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

FORM 10-Q

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

For the quarterly period ended: June 30, 2019

Commission file No.: 1-4601

SCHLUMBERGER N.V.
(SCHLUMBERGER LIMITED)
(Exact name of registrant as specified in its charter)

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

Registrant's telephone number in the United States, including area code, is: (713) 513-2000

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
common stock, par value $0.01 per share	SLB	New York Stock Exchange

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted 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 such files). Yes ☒ No ☐

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

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

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

Class	Outstanding at June 30, 2019
COMMON STOCK, $0.01 PAR VALUE PER SHARE	1,383,005,073

SCHLUMBERGER LIMITED
Second Quarter 2019 Form 10-Q
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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

SCHLUMBERGER LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF INCOME
(Unaudited)

(Stated in millions, except per share amounts)

	Second Quarter		Six Months	
	2019	2018	**2019**	2018
Revenue				
Services	**$ 6,153**	$ 6,141	**$ 12,059**	$ 11,876
Product sales	**2,116**	2,162	**4,090**	4,255
Total Revenue	**8,269**	8,303	**16,149**	16,131
Interest & other income	**25**	40	**39**	82
Expenses				
Cost of services	**5,308**	5,196	**10,422**	10,076
Cost of sales	**1,944**	1,983	**3,787**	3,904
Research & engineering	**179**	175	**351**	347
General & administrative	**114**	114	**225**	225
Impairments & other	**-**	184	**-**	184
Interest	**156**	144	**302**	287
Income before taxes	**593**	547	**1,101**	1,190
Tax expense	**99**	106	**178**	219
Net income	**494**	441	**923**	971
Net income attributable to noncontrolling interests	**2**	11	**10**	16
Net income attributable to Schlumberger	**$ 492**	$ 430	**$ 913**	$ 955
Basic earnings per share of Schlumberger	**$ 0.36**	$ 0.31	**$ 0.66**	$ 0.69
Diluted earnings per share of Schlumberger	**$ 0.35**	$ 0.31	**$ 0.65**	$ 0.69
Average shares outstanding:				
Basic	**1,384**	1,384	**1,385**	1,385
Assuming dilution	**1,395**	1,392	**1,396**	1,393

See Notes to Consolidated Financial Statements

SCHLUMBERGER LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(Unaudited)

(Stated in millions)

	Second Quarter		Six Months	
	2019	2018	**2019**	2018
Net income	**$ 494**	$ 441	**$ 923**	$ 971
Currency translation adjustments				
Unrealized net change arising during the period	**(37)**	(121)	**39**	(81)
Marketable securities				
Unrealized loss arising during the period	**-**	(40)	**-**	(21)
Cash flow hedges				
Net gain (loss) on cash flow hedges	**1**	(15)	**(4)**	(10)
Reclassification to net income of net realized (gain) loss	**1**	(1)	**4**	(5)
Pension and other postretirement benefit plans				
Amortization to net income of net actuarial loss	**23**	37	**47**	94
Amortization to net income of net prior service credit	**(3)**	(1)	**(6)**	(3)
Income taxes on pension and other postretirement benefit plans	**(2)**	(5)	**(2)**	(5)
Comprehensive income	**477**	295	**1,001**	940
Comprehensive income attributable to noncontrolling interests	**2**	11	**10**	16
Comprehensive income attributable to Schlumberger	**$ 475**	$ 284	**$ 991**	$ 924

See Notes to Consolidated Financial Statements

SCHLUMBERGER LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

(Stated in millions)

	Jun. 30, 2019 (Unaudited)		Dec. 31, 2018	
ASSETS				
Current Assets				
Cash	$	**1,466**	$	1,433
Short-term investments		**882**		1,344
Receivables less allowance for doubtful accounts (2019 - $238; 2018 - $249)		**8,471**		7,881
Inventories		**4,389**		4,010
Other current assets		**1,125**		1,063
		16,333		15,731
Investments in Affiliated Companies		**1,558**		1,538
Fixed Assets less accumulated depreciation		**11,359**		11,679
Multiclient Seismic Data		**577**		601
Goodwill		**24,950**		24,931
Intangible Assets		**8,485**		8,727
Other Assets		**7,329**		7,300
	$	**70,591**	$	70,507
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts payable and accrued liabilities	$	**9,851**	$	10,223
Estimated liability for taxes on income		**1,123**		1,155
Short-term borrowings and current portion of long-term debt		**98**		1,407
Dividends payable		**701**		701
		11,773		13,486
Long-term Debt		**16,978**		14,644
Postretirement Benefits		**1,119**		1,153
Deferred Taxes		**1,330**		1,441
Other Liabilities		**3,118**		3,197
		34,318		33,921
Equity				
Common stock		**13,037**		13,132
Treasury stock		**(3,827)**		(4,006)
Retained earnings		**31,186**		31,658
Accumulated other comprehensive loss		**(4,544)**		(4,622)
Schlumberger stockholders' equity		**35,852**		36,162
Noncontrolling interests		**421**		424
		36,273		36,586
	$	**70,591**	$	70,507

