

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

Form 10-Q

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

For the Quarter ended: **March 31, 2006**

Commission file No.: 1-4601

Schlumberger N.V. (Schlumberger Limited)

(Exact name of registrant as specified in its charter)

Netherlands Antilles (State or other jurisdiction of incorporation or organization)	52-0684746 (IRS Employer Identification No.)
153 East 53 Street, 57th Floor New York, New York, U.S.A.	10022
42, rue Saint-Dominique Paris, France	75007
Parkstraat 83, The Hague, The Netherlands (Addresses of principal executive offices)	2514 JG (Zip Codes)

Registrant's telephone number
(212) 350-9400

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 and (2) has been subject to such filing requirements for the past 90 days. YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer" and "large accelerated filer" in Rule 12b-2 of the Exchange Act. Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the 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.

Class	Outstanding at March 31, 2006 (on a post-split basis)
Common Stock, \$0.01 par value	1,179,870,722

SCHLUMBERGER LIMITED
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First Quarter 2006 Form 10-Q

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Part I, Item 1

PART I. FINANCIAL INFORMATION

Item 1: Financial Statements

SCHLUMBERGER LIMITED (SCHLUMBERGER N.V., INCORPORATED IN THE NETHERLANDS ANTILLES) AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF INCOME (Unaudited)

(Stated in thousands except per share amounts)

Three Months Ended March 31,	2006	2005
<i>Operating revenue</i>	\$ 4,239,017	\$3,159,111
<i>Interest & other income</i>	65,492	188,553
<i>Expenses</i>		
Cost of goods sold & services	2,994,794	2,405,132
Research & engineering	129,406	121,220
Marketing	13,166	10,062
General & administrative	97,224	85,422
Interest	47,844	46,562
<i>Income from Continuing Operations before taxes and minority interest</i>	1,022,075	679,266
Taxes on income	256,651	137,696
<i>Income from Continuing Operations before minority interest</i>	765,424	541,570
Minority interest	(42,913)	(17,133)
<i>Income from Continuing Operations</i>	722,511	524,437
<i>Loss from Discontinued Operations</i>	-	(1,028)
<i>Net Income</i>	\$ 722,511	\$ 523,409
<i>Basic earnings per share:</i>		
Income from Continuing Operations	\$ 0.61	\$ 0.44
Loss from Discontinued Operations	-	-
<i>Net Income</i>	\$ 0.61	\$ 0.44
<i>Diluted earnings per share:</i>		
Income from Continuing Operations	\$ 0.59	\$ 0.43
Loss from Discontinued Operations	-	-
<i>Net Income</i>	\$ 0.59	\$ 0.43
<i>Average shares outstanding:</i>		
Basic	1,180,344	1,178,666
Assuming dilution	1,240,694	1,227,530

See Notes to Consolidated Financial Statements

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SCHLUMBERGER LIMITED (SCHLUMBERGER N.V., INCORPORATED IN THE NETHERLANDS ANTILLES) AND SUBSIDIARY COMPANIES CONSOLIDATED BALANCE SHEET

(Stated in thousands)

	Mar. 31, 2006 (Unaudited)	Dec. 31, 2005
ASSETS		
<i>Current Assets:</i>		
Cash	\$ 153,317	\$ 190,954
Short-term investments	3,080,525	3,304,727
Receivables less allowance for doubtful accounts (2006 – \$105,242; 2005 – \$102,879)	3,760,505	3,383,803
Inventories	1,063,471	1,010,448
Deferred taxes	181,745	233,167
Other current assets	448,040	430,814
	8,687,603	8,553,913
<i>Fixed Income Investments, held to maturity</i>	401,750	359,750
<i>Investments in Affiliated Companies</i>	1,031,413	988,781
<i>Fixed Assets</i>	4,410,817	4,200,638
<i>Multiclient Seismic Data</i>	206,609	222,106
<i>Goodwill</i>	2,983,147	2,922,465
<i>Intangible Assets</i>	306,862	319,929
<i>Deferred Taxes</i>	323,266	331,037
<i>Other Assets</i>	190,069	178,873
	\$ 18,541,536	\$ 18,077,492
LIABILITIES & STOCKHOLDERS' EQUITY		
<i>Current Liabilities:</i>		
Accounts payable and accrued liabilities	\$ 3,301,342	\$ 3,564,854
Estimated liability for taxes on income	1,085,610	1,028,571
Dividend payable	148,383	124,733
Long-term debt – current portion	227,150	269,158
Bank & short-term loans	575,046	527,420
	5,337,531	5,514,736
<i>Long-term Debt</i>	3,635,156	3,591,338
<i>Postretirement Benefits</i>	722,889	707,040
<i>Other Liabilities</i>	165,772	167,611
	9,861,348	9,980,725
<i>Minority Interest</i>	548,775	505,182
<i>Stockholders' Equity:</i>		
Common stock	2,883,010	2,750,570
Income retained for use in the business	8,574,774	7,999,770
Treasury stock at cost	(2,277,087)	(2,113,276)
Accumulated other comprehensive loss	(1,049,284)	(1,045,479)
	8,131,413	7,591,585
	\$ 18,541,536	\$ 18,077,492

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SCHLUMBERGER LIMITED (SCHLUMBERGER N.V., INCORPORATED IN THE NETHERLANDS ANTILLES) AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)

(Stated in thousands)

	2006	2005
Three Months Ended Mar. 31,		
Cash flows from operating activities:		
Net Income	\$ 722,511	\$ 523,409
Adjustments to reconcile income from continuing operations to cash provided by operating activities:		
Depreciation and amortization ⁽¹⁾	354,603	328,465
Charges and credits, net of tax & minority interest ⁽²⁾	–	(134,381)
Loss from discontinued operations	–	1,028
Earnings of companies carried at equity, less dividends received	(30,672)	(23,506)
Deferred income taxes	61,963	(9,218)
Stock based compensation expense	25,828	8,845
Provision for losses on accounts receivable	5,692	5,807
Change in operating assets and liabilities ⁽³⁾		
Increase in receivables	(379,142)	(331,263)
Increase in inventories	(49,715)	(55,737)
Increase in other current assets	(17,186)	(41,526)
Decrease in accounts payable and accrued liabilities	(237,009)	(18,820)
Increase in estimated liability for taxes on income	56,058	74,527
Increase in postretirement benefits	15,849	20,883
Other – net	36,444	5,501
NET CASH PROVIDED BY OPERATING ACTIVITIES	565,224	354,014
Cash flows from investing activities:		
Purchase of fixed assets	(466,945)	(315,381)
Multiclient seismic data capitalized	(32,494)	(16,071)
Capitalization of intangible assets	(7,126)	(9,027)
Proceeds from business divestitures	–	21,871
Business acquisitions and related payments	(66,338)	–
Sale of Montrouge facility	–	229,801
Sale (purchase) of investments, net	184,470	(72,133)
Other	(39,807)	(762)
NET CASH USED BY INVESTING ACTIVITIES	(428,240)	(161,702)
Cash flows from financing activities:		
Dividends paid	(123,857)	(110,339)
Proceeds from employee stock purchase plan	7,355	5,837
Proceeds from exercise of stock options	156,352	45,775
Stock repurchase program	(254,296)	(73,007)
Decrease in commercial paper and long-term debt	(9,095)	(72,284)
Net increase in short-term debt	48,964	11,571
NET CASH USED BY FINANCING ACTIVITIES	(174,577)	(192,447)
Discontinued operations – operating activities	–	(1,028)
Net decrease in cash before translation effect	(37,593)	(1,163)
Translation effect on cash	(44)	(99)
Cash, beginning of period	190,954	223,503
CASH, END OF PERIOD	\$ 153,317	\$ 222,241

(1) Includes multiclient seismic data costs.

(2) See Note 2 – Charges and Credits.

(3) Net of the effect of business acquisitions and divestitures.

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SCHLUMBERGER LIMITED (SCHLUMBERGER N.V., INCORPORATED IN THE NETHERLANDS ANTILLES) AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (Unaudited)

(Stated in thousands)

	Common Stock		Retained Income	Accumulated Other Comprehensive Income (Loss)			Comprehensive Income (Loss)
	Issued	In Treasury		Marked to Market	Pension Liability	Translation Adjustment	
Balance, January 1, 2006	\$ 2,750,570	\$ (2,113,276)	\$ 7,999,770	\$ (17,042)	\$ (291,486)	\$ (736,951)	\$ 2,102,481
Net income			722,511				722,511
Derivatives marked to market, net of tax				7,330			7,330
Translation adjustment						(4,056)	(4,056)
Minimum pension liability					(7,381)		(7,381)
Tax benefit on minimum pension liability					302		302
Dividends declared			(147,507)				
Stock repurchase plan		(254,296)					
Proceeds from employee stock purchase plan	25,149	15,596					
Proceeds from shares sold to optionees less shares exchanged	81,463	74,889					
Stock based compensation cost	25,828						
Balance, March 31, 2006	\$ 2,883,010	\$ (2,277,087)	\$ 8,574,774	\$ (9,712)	\$ (298,565)	\$ (741,007)	\$ 718,706

SHARES OF COMMON STOCK (Unaudited)

	Issued	In Treasury	Shares Outstanding
	Balance, January 1, 2006	1,334,212,164	(156,607,946)
Employee stock plan	–	1,155,466	1,155,466
Stock repurchase plan	–	(4,428,800)	(4,428,800)
Shares sold to optionees less shares exchanged	–	5,539,838	5,539,838
Balance, March 31, 2006	1,334,212,164	(154,341,442)	1,179,870,722

See Notes to Consolidated Financial Statements

**Notes to Consolidated Financial Statements
(Unaudited)****1. Basis of Presentation**

The accompanying unaudited consolidated financial statements, which include the accounts of Schlumberger Limited (“Schlumberger”) and its subsidiaries, have been prepared in accordance with generally accepted accounting principles 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 management, all adjustments considered necessary for a fair presentation have been included in the accompanying unaudited financial statements. All intercompany transactions and balances have been eliminated in consolidation. Operating results for the three-month period ended March 31, 2006 are not necessarily indicative of the results that may be expected for the full year ending December 31, 2006. The December 31, 2005 balance sheet information has been derived from the audited 2005 financial statements. For further information, refer to the *Consolidated Financial Statements* and notes thereto, included in Schlumberger’s Annual Report on Form 10-K for the fiscal year ended December 31, 2005, filed with the Securities and Exchange Commission on February 24, 2006.

On January 19, 2006, the Board of Directors of Schlumberger approved a two-for-one split of the Company’s common stock. Stockholders of record as of March 1, 2006 were entitled to one additional share for every share outstanding, which was distributed on April 7, 2006. The total number of authorized common stock shares and associated par value were unchanged by this action. All share, per share and stock option amounts included in the accompanying *Consolidated Financial Statements* and related notes have been restated to reflect the effect of the stock split.

