire from employment with the Company and its Subsidiaries at any time after Employee has reached both the age of 55 and 20 years of service, subject, however, to the approval of either (A) the Committee, if Employee is an executive officer of the Company at the time of Employee’s election to retire, or (B) the Retirement Committee, if Employee is not an executive officer of the Company at the time of Employee’s election to retire, which approval under clauses (A) or (B)

may be granted or withheld in the sole discretion of the Committee or the Retirement Committee, as applicable.

(s) "Retirement Committee" means a committee consisting of the Company's Vice President of Human Resources, the Director of HR Operations and the Compensation & Benefits Manager.

(t) "Settlement Date" is defined in Section 3.

(u) "Special Retirement" means the Termination of Employment of Employee with the Company and all Subsidiaries at or after (i) age 55 or (ii) age 50 and completion of at least 10 years of service with the Company and all Subsidiaries.

(v) "Subsidiary" means (i) in the case of a corporation, a "subsidiary corporation" of the Company as defined in Section 424(f) of the Internal Revenue Code and (ii) in the case of a partnership or other business entity not organized as a corporation, any such business entity of which the Company directly or indirectly owns 50% or more of the voting, capital or profits interests (whether in the form of partnership interests, membership interests or otherwise).

(w) "Termination of Employment" means the termination of Employee's employment with the Company and its Subsidiaries; provided, however, that temporary absences from employment because of illness, vacation or leave of absence and transfers among the Company and its Subsidiaries are not considered a Termination of Employment.

(x) "Transfer" is defined in Section 5(a).

(y) "Vesting Date" is defined in Section 2(a).

12. Miscellaneous.

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

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

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

(d) The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of any other provision of this Agreement.

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

(f) The failure of Employee or the Company to insist upon strict compliance with any provision of this Agreement or the failure to assert any right Employee or the Company may have under this Agreement will not be deemed to be a waiver of such provision or right or any other provision or right herein.

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

(h) This Agreement and the Plan (a) constitute the entire agreement among the Employee and the Company with respect to the Performance Share Units and this Agreement supersedes all prior agreements and understandings, both written and oral, with respect to the subject matter hereof; and (b) are not intended to confer upon any other Person any rights or remedies hereunder. Each party to this Agreement agrees that (i) no other party to this Agreement (including its agents and representatives) has made any representation, warranty, covenant or agreement to or with such party relating to the Performance Share Units other than those expressly set forth herein or in the Plan, and (ii) such party has not relied upon any representation, warranty, covenant or agreement relating to the Performance Share Units, other than those referred to in clause (i) above.

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

13. Clawback Policy. The Company's policy on recoupment of performance-based bonuses, as amended from time to time (its "Clawback Policy"), will apply to the Performance Share Units, any shares of Common Stock delivered hereunder, and any profits realized on the sale of such shares to the extent that Employee is covered by the Clawback Policy. Employee acknowledges that if Employee is covered by such policy, the policy may result in the recoupment of Performance Share Units awarded, any shares of Common Stock delivered hereunder and profits realized on the sale of such shares either before, on or after the date on which Employee becomes subject to such policy.

14. Acceptance of Award. Employee is deemed to accept the award of Performance Share Units under this Agreement and to agree that such award is subject to the terms and conditions set forth in this Agreement and the Plan unless Employee provides the Company written notification not later than 10 days after Employee's receipt of this Agreement of Employee's rejection of this award of Performance Share Units (in which case such awards will be forfeited and Employee will have no further right or interest therein as of such date).

SCHLUMBERGER LIMITED

By _____

Paal Kibsgaard

ATTACHMENT I
Performance Conditions

Subject to the provisions of this Agreement, vesting of the Performance Share Units is conditioned upon the Company achieving average annual Return on Capital Employed (“ROCE”) of greater than 12.5% for the period beginning on January 1, 2016 and ending on December 31, 2018 (the “Measurement Period”). ROCE means the sum of (i) income from continuing operations before charges and credits and (ii) the after tax impact of net interest expense, divided by the sum of (x) the average quarterly equity, including noncontrolling interests and (y) the average quarterly net debt.

The Average Annual ROCE will be calculated as the average ROCE for each calendar year contained in the Measurement Period.

The number of Performance Share Units that will vest as of the vesting date will be equal to the product of (i) the Target Performance Share Units and (ii) the Payout Factor (with any fractional shares rounded up to the next whole share).

The ROCE achieved will be certified by the Committee and will determine the Payout Factor based on the chart below. The Payout Factor for ROCE achievement levels between points on this chart will be determined by linear interpolation between the values listed.

**[Insert ROCE Performance Achievement levels,
Payout Factor and adjustment rules, if any.]**

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

SCHLUMBERGER LIMITED, a Curaçao corporation (the “Company”), hereby grants to you a non-qualified stock option (the “Non-Qualified Option”) to purchase common stock of the Company, par value \$0.01 per share (“Common Stock”) pursuant to this option agreement (as may be amended, the “Agreement”). Your Non-Qualified Option is subject to all the terms and conditions of the Schlumberger 2013 Omnibus Stock Incentive Plan, as may be amended (the “Plan”) and this Agreement. Your Non-Qualified Option is not intended to constitute an “incentive stock option” under Section 422 of the U.S. Internal Revenue Code of 1986 and the Treasury Regulations promulgated thereunder.

1. Award. The date of grant of this Non-Qualified Option (the “Grant Date”), the Non-Qualified Option exercise price and the number of shares of Common Stock subject to this Non-Qualified Option (collectively, the “Option Shares”) are set forth in an award notice that has been previously delivered to you. Except as set forth below, this Non-Qualified Option expires on the tenth anniversary of the Grant Date.

2. Vesting of Non-Qualified Option.

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

| <u>DATE</u> | <u>OPTION SHARES PURCHASABLE</u> |
|-----------------------------------|----------------------------------|
| 1st Anniversary of the Grant Date | 20% |
| 2nd Anniversary of the Grant Date | 20% |
| 3rd Anniversary of the Grant Date | 20% |
| 4th Anniversary of the Grant Date | 20% |
| 5th Anniversary of the Grant Date | 20% |

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

3. Exercise of Non-Qualified Option.

(a) This Non-Qualified Option may be exercised only by delivering to the Company a written notice (or an electronic notice in the manner specified by the Compensation Committee

of the Board of Directors (the “Board”) of the Company (the “Committee”)) specifying the number of shares of Common Stock you wish to purchase. The Committee, which is authorized by the Board to administer the Plan, hereby notifies you that the Non-Qualified Option price may be paid, subject to such rules and procedures in effect at such time and as the Committee may prescribe from time to time, (1) in cash or certified check, (2) by the delivery of shares of Common Stock with a Fair Market Value at the time of exercise equal to the total Non-Qualified Option price, (3) by a combination of the methods described in (1) and (2), and (4) subject to applicable law, and the Company’s Securities Transactions – Insider Trading Standard through a broker-assisted cashless exercise, or “sell-to-cover” arrangement in accordance with the procedures approved by the Committee.

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

4. Termination of Employment. This Non-Qualified Option will expire earlier than the date set forth above if you terminate employment with the Company and its Subsidiaries.