See Notes to Consolidated Financial Statements

SCHLUMBERGER LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

(Stated in millions)

	Six Months Ended June 30,	
	2019	2018
Cash flows from operating activities:		
Net income	**$ 923**	$ 971
Adjustments to reconcile net income to cash provided by operating activities:		
Impairments and other charges	**-**	184
Depreciation and amortization (1)	**1,841**	1,750
Stock-based compensation expense	**194**	176
Earnings of equity method investments, less dividends received	**-**	(26)
Change in assets and liabilities: (2)		
Increase in receivables	**(581)**	(284)
Increase in inventories	**(332)**	(71)
Increase in other current assets	**(57)**	66
Increase in other assets	**(16)**	(120)
Decrease in accounts payable and accrued liabilities	**(422)**	(1,015)
Decrease in estimated liability for taxes on income	**(68)**	(34)
Decrease in other liabilities	**(39)**	(10)
Other	**(9)**	(32)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**1,434**	1,555
Cash flows from investing activities:		
Capital expenditures	**(817)**	(974)
SPM investments	**(332)**	(434)
Multiclient seismic data costs capitalized	**(109)**	(47)
Business acquisitions and investments, net of cash acquired	**(17)**	(47)
Sale of investments, net	**464**	1,692
Other	**(63)**	(20)
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	**(874)**	170
Cash flows from financing activities:		
Dividends paid	**(1,385)**	(1,385)
Proceeds from employee stock purchase plan	**85**	107
Proceeds from exercise of stock options	**21**	26
Stock repurchase program	**(199)**	(200)
Proceeds from issuance of long-term debt	**2,350**	14
Repayment of long-term debt	**(1,413)**	(467)
Net decrease in short-term borrowings	**(22)**	(106)
Other	**32**	(40)
NET CASH USED IN FINANCING ACTIVITIES	**(531)**	(2,051)
Net increase (decrease) in cash before translation effect	**29**	(326)
Translation effect on cash	**4**	(12)
Cash, beginning of period	**1,433**	1,799
Cash, end of period	**$ 1,466**	$ 1,461

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

(2) Net of the effect of business acquisitions.

See Notes to Consolidated Financial Statements

SCHLUMBERGER LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(Unaudited)

(Stated in millions)

January 1, 2019 – June 30, 2019	Common Stock Issued	Common Stock In Treasury	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
Balance, January 1, 2019	$ 13,132	$ (4,006)	$ 31,658	$ (4,622)	$ 424	$ 36,586
Net income			913		10	923
Currency translation adjustments				39		39
Pension and other postretirement benefit plans				39		39
Shares sold to optionees, less shares exchanged	(26)	47				21
Vesting of restricted stock	(126)	126				-
Shares issued under employee stock purchase plan	(115)	200				85
Stock repurchase program		(199)				(199)
Stock-based compensation expense	194					194
Dividends declared ($1.00 per share)			(1,385)			(1,385)
Other	(22)	5			(13)	(30)
Balance, June 30, 2019	$ 13,037	$ (3,827)	$ 31,186	$ (4,544)	$ 421	$ 36,273

(Stated in millions)

January 1, 2018 – June 30, 2018	Common Stock Issued	Common Stock In Treasury	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
Balance, January 1, 2018	$ 12,975	$ (4,049)	$ 32,190	$ (4,274)	$ 419	$ 37,261
Net income			955		16	971
Currency translation adjustments				(81)	(1)	(82)
Changes in unrealized gain on marketable securities				(21)		(21)
Changes in fair value of cash flow hedges				(15)		(15)
Pension and other postretirement benefit plans				86		86
Shares sold to optionees, less shares exchanged	(27)	53				26
Vesting of restricted stock	(52)	52				-
Shares issued under employee stock purchase plan	(33)	140				107
Stock repurchase program		(200)				(200)
Stock-based compensation expense	176					176
Dividends declared ($1.00 per share)			(1,385)			(1,385)
Other	(9)	3			(21)	(27)
Balance, June 30, 2018	$ 13,030	$ (4,001)	$ 31,760	$ (4,305)	$ 413	$ 36,897