2. Charges and Credits**2005**

In March 2005, Schlumberger sold its facility in Montrouge, France for \$230 million resulting in a pretax and after-tax gain of approximately \$146 million, which is classified in *Interest & other income* in the *Consolidated Statement of Income*. This transaction allowed for the utilization of a deferred tax asset that was previously offset by a valuation allowance of approximately \$51 million. Schlumberger also recorded other real estate related pretax charges of approximately \$12 million (\$11 million after-tax), which are classified in *Cost of goods sold & services* in the *Consolidated Statement of Income*.

The following is a summary of 2005 Charges and Credits:

(Stated in millions)	Pretax	Tax	Net
Charges and Credits			
- Gain on sale of Montrouge facility	\$ (146)	\$ –	\$(146)
- Other real estate related charges	12	1	11
Net Credits	\$ (134)	\$ 1	\$(135)

3. Business Divestitures—Discontinued Operations

During the first quarter of 2005, Schlumberger completed the sales of its Global Tel*Link, Public Phones and Essentis businesses for \$18 million in cash. Schlumberger recognized \$8 million revenue in 2005 relating to these divested businesses.

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4. Earnings Per Share

The following is a reconciliation from basic earnings per share to diluted earnings per share from continuing operations:

(Stated in thousands except per share amounts)							
Three Months	2006			2005			
	Income from Continuing Operations	Average Shares Outstanding	Earnings Per Share from Continuing Operations	Income from Continuing Operations	Average Shares Outstanding	Earnings Per Share from Continuing Operations	
Basic	\$ 722,511	1,180,344	\$ 0.61	\$ 524,437	1,178,666	\$ 0.44	
Assumed conversion of debentures	7,197	38,210		7,197	38,210		
Assumed exercise of stock options	—	22,140		—	10,654		
Diluted	\$ 729,708	1,240,694	\$ 0.59	\$ 531,634	1,227,530	\$ 0.43	

At March 31, 2005, approximately 16.2 million of outstanding options to purchase shares of common stock were not included in the computation of diluted earnings per share because to do so would have had an antidilutive effect.

5. Acquisitions

During the first quarter of 2006, Schlumberger acquired a business for \$10 million in cash and made a payment of \$56 million in respect of a transaction that was consummated in prior years.

6. Investments in Affiliated Companies

Schlumberger and Smith International Inc. operate a drilling fluids joint venture of which Schlumberger owns a 40% interest and records income using the equity method of accounting. Schlumberger's investment on March 31, 2006 was \$842 million and on December 31, 2005 was \$802 million. Schlumberger's equity income from this joint venture was \$28 million in 2006 and \$19 million in 2005.

7. Securitization

A wholly owned subsidiary of Schlumberger had an agreement to borrow up to \$250 million and sell, on an ongoing basis, an undivided interest in its accounts receivable. The amount of receivables sold under this agreement totaled \$470 million at December 31, 2005 (of which \$34 million was drawn). Schlumberger terminated this agreement in the first quarter of 2006.

8. Inventory

A summary of inventory follows:

	Mar. 31 2006	Dec. 31 2005
Raw Materials & Field Materials	\$ 1,022	\$ 976
Work in Process	86	96
Finished Goods	90	65
	1,198	1,137
Less reserves for obsolescence	135	127
	\$ 1,063	\$ 1,010

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9. Fixed Assets

A summary of fixed assets follows:

(Stated in millions)		
	Mar. 31 2006	Dec. 31 2005
Property plant & equipment	\$ 12,225	\$ 11,805
Less: Accumulated depreciation	7,814	7,604
	\$ 4,411	\$ 4,201

Depreciation and amortization expense relating to fixed assets was \$285 million during the first quarter of 2006 and \$256 million during the first quarter of 2005.

10. Multiclient Seismic Data

The change in the carrying amount of multiclient seismic data is as follows:

(Stated in millions)	
Balance at December 31, 2005	\$222
Capitalized in period	32
Charged to cost of goods sold & services	(47)
Balance at March 31, 2006	\$207

11. Goodwill

The changes in the carrying amount of goodwill by business segment for the three months ended March 31, 2006 are as follows:

(Stated in millions)			
	Oilfield Services	Western Geco	Total
Balance at December 31, 2005	\$ 2,676	\$ 246	\$2,922
Additions	60	-	60
Impact of change in exchange rates	1	-	1
Balance at March 31, 2006	\$ 2,737	\$ 246	\$2,983

12. Intangible Assets

A summary of intangible assets follows:

(Stated in millions)		
	Mar. 31 2006	Dec. 31 2005
Gross book value	\$ 639	\$ 630
Less: Accumulated amortization	332	310
	\$ 307	\$ 320

The amortization charged to income was \$21 million during the first quarter of 2006 and \$20 million during the first quarter of 2005.

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At March 31, 2006, the gross book value, accumulated amortization and amortization periods of intangible assets were as follows:

(Stated in millions)			
	Gross Book Value	Accumulated Amortization	Amortization Periods
Software	\$ 427	\$ 200	5 – 10 years
Technology	152	103	5 – 10 years
Patents	12	9	5 – 10 years
Other	48	20	1 – 15 years
	\$ 639	\$ 332	

The weighted average remaining amortization period for all intangible assets based on the net book value at March 31, 2006 is approximately 4 years.

13. Stock-Based Compensation

As of March 31, 2006, Schlumberger had two types of stock-based compensation plans (see Note 18), which are described in the Schlumberger 2005 Annual Report on Form 10-K. Effective January 1, 2003, Schlumberger adopted the fair value recognition provisions of SFAS Nos. 123 and 148. Schlumberger began recording stock option and discounted stock purchase plan (DSPP) expense in the *Consolidated Statement of Income* in the third quarter of 2003 on a prospective basis for grants after January 1, 2003.

In December 2004, the Financial Accounting Standards Board issued SFAS 123R (*Share-Based Payment*). The standard amends SFAS 123 (*Accounting for Stock Based Compensation*) and concludes that services received from employees in exchange for stock-based compensation results in a cost to the employer that must be recognized in the financial statements. The cost of such awards should be measured at fair value at the date of grant.

Schlumberger adopted SFAS 123R effective January 1, 2006, and is applying the modified prospective method, whereby compensation cost will be recognized for the unvested portion of awards granted during the period of January 1, 1995 to December 31, 2002. Such costs will be recognized in the financial statements of Schlumberger over the remaining vesting periods. Under this method, prior periods are not revised for comparative purposes. The adoption of this standard resulted in Schlumberger recording \$6 million of additional stock-based compensation charges in the first quarter of 2006 and it will result in an additional \$5 million being recognized per quarter throughout the remainder of 2006.

Schlumberger recorded stock-based compensation expense relating to stock options of \$22.5 million during the first quarter of 2006 (inclusive of the adoption of SFAS 123R) and \$5.9 million during the first quarter of 2005. Schlumberger also recorded stock-based compensation expense relating to the DSPP of \$3.3 million during the first quarter of 2005 and \$3.0 million during the first quarter of 2005.

As of March 31, 2006, there was \$221 million of total unrecognized compensation cost related to non-vested stock-based compensation arrangements, including the DSPP. Approximately \$65 million is expected to be recognized over the remainder of 2006, \$67 million is expected to be recognized in 2007, \$52 million in 2008 and \$37 million in 2009.

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Schlumberger applied the intrinsic value method of APB Opinion 25 for grants prior to January 1, 2003. Had compensation cost for stock-based awards granted prior to January 1, 2003 been determined based on the fair value at the grant dates, consistent with the method of SFAS 123, Schlumberger's net income and earnings per share would have been the pro forma amounts indicated below:

(Stated in millions except per share amounts)

	Period Ended March 31,	
	2006	2005
Net income		
As reported	\$ 723	\$ 523
Proforma adjustments:		
Cost of Stock Options	—	(11)
Proforma	\$ 723	\$ 512
Basic earnings per share		
As reported	\$0.61	\$ 0.44
Proforma adjustments:		
Cost of Stock Options	—	(0.01)
Pro forma	\$0.61	\$ 0.43
Diluted earnings per share		
As reported	\$0.59	\$ 0.43
Proforma adjustments:		
Cost of Stock Options	—	(0.01)
Pro forma	\$0.59	\$ 0.42

The fair value of each stock option grant in 2006 was estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions:

Dividend yield	0.80%
Expected volatility	32.50%
Risk free interest rate	4.20%
Expected option life	6.0 years
Weighted average fair value per share	\$ 37.50

The fair value of the employees' purchase rights under the DSPP was estimated using the Black-Scholes model with the following assumptions and resulting weighted average fair value per share:

Dividend yield	1.22%
Expected volatility	24.20%
Risk free interest rate	3.38%
Weighted average fair value per share	\$ 11.21

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The following table summarizes stock option activity as of March 31, 2006:

	Options (thousands)	Weighted- average exercise price	Weighted- average remaining contractual life in years	Aggregate intrinsic value (\$ millions)
Outstanding at December 31, 2005	52,978	\$ 31.37		
Granted	7,593	\$ 54.24		
Exercised	(5,597)	\$ 28.63		
Forfeited	(765)	\$ 24.87		
Outstanding at March 31, 2006	54,209	\$ 34.87	6.11	\$ 1,540
Exercisable at March 31, 2006	29,887	\$ 32.74	4.24	\$ 912

The total intrinsic value of options exercised during the quarter ended March 31, 2006 was \$166 million.

14. Income Tax

Pretax book income from continuing operations subject to US and non-US income taxes was as follows:

(Stated in millions)			
First Quarter		2006	2005
United States		\$ 321	\$ 182
Outside United States		701	497
Pretax income		\$ 1,022	\$ 679

Schlumberger reported no charges or credits in the first quarter of 2006. Schlumberger reported charges and credits in continuing operations during the first quarter of 2005. These are more fully described in Note 2—*Charges and Credits*. US pretax results in the first quarter of 2005 included charges of \$2 million. Outside the US, the pretax results in the first quarter of 2005 included a net credit of approximately \$136 million, primarily relating to the sale of a facility.

The components of net deferred tax assets were as follows:

(Stated in millions)			
	Mar. 31 2006	Dec. 31 2005	
Postretirement and other long-term benefits	\$ 260	\$ 262	
Current employee benefits	56	118	
Fixed assets, inventory and other	183	173	
Net operating losses	6	11	
	\$ 505	\$ 564	

The deferred tax assets relating to net operating losses at March 31, 2006 and December 31, 2005 are net of valuation allowances in certain countries of \$214 million and \$213 million, respectively.