(a) Termination with Company Consent. If you terminate employment with consent of the Company or a Subsidiary, as applicable, any exercise of this Non-Qualified Option must be made within three (3) months of termination of employment (or expiration date, if earlier) and then only to the extent the Non-Qualified Option was exercisable upon termination, unless you terminate employment due to Retirement (as provided in Section 4(b) below) or Special Retirement (as provided in Section 4(c) below), or terminate employment as a result of death or Disability (as provided in Section 4(d) below).

(b) Retirement. If your employment with the Company and its Subsidiaries is terminated due to Retirement (as defined in Section 10 below), your Non-Qualified Option will, subject to forfeiture provisions in the event you engage in Detrimental Activity (as defined in Section 10 below): (i) continue to vest post-Retirement as if you remained employed with the Company and its Subsidiaries and (ii) have an exercise period of 10 years from the original date of grant (the “Retirement Exercise Period”).

(c) Special Retirement. If your employment with the Company and its Subsidiaries is terminated due to Special Retirement (as defined in Section 10 below), your Non-Qualified Option will be exercisable at any time during the period of sixty (60) months after such termination or the remainder of the term of the Non-Qualified Option, whichever is less (the “Special Retirement Exercise Period”), provided that such option may be exercised after such termination and before expiration only to the extent that it is exercisable on the date of such termination.

(d) Death or Disability. If your employment with the Company and its Subsidiaries is terminated due to death or Disability (as defined in Section 10 below), your Non-Qualified Option will automatically become fully vested and exercisable. You may exercise the outstanding Non-Qualified Option at any time during the period of 60 months after such termination or the remainder of the term of the Non-Qualified Option, whichever is less (the

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

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

(f) Detrimental Activity. This Non-Qualified Option may be forfeited, and any exercise you have made of this Non-Qualified Option may be rescinded, as further described below, if you engage in certain Detrimental Activity (as defined in Section 10 below). Specifically, if you engage in Detrimental Activity while employed with the Company or its Subsidiaries or within one year following termination of employment for any reason other than Retirement, Special Retirement or Disability, this Non-Qualified Option will immediately and automatically expire and terminate and the Committee may rescind any exercise that you made under this option within six months preceding or three months following your termination.

If you engage in Detrimental Activity while employed with the Company or its Subsidiaries or within five years following termination of employment by reason of Special Retirement or Disability, this Non-Qualified Option will immediately and automatically expire and terminate and the Committee may rescind any exercise that you made under this option within the period beginning six months prior to your termination by Special Retirement or Disability and ending on the expiration of your Special Retirement Exercise Period or Disability Exercise Period.

If you engage in Detrimental Activity while employed with the Company or its Subsidiaries or within your Retirement Exercise Period, this Non-Qualified Option will immediately and automatically expire and terminate and the Committee may rescind any exercise that you made under this option within the period beginning six months prior to your termination by Retirement and ending on the expiration of your Retirement Exercise Period. In the event that any option exercise is rescinded by the Committee as described above, you will be obligated to pay the Company within 10 days following written demand an amount equal to the spread on the shares of Common Stock with respect to which the rescinded exercise applied. (The “spread” for this purpose is the difference between the aggregate exercise price and aggregate Fair Market Value of the shares as to which you exercised your option, with Fair Market Value determined as of the exercise date.)

5. Restrictions Imposed by Law. As contemplated by the Plan, you may not exercise your Non-Qualified Option or any portion thereof, and no obligation exists to issue or release shares of Common Stock or accept an exercise of this Non-Qualified Option, if the issuance or

release of shares or the acceptance of the Non-Qualified Option exercise by the Company or a Subsidiary constitutes a violation of any governmental law or regulation.

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

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

8. No Right to Future Awards. The grant of this Non-Qualified Option is subject to the terms of the Plan, which is discretionary in nature, and the terms of this Agreement. The grant of this Non-Qualified Option is a one-time benefit, and does not create any contractual or other right to receive future grants of options, or benefits in lieu of options. All determinations with respect to any such future grants, including, but not limited to, the times when options will be granted, the number of shares of Common Stock subject to each option, the option price, and the time or times when each option will be exercisable, will be at the sole discretion of the Committee. Your participation in the Plan is voluntary. The grant of this Non-Qualified Option is an extraordinary item of compensation which is outside the scope of your oral, written or implied employment contract, if any. This Non-Qualified Option is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments. The vesting of this Non-Qualified Option ceases upon termination of employment for any reason except as otherwise explicitly provided in this Agreement.

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

10. Definitions.

- (a) "Agreement" is defined in the introduction.
- (b) "Board" is defined in Section 3(a).
- (c) "Clawback Policy" is defined in Section 12.
- (d) "Committee" is defined in Section 3(a).
- (e) "Common Stock" is defined in the introduction.

(f) “Company” means Schlumberger Limited.

(g) “Detrimental Activity” means activity that is determined by the Committee in its sole and absolute discretion to be detrimental to the interests of the Company or any of its Subsidiaries, including but not limited to situations where you: (i) divulge trade secrets, proprietary data or other confidential information relating to the Company or to the business of the Company and any Subsidiaries; (ii) enter into employment with or otherwise provides services to (A) any company listed, as of the date of your termination of employment, on the Philadelphia Oil Service Sector Index (or any successor index) or (B) any affiliate of any such listed company, in either case under circumstances suggesting that you will be using unique or special knowledge gained as a Company employee or Subsidiary employee with the effect of competing with the Company or its Subsidiaries; (iii) enter into employment with or otherwise provides services to any Direct Competitor; (iv) engage or employ, or solicit or contact with a view to the engagement or employment of, any person who is an employee of the Company or its Subsidiaries; (v) canvass, solicit, approach or entice away or cause to be canvassed, solicited, approached or enticed away from the Company or its Subsidiaries any person who or which is a customer of any of such entities during the period of time between the Grant Date and the vesting of the Option Shares; (vi) are determined to have engaged (whether or not prior to termination) in either gross misconduct or criminal activity harmful to the Company or a Subsidiary; or (vii) take any action that otherwise harms the business interests, reputation, or goodwill of the Company or its Subsidiaries. The Committee may delegate, to an officer of the Company or to a subcommittee of the Committee, its authority to determine whether you have engaged in “Detrimental Activity.”

(h) “Direct Competitor” means, as of the date of this Agreement any of the following: (i) Halliburton Company, Baker Hughes, Incorporated, Weatherford International plc, and any other oilfield equipment and services company; and (ii) any entity engaged in seismic data acquisition, processing and reservoir geosciences services to the oil and natural gas industry, including in all cases in (i) and (ii) above, any and all of their parents, subsidiaries, affiliates, joint ventures, divisions, successors, or assigns.

(i) “Death Exercise Period” is defined in Section 4(d).

(j) “Disability” means such disability (whether through physical or mental impairment) which totally and permanently incapacitates you from any gainful employment in any field which you are suited by education, training, or experience, as determined by the Committee in its sole and absolute discretion.

(k) “Disability Exercise Period” is defined in Section 4(d).

(l) “Fair Market Value” means, with respect to a share of Common Stock on a particular date, the mean between the highest and lowest composite sales price per share of the Common Stock, as reported on the consolidated transaction reporting system for the New York Stock Exchange for that date, or, if there will have been no such reported prices for that date, the reported mean price on the last preceding date on which a composite sale or sales were effected on one or more of the exchanges on which the shares of Common Stock were traded will be the Fair Market Value.