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(Unaudited)

(Stated in millions)

April 1, 2019 – June 30, 2019	Common Stock Issued	Common Stock In Treasury	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
Balance, April 1, 2019	$ 13,000	$ (3,756)	$ 31,386	$ (4,527)	$ 421	$ 36,524
Net income			492		2	494
Currency translation adjustments				(37)		(37)
Changes in fair value of cash flow hedges				2		2
Pension and other postretirement benefit plans				18		18
Shares sold to optionees, less shares exchanged	(1)	1				-
Vesting of restricted stock	(26)	26				-
Stock repurchase program		(101)				(101)
Stock-based compensation expense	86					86
Dividends declared ($0.50 per share)			(692)			(692)
Other	(22)	3			(2)	(21)
Balance, June 30, 2019	$ 13,037	$ (3,827)	$ 31,186	$ (4,544)	$ 421	$ 36,273

(Stated in millions)

April 1, 2018 – June 30, 2018	Common Stock Issued	Common Stock In Treasury	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
Balance, April 1, 2018	$ 12,998	$ (3,937)	$ 32,022	$ (4,159)	$ 402	$ 37,326
Net income			430		11	441
Currency translation adjustments				(121)		(121)
Changes in unrealized gain on marketable securities				(40)		(40)
Changes in fair value of cash flow hedges				(16)		(16)
Pension and other postretirement benefit plans				31		31
Shares sold to optionees, less shares exchanged	(7)	13				6
Vesting of restricted stock	(23)	23				-
Stock repurchase program		(102)				(102)
Stock-based compensation expense	87					87
Dividends declared ($0.50 per share)			(692)			(692)
Other	(25)	2				(23)
Balance, June 30, 2018	$ 13,030	$ (4,001)	$ 31,760	$ (4,305)	$ 413	$ 36,897

SHARES OF COMMON STOCK
(Unaudited)

(Stated in millions)

	Issued	In Treasury	Shares Outstanding
Balance, January 1, 2019	1,434	(51)	1,383
Shares sold to optionees, less shares exchanged	-	1	1
Vesting of restricted stock	-	1	1
Shares issued under employee stock purchase plan	-	3	3
Stock repurchase program	-	(5)	(5)
Balance, June 30, 2019	1,434	(51)	1,383

See Notes to Consolidated Financial Statements

1. Basis of Presentation

The accompanying unaudited consolidated financial statements of Schlumberger Limited and its subsidiaries ("Schlumberger") have been prepared in accordance with generally accepted accounting principles in the United States of America for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of Schlumberger management, all adjustments considered necessary for a fair statement have been included in the accompanying unaudited financial statements. All intercompany transactions and balances have been eliminated in consolidation. Operating results for the six-month period ended June 30, 2019 are not necessarily indicative of the results that may be expected for the full year ending December 31, 2019. The December 31, 2018 balance sheet information has been derived from the Schlumberger 2018 audited financial statements. For further information, refer to the *Consolidated Financial Statements* and notes thereto included in the Schlumberger Annual Report on Form 10-K for the year ended December 31, 2018, filed with the Securities and Exchange Commission on January 23, 2019.

2. Charges and Credits

2019

There were no charges or credits recorded during the first six months of 2019.

2018

During the second quarter of 2018, Schlumberger recorded a $184 million pretax charge ($164 million after-tax) associated with headcount reductions, primarily to further streamline its support cost structure. This charge is classified in *Impairments & other* in the *Consolidated Statement of Income*.

There were no charges or credits recorded during the first quarter of 2018.

3. Earnings Per Share

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

(Stated in millions, except per share amounts)

	2019			2018		
	Schlumberger Net Income	**Average Shares Outstanding**	**Earnings per Share**	Schlumberger Net Income	Average Shares Outstanding	Earnings per Share
Second Quarter						
Basic	**$ 492**	**1,384**	**$ 0.36**	$ 430	1,384	$ 0.31
Assumed exercise of stock options	-	-		-	1	
Unvested restricted stock	-	**11**		-	7	
Diluted	**$ 492**	**1,395**	**$ 0.35**	$ 430	1,392	$ 0.31

