SCHLUMBERGER LTD /NV/
Form 10-K
February 05, 2010
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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

(Mark One)

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

For the fiscal year ended December 31, 2009

OR

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

For the transition period from ______ to ______

Commission File Number 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.)**
42, rue Saint-Dominique **Paris, France**	**75007**
5599 San Felipe, 17th Floor	**77056**

Houston, Texas, United States of America
Parkstraat 83, The Hague,

The Netherlands **2514 JG**
(Addresses of principal executive offices) **(Zip Codes)**

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

(713) 513-2000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value $0.01 per share	New York Stock Exchange
	Euronext Paris
	The London Stock Exchange
	SIX Swiss Exchange Ltd.

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES x NO ¨

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. YES ¨ NO x

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

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ¨

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

Large accelerated filer x Accelerated filer ¨ Non-accelerated filer ¨ Smaller reporting company ¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). YES ¨ NO x

As of June 30, 2009, the aggregate market value of the common stock of the registrant held by non-affiliates of the registrant was approximately $64.7 billion.

As of January 31, 2010, the number of shares of common stock outstanding was 1,196,589,089.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the following document have been incorporated herein by reference into Part III of this Form 10-K to the extent described therein: the definitive proxy statement relating to Schlumberger s 2010 Annual General Meeting of Stockholders (2010 Proxy Statement).

SCHLUMBERGER LIMITED

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Part 1, Item 1

PART I

Item 1. Business.

All references in this report to Registrant, Company, Schlumberger, we or our are to Schlumberger Limited and its consolidated subsidiaries

Founded in 1926, Schlumberger is the world s leading supplier of technology, integrated project management and information solutions to the international oil and gas exploration and production industry. Having invented wireline logging as a technique for obtaining downhole data in oil and gas wells, the company today provides the industry s widest range of products and services from exploration through production. As of December 31, 2009, the Company employed approximately 77,000 people of over 140 nationalities operating in approximately 80 countries. Schlumberger has principal executive offices in Paris, Houston and The Hague, and consists of two business segments Schlumberger Oilfield Services and WesternGeco. Schlumberger Oilfield Services provides the industry s widest range of products and services from exploration to production, while WesternGeco is the world s most technologically advanced surface seismic acquisition and processing company.

Schlumberger Oilfield Services operates in each of the major oilfield service markets, managing its business through its GeoMarket* regions, which are grouped into four geographic areas: North America, Latin America, Europe/CIS/Africa and Middle East & Asia. The GeoMarket structure offers customers a single point of contact at the local level for field operations and brings together geographically focused teams to meet local needs and deliver customized solutions. Within this business structure, Schlumberger Oilfield Services products and services are developed by a number of technology-based product lines, or Technologies, to capitalize on technical synergies. These products and services cover the entire life cycle of the reservoir and correspond to a number of markets in which Schlumberger Oilfield Services holds leading positions. The Technologies are also responsible for overseeing operational processes, resource allocation, personnel, and quality, health, safety and environmental matters in the GeoMarkets.

The Technologies are:

- Wireline provides the information necessary to evaluate the subsurface formation rocks and fluids to plan and monitor well construction, and to monitor and evaluate well production. Wireline offers both open-hole and cased-hole services.

- Drilling & Measurements supplies directional-drilling, measurement-while-drilling and logging-while-drilling services for all well profiles.

- Testing Services provides exploration and production pressure and flow-rate measurement services both at the surface and downhole. The Technology also provides tubing-conveyed perforating services.

- Well Services provides services used during oil and gas well drilling and completion as well as those used to maintain optimal production throughout the life of a well. The services include pressure pumping, well cementing and stimulation operations as well as intervention activities. The Technology also develops coiled-tubing equipment and services.

- Completions supplies well completion services and equipment that include gas-lift and safety valves as well as a range of intelligent well completions technology and equipment.

- Artificial Lift provides production optimization services using electrical submersible pumps and associated equipment.

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· Data & Consulting Services supplies interpretation and integration of all exploration and production data types, as well as expert consulting services for reservoir characterization, production enhancement, field development planning and multi-disciplinary reservoir and production solutions.

· Schlumberger Information Solutions (SIS) provides consulting, software, information management and IT infrastructure services that support core oil and gas industry operational processes.

Supporting the Technologies are 22 research and engineering centers. Through this organization, Schlumberger is committed to advanced technology programs that enhance oilfield efficiency, lower finding and producing costs, improve productivity, maximize reserve recovery and increase asset value while accomplishing these goals in a safe and environmentally sound manner.