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The components of consolidated income tax expense from continuing operations were as follows:

(Stated in millions)

First Quarter	2006	2005
Current:		
United States – Federal	\$ 47	\$ 54
United States – State	4	9
Outside United States	144	84
	\$195	\$147
Deferred:		
United States – Federal	\$ 53	\$ (6)
United States – State	4	(1)
Outside United States	8	47
Valuation allowance	(3)	(49)
	\$ 62	\$ (9)
Consolidated taxes on income	\$257	\$138

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

First Quarter	2006	2005
US federal statutory rate	35	35
US state income taxes	1	1
Non US income taxed at different rates	(8)	(9)
Effect of equity method investment	(1)	(1)
Minority partner's share of LLC earnings	(1)	(1)
Valuation allowance (excluding impact of charges and credits)	-	1
Charges and credits	-	(5)
Other	(1)	(1)
Effective income tax rate	25	20

Schlumberger reported no charges or credits in the first quarter of 2006. In the first quarter of 2005, the charges and credits described in Note 2 *Charges and Credits*, including the associated effect of changes in valuation allowance, decreased Schlumberger's effective tax rate by five percentage points.

15. Contingencies

The *Consolidated Balance Sheet* includes accruals for the estimated future costs associated with certain environmental remediation activities related to the past use or disposal of hazardous materials where it is probable that Schlumberger has incurred a liability and such amount can be reasonably estimated. Substantially all such costs relate to divested operations and to facilities or locations that are no longer in operation. Due to a number of uncertainties, including uncertainty of timing, the scope of remediation, future technology, regulatory changes, natural resource or property damage claims and other factors, it is possible that the ultimate remediation costs may exceed the amounts estimated. However, in the opinion of management, any such additional costs are not expected to be material relative to consolidated liquidity, financial position or future results of operations.

The *Consolidated Balance Sheet* included accruals for estimated future expenditures, relating to potential contractual obligations, associated with business divestitures that have been completed. It is possible that the ultimate expenditures may differ from the amounts recorded. In the opinion of management, such differences are not expected to be material relative to consolidated liquidity, financial position or future results of operations.

In December 2004 WesternGeco and Schlumberger received grand jury subpoenas from the United States Attorney's office in the Southern District of Texas seeking documents relating to possible fraud in obtaining

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visas for non-United States citizens working as crewmembers on vessels operating in the Gulf of Mexico. WesternGeco and Schlumberger are currently in discussions with the United States Attorney's office regarding a possible resolution of this matter.

In addition, Schlumberger and its subsidiaries are party to various other legal proceedings. A liability is accrued when a loss is both probable and can be reasonably estimable. At this time the ultimate disposition of these proceedings is not presently determinable and therefore, it is not possible to estimate the amount of loss or range of possible losses that might result from an adverse judgment or settlement in these matters. However, in the opinion of Schlumberger any liability that might ensue would not be material in relation to the consolidated liquidity, financial position or future results of operations.

Schlumberger's joint venture agreement with Smith International, Inc., with respect to the drilling fluids joint venture, contains a provision under which either party to the joint venture may offer to sell their entire interest in the venture to the other party at a cash purchase price per percentage interest specified in an offer notice. If the offer to sell is not accepted, the offering party will be obligated to purchase the entire interest of the other party at the same price per percentage interest as the prices specified in the offer notice.

16. Segment Information

Schlumberger operates two business segments: Oilfield Services and WesternGeco.

(Stated in millions)

	FIRST QUARTER 2006					FIRST QUARTER 2005				
	Revenue	Income after tax & MI	Minority Interest	Tax Expense	Income before tax & MI	Revenue	Income after tax & MI	Minority Interest	Tax Expense	Income before tax & MI
OILFIELD SERVICES										
North America	\$ 1,226	\$ 245	\$ –	\$ 130	\$ 375	\$ 868	\$ 134	\$ –	\$ 69	\$ 203
Latin America	594	78	–	18	96	469	51	–	13	64
Europe/CIS/W. Africa	1,000	169	1	40	210	751	99	–	25	124
Middle East & Asia	863	238	–	33	271	668	153	–	21	174
Elims/Other	28	(6)	–	3	(3)	23	(9)	–	3	(6)
	<u>3,711</u>	<u>724</u>	<u>1</u>	<u>224</u>	<u>949</u>	<u>2,779</u>	<u>428</u>	<u>–</u>	<u>131</u>	<u>559</u>
WESTERNGECO	530	80	34	44	158	378	25	11	28	64
Elims & Other	(2)	(71)	8	(11)	(74)	2	(38)	6	(21)	(53)
	<u>\$ 4,239</u>	<u>\$ 733</u>	<u>\$ 43</u>	<u>\$ 257</u>		<u>\$ 3,159</u>	<u>\$ 415</u>	<u>\$ 17</u>	<u>\$ 138</u>	
Interest Income					35					19
Interest Expense ⁽¹⁾					(46)					(44)
Charges and Credits ⁽²⁾					–					134
					<u>\$ 1,022</u>					<u>\$ 679</u>

1. Excludes interest expense included in the Segment results (\$2 million in 2006; \$2 million in 2005).
2. See Note 2 *Charges and Credits*.

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Part I, Item 1

17. Pension and Other Postretirement Benefits

Net pension cost in the US for the first quarter of 2006 and 2005 included the following components:

(Stated in millions)

	First Quarter	
	2006	2005
Service cost – benefits earned during period	\$ 15	\$ 13
Interest cost on projected benefit obligation	28	26
Expected return on plan assets	(30)	(25)
Amortization of prior service cost/other	2	1
Amortization of unrecognized net loss	7	6
Net pension cost	\$ 22	\$ 21

During the first quarter of 2006 Schlumberger made a \$200 million contribution to its US pension plans.

Net pension cost in the UK plan for the first quarter of 2006 and 2005 included the following components:

(Stated in millions)

	First Quarter	
	2006	2005
Service cost – benefits earned during period	\$ 6	\$ 6
Interest cost on projected benefit obligation	10	10
Expected return on plan assets	(12)	(12)
Amortization of unrecognized loss	3	4
Net pension cost	\$ 7	\$ 8

Net postretirement benefit cost in the US for the first quarter of 2006 and 2005 included the following components:

(Stated in millions)

	First Quarter	
	2006	2005
Service cost – benefits earned during period	\$ 8	\$ 9
Interest cost on accumulated postretirement benefit obligation	11	13
Amortization of unrecognized net loss	4	4
Amortization of unrecognized prior service cost	(7)	(4)
Net postretirement benefit cost	\$ 16	\$ 22

18. Subsequent Events

On April 20, 2006, Schlumberger and Baker Hughes signed an agreement pursuant to which Schlumberger will acquire Baker Hughes' 30% minority interest in WesternGeco for \$2.4 billion in cash. Approximately 50% of the purchase price will be funded from Schlumberger's cash and short-term investments. The remaining 50% will be financed through existing Schlumberger credit facilities.

On April 20, 2006, the Board of Directors of Schlumberger approved a share buy-back program of up to 40 million shares to be acquired in the open market before April 2010, subject to market conditions.

On April 12, 2006, the stockholders of Schlumberger approved an amendment to the Schlumberger Articles of Incorporation to increase the authorized common share capital of Schlumberger (as defined in the Schlumberger Articles of Incorporation) from 1,500,000,000 shares to 3,000,000,000 shares.

On April 12, 2006, the stockholders of Schlumberger approved amendments to Schlumberger's 2005 Stock Option Plan. These amendments include (1) providing for the grant of restricted stock and restricted stock units with respect to up to 3,000,000 shares of common stock; (2) providing for certain limits on the vesting or

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Part I, Item 2

holding period for restricted stock and restricted stock units; and (3) providing that restricted stock or restricted stock units may not be granted to executive officers of Schlumberger unless the grants are subject to performance-based vesting.

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

BUSINESS REVIEW

	First Quarter		
	2006	2005	% chg
Oilfield Services			
Operating Revenue	\$3,711	\$2,779	34%
Pretax Segment Income	\$ 949	\$ 559	70%
WesternGeco			
Operating Revenue	\$ 530	\$ 378	40%
Pretax Segment Income	\$ 158	\$ 64	149%

Pretax segment income represents the business segment's income before taxes and minority interest. Pretax segment income excludes corporate expenses, interest income, interest expense, amortization of certain intangibles, interest on post-retirement benefits, stock-based compensation costs and the *Charges and Credits* described in detail in Note 2 to the *Consolidated Financial Statements*, as these items are not allocated to the segments.

First Quarter 2006 Compared to First Quarter 2005

Operating revenue for the first quarter of 2006 was \$4.24 billion versus \$3.16 billion for the same period last year. Income from continuing operations before income taxes and minority interest was \$1.02 billion in 2006 compared to \$679 million in 2005. There were no Charges and Credits in the first quarter of 2006 while the 2005 results include net pretax credits of \$134 million. These Charges and Credits are described in detail in Note 2 to the *Consolidated Financial Statements*.

Net income for the first quarter of 2006, was \$723 million compared to \$523 million in the first quarter of last year. Net income in 2005 included a loss from discontinued operations of \$1 million.

OILFIELD SERVICES

First-quarter revenue of \$3.71 billion was 4% higher sequentially and 34% higher year-on-year.

The sequential revenue increase was driven primarily by North America, led by Drilling & Measurements, Well Services and Wireline Technologies, each of which recorded strong double-digit increases.

Pretax operating income of \$949 million increased 11% sequentially and 70% year-on-year driven by pricing and operating efficiency improvements that resulted in sequential growth of 170 bps in pretax operating margins to reach 25.6%.

North America

Revenue of \$1.23 billion increased 18% sequentially and 41% year-on-year. Pretax operating income of \$375 million increased 35% sequentially and 85% year-on-year.

Robust revenue growth in the Area was driven primarily by stronger rig count levels in the Canada and US Land GeoMarkets, coupled with continuing price increases, accelerated adoption of new technologies and improved operating efficiency.

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Part I, Item 2

Sequential pretax operating income growth was led by Canada with increased margins achieved on winter projects in the West. US Land continued to increase as a result of strong pricing gains led by Wireline, Drilling & Measurements and Well Services activities, and greater efficiency levels due to increased deployment of 24-hour operations on certain stimulation projects. North America pretax operating margins surpassed 30%. Pricing increases across the region, and strong growth in Well Services and Wireline activity drove pretax operating income growth year-on-year.

Latin America

Revenue of \$594 million declined 4% sequentially but grew 27% year-on-year. Pretax operating income of \$96 million increased 6% sequentially and 49% year-on-year.

Rising rig count coupled with pricing increases and ramp up of offshore activity drove sequential revenue growth in the Venezuela/Trinidad/Tobago GeoMarket. The slight sequential decline in revenue in the Area was principally attributable to lower levels of third-party managed services on integrated projects in Mexico.