	2019			2018		
	Schlumberger Net Income	**Average Shares Outstanding**	**Earnings per Share**	Schlumberger Net Income	Average Shares Outstanding	Earnings per Share
Six Months						
Basic	**$ 913**	**$ 1,385**	**$ 0.66**	$ 955	$ 1,385	$ 0.69
Assumed exercise of stock options	-	-		-	1	
Unvested restricted stock	-	**11**		-	7	
Diluted	**$ 913**	**$ 1,396**	**$ 0.65**	$ 955	$ 1,393	$ 0.69

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

(Stated in millions)

	2019	2018
Second Quarter	**48**	38
Six Months	**42**	38

4. Inventories

A summary of inventories, which are stated at the lower of average cost or net realizable value, is as follows:

(Stated in millions)

	Jun. 30, 2019	Dec. 31, 2018
Raw materials & field materials	**$ 1,995**	$ 1,803
Work in progress	**576**	519
Finished goods	**1,818**	1,688
	$ 4,389	$ 4,010

5. Fixed Assets

A summary of fixed assets follows:

(Stated in millions)

	Jun. 30, 2019	Dec. 31, 2018
Property, plant & equipment	**$ 38,822**	$ 38,664
Less: Accumulated depreciation	**27,463**	26,985
	$ 11,359	$ 11,679

Depreciation expense relating to fixed assets was as follows:

(Stated in millions)

	2019	2018
Second Quarter	**$ 514**	$ 525
Six Months	**$ 1,026**	$ 1,048

6. Multiclient Seismic Data

The change in the carrying amount of multiclient seismic data for the six months ended June 30, 2019 was as follows:

(Stated in millions)

Balance at December 31, 2018	$ 601
Capitalized in period	109
Charged to expense	(133)
Balance at June 30, 2019	$ 577

7. Intangible Assets

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

(Stated in millions)

	Jun. 30, 2019			Dec. 31, 2018		
	Gross Book Value	**Accumulated Amortization**	**Net Book Value**	Gross Book Value	Accumulated Amortization	Net Book Value
Customer relationships	**$ 4,750**	**$ 1,315**	**$ 3,435**	$ 4,768	$ 1,243	$ 3,525
Technology/technical know-how	**3,452**	**1,325**	**2,127**	3,494	1,246	2,248
Tradenames	**2,799**	**679**	**2,120**	2,799	628	2,171
Other	**1,394**	**591**	**803**	1,404	621	783
	$ 12,395	**$ 3,910**	**$ 8,485**	$ 12,465	$ 3,738	$ 8,727

Amortization expense charged to income was as follows:

(Stated in millions)

	2019	2018
Second Quarter	**$ 164**	$ 174
Six Months	**$ 324**	$ 339

Based on the net book value of intangible assets at June 30, 2019, amortization charged to income for the subsequent five years is estimated to be: remaining two quarters of 2019—$347 million; 2020—$663 million; 2021—$633 million; 2022—$623 million; 2023—$612 million; and 2024—$569 million.

8. Long-term Debt

A summary of *Long-term Debt* follows:

(Stated in millions)

	Jun. 30, 2019	Dec. 31, 2018
3.30% Senior Notes due 2021	**$ 1,597**	$ 1,596
3.65% Senior Notes due 2023	**1,494**	1,493
3.90% Senior Notes due 2028	**1,440**	-
3.00% Senior Notes due 2020	**1,196**	1,596
4.20% Senior Notes due 2021	**1,100**	1,100
2.40% Senior Notes due 2022	**998**	997
4.00% Senior Notes due 2025	**929**	1,742
4.30% Senior Notes due 2029	**845**	-
3.75% Senior Notes due 2024	**745**	-
1.00% Guaranteed Notes due 2026	**677**	678
3.63% Senior Notes due 2022	**615**	847
2.65% Senior Notes due 2022	**598**	598
2.20% Senior Notes due 2020	**498**	499
7.00% Notes due 2038	**209**	210
4.50% Notes due 2021	**131**	132
5.95% Notes due 2041	**115**	115
3.60% Notes due 2022	**108**	109
5.13% Notes due 2043	**99**	99
4.00% Notes due 2023	**81**	82
3.70% Notes due 2024	**55**	55
Commercial paper borrowings	**3,193**	2,433
Other	**255**	263
	$ 16,978	$ 14,644

In April 2019, Schlumberger completed a debt exchange offer, pursuant to which it issued $1.500 billion in principal of 3.90% Senior Notes due 2028 (the "New Notes") in exchange for $401 million of 3.00% Senior Notes due 2020, $234 million of 3.63% Senior Notes due 2022 and $817 million of 4.00% Senior Notes due 2025. In connection with the exchange of principal, Schlumberger paid a premium of $48 million, substantially all of which was in the form of New Notes. This premium is being amortized as additional interest expense over the term of the New Notes.

