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Schlumberger B.V. (Schlumberger Limited) (File No. 1-4601)  
Subject Company Smith International Inc. (File No. 1-8514)

# Schlumberger and Smith International, Inc. to Merge

March, 2010

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### Forward-Looking Statements

This presentation includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The opinions, forecasts, projections, or other statements other than statements of historical fact, are forward-looking statements. The Company can give no assurance that such expectations will prove to have been correct. These statements are subject to, among other things, satisfaction of the closing conditions to the merger, the risk that the contemplated merger does not occur, negative effects from the pendency of the merger, the ability to successfully integrate the merged businesses and to realize expected synergies and other risk factors that are discussed in Schlumberger's and Smith's most recent 10-Ks as well as each company's other filings with the SEC available at the SEC's Internet site (<http://www.sec.gov>). Actual results may differ materially from those expected, estimated or projected.

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# Industry Trends—Drilling

- Higher levels of drilling will be necessary to sustain and increase world oil and gas production
- Drilling intensity and well complexity will continue to increase due to areas such as deepwater sub-salt and shale gas
- Geosteered wells with complex geometries are key to increased recovery and maximizing initial production
- Combining our LWD, MWD & DD capabilities with the design and optimization of the entire BHA (including bits, drilling tools and drilling fluids) will improve drilling performance and reduce drilling risk

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# Smith International Organization

## Smith International, Inc.

### Smith Oilfield



	2008A	2009A
Revenue:	\$2,849	\$2,225
Oper. Income:	747	254
Oper. Margin	26%	10%

- Drill Bits
- Motors and Drilling Tools
- Reamers and Hole Openers
- Fishing and Casing Existing
- Tubular Drill String Components
- Completion and Artificial Lift Products
- LWD, MWD, DD
- Coiled Tubing, CH WL and Perforating

### Smith Fluids



	2008A	2009A
Revenue:	\$5,183	\$4,224
Oper. Income:	840	541
Oper. Margin	16%	12%

- Drilling Fluid Systems and Services
- Environmental and Process Solutions
- Completion Fluids
- Production Chemicals

### Smith Distribution
















	2008A	2009A
Revenue:	\$2,739	\$1,769
Oper. Income:	180	(32)
Oper. Margin	7%	NM

- Pipe, Valves and Fittings
- Mill, Safety and Maintenance Products
- Supply Chain Services

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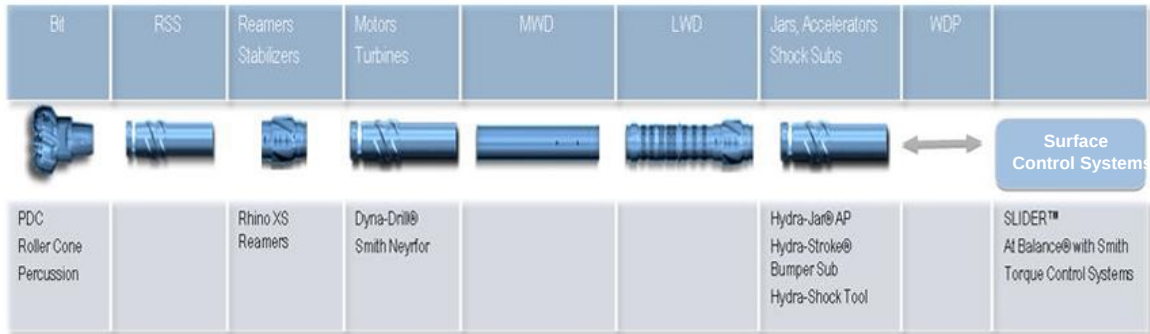
# Drilling Services Gap Analysis

	DD/RSS/MWD/LWD	Mud Logging	Drill Bits	Underreamers	Motors	Fishing & Csg Exit	Drilling Tools	Gyro Surveying	Drilling Fluids	WDP
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Smith										

-  Majority JV with SLB
-  Minority SLB JV interest



# Drilling Services Offering



## ■ Complementary Services

- Integrated fluid engineering and environmental solutions
- IDEAS/i-Drill BHA modeling software
- Fishing services
- Window cutting and exiting services (Trackmaster)
- Inspection and machine shop services
- Rotating drilling heads—pressure containment

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# Merger Rationale

- Enable SLB to provide a fully optimized drilling services offering:
  - Next generation of BHA offering
  - Industry leading bit/drillstring software modeling
  - In-house drilling bit/motor/turbine engineering and manufacturing
  - surface control mechanisms for automation
  - Higher temperature MWD/LWD capabilities (175 degC)
- Broader SLB portfolio—re-entry drilling process
- Enable SLB to add to completions offerings
- Smith manufacturing and distribution channels
  - Vehicle for high volume business



# Merge Rational (Continued)

- Optimize interaction between MI-Swaco and SLB segments
  - Drilling Solutions—D&M, IPM
    - Integrated fluid engineering and RT hydraulics control (particularly for DW and HT)
    - Managed pressure drilling
    - Wellbore stability and well strengthening solutions
    - Loss circulation management while drilling solutions
    - Downhole system reliability—reduced blockage, abrasivity and chemical damage
  - Zonal Isolation—Well Services
    - More efficient cement operations
    - Improved logistics/supply chain for chemicals and bulk products
  - Production Technologies—Well Services and Completions
    - Unique completion and stimulation solutions
    - Shale gas environmental solutions—water management
  - Water Services
    - Environmental solutions

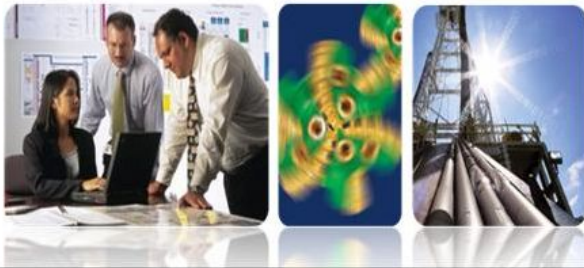
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# Synergy Realization

## 1. Create a drilling group to integrate our drilling services offering

- Improved drilling performance—integrated BHA design and fluid engineering
- Increased operational efficiency—new motor (Dyna-Drill) and turbine designs (Neyrfor)
- Rotary Steerable Services integration with the bit, plus instrumented bits development
- Bits, reamers and drilling tools on D&M and IPM projects, plus new business
- Increase SLB exposure to vertical drilling—combined bit, PowerV\* vertical drilling system and motors
- Comprehensive downhole drilling package—fishing services
- PathFinder IT and mid tier LWD/MWD—expand footprint, access to new customers
- Smith manufacturing and distribution channels—vehicle for high volume business



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# Synergy Realization (continued)

## 2. Optimize interaction between MI-Swac and SLB segments

- Drilling Solutions—D&M, IPM
  - Integrated fluid engineering and RT hydraulics control
  - MPD and Wellbore stability solutions
- Well Productivity—Well Services
- Production Technologies—Reservoir Production new business opportunity
- Environmental Solutions—Water Services

## 3. Smith products and services complement SLB segment portfolios

- Liner hangers—SLB Completions segment
- Production packers—SLB Completions segment
- SmithLift—SLB Artificial Lift segment
- Coiled Tubing Services—SLB Well Services segment
- Cased hole wireline—SLB Wireline segment

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# Summary

- Combines services and products into one focused drilling organization
- Purpose of deal is to improve drilling performance for our customers
  - Optimized drilling system designs—range of drilling environments
  - New product development—evolving drilling challenges
  - Improved total system reliability
- Add to SLB completions offerings
- Strengthens Smith brands
  - Increase access to new business opportunities
  - Access to SLB R&D



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