During the quarter, the Area experienced a more favorable activity mix, pricing gains and increased demand for Well Testing services and Drilling & Measurements Scope* technologies—all of which contributed to the sequential gains in pretax operating income that resulted in growth of 160 bps in pretax operating margins. Continued rising profitability in Integrated Projects coupled with strong Drilling & Measurements results across the region accounted for the year-on-year gains.

Europe/CIS/West Africa

Revenue of \$1.0 billion declined 1% sequentially but increased 33% year-on-year. Pretax operating income of \$210 million declined 7% sequentially but increased 70% year-on-year.

Sequential revenue performance was impacted by extreme winter weather conditions across Russia and the Caspian, negatively affecting activity for a three-week period. Activity resumed normal levels by the end of the quarter. The effect of the slowdown was partially offset by increased activity in the North Sea GeoMarket due to operating efficiencies, favorable seasonal weather conditions and accelerating demand for Wireline and Drilling & Measurements new technologies. Double-digit growth was also recorded in the North Africa, Continental Europe and Nigeria GeoMarkets. The year-on-year revenue increase reflected activity growth throughout the Area and also reflects the impact of the consolidation of PetroAlliance which commenced in the second quarter of 2005 when a controlling interest was acquired.

The robust gains achieved in the North Sea GeoMarket were not sufficient to offset the decline in sequential pretax operating income, due primarily to the weather-induced lower activity levels in Russia and the Caspian. Year-on-year pretax operating income increases resulted from strong pricing and higher utilization levels, coupled with growing Wireline, Drilling & Measurements and Well Testing margins.

Middle East & Asia

Revenue of \$863 million was flat sequentially but 29% higher year-on-year. Pretax operating income of \$271 million increased 2% sequentially and 55% year-on-year.

Higher activity, together with acceptance of new Schlumberger technologies such as the Drilling & Measurements Scope family of drilling services in Saudi Arabia, resulted in double-digit growth in sequential revenue for the Arabian GeoMarket. This GeoMarket is the fastest growing in Schlumberger worldwide.

These results, combined with sustained demand for Well Services technologies in the India GeoMarket and Wireline and Well Testing technologies in the Thailand/Vietnam GeoMarket, were offset by seasonal project transitions in the Area—all of which were completed by the end of the quarter—and by declines in Well Testing activity, resulting in flat sequential revenues for the quarter.

Area pretax operating margins showed continued improvement in the quarter—growing 60 bps sequentially—primarily due to increased activity in Drilling & Measurements, Wireline and Well Services

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Part I, Item 2

Technologies. The year-on-year revenue and pretax operating income increases resulted from the activity growth and the increased take up of new technologies with improved margins.

WESTERNGECO

First-quarter revenue of \$530 million was 14% higher sequentially and 40% higher compared to the same period last year. Pretax operating income of \$158 million improved 44% sequentially and \$95 million year-on-year.

Marine revenue reached record levels in the quarter with vessel utilization attaining 97%, while pricing improved 58% versus the same period last year. This increased level of activity is attributable to continued strength in exploration seismic activity. Reflecting confidence in the exploration market, a seventh Q* vessel will be commissioned in the second quarter of 2007.

Land acquisition revenue increased sequentially due to new crews being added in Russia and Chile, as well as higher Q-Land* activity in Kuwait.

Data Processing sequential revenue declined slightly and Multiclient revenue remained at levels similar to the previous quarter.

Marine led year-on-year revenue growth with higher Q-vessel utilization augmented by improved pricing and contractual terms. Growth in Land, Multiclient and Data Processing revenues also contributed to the increase.

Multiclient sales in the first quarter of 2006 were \$164 million compared to \$141 million in the prior year. Approximately 65% of the multiclient surveys sold in 2006 has no net book value due to prior amortization of capitalized costs, compared to 70% in 2005.

Sequential improvement in pretax operating income was mainly in Marine due to higher utilization and improved pricing. Land acquisition also improved due to the higher active crew count. Overall pretax operating margins reached a record level of 29.9%.

Interest and Other Income

Interest and other income consisted of the following for the first quarter of 2006 and 2005:

(Stated in millions)

	First Quarter	
	2006	2005
Interest income	\$ 35	\$ 19
Equity in net earnings of affiliated companies	30	24
Gain on sale of facility in Montrouge, France ¹	—	146
	\$ 65	\$189

1. See discussion of Charges and Credits on the following page.

Interest Income

The average return on investment increased from 2.8% in the first quarter of 2005 to 4.0% in the first quarter of 2006 and the average investment balance of \$3.6 billion in 2006 increased \$776 million compared to 2005.

Interest Expense

Interest expense of \$47.8 million in the first quarter of 2006 increased by \$1.3 million compared to the same period last year. The weighted average borrowing rates of 4.4% increased in the first quarter of 2006 from 4.1% in the same period last year. Average debt balance of \$4.4 billion in the first quarter of 2006 decreased by \$200 million compared to the same period last year.

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Part I, Item 2

Other

Gross margin was 29.4% and 23.9% in 2006 and 2005, respectively. The increase in gross margin is due to a combination of record activity levels in Oilfield Services, with operations at capacity in a number of regions, and continued pricing improvements in both Oilfield Services and WesternGeco.

As a percentage of revenue, research & engineering, marketing and general & administrative expenses for the first quarter of 2006 and 2005 are as follows:

	First Quarter	
	2006	2005
Research and engineering	3.1%	3.8%
Marketing	0.3%	0.3%
General and administrative	2.3%	2.7%

Research and engineering expenditures, by segment for the first quarter of 2006 and 2005, were as follows:

(Stated in millions)	First Quarter	
	2006	2005
Oilfield Services	\$115	\$107
WesternGeco	12	13
Other	2	1
	<u>\$129</u>	<u>\$121</u>

The effective tax rate for the first quarter of 2006 was 25.1% compared to 20.3% in the prior year. The rate in 2005 reflects the impact of the \$146 million gain on the sale of the Montrouge facility. This transaction allowed for the utilization of a deferred tax asset that was previously offset by a valuation allowance and had the effect of lowering the effective tax rate during the first quarter of 2005 by 5.5%.

Charges and Credits

2005

In March 2005, Schlumberger sold its facility in Montrouge, France to a third party for \$230 million resulting in a pretax and after-tax gain, of approximately \$146 million, which is classified in *Interest & other income* in the *Consolidated Statement of Income*. This transaction allowed for the utilization of a deferred tax asset that was previously offset by a valuation allowance. Schlumberger also recorded other real estate related pretax charges of approximately \$12 million (\$11 million after-tax), which are classified in *Cost of goods sold & services* in the *Consolidated Statement of Income*.

The following is a summary of the first quarter 2005 Charges & Credits:

(Stated in millions)	Pretax	Tax	Net
Charges & Credits			
- Gain on sale of Montrouge facility	\$ (146)	\$ -	\$(146)
- Other real estate related charges	12	1	11
Net Credits	<u>\$ (134)</u>	<u>\$ 1</u>	<u>\$(135)</u>

Stock-Based Compensation and Other

As discussed in further detail in Note 13 to the Consolidated Financial Statements for the quarter ended March 31, 2006, Schlumberger adopted the provisions of SFAS 123R (*Share-Based Payment*) effective January 1, 2006. The adoption of this standard resulted in Schlumberger recording \$6 million of additional stock-based compensation charges in the first quarter of 2006 and it will result in an additional \$5 million being recognized per quarter throughout the remainder of 2006.

Stock-based compensation expense was \$25.8 million in the first quarter of 2006 compared to \$8.8 million in the first quarter of the prior year. Total stock-based compensation expense for all of fiscal 2005 was \$40 million and it is currently estimated to be \$112 million in 2006.

This increase in stock-based compensation expense primarily reflects the full impact of the adoption of both SFAS 123 (adopted by Schlumberger effective January 1, 2003 on a prospective basis for grants after January 1, 2003- see Note 13) and SFAS 123R, as well as an increase in the fair value of stock-based awards due to the increase in Schlumberger stock price.

As previously disclosed, during 2006 Schlumberger will relocate its United States corporate offices from New York to Texas. Schlumberger will also relocate its United States research center from Ridgefield to Boston in 2006. Schlumberger currently estimates that it will incur approximately \$25 million to \$30 million in incremental expenses in connection with these moves in 2006. To date, Schlumberger has incurred approximately \$5 million in such costs.

CASH FLOW

On April 20, 2006, Schlumberger and Baker Hughes signed an agreement pursuant to which Schlumberger will acquire Baker Hughes' 30% minority interest in WesternGeco for \$2.4 billion in cash. Approximately 50% of the purchase price will be funded from Schlumberger's cash and short-term investments. The remaining 50% will be financed through existing Schlumberger credit facilities.

During the first quarter of 2006, Schlumberger completed the 15 million-share (30 million split-adjusted) buy-back program initiated in July 2004 for a total amount of \$1.2 billion, at an average share price of \$79 (\$39.50 split-adjusted). On April 20, 2006, the Board of Directors of Schlumberger approved a new share buy-back program of up to 40 million shares, on a split adjusted basis, to be acquired in the open market before April 2010, subject to market conditions.

During the first three months of 2006, cash provided by operations was \$565 million as net income, depreciation/amortization and deferred income taxes were only partially offset by increases in customer receivables and a decrease in accounts payable and accrued liabilities, which included a US pension funding contribution of \$200 million. Cash used by investing activities was \$428 million was due mainly to investments in fixed assets (\$467 million). Cash used by financing activities was \$175 million as the payment of dividends to shareholders (\$124 million) and stock repurchase plan (\$254 million) were only partially offset by the proceeds from employee stock plans (\$156 million).

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Part 1, Item II

Net Debt is 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, and that the level of net debt provides useful information as to the results of Schlumberger deleveraging efforts. Details of the Net Debt follows:

(Stated in millions)

	Mar. 31 2006	Mar. 31 2005
Net Debt, beginning of period	\$ (532)	\$ (1,459)
Income from continuing operations	723	524
Excess of equity income over dividends received	(31)	(24)
Charges and credits, net of tax	-	(134)
Depreciation and amortization ¹	355	328
Increase in working capital	(421)	(370)
US pension plan contributions	(200)	-
Capital expenditures ¹	(499)	(331)
Proceeds from employee stock plans	164	52
Stock repurchase program	(254)	(73)
Dividends paid	(124)	(110)
Proceeds from business divestitures	-	25
Proceeds from the sale of the Montrouge facility	-	230
Business acquisitions and related payments	(66)	-
Translation effect on net debt	(7)	28
Other	90	14
Net Debt, end of period	\$ (802)	\$ (1,300)

1. Includes Multiclient seismic data costs.

(Stated in millions)

	Mar. 31 2006	Mar. 31 2005	Dec. 31 2005
Components of Net Debt			
Cash and short term investments	\$ 3,234	\$ 3,040	\$ 3,496
Fixed income investments, held to maturity	401	228	360
Bank loans and current portion of long-term debt	(802)	(622)	(797)
Long-term debt	(3,635)	(3,946)	(3,591)
	\$ (802)	\$ (1,300)	\$ (532)

FORWARD-LOOKING STATEMENTS

This report and other statements we make contain forward looking statements, which include any statements that are not historical facts, such as our expectations regarding business outlook; growth for Schlumberger as a whole and for each of Oilfield Services and WesternGeco; oil and natural gas demand and production growth; operating and capital expenditures by Schlumberger and the oil and gas industry; the business strategies of Schlumberger and its customers; the adoption of SFAS 123R and stock-based compensation expense; the funding of the WesternGeco transaction; the stock buy-back program; and future results of operations. These statements involve risks and uncertainties, including, but not limited to, the global economy; 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 and business conditions in key regions of the world; political and economic uncertainty and socio-political unrest; and other factors detailed in our most recent Form 10-K, this Form 10-Q and other filings with the Securities and Exchange Commission. If one or more of these risks or uncertainties materialize (or the consequences of such a development changes), or should underlying assumptions prove incorrect, actual outcomes may vary materially from those forecasted or expected. 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 Disclosures About Market Risk,” of our Annual Report on Form 10-K for the year ended December 31, 2005. Schlumberger exposure to market risk has not changed materially since December 31, 2005.