The estimated fair value of Schlumberger's *Long-term Debt*, based on quoted market prices at June 30, 2019 and December 31, 2018, was $17.4 billion and $14.6 billion, respectively.

At June 30, 2019, Schlumberger had separate committed credit facility agreements aggregating $6.5 billion with commercial banks, of which $3.3 billion was available and unused. These committed facilities support commercial paper programs in the United States and Europe, of which $1.0 billion matures in February 2020, $1.5 billion matures in November 2020, $2.0 billion matures in February 2023 and $2.0 billion matures in February 2024. Interest rates and other terms of borrowing under these lines of credit vary by facility.

Borrowings under Schlumberger's commercial paper programs at June 30, 2019 and December 31, 2018 were $3.2 billion and $2.4 billion, respectively, all of which were classified in *Long-term Debt* in the *Consolidated Balance Sheet*.

9. **Derivative Instruments and Hedging Activities**

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

Interest Rate Risk

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

During 2017, a Canadian-dollar functional currency subsidiary of Schlumberger issued $1.1 billion of US-dollar denominated debt. Schlumberger entered into cross-currency swaps for an aggregate notional amount of $1.1 billion in order to hedge changes in the fair value of its $0.5 billion 2.20% Senior Notes due 2020 and its $0.6 billion 2.65% Senior Notes due 2022. These cross-currency swaps effectively convert the US-dollar notes to Canadian-dollar denominated debt with fixed annual interest rates of 1.97% and 2.52%, respectively.

These cross-currency swaps are designated as cash flow hedges. The changes in the fair values of the hedges are recorded on the *Consolidated Balance Sheet* and in *Accumulated Other Comprehensive Loss.* Amounts recorded in *Accumulated Other Comprehensive Loss* are reclassified to earnings in the same periods that the underlying hedged item is recognized in earnings.

At June 30, 2019, Schlumberger had fixed rate debt aggregating $13.5 billion and variable rate debt aggregating $3.6 billion, after taking into account the effect of interest rate swaps.

Foreign Currency Exchange Rate Risk

As a multinational company, Schlumberger generates revenue in more than 120 countries. Schlumberger's functional currency is primarily the US dollar. However, outside the United States, a significant portion of Schlumberger's expenses are incurred in foreign currencies. Therefore, when the US dollar weakens (strengthens) in relation to the foreign currencies of the countries in which Schlumberger conducts business, the US dollar-reported expenses will increase (decrease).

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

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

At June 30, 2019, contracts were outstanding for the US dollar equivalent of $4.4 billion in various foreign currencies, of which $1.1 billion relates to hedges of debt denominated in currencies other than the functional currency.

At June 30, 2019, Schlumberger recognized a cumulative $13 million loss in *Accumulated Other Comprehensive* Loss relating to the revaluation of foreign currency forward contracts, cross-currency swaps and changes in the fair value of interest-rate swaps designated as cash flow hedges.

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

(Stated in millions)

	Gain (Loss) Recognized in Income				
	Second Quarter		**Six Months**		
	2019	2018	**2019**	2018	Consolidated Statement of Income Classification
Derivatives designated as fair value hedges:					
Cross currency swaps	**$ -**	$ (39)	**$ -**	$ (12)	*Interest expense*
Derivatives designated as cash flow hedges:					
Foreign exchange contracts	**$ (2)**	$ 1	**$ (4)**	$ 5	*Cost of services/sales*
Cross currency swaps	**(22)**	36	**(38)**	55	*Interest expense*
	$ (24)	$ 37	**$ (42)**	$ 60	
Derivatives not designated as hedges:					
Foreign exchange contracts	**$ (14)**	$ 4	**$ (8)**	$ 32	*Cost of services/sales*

10. Contingencies

Schlumberger is party to various legal proceedings from time to time. A liability is accrued when a loss is both probable and can be reasonably estimated. Management believes that the probability of a material loss with respect to any currently pending legal proceeding is remote. However, litigation is inherently uncertain and it is not possible to predict the ultimate disposition of any of these proceedings.