- (m) "Grant Date" is defined in Section 1.
- (n) "Non-Qualified Option" is defined in the introduction.
- (o) "Option Shares" is defined in Section 1.
- (p) "Plan" is defined in the introduction.

(q) "Retirement" means either: (i) your voluntary election to retire from employment with the Company and its Subsidiaries at any time after you have reached both the age of 60 and 25 years of service, or (ii) your voluntary election to retire from employment with the Company and its Subsidiaries at any time after you have reached both the age of 55 and 20 years of service; subject, however, to the approval of either (A) the Committee, if you are an executive officer of the Company at the time of your election to retire, or (B) the Retirement Committee, if you are not an executive officer of the Company at the time of your election to retire, which approval under clauses (A) or (B) may be granted or withheld in the sole discretion of the Committee or the Retirement Committee, as applicable.

(r) "Retirement Committee" means a committee consisting of the Company's Vice President of Human Resources, the Director of HR Operations and the Compensation & Benefits Manager.

(s) "Retirement Exercise Period" is defined in Section 4(b).

(t) "Special Retirement" means termination of your employment with the Company and all Subsidiaries at or after (i) age 55 or (ii) age 50 and completion of at least 10 years of service with the Company and all Subsidiaries.

(u) "Special Retirement Exercise Period" is defined in Section 4(c).

(v) "Subsidiary" means (i) in the case of a corporation, a "subsidiary corporation" of the Company as defined in Section 424(f) of the Code and (ii) in the case of a partnership or other business entity not organized as a corporation, any such business entity of which the Company directly or indirectly owns 50% or more of the voting, capital or profits interests (whether in the form of partnership interests, membership interests or otherwise).

11. Acceptance of Award. If you do not wish to accept this Agreement and the Non-Qualified Option award, please return this Agreement to the Stock Option Department or notify the Stock Option Department in writing.

12. Clawback Policy. The Company's policy on recoupment of performance-based bonuses, as amended from time to time (its "Clawback Policy"), will apply to the Non-Qualified Option, any shares of Common Stock delivered hereunder, and any profits realized on the sale of such shares to the extent that you are covered by the Clawback Policy. You acknowledge that if you are covered by such policy, the policy may result in the recoupment of the Non-Qualified Option, any shares of Common Stock delivered hereunder and profits realized on the sale of such shares either before, on or after the date on which you become subject to such policy.

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

SCHLUMBERGER LIMITED

By

Paal Kibsgaard

**OPTION AGREEMENT
SCHLUMBERGER 2010 OMNIBUS STOCK INCENTIVE PLAN
INCENTIVE STOCK OPTION**

SCHLUMBERGER LIMITED, a Curaçao corporation (the “Company”), hereby grants to you an incentive stock option (the “ISO”) to purchase common stock of the Company, par value \$0.01 per share (“Common Stock”) pursuant to this option agreement (as may be amended, the “Agreement”). Your ISO is subject to all the terms and conditions of the Schlumberger 2010 Omnibus Stock Incentive Plan, as may be amended (the “Plan”) and this Agreement. Your ISO is intended to constitute an “incentive stock option” under Section 422 of the U.S. Internal Revenue Code of 1986 and the Treasury Regulations promulgated thereunder.

1. Award. The date of grant of this ISO (the “Grant Date”), the ISO exercise price and the number of shares of Common Stock subject to this ISO (collectively, the “Option Shares”) are set forth in an award notice that has been previously delivered to you. Except as set forth below, this ISO expires on the tenth anniversary of the Grant Date.

2. Vesting of ISO.

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

| <u>DATE</u> | <u>OPTION SHARES PURCHASABLE</u> |
|-----------------------------------|----------------------------------|
| 1st Anniversary of the Grant Date | 20% |
| 2nd Anniversary of the Grant Date | 20% |
| 3rd Anniversary of the Grant Date | 20% |
| 4th Anniversary of the Grant Date | 20% |
| 5th Anniversary of the Grant Date | 20% |

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

3. Exercise of ISO.

(a) This ISO may be exercised only by delivering to the Company a written notice (or an electronic notice in the manner specified by the Compensation Committee of the Board of Directors (the “Board”) of the Company (the “Committee”)) specifying the number of shares of Common Stock you wish to purchase. The Committee, which is authorized by the Board to administer the Plan, hereby notifies you that the ISO price may be paid, subject to such rules and

procedures in effect at such time and as the Committee may prescribe from time to time, (1) in cash or certified check, (2) by the delivery of shares of Common Stock with a Fair Market Value at the time of exercise equal to the total ISO price, (3) by a combination of the methods described in (1) and (2), and (4) subject to applicable law, and the Company's Securities Transactions – Insider Trading Standard through a broker-assisted cashless exercise, or “sell-to-cover” arrangement in accordance with the procedures approved by the Committee.

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

4. Termination of Employment. This ISO will expire earlier than the date set forth above if you terminate employment with the Company and its Subsidiaries.

(a) Termination with Company Consent. If you terminate employment with consent of the Company or a Subsidiary, as applicable, any exercise of this ISO must be made within three (3) months of termination of employment (or expiration date, if earlier) and then only to the extent the ISO was exercisable upon termination, unless you terminate employment due to Retirement (as provided in Section 4(b) below) or Special Retirement (as provided in Section 4(c) below), or terminate employment as a result of death or Disability (as provided in Section 4(d) below).

(b) Retirement. If your employment with the Company and its Subsidiaries is terminated due to Retirement (as defined in Section 10 below), your ISO will, subject to forfeiture provisions in the event you engage in Detrimental Activity (as defined in Section 10 below): (i) continue to vest post-Retirement as if you remained employed with the Company and its Subsidiaries and (ii) have an exercise period of 10 years from the original date of grant (the “Retirement Exercise Period”). As more fully described in the Prospectus related to the Plan, if you exercise your option more than three (3) months following your Retirement or Special Retirement, your Option Shares will be treated as attributable to the exercise of a non-qualified stock option for tax purposes.

(c) Special Retirement. If your employment with the Company and its Subsidiaries is terminated due to Special Retirement (as defined in Section 10 below), your ISO will be exercisable at any time during the period of sixty (60) months after such termination or the remainder of the term of the ISO, whichever is less (the “Special Retirement Exercise Period”), provided that such option may be exercised after such termination and before expiration only to the extent that it is exercisable on the date of such termination.

(d) Death or Disability. If your employment with the Company and its Subsidiaries is terminated due to death or Disability (as defined in Section 10 below), your ISO will automatically become fully vested and exercisable. You may exercise the outstanding ISO at any time during the period of 60 months after such termination or the remainder of the term of the ISO, whichever is less (the “Disability Exercise Period” or “Death Exercise Period”, as applicable). As more fully described in the Prospectus related to the Plan, if you exercise your option more than 12 months after you terminate employment due to Disability, your Option

Shares will be treated as attributable to the exercise of a non-qualified stock option for tax purposes. In the event that you die while employed with the Company or any Subsidiary or during the Special Retirement Exercise Period, the Retirement Exercise Period or the Disability Exercise Period, your ISO may be exercised only by the person or persons entitled thereto under your will or under the laws of descent and distribution to the extent exercisable by you on the date of your death and to the extent the term of the ISO has not expired within such Special Retirement Exercise Period, the Retirement Exercise Period or Disability Exercise Period, as applicable.