Schlumberger Oilfield Services also offers customers its services through a business model known as Integrated Project Management (IPM). IPM combines the required services and products of the Technologies with drilling rig management expertise and project management skills to provide a complete solution to well construction and production improvement. IPM projects are typically of multi-year duration and include start-up costs and significant third-party components that cover services that Schlumberger does not provide directly. Some projects may be fixed price in nature and may contain penalties for non-performance.

Schlumberger Oilfield Services uses its own personnel to market its services and products. The customer base, business risks and opportunities for growth are essentially uniform across all services. There is a sharing of manufacturing and engineering facilities as well as research centers, and the labor force is interchangeable. Technological innovation, quality of service, and price differentiation are the principal methods of competition, which varies geographically with respect to the different services offered. While there are numerous competitors, both large and small, Schlumberger believes that it is an industry leader in providing wireline logging, well testing, measurement-while-drilling, logging-while-drilling and directional-drilling services, as well as fully computerized logging and geoscience software and computing services. A large proportion of Schlumberger offerings are non-rig related; consequently, revenue does not necessarily correlate to rig count fluctuations.

Schlumberger is a 40% owner in M-I SWACO a joint venture with Smith International, Inc. which offers the drilling and completion fluids used to stabilize subsurface rock strata during the drilling process and minimize formation damage during completion and workover operations.

WesternGeco, the world s most technologically advanced surface seismic company, provides comprehensive reservoir imaging, monitoring and development services with the most extensive seismic crews and data processing centers in the industry as well as a leading multiclient seismic library. Services range from 3D and time-lapse (4D) seismic surveys to multi-component surveys for delineating prospects and reservoir management. WesternGeco benefits from full access to the Schlumberger research, development and technology organization and shares similar business risks, opportunities for growth, principal methods of competition and means of marketing as Schlumberger Oilfield Services. Seismic solutions include proprietary Q* technology for enhanced reservoir description, characterization and monitoring throughout the life of the field from exploration through enhanced recovery. Other WesternGeco solutions include development of controlled-source electromagnetic and magneto-telluric surveys and their integration with seismic data.

Positioned for meeting a full range of customer needs in land, marine and shallow-water transition-zone services, WesternGeco offers a wide scope of technologies and services:

· Land Seismic provides comprehensive resources for seismic data acquisition on land and across shallow-water transition zones.

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Marine Seismic provides industry-standard marine seismic acquisition and processing systems as well as a unique industry-leading, fully calibrated single-sensor marine seismic system that delivers the seismic technology needed for new-generation reservoir management.

- Multiclient Services supplies high-quality seismic data from the multiclient library, including industry-leading Q technology data.
- Reservoir Services provides people, tools and technology to help customers capture the benefits of a completely integrated approach to locating, defining and monitoring the reservoir.
- Data Processing offers extensive seismic data processing centers for complex data processing projects.
- Electromagnetics provides controlled-source electromagnetic and magneto-telluric data acquisition and processing.

Acquisitions

Information about acquisitions made by Schlumberger appears in Note 4 of the *Consolidated Financial Statements*.

GENERAL

Research Centers

Research to support the engineering and development efforts of Schlumberger activities is principally conducted at Cambridge, Massachusetts, United States; Cambridge, England; Stavanger, Norway; Moscow, Russia; and Dhahran, Saudi Arabia.

Patents

While Schlumberger seeks and holds numerous patents covering various products and processes, no particular patent or group of patents is considered material to Schlumberger s business.

Seasonality

Although weather and natural phenomena can temporarily affect delivery of oilfield services, the widespread geographic location of such services precludes the overall business from being characterized as seasonal.

Customers and Backlog of Orders

No single customer exceeded 10% of consolidated revenue. Oilfield Services has no significant backlog due to the nature of its business. The WesternGeco backlog, which is based on signed contracts with customers, was $1.0 billion at December 31, 2009 ($1.8 billion at December 31, 2008).

Employees

As of December 31, 2009, Schlumberger had approximately 77,000 employees.

Financial Information

Financial information by business segment for the years ended December 31, 2009, 2008 and 2007 is provided in Note 18 of the *Consolidated Financial Statements*.