11. Segment Information

(Stated in millions)

	Second Quarter 2019		Second Quarter 2018	
	Revenue	**Income Before Taxes**	Revenue	Income Before Taxes
Reservoir Characterization	**$ 1,649**	**$ 326**	$ 1,640	$ 350
Drilling	**2,421**	**300**	2,234	289
Production	**3,077**	**235**	3,253	316
Cameron	**1,237**	**156**	1,295	166
Eliminations & other	**(115)**	**(49)**	(119)	(27)
Pretax segment operating income		**968**		1,094
Corporate & other (1)		**(238)**		(239)
Interest income (2)		**9**		11
Interest expense (3)		**(146)**		(135)
Charges and credits (4)		**-**		(184)
	$ 8,269	**$ 593**	$ 8,303	$ 547

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

(2) Interest income excludes amounts which are included in the segments' income ($2 million in 2019; $1 million in 2018).

(3) Interest expense excludes amounts which are included in the segments' income ($10 million in 2019; $9 million in 2018).

(4) See Note 2 – *Charges and Credits.*

(Stated in millions)

	Six Months 2019		Six Months 2018	
	Revenue	**Income Before Taxes**	Revenue	Income Before Taxes
Reservoir Characterization	**$ 3,192**	**$ 619**	$ 3,199	$ 656
Drilling	**4,808**	**608**	4,360	582
Production	**5,967**	**453**	6,209	533
Cameron	**2,412**	**292**	2,605	332
Eliminations & other	**(230)**	**(96)**	(242)	(35)
Pretax segment operating income		**1,876**		2,068
Corporate & other (1)		**(511)**		(464)
Interest income (2)		**18**		36
Interest expense (3)		**(282)**		(266)
Charges and credits (4)		**-**		(184)
	$ 16,149	**$ 1,101**	$ 16,131	$ 1,190

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

(2) Interest income excludes amounts which are included in the segments' income ($5 million in 2019; $4 million in 2018).

(3) Interest expense excludes amounts which are included in the segments' income ($20 million in 2019; $21 million in 2018).

(4) See Note 2 – *Charges and Credits*.

Revenue by geographic area was as follows:

(Stated in millions)

	Second Quarter		Six Months	
	2019	2018	**2019**	2018
North America	**$ 2,801**	$ 3,139	**$ 5,539**	$ 5,974
Latin America	**1,115**	919	**2,107**	1,790
Europe/CIS/Africa	**1,896**	1,784	**3,602**	3,496
Middle East & Asia	**2,452**	2,362	**4,790**	4,662
Eliminations & other	**5**	99	**111**	209
	$ 8,269	$ 8,303	**$ 16,149**	$ 16,131

North America and International revenue disaggregated by segment was as follows:

(Stated in millions)

	Second Quarter 2019			
	North America	**International**	**Eliminations & other**	**Total**
Reservoir Characterization	**$ 242**	**$ 1,316**	**$ 91**	**$ 1,649**
Drilling	**553**	**1,819**	**49**	**2,421**
Production	**1,419**	**1,657**	**1**	**3,077**
Cameron	**558**	**702**	**(23)**	**1,237**
Other	**29**	**(31)**	**(113)**	**(115)**
	$ 2,801	**$ 5,463**	**$ 5**	**$ 8,269**

	Second Quarter 2018			
	North America	International	Eliminations & other	Total
Reservoir Characterization	$ 269	$ 1,237	$ 134	$ 1,640
Drilling	568	1,612	54	2,234
Production	1,695	1,556	2	3,253
Cameron	593	678	24	1,295
Other	14	(18)	(115)	(119)
	$ 3,139	$ 5,065	$ 99	$ 8,303

(Stated in millions)

	Six Months 2019			
	North America	**International**	**Eliminations & other**	**Total**
Reservoir Characterization	**$ 458**	**$ 2,568**	**$ 166**	**$ 3,192**
Drilling	**1,130**	**3,574**	**104**	**4,808**
Production	**2,792**	**3,173**	**2**	**5,967**
Cameron	**1,118**	**1,269**	**25**	**2,412**
Other	**41**	**(85)**	**(186)**	**(230)**
	$ 5,539	**$ 10,499**	**$ 111**	**$ 16,149**

	Six Months 2018			
	North America	International	Eliminations & other	Total
Reservoir Characterization	$ 491	$ 2,436	$ 272	$ 3,199
Drilling	1,132	3,125	103	4,360
Production	3,195	3,011	3	6,209
Cameron	1,144	1,413	48	2,605
Other	12	(37)	(217)	(242)
	$ 5,974	$ 9,948	$ 209	$ 16,131

Revenue in excess of billings related to contracts where revenue is recognized over time was $0.2 billion at June 30, 2019 and December 31, 2018. Such amounts are included within *Receivables less allowance for doubtful accounts* in the *Consolidated Balance Sheet*.