Item 4: Controls and Procedures

As of the end of the period covered by this Report, an evaluation was carried out under the supervision and with the participation of Schlumberger management, including the Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), of the effectiveness of the design and operation of Schlumberger’s disclosure controls and procedures pursuant to Rule 13a-15 of the Securities Exchange Act of 1934 (the “Exchange Act”). Based on that evaluation, the CEO and CFO have concluded that Schlumberger disclosure controls and procedures were effective as of March 31, 2006 to ensure that information required to be disclosed by Schlumberger in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms and that information required to be disclosed is accumulated and communicated to management, including the CEO and CFO, to allow timely decisions regarding required disclosure. There has been no change in Schlumberger’s internal controls over financial reporting that occurred during the quarter ended March 31, 2006 that has materially affected, or is reasonably likely to materially affect, Schlumberger’s internal controls over financial reporting.

*Mark of Schlumberger

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Part II, Item 1, 1A, 2, 3

PART II. OTHER INFORMATION

Item 1: Legal Proceedings

The information with respect to Item 1 is set forth under the heading *Contingencies* on page 13 of this Report, within the *Notes to Consolidated Financial Statements*.

Item 1A: Risk Factors

There have been no material changes from the risk factors disclosed in the “Risk Factors” section of the Company’s Annual Report on Form 10-K for the year ended December 31, 2005.

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

Unregistered Sales of Equity Securities

None

Share Repurchases

On July 22, 2004, the Board of Directors of Schlumberger approved a share buyback program of up to 15 million (30 million split-adjusted) shares to be acquired in the open market before December 2006, subject to market conditions. This program was completed during the first quarter of 2006.

The following table sets forth information on Schlumberger’s common stock repurchase program activity for the quarter ended March 31, 2006. As the transactions presented below were all consummated before Schlumberger’s April 7, 2006 stock-split was effective, all amounts below are presented on a pre-split basis.

(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 number of shares that may yet be purchased under the program
January 1 through January 31, 2006	300.0	\$ 97.95	300.0	1,914.4
February 1 through February 28, 2006	1,302.8	\$ 117.34	1,302.8	611.6
March 1 through March 31, 2006	611.6	\$ 117.79	611.6	—
	<u>2,214.4</u>	<u>\$ 114.84</u>	<u>2,214.4</u>	

On April 20, 2006, the Board of Directors of Schlumberger approved a share buy-back program of up to 40 million shares (split-adjusted) to be acquired in the open market before April 2010, subject to market conditions.

In connection with the exercise of stock options under Schlumberger 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 implicating the disclosure required under this Item. The number of shares of Schlumberger common stock received from optionholders is immaterial.

Item 3: Defaults Upon Senior Securities

None.

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

- a) The 2006 Annual General Meeting of Stockholders of Schlumberger (the “Meeting”) was held on April 12, 2006.
- b) At the Meeting, the number of Directors was fixed at 12 and the following 12 individuals were elected to comprise the entire Board of Directors of the Schlumberger, each to hold office until the next Annual General Meeting of Stockholders and until a director’s successor is elected and qualified or until a director’s death, resignation or removal. All of the nominees were directors who were previously elected by the stockholders.

John Deutch
Jamie S. Gorelick
Andrew Gould
Tony Isaac
Adrian Lajous
André Lévy-Lang
Michael E. Marks
Didier Primat
Tore I. Sandvold
Nicolas Seydoux
Linda Gillespie Stuntz
Rana Talwar

- c) At the Meeting, the stockholders of Schlumberger also voted (i) to adopt and approve Schlumberger’s Consolidated Balance Sheet as at December 31, 2005, its Consolidated Statement of Income for the year ended December 31, 2005, and the declaration of dividends reflected in Schlumberger’s 2005 Annual Report to Stockholders; (ii) to approve an amendment to Schlumberger’s Articles of Incorporation to increase authorized common share capital; (iii) to approve the amendment and restatement of the Schlumberger 2005 Stock Option Plan to authorize limited grants of restricted stock and restricted stock units; and (iv) to approve the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm to audit the accounts of Schlumberger for the year 2006.

The votes cast (on a pre-split basis) were as follows:

Directors

	For	Withheld
John Deutch	502,578,156	5,667,210
Jamie S. Gorelick	503,898,978	4,346,388
Andrew Gould	500,180,741	8,064,625
Tony Isaac	504,026,825	4,218,541
Adrian Lajous	504,021,162	4,224,204
André Lévy-Lang	502,675,604	5,569,762
Michael E. Marks	502,660,910	5,584,456
Didier Primat	503,853,189	4,392,177
Tore I. Sandvold	502,871,604	5,373,762
Nicolas Seydoux	502,201,932	6,043,434
Linda G. Stuntz	503,875,557	4,369,809
Rana Talwar	502,842,120	5,403,246

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Part II, Item 4, 5, 6

Financials:	For	Against	Abstain
	492,573,449	1,420,039	14,251,878
Amendment to the Articles of Incorporation:	For	Against	Abstain
	499,969,442	4,662,122	3,613,802
Amendment to the Schlumberger 2005 Stock Option Plan:	For	Against	Abstain
	428,959,547	13,034,148	3,681,489
Appointment of PricewaterhouseCoopers LLP:	For	Against	Abstain
	503,079,430	2,041,039	3,124,897

Item 5: Other Information

None.

Item 6: Exhibits

Exhibit 3.1 Articles of Incorporation of Schlumberger Limited (Schlumberger N.V.) as last amended on April 12, 2006

Exhibit 3.2 Amended and Restated Bylaws of Schlumberger Limited (Schlumberger N.V.) (incorporated by reference to Exhibit 3.1 to Schlumberger's Current Report on Form 8-K filed on April 22, 2005).

Exhibit 10.1 Schlumberger 2005 Stock Incentive Plan (incorporated by reference to Appendix 1 to Schlumberger's definitive proxy statement for the 2006 Annual General Meeting of Stockholders held on April 12, 2006).

Exhibit 31.1 Certification of Chief Executive Officer pursuant to Form of Rule 13a-14(a) as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

Exhibit 31.2 Certification of Chief Financial Officer pursuant to Form of Rule 13a-14(a) 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 Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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.

Date: April 26, 2006

SCHLUMBERGER LIMITED
(REGISTRANT)

/s/ HOWARD GUILD

Howard Guild
Chief Accounting Officer and
Duly Authorized Signatory

ARTICLES OF INCORPORATION OF THE CORPORATION WITH LIMITED LIABILITY

SCHLUMBERGER N.V.

NAME AND DOMICILE

ARTICLE 1

- 1.1. The name of the Company is: SCHLUMBERGER N.V.
- 1.2. Abroad and in transactions with foreign entities, persons or organizations, the name SCHLUMBERGER LIMITED may be used.
- 1.3. The Company is incorporated in the Netherlands Antilles and has its corporate seat in Curaçao.
- 1.4. The Board of Directors has the authority to move the corporate seat of the Company to, or to convert the Company into a legal entity under the laws of, another jurisdiction, as, when, and in the manner permitted by the laws of the Netherlands Antilles. In particular, the Company may change its place of domicile in accordance with the Netherlands Antilles Ordinance on Transfer of Domicile to Third Countries pursuant to a resolution of the Board of Directors.

OBJECTS

ARTICLE 2

- 2.1. The objects of the Company are:
 - (a) to design, develop, produce and supply technology, services, products and systems and to, throughout the world, engage in any business or activity related thereto;
 - (b) to enter into and carry on any mercantile business in any country and to receive by assignment or purchase or to otherwise acquire any accounts receivable, bank accounts, securities, bills of exchange, notes, bonds, letters of credit, stocks or other instruments of value or documents of title in any country and to collect and hold the proceeds thereof;
 - (c) to invest its assets in securities, including shares and other certificates of participation and bonds, debentures or notes, as well as other claims for interest bearing or non-interest bearing debts, however denominated, and in certificates, receipts, options, warrants or other instruments representing rights to receive, purchase or subscribe for securities or evidencing or representing any other rights or interest therein in any and all forms, as well as derivatives and commodities;
 - (d) to borrow money and to issue evidences of indebtedness therefor, as well as to lend money;
 - (e) to undertake, conduct, assist, promote or engage in any scientific, technical or business research and development;
 - (f) to organize and to own, directly or indirectly, and to operate, under the laws of any state or other government, domestic or foreign, corporations and other organizations, companies, undertakings, entities, trusts, other arrangements or persons; to subscribe for any such corporation, organization, company, undertaking, entity, trust, other arrangement or person; and to dissolve, liquidate, wind up, reorganize, merge or consolidate any such corporation, organization, company, undertaking, entity, trust, other arrangement or person;
 - (g) to obtain income from the disposition or grant of rights to use copyrights, patents, designs, secret processes and formulae, trademarks and other analogous property, from royalties (including rentals) for the use of

- industrial, commercial or scientific equipment, and from compensation or other consideration received for technical assistance or services;
- (h) to establish, participate in and manage limited liability and other corporations, organizations, companies, undertakings, entities, trusts, other arrangements or persons of every kind or nature whatsoever, and to engage in industry and trade;
 - (i) to guarantee or otherwise secure, and to transfer ownership, to mortgage, to pledge or otherwise to encumber assets as security for, and otherwise take action to support, the obligations of the Company and the obligations of other corporations, organizations, companies, undertakings entities, trusts, other arrangements or persons, with or without consideration;
 - (j) to place in trust all or any of its properties, including securities.
- 2.2. The Company is entitled to do all that in any way may be useful or necessary for the attainment of the above objects or that is connected therewith in the widest sense.