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

(f) Detrimental Activity. This ISO may be forfeited, and any exercise you have made of this ISO may be rescinded, as further described below, if you engage in certain Detrimental Activity (as defined in Section 10 below). Specifically, if you engage in Detrimental Activity while employed with the Company or its Subsidiaries or within one year following termination of employment for any reason other than Retirement, Special Retirement or Disability, this ISO will immediately and automatically expire and terminate and the Committee may rescind any exercise that you made under this option within six months preceding or three months following your termination.

If you engage in Detrimental Activity while employed with the Company or its Subsidiaries or within five years following termination of employment by reason of Special Retirement or Disability, this ISO will immediately and automatically expire and terminate and the Committee may rescind any exercise that you made under this option within the period beginning six months prior to your termination by Special Retirement or Disability and ending on the expiration of your Special Retirement Exercise Period or Disability Exercise Period.

If you engage in Detrimental Activity while employed with the Company or its Subsidiaries or within your Retirement Exercise Period, this ISO will immediately and automatically expire and terminate and the Committee may rescind any exercise that you made under this option within the period beginning six months prior to your termination by Retirement and ending on the expiration of your Retirement Exercise Period. In the event that any option exercise is rescinded by the Committee as described above, you will be obligated to pay the Company within 10 days following written demand an amount equal to the spread on the shares of Common Stock with respect to which the rescinded exercise applied. (The “spread” for this purpose is the difference between the aggregate exercise price and aggregate Fair Market Value of the shares as to which you exercised your option, with Fair Market Value determined as of the exercise date.)

5. Restrictions Imposed by Law. As contemplated by the Plan, you may not exercise your ISO or any portion thereof, and no obligation exists to issue or release shares of Common Stock or accept an exercise of this ISO, if the issuance or release of shares or the acceptance of

the ISO exercise by the Company or a Subsidiary constitutes a violation of any governmental law or regulation.

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

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

8. No Right to Future Awards. The grant of this ISO is subject to the terms of the Plan, which is discretionary in nature, and the terms of this Agreement. The grant of this ISO is a one-time benefit, and does not create any contractual or other right to receive future grants of options, or benefits in lieu of options. All determinations with respect to any such future grants, including, but not limited to, the times when options will be granted, the number of shares of Common Stock subject to each option, the option price, and the time or times when each option will be exercisable, will be at the sole discretion of the Committee. Your participation in the Plan is voluntary. The grant of this ISO is an extraordinary item of compensation which is outside the scope of your oral, written or implied employment contract, if any. This ISO is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments. The vesting of this ISO ceases upon termination of employment for any reason except as otherwise explicitly provided in this Agreement.

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

10. Definitions.

- (a) "Agreement" is defined in the introduction.
- (b) "Board" is defined in Section 3(a).
- (c) "Clawback Policy" is defined in Section 12.
- (d) "Committee" is defined in Section 3(a).
- (e) "Common Stock" is defined in the introduction.

(f) “Company” means Schlumberger Limited.

(g) “Detrimental Activity” means activity that is determined by the Committee in its sole and absolute discretion to be detrimental to the interests of the Company or any of its Subsidiaries, including but not limited to situations where you: (i) divulge trade secrets, proprietary data or other confidential information relating to the Company or to the business of the Company and any Subsidiaries; (ii) enter into employment with or otherwise provides services to (A) any company listed, as of the date of your termination of employment, on the Philadelphia Oil Service Sector Index (or any successor index) or (B) any affiliate of any such listed company, in either case under circumstances suggesting that you will be using unique or special knowledge gained as a Company employee or Subsidiary employee with the effect of competing with the Company or its Subsidiaries; (iii) enter into employment with or otherwise provides services to any Direct Competitor; (iv) engage or employ, or solicit or contact with a view to the engagement or employment of, any person who is an employee of the Company or its Subsidiaries; (v) canvass, solicit, approach or entice away or cause to be canvassed, solicited, approached or enticed away from the Company or its Subsidiaries any person who or which is a customer of any of such entities during the period of time between the Grant Date and the vesting of the Option Shares; (vi) are determined to have engaged (whether or not prior to termination) in either gross misconduct or criminal activity harmful to the Company or a Subsidiary; or (vii) take any action that otherwise harms the business interests, reputation, or goodwill of the Company or its Subsidiaries. The Committee may delegate, to an officer of the Company or to a subcommittee of the Committee, its authority to determine whether you have engaged in “Detrimental Activity.”

(h) “Direct Competitor” means, as of the date of this Agreement any of the following: (i) Halliburton Company, Baker Hughes, Incorporated, Weatherford International plc, and any other oilfield equipment and services company; and (ii) any entity engaged in seismic data acquisition, processing and reservoir geosciences services to the oil and natural gas industry, including in all cases in (i) and (ii) above, any and all of their parents, subsidiaries, affiliates, joint ventures, divisions, successors, or assigns.

(i) “Death Exercise Period” is defined in Section 4(d).

(j) “Disability” means such disability (whether through physical or mental impairment) which totally and permanently incapacitates you from any gainful employment in any field which you are suited by education, training, or experience, as determined by the Committee in its sole and absolute discretion.

(k) “Disability Exercise Period” is defined in Section 4(d).

(l) “Fair Market Value” means, with respect to a share of Common Stock on a particular date, the mean between the highest and lowest composite sales price per share of the Common Stock, as reported on the consolidated transaction reporting system for the New York Stock Exchange for that date, or, if there will have been no such reported prices for that date, the reported mean price on the last preceding date on which a composite sale or sales were effected on one or more of the exchanges on which the shares of Common Stock were traded will be the Fair Market Value.

- (m) "Grant Date" is defined in Section 1.
- (n) "ISO" is defined in the introduction.
- (o) "Option Shares" is defined in Section 1.
- (p) "Plan" is defined in the introduction.

(q) "Retirement" means either: (i) your voluntary election to retire from employment with the Company and its Subsidiaries at any time after you have reached both the age of 60 and 25 years of service, or (ii) your voluntary election to retire from employment with the Company and its Subsidiaries at any time after you have reached both the age of 55 and 20 years of service; subject, however, to the approval of either (A) the Committee, if you are an executive officer of the Company at the time of your election to retire, or (B) the Retirement Committee, if you are not an executive officer of the Company at the time of your election to retire, which approval under clauses (A) or (B) may be granted or withheld in the sole discretion of the Committee or the Retirement Committee, as applicable.

(r) "Retirement Committee" means a committee consisting of the Company's Vice President of Human Resources, the Director of HR Operations and the Compensation & Benefits Manager.

(s) "Retirement Exercise Period" is defined in Section 4(b).

(t) "Special Retirement" means termination of your employment with the Company and all Subsidiaries at or after (i) age 55 or (ii) age 50 and completion of at least 10 years of service with the Company and all Subsidiaries.

(u) "Special Retirement Exercise Period" is defined in Section 4(c).

(v) "Subsidiary" means (i) in the case of a corporation, a "subsidiary corporation" of the Company as defined in Section 424(f) of the Code and (ii) in the case of a partnership or other business entity not organized as a corporation, any such business entity of which the Company directly or indirectly owns 50% or more of the voting, capital or profits interests (whether in the form of partnership interests, membership interests or otherwise).

11. Acceptance of Award. If you do not wish to accept this Agreement and the ISO award, please return this Agreement to the Stock Option Department or notify the Stock Option Department in writing.