Due to the nature of its business, Schlumberger does not have significant backlog. Total backlog was $3.0 billion at June 30, 2019, of which approximately 60% is expected to be recognized as revenue over the next 12 months.

Billings and cash collections in excess of revenue was $1.0 billion at June 30, 2019 and $0.9 billion at December 31, 2018. Such amounts are included within *Accounts payable and accrued liabilities* in the *Consolidated Balance Sheet*.

12. Pension and Other Postretirement Benefit Plans

Net pension cost (credit) for the Schlumberger pension plans included the following components:

(Stated in millions)

	Second Quarter				Six Months			
	2019		2018		**2019**		2018	
	US	**Int'l**	US	Int'l	**US**	**Int'l**	US	Int'l
Service cost	**$ 13**	**$ 32**	$ 14	$ 38	**$ 27**	**$ 64**	$ 30	$ 70
Interest cost	**46**	**83**	41	76	**91**	**166**	84	152
Expected return on plan assets	**(57)**	**(148)**	(61)	(149)	**(115)**	**(298)**	(125)	(293)
Amortization of prior service cost	**2**	**2**	3	3	**4**	**4**	6	5
Amortization of net loss	**8**	**15**	10	27	**16**	**31**	24	70
	$ 12	**$ (16)**	$ 7	$ (5)	**$ 23**	**$ (33)**	$ 19	$ 4

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

(Stated in millions)

	Second Quarter		Six Months	
	2019	2018	**2019**	2018
Service cost	**$ 7**	$ 8	**$ 15**	$ 16
Interest cost	**12**	10	**24**	22
Expected return on plan assets	**(17)**	(16)	**(33)**	(32)
Amortization of prior service credit	**(7)**	(7)	**(14)**	(14)
	$ (5)	$ (5)	**$ (8)**	$ (8)

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

Second Quarter 2019 Compared to First Quarter 2019

(Stated in millions)

	Second Quarter 2019		First Quarter 2019	
	Revenue	**Income Before Taxes**	Revenue	Income Before Taxes
Reservoir Characterization	**$ 1,649**	**$ 326**	$ 1,543	$ 293
Drilling	**2,421**	**300**	2,387	307
Production	**3,077**	**235**	2,890	217
Cameron	**1,237**	**156**	1,174	137
Eliminations & other	**(115)**	**(49)**	(115)	(46)
Pretax segment operating income		**968**		908
Corporate & other (1)		**(238)**		(273)
Interest income (2)		**9**		10
Interest expense (3)		**(146)**		(136)
	$ 8,269	**$ 593**	$ 7,879	$ 509

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

(2) Interest income excludes amounts which are included in the segments' income ($2 million in Q2 2019; $2 million in Q1 2019).

(3) Interest expense excludes amounts which are included in the segments' income ($10 million in Q2 2019; $11 million in Q1 2019).

Second-quarter revenue of $8.3 billion increased 5% sequentially with North America revenue of $2.8 billion increasing 2% while international revenue of $5.5 billion increased 8%.

International revenue growth of 8% sequentially, was led by the Europe/CIS/Africa area, where revenue increased sequentially by 11% driven by activity that strengthened beyond the seasonal recovery in the Russia & Central Asia and United Kingdom & Continental Europe GeoMarkets. Sequential international growth was also driven by a 19% improvement in the Far East Asia & Australia GeoMarket and a 12% increase in the Latin America area, while revenue in the Middle East region grew 3%.

North America revenue improved 2% sequentially, driven by a 10% sequential increase in offshore revenue from stronger exploration-led activity driven mainly by WesternGeco® multiclient seismic license sales. North America land revenue increased 1% sequentially despite the impact of the spring breakup in Canada, as OneStim® activity was higher offset by weak hydraulic fracturing pricing and a general decrease in drilling activity.