DURATION
ARTICLE 3

The Company shall have perpetual existence.

CAPITAL AND SHARES
ARTICLE 4

- 4.1. The nominal capital of the Company (nominal capital being defined in the law and in these Articles of Incorporation as the sum of the par values of all of the issued and outstanding shares in the Company's capital stock at any time) shall not exceed THIRTY-TWO MILLION UNITED STATES DOLLARS (US\$32,000,000), divided into (a) three billion (3,000,000,000) shares of common stock of the par value of One United States Cent (US\$0.01) per share (the "Authorized Common Share Capital") and (b) two hundred million (200,000,000) shares of preferred stock of the par value of One United States Cent (US\$0.01) per share, which may be issued in different series (the "Authorized Preferred Share Capital" and, together with the Authorized Common Share Capital, the "Authorized Capital"). Shares of common stock may be referred to as "common shares" and shares of preferred stock may be referred to as "preferred shares". The common shares and the preferred shares, if any, may sometimes be referred to herein as the "shares". Holders of common shares and preferred shares may sometimes be referred to as the "stockholders".
- 4.2. The actual issue of shares shall be effected by way of written instrument signed by the Company and the acquirer or as otherwise permitted by applicable law. The Company cannot issue shares to itself.
- 4.3. Subject to the provisions of paragraph 1 of this Article, common shares, options to purchase or subscribe for common shares and warrants or rights to subscribe for common shares, shall be issued at such times, under such conditions and for such consideration, not less than the par value per share in the case of the issuance of such share, as may be determined from time to time by the Board of Directors.
- 4.4. With respect to the issuance of shares, options, warrants or rights to purchase or subscribe for shares, the Board of Directors may enter into and conclude agreements without necessity of any action by the general meeting of stockholders:
- a. imposing special obligations upon the Company in connection with the purchase of or subscription for shares;
 - b. concerning the issue of shares on a basis other than that on which participation in the Company is open to the public; or

- c. providing for the payment for shares by means other than by legal tender of the Netherlands Antilles.
- 4.5. Subject to the provisions of paragraphs 1 and 6 of this Article, preferred shares may be issued from time to time in one or more series on such terms and conditions as may be determined by the Board of Directors by the affirmative vote of at least three-fourths of the members of the Board of Directors, after considering the interests of the holders of common shares, for consideration not less than the par value thereof and not less than fair value taking into account the terms and conditions for the issuance thereof and the relative voting, dividend and liquidation rights of such preferred shares.
- 4.6. Prior to the issuance of any series of preferred shares, the Board of Directors shall specify:
- a. the distinctive designation of such series and the number of preferred shares to constitute such series;
 - b. the annual dividend rate with respect to shares of such series, which shall be based on the consideration paid on issuance of such shares and which may be a fixed rate or a rate that fluctuates on dividend adjustment dates set under a formula or procedure determined by the Board of Directors prior to issuance, subject, in all cases, to the following limitations:
 - (1) the annual dividend rate shall not exceed the greater of (A) twenty percent (20%) or (B) one hundred and twenty percent (120%) of the Standard & Poor's Weekly Preferred Stock Yield Index or, in the event the Standard & Poor's Weekly Preferred Stock Yield Index is no longer published, any substantially equivalent preferred stock index, most recently published before the date of issuance or the relevant dividend adjustment date; and
 - (2) the annual dividend rate shall not be less than the smaller of (A) six percent (6%) or (B) eighty percent (80%) of the Standard & Poor's Weekly Preferred Stock Yield Index or, in the event the Standard & Poor's Weekly Preferred Stock Yield Index is no longer published, any substantially equivalent preferred stock index, most recently published before the date of issuance or the relevant dividend adjustment date;
 - c. whether such dividends shall be payable annually or in installments;
 - d. the rights, if any, of the holders of shares of such series to convert shares of such series for shares of any other series of preferred shares or for common shares, provided that shares of any series shall not be convertible into shares of any series senior thereto;
 - e. the rights, if any, of the Company to redeem shares of such series (in which case the directors shall specify the date on or after which the shares of such series may be called for redemption by the Company and the consideration to be paid therefor, or the manner by which such consideration shall be calculated) and the rights, if any, of holders of such shares to require the Company to purchase such shares, and the provisions, if any, of any sinking fund or other arrangement to be used in connection with such redemption or purchase; and
 - f. any other terms and conditions of such series which are not inconsistent with these Articles of Incorporation or Netherlands Antilles law.
- 4.7. Certificates for preferred shares may be issued bearing a legend describing the terms and conditions thereof specified by the Board of Directors.
- 4.8. Preferred shares of all series shall rank prior to the common shares with respect to dividend and liquidation preferences as determined by the Board of Directors at the time of issuance of any series of preferred shares. Any series of preferred shares may be ranked by the Board of Directors as to dividend and liquidation preferences, provided that no series issued after any other series shall rank prior to such other series as to such preferences. Any such series may be ranked *pari passu* with any one or more other series as the Board of Directors may so determine.
- 4.9. Upon liquidation of the Company, the holders of any series of preferred shares shall be entitled to receive, before any distribution is made to the holders of any other series of preferred shares ranking junior to such series as to

liquidation preference, and before any distribution to the holders of common shares, the amount of the liquidation preference of such shares which shall not exceed the sum of:

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

ARTICLE 5

No holder of shares of the Company shall in that capacity have any preferential or preemptive right to purchase or subscribe for any shares or any options, warrants or rights to purchase shares or any securities convertible into or exchangeable for shares which the Company may issue or sell, except those rights of conversion, if any, of preferred shares specified in or determined in accordance with Article 4 and any contract rights granted by the Company.

ARTICLE 6

- 6.1. The Company may, for its own account and for valuable consideration, from time to time acquire fully paid shares of its stock, on such terms and conditions as the Board of Directors may determine, provided that at least one (1) common share remains outstanding with others than the Company and provided further that to the extent required by applicable law (x) the equity (as referred to in article 2:114.2 in conjunction with articles 2:118.7 and 2:118.5 of the Netherlands Antilles Civil Code (“NACC”)) of the Company at the time of acquisition at least equals the nominal capital and (y) as a result of the acquisition, the equity will not fall below the nominal capital. The authority to make any such acquisition is vested in the Board of Directors.
- 6.2. Any shares so acquired may be canceled by the Board of Directors without the prior approval of the general meeting of stockholders.
- 6.3. The Company shall not acquire any voting rights by reason of ownership of shares of its stock and, in connection with any general meeting of stockholders, shares owned by the Company shall not be counted as outstanding, or as present or represented, for the purpose of determining a quorum or for any other purpose, other than determining the nominal capital.
- 6.4. Shares of its stock owned by the Company may be sold at such times, under such conditions and for such consideration as may be determined from time to time by the Board of Directors.

ARTICLE 7

- 7.1. The shares shall be in registered form.
- 7.2. Share certificates for common shares may be issued at the request of the stockholder.
- 7.3. The shares shall be entered into a register, which, provided a printed record can be produced therefrom, may be in computerized form (the “Register”) which is kept by the Board of Directors or by a registrar designated thereto by the Board of Directors (the “Registrar”). Each entry shall mention the name of the stockholder, his address, the number of shares held and the numbers of the share certificates, if any, representing such shares and such other information required to be included under Article 2:109 NACC or other applicable law. The Register shall not be open for inspection by third parties or stockholders with respect to shares other than those registered in their name, except with respect to shares that have not been paid in full and except further, with respect to the Registrar, if said Registrar has been requested, or if demand of said Registrar has been made, to disclose any piece of information in the Register and failure to disclose such information would lead to liability of the Registrar. Each stockholder is under the obligation to provide his address to the Company in writing.
- 7.4. Every transfer and devolution of a share shall be entered in the Register and every such entry shall be signed or otherwise acknowledged by or on behalf of the Board of Directors or by the Registrar.

- 7.5. The transfer of shares shall be effected by way of a written instrument of transfer (“deed of transfer”) signed by the transferor and the transferee and either serving that deed of transfer upon the Company or by written acknowledgment of the transfer by the Company. Acknowledgement occurs by means of a signed annotation on the deed of transfer or a written statement from the Company addressed to the transferee for which purpose a (new) share certificate may serve. If it concerns shares on which an amount still has to be paid up, acknowledgement can only occur on a deed of transfer that has a formally fixed date as required by applicable law (Article 2:110.2 NACC). The transfer of shares listed on a stock exchange may also be effected in accordance with the trading system applied by such exchange.
- 7.6. Shares may be pledged by the holder thereof and a usufruct on shares can be granted, provided that, regardless of the terms of such pledge or usufruct, the Company will not be under the obligation to honor voting rights or rights of distribution of the usufructee or pledgee and provided further that the Company for the purposes of recognizing ownership, the right to vote, the right to receive dividends or other distributions and notices or for any other matter relating to a “stockholder” as set out in these Articles of Incorporation, shall only recognize the registered owner of the shares.
- 7.7. The provisions of the preceding paragraphs shall also apply in the event of a division of joint ownership.
- 7.8. If any stockholder shall establish to the satisfaction of the Board of Directors or the Registrar that his share certificate has been lost or destroyed, then, at his request, a duplicate may be issued under such conditions and guarantees (which, if required by the Registrar or the Board of Directors, may include the provision of an indemnity bond issued by an insurance company or other type of financial institution or entity) as the Board of Directors or the Registrar shall determine. By the issuance of the new share certificates on which shall be recorded that it is a duplicate, the old certificate in place of which the new one has been issued shall become null and void. The Board of Directors or the Registrar may authorize the exchange of new share certificates for mutilated share certificates. In such case the mutilated share certificates shall be delivered to the Company and shall be canceled immediately. The cost of a duplicate or new certificate and any proper expenses incurred by the Company in connection with the issuance thereof may, at the option of the Board of Directors or the Registrar, be charged to the stockholder.

MANAGEMENT
ARTICLE 8

- 8.1. The management of all the affairs, property and business of the Company shall be vested in a Board of Directors, who shall have and may exercise all powers except such as are exclusively conferred upon the stockholders by law or by these Articles of Incorporation.
- 8.2. The Board of Directors may adopt and amend By-laws setting forth the functions and authority of each of the directors, the division of tasks, the designation and authority of one or more committees of the Board of Directors and the way of taking action. Irrespective of the foregoing, the Board of Directors can also limit the management authority of one or more directors. Individual directors shall exercise their powers in accordance with any applicable resolutions of the Board of Directors.
- 8.3. The directors shall be elected at a general meeting of stockholders by a majority of votes cast, in person or by proxy, by the stockholders entitled to vote. The Board of Directors shall be authorized to appoint directors to fill any vacancies on the Board of Directors, any such appointment to be effective until the next general meeting of stockholders. The number of persons constituting the whole Board of Directors shall be not less than five (5) nor more than twenty-four (24), as fixed and elected by the general meeting of stockholders. The number of persons constituting the whole Board of Directors shall, until changed at any succeeding general meeting of stockholders, be the number so fixed and elected. Directors may be suspended or dismissed at any general meeting of stockholders. A suspension as referred to in this Article automatically terminates if the person concerned has not been dismissed within two (2) months after the day of suspension. At any general meeting of stockholders at which action is taken to increase the number of the whole Board of Directors or to suspend or dismiss a director, or at any subsequent general meeting, the stockholders may fill any vacancy or vacancies created by such action.