12. Clawback Policy. The Company's policy on recoupment of performance-based bonuses, as amended from time to time (its "Clawback Policy"), will apply to the ISO, any shares of Common Stock delivered hereunder, and any profits realized on the sale of such shares to the extent that you are covered by the Clawback Policy. You acknowledge that if you are covered by such policy, the policy may result in the recoupment of the ISO, any shares of Common Stock delivered hereunder and profits realized on the sale of such shares either before, on or after the date on which you become subject to such policy.

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

SCHLUMBERGER LIMITED

By _____
Paal Kibsgaard

**SCHLUMBERGER 2010 OMNIBUS STOCK INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT**

This Restricted Stock Unit Award Agreement (as may be amended, the “Agreement”) is granted effective as of [date] by Schlumberger Limited (the “Company”), for the benefit of [] (“Employee”), pursuant to the Schlumberger 2010 Omnibus Stock Incentive Plan, as may be amended (the “Plan”). Capitalized terms used in this Agreement but not defined herein are defined in the Plan.

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

2. Vesting of Restricted Stock Units. The period of time between the grant date specified in the Award Notice (the “Grant Date”) and the vesting of Restricted Stock Units (and the termination of restrictions thereon) is the “Restricted Period.”

(a) Normal Vesting. The Restricted Stock Units will vest in a single vesting on the third anniversary of the Grant Date (“Vesting Date”), provided that the Employee has been continuously employed by the Company or any of its Subsidiaries from the Grant Date to the Vesting Date. Except as provided in Section 2(b) below, if there is any Termination of Employment (as defined in Section 11 below) during the period from and between the Grant Date until and including the Vesting Date, Employee will immediately and automatically forfeit all Restricted Stock Units. Any questions as to whether and when there has been a Termination of Employment, and the cause of such termination, will be resolved by the Committee (as defined in Section 11 below), and its determination will be final.

(b) Acceleration on Death or Disability. Upon Termination of Employment by reason of Employee’s death or Disability (as defined in Section 11 below) or upon Employee’s Disability prior to Termination of Employment (as determined by the Committee and within the meaning of Section 409A of the U.S. Internal Revenue Code (the “Code”)), all Restricted Stock Units that are not vested at that time immediately and automatically will become vested in full.

(c) Retirement. Upon Termination of Employment from the Company and its Subsidiaries by reason of Employee’s Retirement (as defined in Section 11 below), the Restricted Stock Units will continue to vest following Termination of Employment as if Employee continued to be employed with the Company or any of its Subsidiaries, subject to forfeiture in the discretion of the Committee in the event that Employee engages in Detrimental Activity (as defined in Section 11 below).

3. Settlement of Restricted Stock Units. If Employee's Restricted Stock Units vest in accordance with the normal vesting schedule described in the first sentence of Section 2(a) above or pursuant to Section 2(b) above, payment of vested Restricted Stock Units will be made as soon as administratively practicable, but in no event later than 2-1/2 months following the date that the Restricted Stock Units vest (the date of any such payment, the "Settlement Date").

4. Forfeitures of Restricted Stock Units.

(a) At any time during the Restricted Period, upon a Termination of Employment for any reason that does not result in an acceleration or continuation of vesting pursuant to Section 2, Employee will immediately and automatically forfeit all unvested Restricted Stock Units, without the payment of any consideration. Upon forfeiture, neither Employee nor any successors, heirs, assigns or legal representatives of Employee will thereafter have any further rights or interest in the unvested Restricted Stock Units.

(b) Notwithstanding any provision in this Agreement to the contrary, if at any time during the Restricted Period, Employee engages in Detrimental Activity, Employee will immediately and automatically forfeit all Restricted Stock Units without the payment of any consideration. Upon forfeiture, neither Employee nor any successors, heirs, assigns or legal representatives of Employee will thereafter have any further rights or interest in the unvested Restricted Stock Units.

5. Restrictions on Transfer.

(a) Restricted Stock Units granted hereunder to Employee may not be sold, assigned, transferred, pledged or otherwise encumbered, whether voluntarily or involuntarily, by operation of law or otherwise (any of the foregoing, a "Transfer"), other than (i) to the Company as a result of the forfeiture of Restricted Stock Units, or (ii) by will or the laws of descent and distribution.

(b) Consistent with the foregoing, no right or benefit under this Agreement will be subject to Transfer, and any such attempt to Transfer, will have no effect and be void. No right or benefit hereunder will in any manner be liable for or subject to any debts, contracts, liabilities or torts of the person entitled to such benefits. If Employee attempts to Transfer any right or benefit hereunder or if any creditor attempts to subject the same to a writ of garnishment, attachment, execution, sequestration, or any other form of process or involuntary lien or seizure, then such attempt will have no effect and be void and immediately upon any such attempt the Restricted Stock Units will terminate and become of no further effect.

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

7. Taxes. To the extent that the receipt of Restricted Stock Units hereunder or the payment upon lapse of any restrictions results in income to Employee for federal or state income tax purposes or in any other case where the Company holds the view that it is obligated to withhold taxes, Employee shall deliver to the Company immediately prior to the time of such receipt or lapse, as the case may be, such amount of money or shares of Common Stock owned by Employee, at Employee's election, as the Company may require to meet its obligation under applicable tax laws or regulations, and, if Employee fails to do so, the Company is authorized to withhold for a number of vested Restricted Stock Units or cash or other form of remuneration then or thereafter payable to Employee equal to any tax required to be withheld due to such resulting compensation income.

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

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

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

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

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

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

11. Definitions.

(a) "Agreement" is defined in the introduction.

(b) "Award Notice" is defined in Section 1.

(c) "Clawback Policy" is defined in Section 15.

(d) "Code" is defined in Section 2(b).

(e) “Committee” means the Compensation Committee of the Board of Directors of the Company.

(f) “Common Stock” is defined in Section 1.

(g) “Company” means Schlumberger Limited.

(h) “Detrimental Activity” means activity that is determined by the Committee in its sole and absolute discretion to be detrimental to the interests of the Company or any of its Subsidiaries, including but not limited to situations where Employee: (i) divulges trade secrets, proprietary data or other confidential information relating to the Company or to the business of the Company and any Subsidiaries; (ii) enters into employment with or otherwise provides services to (A) any company listed, as of the date of Employee’s Termination of Employment, on the Philadelphia Oil Service Sector Index (or any successor index) or (B) any affiliate of any such listed company, in either case under circumstances suggesting that Employee will be using unique or special knowledge gained as a Company employee or Subsidiary employee with the effect of competing with the Company or its Subsidiaries; (iii) enters into employment with or otherwise provides services to any Direct Competitor; (iv) engages or employs, or solicits or contacts with a view to the engagement or employment of, any person who is an employee of the Company or its Subsidiaries; (v) canvasses, solicits, approaches or entices away or causes to be canvassed, solicited, approached or enticed away from the Company or its Subsidiaries any person who or which is a customer of any of such entities during the Restricted Period; (vi) is determined to have engaged (whether or not prior to termination) in either gross misconduct or criminal activity harmful to the Company or a Subsidiary; or (vii) takes any action that otherwise harms the business interests, reputation, or goodwill of the Company or its Subsidiaries. The Committee may delegate, to an officer of the Company or to a subcommittee of the Committee, its authority to determine whether Employee has engaged in “Detrimental Activity.”