Available Information

The Schlumberger Internet website is www.slb.com. Schlumberger uses it s Investor Relations website, www.slb.com/ir, as a channel for routine distribution of important information, including news releases, analyst presentations, and financial information. Schlumberger makes available free of charge on or through its Investor Relations website at www.slb.com/ir access to its Annual Reports on Form 10-K, Quarterly Reports

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on Form 10-Q, Current Reports on Form 8-K, its proxy statements and Forms 3, 4 and 5 filed on behalf of directors and executive officers, and amendments to each of those reports, as soon as reasonably practicable after such material is filed with or furnished to the Securities and Exchange Commission (SEC). Alternatively, you may access these reports at the SEC s Internet website at www.sec.gov.

Schlumberger s corporate governance materials, including Board Committee Charters, Corporate Governance Guidelines and Code of Ethics, may also be found at www.slb.com/ir. From time to time, corporate governance materials on our website may be updated to comply with rules issued by the SEC and the New York Stock Exchange (NYSE) or as desirable to promote the effective governance of Schlumberger.

Any stockholder wishing to receive, without charge, a copy of any of Schlumberger s SEC filings should write to the Secretary, Schlumberger Limited, 5599 San Felipe, 17th Floor, Houston, Texas 77056, USA.

Schlumberger has filed the required certifications under Section 302 of the Sarbanes-Oxley Act of 2002 as Exhibits 31.1 and 31.2 to this Form 10-K.

The information on our website or any other website is not incorporated by reference in this Report and should not be considered part of this Report or any other filing Schlumberger makes with the SEC.

Item 1A. Risk Factors.

The following discussion of risk factors contains forward-looking statements which are discussed immediately following Item 7A of this Form 10-K. These risk factors may be important to understanding any statement in this Form 10-K or elsewhere. The following information should be read in conjunction with Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations, and the consolidated financial statements and related notes included in this Form 10-K.

We urge you to carefully consider the risks described below, as well as in other reports and materials that we file with the SEC and the other information included or incorporated by reference in Form 10-K. If any of the risks described below or elsewhere in this Form 10-K were to materialize, our business, financial condition, results of operations, cash flows or prospects could be materially adversely affected. In such case, the trading price of our common stock could decline and you could lose part or all of your investment. Additional risks and uncertainties not currently known to us or that we currently deem immaterial may also materially adversely affect our financial condition, results of operations and cash flows.

Demand for the majority of our services is substantially dependent on the levels of expenditures by the oil and gas industry. Our customers capital expenditures may decline in 2010 and beyond if current global economic conditions continue or worsen. This could have a material adverse effect on our financial condition, results of operations and cash flows.

The current global economic downturn has reduced worldwide demand for oil and natural gas and resulted in significantly lower crude oil and natural gas prices compared to their record highs in July 2008. It is difficult to predict how long the global economic downturn will continue, or to what extent this will continue to affect us. The significant decline in oil and natural gas prices reduced many of our customers activities and spending on our services and products in 2009; this reduction in our customers activities and spending could continue through 2010 and beyond. Demand for the majority of our services depends substantially on the level of expenditures by the oil and gas industry for the exploration, development and production of oil and natural gas reserves. These expenditures are sensitive to the industry s view of future economic growth and the resulting impact on demand for oil and natural gas. The worldwide deterioration in the financial and credit markets, which began in the second half of 2008, resulted in diminished demand for oil and gas and significantly lower oil and natural gas prices. This caused many of our customers to reduce or delay their oil and gas exploration and production spending in 2009, which consequently reduced the demand for our services, and exerted downward pressure on the prices of our services and products. If the economic downturn

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continues for a prolonged period or if there is little or no economic growth, it will likely result in further reductions of exploration and production expenditures by our customers, causing further declines in the demand for, and prices of, our services and products. This could result in a material adverse effect on our financial condition, results of operations and cash flows.

The reduction in cash flows being experienced by our customers resulting from declines in commodity prices, together with the reduced availability of credit and increased costs of borrowing, could have significant adverse effects on the financial condition of some of our customers. This could result in project modifications, delays or cancellations, general business disruptions, and delay in, or nonpayment of, amounts that are owed to us, which could have a material adverse effect on our results of operations and cash flows.