- 8.4. Each director shall be elected to serve until the next annual general meeting of stockholders and until his successor shall be elected and qualify, or until his death, resignation or removal.
- 8.5. Directors need not be Netherlands Antilles citizens or residents of the Netherlands Antilles or stockholders of the Company.
- 8.6. In the event that one or more of the directors is prevented from or is incapable of acting as a director, the remaining directors (or the remaining director, if there should be only one) may appoint one or more persons to fill the vacancy or vacancies thereby created on the Board of Directors until the next general meeting of stockholders, provided that if at any time the number of directors then in office shall be reduced to less than a majority of the number constituting the whole Board of Directors, the remaining directors or director shall forthwith call a general meeting of stockholders for the purpose of filling the vacancies on the Board of Directors, and provided further that in the event that all of the directors are prevented from or are incapable of acting as directors, the Company shall be temporarily managed by any person or persons previously appointed by the Board of Directors so to act, who shall forthwith call a general meeting of stockholders for the purpose of electing a Board of Directors. Until such general meeting of stockholders is held the person so designated shall only take such acts of management that can not suffer any delay. If no such general meeting of stockholders shall be called, and if no such person shall have been appointed, any person or persons holding in the aggregate at least five percent (5%) of the outstanding shares of common stock of the Company may call a general meeting of stockholders for the purpose of electing a Board of Directors.
- 8.7. A majority of the whole Board of Directors shall constitute a quorum for the conduct of any business and the action of the majority of the directors present in person or by proxy as hereinafter provided, at a meeting at which a quorum is so present, shall constitute the action of the Board of Directors.
- 8.8. Meetings of the Board of Directors may be held in or outside the Netherlands Antilles.
- 8.9. Meetings may be held through telephone conference, video conference or other real time communication allowing all persons participating in the meeting to hear each other or through any other device permitted by then applicable law, and participation in a meeting through any such lawful device or arrangement shall constitute presence at such meeting.
- 8.10. Directors may in writing, by telegram, telefax, electronic mail or other communication device appoint a proxy to act at any meeting of the Board of Directors, such proxy to be restricted, however, to the particular meeting specified therein. Such proxy must be another director of the Company, provided, however, that at any meeting of the Board of Directors a director may not act as proxy for more than one director.
- 8.11. When action by the Board of Directors is required or permitted to be taken, action at a meeting may be dispensed with if all commercially reasonable efforts have been taken to notify all the directors and if three-fourths of the directors shall consent in writing, by telegram, telefax, electronic mail or other communication device to such action taken or being taken, and provided further that all directors are promptly notified of such action being taken or having been taken.

ARTICLE 9

- 9.1. The Board of Directors shall at least annually elect or appoint the following officers: a Chairman, a Chief Executive Officer, a Secretary and a Treasurer, each to serve until his successor is elected and qualified or until his earlier death, resignation or removal. The Board of Directors from time to time also may elect or appoint a Chief Financial Officer, a President, a Vice Chairman of the Board of Directors, one or more Executive Vice Presidents, one or more Vice Presidents (who may have such additional descriptive designations as the Board of Directors may determine), and any such other officers and agents as it determines proper, all of whom shall hold office at the pleasure of the Board of Directors. The same person may hold any two or more of the aforesaid offices but no officer shall execute, acknowledge or verify an instrument in more than one capacity if such instrument is required by law or by these Articles of Incorporation to be executed, acknowledged or verified by two or more officers. The Chairman and the Vice Chairman, if any, shall be chosen from among the Board of Directors, but the other officers of the Company need not be members of the Board of Directors.

- 9.2. The Company shall be represented at law and otherwise, and shall be bound with respect to third parties, by the Board of Directors and by:
- (a) any of those directors authorized by the Board of Directors to represent the Company, acting alone, who shall have the following titles and occupy the following offices:
 - (i) Chairman; or
 - (ii) Vice-Chairman;
 - (b) any of the persons, who may, but are not required to, be directors, authorized by the Board of Directors to represent the Company, acting alone, who shall have the following titles and occupy the following offices:
 - (i) Chief Executive Officer;
 - (ii) President;
 - (iii) Chief Financial Officer;
 - (iv) one or more Executive Vice Presidents;
 - (v) one or more Vice Presidents;
 - (vi) Chief Operating Officer;
 - (vii) Controller;
 - (viii) Treasurer; or
 - (ix) Secretary.
- 9.3. The Board of Directors may also from time to time authorize other persons, who may or may not be directors or officers, to represent the Company, who shall have such titles and occupy such additional offices as the Board of Directors may determine.
- 9.4. The general meeting of stockholders may grant specific authority to the Chief Executive Officer, the President or any member of the Board of Directors to represent the Company with respect to any particular matter as specified by such general meeting of stockholders.
- 9.5. The persons holding the above-mentioned offices or any other offices which the Board of Directors may from time to time authorize as herein provided shall, respectively, have such power and authority as the Board of Directors may from time to time grant to the holders of the offices held by them.
- 9.6. The Board of Directors may grant general or specific authority to additional agents or to committees, giving such agents or committees such general or limited powers or duties as it may deem appropriate.
- 9.7. In the event of a conflict of interest between the Company and one or more directors, the Company shall be represented as determined from time to time by the Board of Directors.
- 9.8. The Board of Directors may adopt and may amend and repeal such rules, regulations and resolutions, including By-laws, as it may deem appropriate for the conduct of the affairs and the management of the Company, including rules, regulations and resolutions setting forth the specific powers and duties of the holders of the above-mentioned offices and other persons authorized by the Board of Directors to represent the Company. Such rules and regulations and resolutions must be consistent with these Articles of Incorporation.
- 9.9. The directors, the holders of the above-mentioned offices and other persons authorized by the Board of Directors to represent the Company shall receive such compensation as the Board of Directors may from time to time prescribe.

ARTICLE 10

- 10.1. The Company shall have the power, to the extent not prohibited by applicable law, to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Company) by reason of the fact that such person is or was a director, officer, employee or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise or entity, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe that such person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Company, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such person's conduct was unlawful. The Company shall indemnify any present or former officer or director of the Company to the fullest extent allowed by the preceding provisions of this paragraph 1 of this Article in the event of a "Change of Control". "Change of Control" means a change in control of the Company which shall be deemed to have occurred if at any time (i) any entity, person or organization is or becomes the legal or beneficial owner, directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company's then outstanding shares without the prior approval of at least two-thirds of the members of the Board of Directors in office immediately prior to such entity, person or organization attaining such percentage interest; (ii) the Company is a party to a merger, consolidation, share exchange, sale of assets or other reorganization, or a proxy contest, as a consequence of which members of the Board of Directors in office immediately prior to such transaction or event constitute less than a majority of the Board of Directors thereafter; or (iii) during any 15-month period, individuals who at the beginning of such period constituted the Board of Directors (including for this purpose any new director whose election or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of such period) cease for any reason to constitute at least a majority of the Board of Directors.
- 10.2. The Company shall have the power, to the extent not prohibited by applicable law, to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Company to procure a judgment in its favor by reason of the fact that such person is or was a director, officer, employee or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise or entity against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Company and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been finally adjudged to be liable to the Company for improper conduct unless and only to the extent that the court in which such action or suit was brought or any other court having appropriate jurisdiction shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses, judgments, fines and amounts paid in settlement which the court in which the action or suit was brought or such other court having appropriate jurisdiction shall deem proper. The Company shall indemnify any present or former officer or director of the Company to the fullest extent allowed by the preceding provisions of this paragraph 2 of this Article in the event of a Change of Control, as defined in paragraph 1 of this Article.
- 10.3. To the extent that a present or former director or officer of the Company has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in paragraphs 1 and 2 of this Article, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

- 10.4. Any indemnification under paragraphs 1 and 2 of this Article (unless ordered by a court) shall be made by the Company only as authorized by contract approved, or by-laws, resolution or other action adopted or taken, by the Board of Directors or by the stockholders or as required by the last sentences of paragraphs 1 prior to the definition of Change of Control and 2 of this Article.
- 10.5. Expenses (including attorneys' fees) incurred by a present or former director or a present officer in defending any civil or criminal, administrative or investigative action, suit or proceeding shall be paid by the Company in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such person to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Company as authorized by this Article. Such expenses (including attorneys' fees) incurred by former officers or other employees and agents may be so paid upon such terms and conditions, if any, as the Company deems appropriate.
- 10.6. The indemnification and advancement of expenses provided by or granted pursuant to the other paragraphs of this Article shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any law, by-law, agreement, vote of stockholders or disinterested directors, or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office, and shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.
- 10.7. The Company shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise or entity against any liability asserted against such person and incurred by such person in any such capacity, or arising out of his status as such, whether or not the Company would have the power to indemnify such person against such liability under the provisions of this Article.
- 10.8. For purposes of this Article, reference to the Company shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise or entity, shall stand in the same position under the provisions of this Article with respect to the resulting or surviving corporation as such person would have had with respect to such constituent corporation if its separate existence had continued.
- 10.9. For purposes of this Article, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to any employee benefit plan; and references to "serving at the request of the Company" shall include any service as a director, officer, employee or agent of the Company which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Company" as referred to in this Article.

MEETINGS OF STOCKHOLDERS
ARTICLE 11

- 11.1. All general meetings of stockholders shall be held in Curaçao or anywhere else in the Netherlands Antilles.
- 11.2. The annual general meeting of stockholders shall be held within the maximum period allowed under applicable law, on a date determined from year to year by the Board of Directors, for the purpose of electing directors, reporting on the course of business during the preceding fiscal year, approving of the balance sheet and the profit and loss account for the preceding fiscal year and for any other purposes required by law, and for such additional purposes as may be specified in the notice of such meeting.