(i) “Direct Competitor” means, as of the date of this Agreement any of the following: (i) Halliburton Company, Baker Hughes, Incorporated, Weatherford International plc, and any other oilfield equipment and services company; and (ii) any entity engaged in seismic data acquisition, processing and reservoir geosciences services to the oil and natural gas industry, including in all cases in (i) and (ii) above, any and all of their parents, subsidiaries, affiliates, joint ventures, divisions, successors, or assigns.

(j) “Disability” means such disability (whether physical or mental impairment) which totally and permanently incapacitates the Employee from any gainful employment in any field which the Employee is suited by education, training, or experience, as determined by the Committee in its sole and absolute discretion.

(k) “Employee” is defined in the introduction.

(l) “Fair Market Value” means, with respect to a share of Common Stock on a particular date, the mean between the highest and lowest composite sales price per share of the Common Stock, as reported on the consolidated transaction reporting system for the New York Stock Exchange for that date, or, if there is no such reported prices for that date, the reported mean price on the last preceding date on which a composite sale or sales were effected on one or

more of the exchanges on which the shares of Common Stock were traded will be the Fair Market Value.

(m) "Grant Date" is defined in Section 2.

(n) "Plan" is defined in the introduction.

(o) "Restricted Period" is defined in Section 2.

(p) "Restricted Stock Units" is defined in Section 1.

(q) "Retirement" means either: (i) Employee's voluntary election to retire from employment with the Company and its Subsidiaries at any time after Employee has reached both the age of 60 and 25 years of service, or (ii) Employee's voluntary election to retire from employment with the Company and its Subsidiaries at any time after Employee has reached both the age of 55 and 20 years of service, subject, however, to the approval of either (A) the Committee, if Employee is an executive officer of the Company at the time of Employee's election to retire, or (B) the Retirement Committee, if Employee is not an executive officer of the Company at the time of Employee's election to retire, which approval under clauses (A) or (B) may be granted or withheld in the sole discretion of the Committee or the Retirement Committee, as applicable.

(r) "Retirement Committee" means a committee consisting of the Company's Vice President of Human Resources, the Director of HR Operations and the Compensation & Benefits Manager.

(s) "Settlement Date" is defined in Section 3.

(t) "Subsidiary" means (i) in the case of a corporation, a "subsidiary corporation" of the Company as defined in Section 424(f) of the Code and (ii) in the case of a partnership or other business entity not organized as a corporation, any such business entity of which the Company directly or indirectly owns 50% or more of the voting, capital or profits interests (whether in the form of partnership interests, membership interests or otherwise).

(u) "Termination of Employment" means the termination of Employee's employment with the Company and its Subsidiaries; provided, however, that temporary absences from employment because of illness, vacation or leave of absence and transfers among the Company and its Subsidiaries are not considered a Termination of Employment.

(v) "Transfer" is defined in Section 5(a).

(w) "Vesting Date" is defined in Section 2(a).

12. Committee Determination. Any questions as to whether and when (i) the Employee has engaged in Detrimental Activity, (ii) there has been a Disability, or (iii) there has been a Termination of Employment and the cause of such termination, will be resolved by the Committee, and its determination will be final.

13. Miscellaneous.

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

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

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

(d) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

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

(f) The failure of Employee or the Company to insist upon strict compliance with any provision of this Agreement or the failure to assert any right Employee or the Company may have under this Agreement will not be deemed to be a waiver of such provision or right or any other provision or right herein.

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

(h) This Agreement and the Plan (a) constitute the entire agreement among the Employee and the Company with respect to the Restricted Stock Units and this Agreement supersedes all prior agreements and understandings, both written and oral, with respect to the subject matter hereof; and (b) are not intended to confer upon any other Person any rights or remedies hereunder. Each party to this Agreement agrees that (i) no other party to this Agreement (including its agents and representatives) has made any representation, warranty, covenant or agreement to or with such party relating to the Restricted Stock Units other than those expressly set forth herein or in the Plan, and (ii) such party has not relied upon any representation, warranty, covenant or agreement relating to the Restricted Stock Units, other than those referred to in clause (i) above.

(i) This Agreement will be governed by and construed in accordance with the laws of the State of Texas (except that no effect will be given to any conflicts of law principles thereof that would require the application of the laws of another jurisdiction). Venue for any dispute

arising under this Agreement will lie exclusively in the state and federal courts of Harris County, Texas and the Southern District of Texas, Houston Division, respectively.

14. Section 409A Compliance. This award of Restricted Stock Units is intended to be exempt from or to comply with the provisions of Code Section 409A and will be construed and interpreted accordingly. If Employee is a "specified employee" within the meaning of Code Section 409A(a)(2)(B)(i) on the date of his or her "separation from service" within the meaning of U.S. Treasury Regulation Section 1.409A-1(h), the time of payment otherwise specified in this Agreement will be deferred to the extent required by Code Section 409A.

15. Clawback Policy. The Company's policy on recoupment of performance-based bonuses, as amended from time to time (its "Clawback Policy"), will apply to the Restricted Stock Units, any shares of Common Stock delivered hereunder, and any profits realized on the sale of such shares to the extent that Employee is covered by the Clawback Policy. Employee acknowledges that if Employee is covered by such policy, the policy may result in the recoupment of Restricted Stock Units awarded, any shares of Common Stock delivered hereunder and profits realized on the sale of such shares either before, on or after the date on which Employee becomes subject to such policy.

16. Acceptance of Award. Employee is deemed to accept the award of Restricted Stock Units under this Agreement and to agree that such award is subject to the terms and conditions set forth in this Agreement and the Plan unless Employee provides the Company written notification not later than 10 days after Employee's receipt of this Agreement of Employee's rejection of this award of Restricted Stock Units (in which case such awards will be forfeited and Employee will have no further right or interest therein as of such date).

SCHLUMBERGER LIMITED

By: _____

Paal Kibsgaard

**OPTION AGREEMENT
SCHLUMBERGER 2010 OMNIBUS STOCK INCENTIVE PLAN
NON-QUALIFIED STOCK OPTION**

SCHLUMBERGER LIMITED, a Curaçao corporation (the “Company”), hereby grants to you a non-qualified stock option (the “Non-Qualified Option”) to purchase common stock of the Company, par value \$0.01 per share (“Common Stock”) pursuant to this option agreement (as may be amended, the “Agreement”). Your Non-Qualified Option is subject to all the terms and conditions of the Schlumberger 2010 Omnibus Stock Incentive Plan, as may be amended (the “Plan”) and this Agreement. Your Non-Qualified Option is not intended to constitute an “incentive stock option” under Section 422 of the U.S. Internal Revenue Code of 1986 and the Treasury Regulations promulgated thereunder.

1. Award. The date of grant of this Non-Qualified Option (the “Grant Date”), the Non-Qualified Option exercise price and the number of shares of Common Stock subject to this Non-Qualified Option (collectively, the “Option Shares”) are set forth in an award notice that has been previously delivered to you. Except as set forth below, this Non-Qualified Option expires on the tenth anniversary of the Grant Date.