The prices for oil and natural gas are subject to a variety of factors, including:

- demand for hydrocarbons, which is affected by worldwide population growth, economic growth rates and general economic and business conditions;
- the ability of the Organization of Petroleum Exporting Countries (OPEC) to set and maintain production levels for oil;
- oil and gas production by non-OPEC countries;
- the level of excess production capacity;
- political and economic uncertainty and sociopolitical unrest;
- the level of worldwide oil and gas exploration and production activity;
- the cost of exploring for, producing and delivering oil and gas;
- technological advances affecting energy consumption; and
- weather conditions.

A significant portion of our revenue is derived from our non-United States operations, which exposes us to risks inherent in doing business in each of the approximately 80 countries in which we operate.

Our non-United States operations accounted for approximately 84% of our consolidated revenue in 2009, 78% in 2008 and 76% in 2007. Operations in countries other than the United States are subject to various risks, including:

- unsettled political and economic conditions in certain areas;
- exposure to possible expropriation of our assets or other governmental actions;
- social unrest, acts of terrorism, war or other armed conflict;
- confiscatory taxation or other adverse tax policies;
- deprivation of contract rights;
- trade restrictions or embargoes imposed by the United States or other countries;
- restrictions under the United States Foreign Corrupt Practices Act or similar legislation in other countries;
- restrictions on the repatriation of income or capital;
- currency exchange controls;
- inflation; and
- currency exchange rate fluctuations and devaluations.

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In addition, we are subject to risks associated with our operations in countries, including Iran, Syria, Sudan and Cuba, which are subject to trade and economic sanctions or other restrictions imposed by the United States or other governments or organizations. United States law enforcement authorities are currently conducting a grand jury investigation and an associated regulatory inquiry related to our operations in certain of these countries.

If any of the risks described above materialize, or if any governmental investigation results in criminal or civil penalties or other remedial measures, it could reduce our earnings and our cash available for operations.

We are also subject to risks related to investment in our common stock in connection with certain US state divestment or investment limitation legislation applicable to companies with operations in these countries, and similar actions by some private investors, which could adversely affect the market price of our common stock.

Environmental compliance costs and liabilities could reduce our earnings and cash available for operations.

We are subject to increasingly stringent laws and regulations relating to importation and use of hazardous materials, radioactive materials and explosives, environmental protection, including laws and regulations governing air emissions, water discharges and waste management. We incur, and expect to continue to incur, capital and operating costs to comply with environmental laws and regulations. The technical requirements of these laws and regulations are becoming increasingly complex, stringent and expensive to implement. These laws may provide for strict liability for damages to natural resources or threats to public health and safety. Strict liability can render a party liable for damages without regard to negligence or fault on the part of the party. Some environmental laws provide for joint and several strict liability for remediation of spills and releases of hazardous substances.

We use and generate hazardous substances and wastes in our operations. In addition, many of our current and former properties are, or have been, used for industrial purposes. Accordingly, we could become subject to potentially material liabilities relating to the investigation and cleanup of contaminated properties, and to claims alleging personal injury or property damage as the result of exposures to, or releases of, hazardous substances. In addition, stricter enforcement of existing laws and regulations, new laws and regulations, the discovery of previously unknown contamination or the imposition of new or increased requirements could require us to incur costs or become the basis of new or increased liabilities that could reduce our earnings and our cash available for operations. We believe we are currently in substantial compliance with environmental laws and regulations.

We could be subject to substantial liability claims, which would adversely affect our financial condition, results of operations and cash flows.

Certain equipment used in the delivery of oilfield services, such as directional drilling equipment, perforating systems, subsea completion equipment, radioactive materials and explosives and well completion systems, are used in hostile environments, such as exploration, development and production applications. An accident or a failure of a product could cause personal injury, loss of life, damage to property, equipment or the environment, and suspension of operations. Our insurance may not adequately protect us against liability for some kinds of events, including events involving pollution, or against losses resulting from business interruption. Moreover, in the future we may not be able to maintain insurance at levels of risk coverage or policy limits that we deem adequate. Substantial claims made under our policies could cause our premiums to increase. Any future damages caused by our products that are not covered by insurance, or are in excess of policy limits or are subject to substantial deductibles, could adversely affect our financial condition, results of operations and cash flows.

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If we are unable to maintain technology leadership in the form of services and products, this could adversely affect any competitive advantage we hold.

If we are unable to develop and produce competitive technology or deliver it to our clients in the form of services and products in a timely and cost-competitive manner in the various markets we serve, it could adversely affect our financial condition, results of operations and cash flows.

Limitations on our ability to protect our intellectual property rights, including our trade secrets, could cause a loss in revenue and any competitive advantage we hold.