- 11.3. Special general meetings of stockholders may be called at any time upon the direction of the Chairman, the Vice Chairman, the Chief Executive Officer, the President or the Board of Directors or by one or more stockholders representing at least ten percent (10%) of the votes that can be cast on the topics they wish to be addressed at such meeting and that have a reasonable interest in having such a meeting convened, in accordance with Article 2:129 NACC, or by one or more holders of shares representing in the aggregate a majority of the shares then outstanding, or as provided for in Article 8.6.
- 11.4. Notice of meetings of stockholders, whether annual general meetings or special general meetings, stating the time and place of the meeting, shall be given to the stockholders not less than twenty (20) or more than sixty (60) days prior to the date of the meeting in question by notice to each stockholder at the address thereof appearing in the Register.
- 11.5. All notices of general meetings of stockholders shall state the matters to be considered at the meeting.
- 11.6. Without limiting the manner by which notice otherwise may be given effectively to stockholders or directors, any notice given by the Company shall be effective if given by a form of electronic transmission consented to by the person to whom the notice is given. Any such consent shall be revocable by written notice received by the Company.
- 11.7. Notice given pursuant to paragraph 6 of this Article shall be deemed given: (1) if by facsimile telecommunication, when directed to a number at which the recipient has consented to receive notice; (2) if by electronic mail, when directed to an electronic mail address at which the recipient has consented to receive notice; (3) if by a posting on an electronic network together with separate notice to the recipient of such specific posting, upon the later of (A) such posting and (B) the giving of such separate notice; and (4) if by any other form of electronic transmission, when directed to the recipient. An affidavit that the notice has been given by a form of electronic transmission shall, in the absence of fraud or bad faith, be prima facie evidence of the facts stated therein.
- 11.8. For purposes of these Articles of Incorporation, "electronic transmission" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved, and reviewed by a recipient thereof.

ARTICLE 12

- 12.1. Every stockholder has the right to attend any general meeting in person or by proxy, which proxy to the extent permitted by applicable law may be given by electronic transmission, and to address the meeting. Records and other data carriers used in relation to attendance of and voting at general meetings shall be kept during a period of ten (10) years or for the period required by applicable law.
- 12.2. Each holder of common shares and each holder of preferred shares shall be entitled to one vote for each common share or preferred share held.
- 12.3. For the purpose of determining stockholders entitled to notice of and to vote at any general meeting of stockholders, or entitled to receive payment of any dividend, or other distribution or allotment of any rights, or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of shares, or in order to make a determination of stockholders for any other proper purpose, the Board of Directors of the Company may provide that the stock transfer books shall be closed for a stated period or that a record date be fixed. If the stock transfer books shall be closed for the purpose of determining stockholders entitled to notice of or to vote at a general meeting of stockholders, such books shall be closed for at least ten (10) days but not to exceed, in any case, sixty (60) days immediately preceding such meeting. In lieu of closing the stock transfer books, the Board of Directors may fix in advance a date as the record date for any such determination of stockholders, such date in any case to be not more than sixty (60) days and, in case of a general meeting of stockholders, not less than ten (10) days prior to the date on which the particular action requiring such determination of stockholders is to be taken. If the stock transfer books are not closed and no record date is fixed for the determination of stockholders entitled to notice of or to vote at a general meeting of stockholders, or

stockholders entitled to receive payment of a dividend or other distribution or allotment, the date on which notice of the meeting is mailed or the date on which the resolution of the Board of Directors declaring such dividend or other distribution or allotment is adopted, as the case may be, shall be the record date for such determination of stockholders. When a determination of stockholders has been made as herein provided, such determination shall apply to any adjournment thereof except where the determination has been made through the closing of stock transfer books and the stated period of closing has expired.

ARTICLE 13

- 13.1. Except as otherwise provided herein, no action may be taken at any general meeting of stockholders unless a quorum consisting of the holders of at least one-half of the outstanding shares entitling the holders thereof to vote at such meeting are present at such meeting in person or by proxy.
- 13.2. If a quorum is not present in person or by proxy at any general meeting of stockholders, a second general meeting shall be called in the same manner as such original meeting of stockholders, to be held within two (2) months, at which second meeting, regardless of the number of shares represented (but subject to the provisions of Articles 18, 19 and 21), valid resolutions may be adopted with respect to any matter stated in the notice of the original meeting and also in the notice of such second meeting or which by law is required to be brought before the stockholders despite the absence of a quorum.
- 13.3. Subject to the provisions of Articles 18, 19 and 21, the vote in favor by a majority of the votes cast (excluding any abstentions) shall be necessary to adopt any resolution at any general meeting of stockholders.
- 13.4. The Board of Directors from time to time shall appoint a person to preside at general meetings of stockholders.
- 13.5. At any general meeting of stockholders, a stockholder may vote upon all matters before the meeting, even if the decision to be taken would grant him, in a capacity other than as a stockholder, any right against the Company or would in such other capacity relieve him of any obligation to the Company.
- 13.6. Shares belonging to a legal entity, if a majority of the shares entitled to vote in the election of directors of such entity are held, directly or indirectly, by the Company, shall neither be entitled to vote nor be counted for quorum purposes, except in the event that such shares are held by such legal entity in a fiduciary capacity for others than for the Company itself.

SEPARATE MEETINGS

ARTICLE 14

- 14.1. Separate meetings of holders of each series of preferred shares (each a "Series Meeting") can be held and may be convened by any two or more members of the Board of Directors.
- 14.2. Notice of a Series Meeting shall be given not less than ten (10) days prior to the date of the Series Meeting to the address of each holder of preferred shares of the relevant series appearing in the Register.
- 14.3. The notice shall contain the agenda of the Series Meeting or shall mention that it is deposited for inspection by the holder of the relevant shares at the offices of the Company.
- 14.4. The Series Meetings do not have to be held in the Netherlands Antilles but may be held in conjunction with any general meeting of stockholders.
- 14.5. To a Series Meeting all the provisions of these Articles of Incorporation and the laws of the Netherlands Antilles as to General Meetings of Stockholders shall, mutatis mutandis, apply, if not otherwise provided in this Article.

FISCAL YEAR

ARTICLE 15

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

BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

ARTICLE 16

- 16.1. Within the period allowed under applicable law the Board of Directors shall prepare the annual accounts and the annual report with respect to the preceding fiscal year. Subsequently, the annual accounts together with the auditors' report shall be submitted to the stockholders for inspection and approval at the annual general meeting of stockholders in accordance with paragraph 2 of Article 11, together with the annual report. From the date at which the notice of the annual general meeting of stockholders is sent until the close of the annual general meeting of stockholders, the annual accounts together with the auditors' report and the annual report shall be available for inspection by the stockholders at the office of the Company, and at any additional place, if specified in the notice of such meeting.
- 16.2. The Board of Directors, with due observance of dividend entitlements of the holders of preferred shares, is authorized to allocate such part of the profits to the retained earning reserves as it deems fit.

DISTRIBUTION OF PROFITS

ARTICLE 17

- 17.1. Dividends on the shares of the Company may be declared either in cash, property (including securities) or in shares of the Company, out of the profits of the preceding fiscal year or years then available for distribution. To the extent that profits of any fiscal year which are available for distribution shall not be distributed, they shall be carried forward and, unless extinguished as the result of subsequent operations or otherwise applied by the Board of Directors, shall be available for distribution in any subsequent year or years.
- 17.2. The Board of Directors has the authority to declare and make distributions out of retained earnings reserves or out of the contributed surplus capital reserves either in cash, property (including securities) or in shares of the Company without the prior approval of the general meeting of stockholders.
- 17.3. If dividends are to be distributed, the holders of preferred shares shall have preference as to such dividends in accordance with the preferences of such shares as determined at the issuance thereof.
- 17.4. The Board of Directors may resolve at any time to distribute one or more interim dividends as an advance payment of the dividend expected to be determined by the stockholders at the annual general meeting.
- 17.5. Any distribution as provided for in the preceding paragraphs can only occur if, at the moment of distribution, the equity of the Company at least equals the nominal capital and as a result of the distribution will not fall below the nominal capital.

DISPOSITION OF THE COMPANY'S ASSETS

ARTICLE 18

Notwithstanding any provision of Article 13, any sale or other disposition of all or substantially all of the assets of the Company, whether for cash, property, stock or other securities of another company, or for any other consideration, shall be made only pursuant to a resolution duly adopted at a general meeting of stockholders by the holder or holders of at least the majority of the shares of the Company at the time outstanding and entitled to vote, the notice of which meeting shall have specified the terms of such proposed sale or other disposition; provided, however, the foregoing shall not apply to any reorganization or rearrangement of the Company, or of any of its subsidiaries or of any of its assets in any transaction whereby there shall be no diminution of the beneficial interest of the stockholders of the Company in such assets.

LIQUIDATION

ARTICLE 19

Notwithstanding any provision of Article 13, any resolution providing for the dissolution, liquidation or winding up of the Company shall be valid only if duly adopted at a general meeting of stockholders by the

holder or holders of at least a majority of the shares at the time outstanding and entitled to vote, the notice of which meeting shall have specified the nature of any such resolution to be voted upon at such meeting.

BUY OUT
ARTICLE 20

Any one person, or any two or more legal entities belonging to the same group, holding shares representing at least ninety percent (90%) of the equity of the Company can require the remaining stockholders to transfer their shares as provided by and in accordance with the provisions of Article 2:250 NACC.

AMENDMENTS
ARTICLE 21

- 21.1. Notwithstanding any provision of Article 13, these Articles of Incorporation may be amended only pursuant to a resolution duly adopted at a general meeting of stockholders by the holder or holders of at least the majority of the shares of the Company at the time outstanding and entitled to vote, the notice of which meeting shall have set forth the exact text of the proposed amendment or amendments or shall have stated that a copy of such text has been deposited at the office of the Company in Curaçao for inspection by the stockholders of the Company, and shall remain available for inspection until the conclusion of said meeting.
- 21.2. Any amendment to these Articles of Incorporation that would increase or decrease the authorized number of preferred shares or par value thereof, or the number of shares of any series thereof, or that would alter or change the powers, preferences or any special rights of the preferred shares, or of any series thereof, so as to affect them adversely, shall require the approval of the holders of a majority of all preferred shares, or of the preferred shares of the series adversely affected (voting together as a single class), as the case may be.

OFFICIAL LANGUAGE
ARTICLE 22

The official language of these Articles of Incorporation shall be the English language.

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Andrew Gould, 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: April 26, 2006

/s/ Andrew Gould

Andrew Gould
Chairman and Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Jean-Marc Perraud, 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: April 26, 2006

/s/ Jean-Marc Perraud

Jean-Marc Perraud
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 of Schlumberger N.V. (Schlumberger Limited) (the "Company") on Form 10-Q for the quarterly period ended March 31, 2006 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Andrew Gould, Chairman and 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; 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: April 26, 2006

/s/ Andrew Gould

Andrew Gould
Chairman and 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 of 1934, as amended.

**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 of Schlumberger N.V. (Schlumberger Limited) (the "Company") on Form 10-Q for the quarterly period ended March 31, 2006 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jean-Marc Perraud, 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; 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: April 26, 2006

/s/ Jean-Marc Perraud

Jean-Marc Perraud
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 of 1934, as amended.