2. Vesting of Non-Qualified Option.

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

| <u>DATE</u> | <u>OPTION SHARES PURCHASABLE</u> |
|-----------------------------------|----------------------------------|
| 1st Anniversary of the Grant Date | 20% |
| 2nd Anniversary of the Grant Date | 20% |
| 3rd Anniversary of the Grant Date | 20% |
| 4th Anniversary of the Grant Date | 20% |
| 5th Anniversary of the Grant Date | 20% |

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

3. Exercise of Non-Qualified Option.

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

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

4. Termination of Employment. This Non-Qualified Option will expire earlier than the date set forth above if you terminate employment with the Company and its Subsidiaries.

(a) Termination with Company Consent. If you terminate employment with consent of the Company or a Subsidiary, as applicable, any exercise of this Non-Qualified Option must be made within three (3) months of termination of employment (or expiration date, if earlier) and then only to the extent the Non-Qualified Option was exercisable upon termination, unless you terminate employment due to Retirement (as provided in Section 4(b) below) or Special Retirement (as provided in Section 4(c) below), or terminate employment as a result of death or Disability (as provided in Section 4(d) below).

(b) Retirement. If your employment with the Company and its Subsidiaries is terminated due to Retirement (as defined in Section 10 below), your Non-Qualified Option will, subject to forfeiture provisions in the event you engage in Detrimental Activity (as defined in Section 10 below): (i) continue to vest post-Retirement as if you remained employed with the Company and its Subsidiaries and (ii) have an exercise period of 10 years from the original date of grant (the “Retirement Exercise Period”).

(c) Special Retirement. If your employment with the Company and its Subsidiaries is terminated due to Special Retirement (as defined in Section 10 below), your Non-Qualified Option will be exercisable at any time during the period of sixty (60) months after such termination or the remainder of the term of the Non-Qualified Option, whichever is less (the “Special Retirement Exercise Period”), provided that such option may be exercised after such termination and before expiration only to the extent that it is exercisable on the date of such termination.

(d) Death or Disability. If your employment with the Company and its Subsidiaries is terminated due to death or Disability (as defined in Section 10 below), your Non-Qualified

Option will automatically become fully vested and exercisable. You may exercise the outstanding Non-Qualified Option at any time during the period of 60 months after such termination or the remainder of the term of the Non-Qualified Option, whichever is less (the “Disability Exercise Period” or “Death Exercise Period”, as applicable). In the event that you die while employed with the Company or any Subsidiary or during the Special Retirement Exercise Period, the Retirement Exercise Period or the Disability Exercise Period, your Non-Qualified Option may be exercised only by the person or persons entitled thereto under your will or under the laws of descent and distribution to the extent exercisable by you on the date of your death and to the extent the term of the Non-Qualified Option has not expired within such Special Retirement Exercise Period, the Retirement Exercise Period or Disability Exercise Period, as applicable.

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

(f) Detrimental Activity. This Non-Qualified Option may be forfeited, and any exercise you have made of this Non-Qualified Option may be rescinded, as further described below, if you engage in certain Detrimental Activity (as defined in Section 10 below). Specifically, if you engage in Detrimental Activity while employed with the Company or its Subsidiaries or within one year following termination of employment for any reason other than Retirement, Special Retirement or Disability, this Non-Qualified Option will immediately and automatically expire and terminate and the Committee may rescind any exercise that you made under this option within six months preceding or three months following your termination.

If you engage in Detrimental Activity while employed with the Company or its Subsidiaries or within five years following termination of employment by reason of Special Retirement or Disability, this Non-Qualified Option will immediately and automatically expire and terminate and the Committee may rescind any exercise that you made under this option within the period beginning six months prior to your termination by Special Retirement or Disability and ending on the expiration of your Special Retirement Exercise Period or Disability Exercise Period.

If you engage in Detrimental Activity while employed with the Company or its Subsidiaries or within your Retirement Exercise Period, this Non-Qualified Option will immediately and automatically expire and terminate and the Committee may rescind any exercise that you made under this option within the period beginning six months prior to your termination by Retirement and ending on the expiration of your Retirement Exercise Period. In the event that any option exercise is rescinded by the Committee as described above, you will be obligated to pay the Company within 10 days following written demand an amount equal to the spread on the shares of Common Stock with respect to which the rescinded exercise applied. (The “spread” for this purpose is the difference between the aggregate exercise price and aggregate Fair Market Value of the shares as to which you exercised your option, with Fair Market Value determined as of the exercise date.)

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

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

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

8. No Right to Future Awards. The grant of this Non-Qualified Option is subject to the terms of the Plan, which is discretionary in nature, and the terms of this Agreement. The grant of this Non-Qualified Option is a one-time benefit, and does not create any contractual or other right to receive future grants of options, or benefits in lieu of options. All determinations with respect to any such future grants, including, but not limited to, the times when options will be granted, the number of shares of Common Stock subject to each option, the option price, and the time or times when each option will be exercisable, will be at the sole discretion of the Committee. Your participation in the Plan is voluntary. The grant of this Non-Qualified Option is an extraordinary item of compensation which is outside the scope of your oral, written or implied employment contract, if any. This Non-Qualified Option is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments. The vesting of this Non-Qualified Option ceases upon termination of employment for any reason except as otherwise explicitly provided in this Agreement.

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

10. Definitions.

(a) "Agreement" is defined in the introduction.

(b) "Board" is defined in Section 3(a).

(c) "Clawback Policy" is defined in Section 12.

- (d) “Committee” is defined in Section 3(a).
- (e) “Common Stock” is defined in the introduction.
- (f) “Company” means Schlumberger Limited.

(g) “Detrimental Activity” means activity that is determined by the Committee in its sole and absolute discretion to be detrimental to the interests of the Company or any of its Subsidiaries, including but not limited to situations where you: (i) divulge trade secrets, proprietary data or other confidential information relating to the Company or to the business of the Company and any Subsidiaries; (ii) enter into employment with or otherwise provides services to (A) any company listed, as of the date of your termination of employment, on the Philadelphia Oil Service Sector Index (or any successor index) or (B) any affiliate of any such listed company, in either case under circumstances suggesting that you will be using unique or special knowledge gained as a Company employee or Subsidiary employee with the effect of competing with the Company or its Subsidiaries; (iii) enter into employment with or otherwise provides services to any Direct Competitor; (iv) engage or employ, or solicit or contact with a view to the engagement or employment of, any person who is an employee of the Company or its Subsidiaries; (v) canvass, solicit, approach or entice away or cause to be canvassed, solicited, approached or enticed away from the Company or its Subsidiaries any person who or which is a customer of any of such entities during the period of time between the Grant Date and the vesting of the Option Shares; (vi) are determined to have engaged (whether or not prior to termination) in either gross misconduct or criminal activity harmful to the Company or a Subsidiary; or (vii) take any action that otherwise harms the business interests, reputation, or goodwill of the Company or its Subsidiaries. The Committee may delegate, to an officer of the Company or to a subcommittee of the Committee, its authority to determine whether you have engaged in “Detrimental Activity.”

(h) “Direct Competitor” means, as of the date of this Agreement any of the following: (i) Halliburton Company, Baker Hughes, Incorporated, Weatherford International plc, and any other oilfield equipment and services company; and (ii) any entity engaged in seismic data acquisition, processing and reservoir geosciences services to the oil and natural gas industry, including in all cases in (i) and (ii) above, any and all of their parents, subsidiaries, affiliates, joint ventures, divisions, successors, or assigns.