Some of our products or services, and the processes we use to produce or provide them, have been granted patent protection, have patent applications pending or are trade secrets. Our business may be adversely affected if our patents are unenforceable, the claims allowed under our patents are not sufficient to protect our technology, our patent applications are denied, or our trade secrets are not adequately protected. Our competitors may be able to develop technology independently that is similar to ours without infringing on our patents or gaining access to our trade secrets.

We may be subject to litigation if another party claims that we have infringed upon its intellectual property rights.

The tools, techniques, methodologies, programs and components we use to provide our services may infringe upon the intellectual property rights of others. Infringement claims generally result in significant legal and other costs and may distract management from running our core business. Royalty payments under licenses from third parties, if available, would increase our costs. If a license were not available we might not be able to continue providing a particular service or product, which could adversely affect our financial condition, results of operations and cash flows. Additionally, developing non-infringing technologies would increase our costs.

Failure to obtain and retain skilled technical personnel could impede our operations.

We require highly skilled personnel to operate and provide technical services and support for our business. Competition for the personnel required for our businesses intensifies as activity increases. In periods of high utilization it may become more difficult to find and retain qualified individuals. This could increase our costs or have other adverse effects on our operations.

Severe weather conditions may affect our operations.

Our business may be materially affected by severe weather conditions in areas where we operate. This may entail the evacuation of personnel and stoppage of services. In addition, if particularly severe weather affects platforms or structures, this may result in a suspension of activities until the platforms or structures have been repaired. Any of these events could adversely affect our financial condition, results of operations and cash flows.

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Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

Schlumberger owns or leases manufacturing facilities, administrative offices, service centers, research centers, data processing centers, sales offices and warehouses throughout the world. No significant lease is scheduled to terminate in the near future, and we believe comparable space is readily obtainable should any lease expire without renewal. We believe our properties are generally well maintained and adequate for their intended use.

Outside the United States the principal owned or leased facilities of Oilfield Services are located in Beijing, China; Clamart and Abbeville, France; Fuchinobe, Japan; Oslo, Norway; Singapore; Abingdon, Cambridge and Stonehouse, United Kingdom; and Novosibirsk, Russia.

Within the United States, the principal owned or leased facilities of Oilfield Services are located in Boston, Massachusetts; Houston, Rosharon, and Sugar Land, Texas; and Lawrence, Kansas.

The principal owned or leased facilities of WesternGeco are located in Bergen and Oslo, Norway; Gatwick, United Kingdom; Houston, Texas, United States; and Mumbai, India.

Item 3. Legal Proceedings.

The information with respect to this Item 3 is set forth in Note 17 of the *Consolidated Financial Statements*.

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

No matters were submitted to a vote of Schlumberger s security holders during the fourth quarter of the fiscal year covered by this Form 10-K.

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Executive Officers of Schlumberger

The following table sets forth, as of January 31, 2010, the names and ages of the executive officers of Schlumberger, including all offices and positions held by each for at least the past five years.

Name	Age	Present Position and Five-Year Business Experience
Andrew Gould	63	Chairman and Chief Executive Officer, since February 2003.
Simon Ayat	55	Executive Vice President and Chief Financial Officer, since March 2007; Vice President Treasurer, February 2005 to March 2007; and Vice President, Controller and Business Processes, December 2002 to February 2005.
Chakib Sbiti	55	Executive Vice President, since February 2003.
Alexander Juden	49	Secretary and General Counsel, since April 2009; Director of Compliance Schlumberger Limited, February 2005 to April 2009; and WesternGeco General Counsel, May 2004 to February 2005.
Ashok Belani	51	Vice President and Chief Technology Officer, since April 2006; Senior Advisor, Technology, January 2006 to April 2006; Director, President and Chief Executive Officer NPTest, May 2002 to December 2005.
Stephanie Cox	41	Vice President Personnel, since May 2009; North Gulf Coast GeoMarket Manager, April 2006 to May 2009; and North & South America Personnel Manager, May 2004 to April 2006.
Mark Danton	53	Vice President - Director of Taxes, since January 1999.
Howard Guild	38	Chief Accounting Officer, since July 2005; and Director of Financial Reporting, October 2004 to July 2005.
Paal Kibsgaard	42	President Reservoir Characterization Group since May 2009; Vice President Engineering, Manufacturing and Sustaining, November 2007 to May 2009; Vice President Personnel, April 2006 to November 2007; and President, Drilling and Measurements, January 2003 to April 2006.
Rodney Nelson	51	Vice President Communications, since October 2007; Vice President Innovation and Collaboration, July 2006 to October 2007; Vice President Strategic Marketing, July 2004 to July 2006; and Vice President Marketing Oilfield Services, February 2003 to July 2004.
H. Sola Oyinlola	54	Vice President Treasurer, since March 2007; Deputy Treasurer, July 2006 to March 2007; and Oilfield Services GeoMarket General Manager, Nigeria, April 2001 to July 2006.
Satish Pai	48	Vice President, Operations, Oilfield Services, since May 2008, President Europe Africa & Caspian, March 2006 to May 2008; and Vice President Oilfield Technologies, March 2002 to March 2006.
Malcolm Theobald	48	Vice President Investor Relations, since June 2007; and Global Account Director, September 2001 to June 2007.
Charles Woodburn	38	Vice President Engineering Manufacturing and Sustaining since May 2009; Wireline President, April 2006 to May 2009; and Product Development Manager, June 2004 to April 2006.

PART II

Item 5. Market for Schlumberger s Common Stock, Related Stockholder Matters and Issuer Purchases of Equity Securities.

As of January 31, 2010, there were 1,196,589,089 shares of common stock of Schlumberger outstanding, exclusive of 137,623,075 shares held in treasury, and approximately 21,151 stockholders of record. The principal United States market for Schlumberger s common stock is the NYSE, where it is traded under the symbol SLB .

Schlumberger s common stock is also traded on the Euronext Paris, Euronext Amsterdam, London and SIX Swiss stock exchanges.

Common Stock, Market Prices and Dividends Declared per Share

Quarterly high and low prices for Schlumberger s common stock as reported by the NYSE (composite transactions), together with dividends declared per share in each quarter of 2009 and 2008, were:

	Price Range		Dividends
	High	**Low**	**Declared**
2009			
QUARTERS			
First	**$ 49.25**	**$ 35.05**	**$ 0.210**
Second	**63.78**	**39.11**	**0.210**
Third	**63.00**	**48.13**	**0.210**
Fourth	**71.10**	**56.00**	**0.210**
2008			
QUARTERS			
First	$ 102.71	$ 72.30	$ 0.210
Second	110.11	88.02	0.210
Third	111.95	73.53	0.210
Fourth	78.00	37.07	0.210

There are no legal restrictions on the payment of dividends or ownership or voting of such shares, except as to shares held as treasury stock. Under current legislation, stockholders are not subject to any Netherlands Antilles withholding or other Netherlands Antilles taxes attributable to the ownership of such shares.

The following graph compares the yearly percentage change in the cumulative total stockholder return on Schlumberger common stock, assuming reinvestment of dividends on the last day of the month of payment into common stock of Schlumberger, with the cumulative total return on the Standard & Poor s 500 Index (S&P 500 Index) and the cumulative total return on both the Philadelphia Oil Service Index (OSX) and the Value Line Oilfield Services Industry Index over the five-year period ending on December 31, 2009. Schlumberger is using the Philadelphia Oil Service Index (OSX) to replace the Value Line Oilfield Services Industry Index used in prior years. Schlumberger determined that the new index includes a greater concentration of our most direct competitors. The stockholder return set forth below is not necessarily indicative of future performance. The following graph and related information shall not be deemed soliciting material or to be filed with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that Schlumberger specifically incorporates it by reference into such filing.

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COMPARISON OF FIVE-YEAR CUMULATIVE TOTAL RETURN AMONG

SCHLUMBERGER COMMON STOCK, THE S&P 500 INDEX, THE

PHILADELPHIA OIL SERVICE INDEX (OSX) AND THE VALUE LINE

OILFIELD SERVICES INDUSTRY INDEX

Assumes $100 invested on December 31, 2004 in Schlumberger common stock, in the S&P 500 Index, in the Philadelphia Oil Service Index (OSX), and in the Value Line Oilfield Services Industry Index. Reflects reinvestment of dividends on the last day of the month of payment.

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Share Repurchases

On April 17, 2008, the Schlumberger Board of Directors approved an $8 billion share repurchase program for Schlumberger common stock, to be acquired in the open market before December 31, 2011.

Schlumberger s common stock repurchase program activity for the three months ended December 31, 2009 was as follows:

(Stated in thousands, except per share amounts)