- (i) “Death Exercise Period” is defined in Section 4(d).

(j) “Disability” means such disability (whether through physical or mental impairment) which totally and permanently incapacitates you from any gainful employment in any field which you are suited by education, training, or experience, as determined by the Committee in its sole and absolute discretion.

- (k) “Disability Exercise Period” is defined in Section 4(d).

(l) “Fair Market Value” means, with respect to a share of Common Stock on a particular date, the mean between the highest and lowest composite sales price per share of the Common Stock, as reported on the consolidated transaction reporting system for the New York Stock Exchange for that date, or, if there will have been no such reported prices for that date, the reported mean price on the last preceding date on which a composite sale or sales were effected

on one or more of the exchanges on which the shares of Common Stock were traded will be the Fair Market Value.

(m) "Grant Date" is defined in Section 1.

(n) "Non-Qualified Option" is defined in the introduction.

(o) "Option Shares" is defined in Section 1.

(p) "Plan" is defined in the introduction.

(q) "Retirement" means either: (i) your voluntary election to retire from employment with the Company and its Subsidiaries at any time after you have reached both the age of 60 and 25 years of service, or (ii) your voluntary election to retire from employment with the Company and its Subsidiaries at any time after you have reached both the age of 55 and 20 years of service; subject, however, to the approval of either (A) the Committee, if you are an executive officer of the Company at the time of your election to retire, or (B) the Retirement Committee, if you are not an executive officer of the Company at the time of your election to retire, which approval under clauses (A) or (B) may be granted or withheld in the sole discretion of the Committee or the Retirement Committee, as applicable.

(r) "Retirement Committee" means a committee consisting of the Company's Vice President of Human Resources, the Director of HR Operations and the Compensation & Benefits Manager.

(s) "Retirement Exercise Period" is defined in Section 4(b).

(t) "Special Retirement" means termination of your employment with the Company and all Subsidiaries at or after (i) age 55 or (ii) age 50 and completion of at least 10 years of service with the Company and all Subsidiaries.

(u) "Special Retirement Exercise Period" is defined in Section 4(c).

(v) "Subsidiary" means (i) in the case of a corporation, a "subsidiary corporation" of the Company as defined in Section 424(f) of the Code and (ii) in the case of a partnership or other business entity not organized as a corporation, any such business entity of which the Company directly or indirectly owns 50% or more of the voting, capital or profits interests (whether in the form of partnership interests, membership interests or otherwise).

11. Acceptance of Award. If you do not wish to accept this Agreement and the Non-Qualified Option award, please return this Agreement to the Stock Option Department or notify the Stock Option Department in writing.

12. Clawback Policy. The Company's policy on recoupment of performance-based bonuses, as amended from time to time (its "Clawback Policy"), will apply to the Non-Qualified Option, any shares of Common Stock delivered hereunder, and any profits realized on the sale of such shares to the extent that you are covered by the Clawback Policy. You acknowledge that if you are covered by such policy, the policy may result in the recoupment of the Non-Qualified

Option, any shares of Common Stock delivered hereunder and profits realized on the sale of such shares either before, on or after the date on which you become subject to such policy.

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

SCHLUMBERGER LIMITED

By _____
Paal Kibsgaard

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Paal Kibsgaard, certify that:

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

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

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

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

- a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 22, 2015

/s/ Paal Kibsgaard

Paal Kibsgaard
Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Simon Ayat, certify that:

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

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

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

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

- a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 22, 2015

/s/ Simon Ayat

Simon Ayat

Executive Vice President and Chief Financial Officer

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

In connection with the Quarterly Report on Form 10-Q of Schlumberger N.V. (Schlumberger Limited) (the "Company") for the quarterly period ended June 30, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Paal Kibsgaard, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 22, 2015

/s/ Paal Kibsgaard
Paal Kibsgaard
Chief Executive Officer

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

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

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

In connection with the Quarterly Report on Form 10-Q of Schlumberger N.V. (Schlumberger Limited) (the "Company") for the quarterly period ended June 30, 2015 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Simon Ayat, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 22, 2015

/s/ Simon Ayat

Simon Ayat

Executive Vice President and Chief Financial Officer

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

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

Mine Safety Disclosure

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

The table that follows reflects citations, orders, violations and proposed assessments issued by the Mine Safety and Health Administration (the "MSHA") to M-I LLC, an indirect wholly-owned subsidiary of Schlumberger. The disclosure is with respect to the three months ended June 30, 2015. Due to timing and other factors, the data may not agree with the mine data retrieval system maintained by the MSHA at www.MSHA.gov.

Three Months Ended June 30, 2015

[unaudited]

(whole dollars)

| Mine or Operating Name/MSHA Identification Number | Section 104 S&S Citations | Section 104(b) Orders | Section 104(d) Citations and Orders | Section 110(b)(2) Violations | Section 107(a) Orders | Proposed MSHA Assessments(1) | Mining Related Fatalities | Received Notice of Pattern of Violations Under Section 104(e) (yes/no) | Received Notice of Potential to Have Pattern Under Section 104(e) (yes/no) | Legal Actions Pending as of Last Day of Period | Legal Actions Initiated During Period | Legal Actions Resolved During Period |
|---|---------------------------|-----------------------|-------------------------------------|------------------------------|-----------------------|------------------------------|---------------------------|--|--|--|---------------------------------------|--------------------------------------|
| Amelia Barite Plant/1600825 | 0 | 0 | 0 | 0 | 0 | \$0 | 0 | N | N | 0 | 0 | 0 |
| Battle Mountain Grinding Plant/2600828 | 0 | 0 | 0 | 0 | 0 | \$0* | 0 | N | N | 0 | 0 | 0 |
| Galveston GBT Barite Grinding Plant/4104675 | 0 | 0 | 0 | 0 | 0 | \$408 | 0 | N | N | 0 | 0 | 0 |
| Greybull Milling Operation/4800602 | 0 | 0 | 0 | 0 | 0 | \$617 | 0 | N | N | 0 | 0 | 0 |
| Greybull Mining Operation/4800603 | 0 | 0 | 0 | 0 | 0 | \$300 | 0 | N | N | 0 | 0 | 0 |
| Greystone Mine/2600411 | 0 | 0 | 0 | 0 | 0 | \$1,269 | 0 | N | N | 0 | 0 | 0 |
| MI SWACO-Alpine/4104829 | 0 | 0 | 0 | 0 | 0 | \$0 | 0 | N | N | 0 | 0 | 0 |
| MI SWACO-Brownsville Grinding Plant/4103033 | 0 | 0 | 0 | 0 | 0 | \$100 | 0 | N | N | 0 | 0 | 0 |
| Mountain Springs Beneficiation Plant/2601390 | 3 | 0 | 0 | 0 | 0 | \$1,786 | 0 | N | N | 0 | 0 | 0 |

(1) Positive amounts included are the total dollar value of proposed assessments received from MSHA on or before June 30, 2015, regardless of whether the assessment has been challenged or appealed. Citations and orders can be contested and appealed, and as part of that process, are sometimes reduced in severity and amount, and sometimes dismissed. The number of citations, orders, and proposed assessments vary by inspector and also vary depending on the size and type of the operation.

* As of June 30, 2015, MSHA had not yet proposed assessments for one citation at Battle Mountain Grinding Plant/2600828.