From a macro perspective, Schlumberger expects oil market sentiments to remain balanced. The oil demand forecast for 2019 has been reduced slightly on trade war fears and current global geopolitical tensions, but Schlumberger does not anticipate a change in the structural demand outlook for the mid-term. On the supply side, Schlumberger continues to see US shale oil as the only near- to medium-term source of global production growth, albeit at a slowing growth rate, as exploration & production (E&P) operators continue to transition from an emphasis on growth to a focus on cash and returns, with consequent restraining effects on investment levels. These effects, combined with the decision by OPEC and Russia to extend production cuts through the first quarter of 2020, are likely to keep oil prices range bound around present levels. Although the markets are well supplied from production added by projects that were sanctioned before 2015, this added supply will begin to fall in 2020 and create risk for the future as the decline rates in many mature production basins become an increasingly significant challenge. In addition, while the number of new projects Schlumberger expects to receive final investment decision approval in 2019 is likely to increase again for the fourth consecutive year, their size and number account for supply additions far below the required global annual production replacement rates. Schlumberger therefore maintains its view that international E&P investment will grow 7% to 8% in 2019, further supported by the increase in international rig count. In contrast, spending in North America land is tracking Schlumberger's expectations of a 10% decline this year.

Reservoir Characterization

Reservoir Characterization revenue of $1.6 billion increased 7% sequentially due to higher activity beyond the seasonal rebounds from winter in the Northern Hemisphere. Growth was driven by higher offshore exploration activity internationally benefiting Wireline and Testing Services. The increase in Reservoir Characterization revenue was also driven by higher WesternGeco multiclient seismic license sales in the Mexico Bay of Campeche and the US Gulf of Mexico.

Reservoir Characterization pretax operating margin of 20% was 81 basis points (bps) higher sequentially due to the seasonal recovery in higher-margin Wireline activity and stronger WesternGeco multiclient seismic license sales.

Drilling

Drilling revenue of $2.4 billion increased 1% sequentially. Stronger international activity beyond the seasonal rebounds in the Northern Hemisphere was supported by the international rig count increase of 6%, but growth was offset by reduced shale drilling activity in North America land as the US land rig count declined 5%. International growth was driven by higher activity benefiting M-I SWACO and Drilling & Measurements.

Drilling pretax operating margin of 12% declined 45 bps sequentially as margin improvements internationally for Drilling & Measurements and M-I SWACO were more than offset by lower margins from Integrated Drilling Services (IDS) projects in the Middle East region.

Production

Production revenue of $3.1 billion increased 6% sequentially driven primarily by higher international activity for Well Services. Increased artificial lift sales across the international areas, higher intelligent completions activity in Saudi Arabia, and increased Schlumberger Production Management (SPM) project activity mainly in Ecuador, all contributed to the increase in Production revenue. In North America land, despite the impact of the spring breakup in Canada, Production revenue was up 3% sequentially driven by higher cementing activity and improved OneStim hydraulic fracturing fleet utilization on increased market demand. These effects, however, were partially offset by softer hydraulic fracturing pricing.

Production pretax operating margin of 8% was essentially flat sequentially as the improvement in international margin from higher activity was offset by the effects of pricing pressure in North America land.

Cameron

Cameron revenue of $1.2 billion increased 5% sequentially driven by higher international revenue for OneSubsea, Surface Systems, and Drilling Systems. By geography, international revenue grew 24% sequentially while North America revenue was essentially flat.

Cameron pretax operating margin of 13% increased 94 bps sequentially primarily due to improved profitability in OneSubsea and Surface Systems.

Second Quarter 2019 Compared to Second Quarter 2018

(Stated in millions)

	Second Quarter 2019		Second Quarter 2018	
	Revenue	**Income Before Taxes**	Revenue	Income Before Taxes
Reservoir Characterization	**$ 1,649**	**$ 326**	$ 1,640	$ 350
Drilling	**2,421**	**300**	2,234	289
Production	**3,077**	**235**	3,253	316
Cameron	**1,237**	**156**	1,295	166
Eliminations & other	**(115)**	**(49)**	(119)	(27)
Pretax segment operating income		**968**		1,094
Corporate & other (1)		**(238)**		(239)
Interest income (2)		**9**		11
Interest expense (3)		**(146)**		(135)
Charges and credits (4)		**-**		(184)
	$ 8,269	**$ 593**	$ 8,303	$ 547

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

(2) Interest income excludes amounts which are included in the segments' income ($2 million in 2019; $1 million in 2018).

(3) Interest expense excludes amounts which are included in the segments' income ($10 million in 2019; $9 million in 2018).

(4) Charges and credits described in detail in Note 2 to the *Consolidated Financial Statements.*

Second-quarter 2019 revenue of $8.3 billion was essentially flat year-on-year as North America revenue declined 11% year-on-year, while international revenue increased by 8%. These results reflect the normalization in global E&P spend that Schlumberger anticipated as international investment increased in response to the accelerating decline in the mature production base, and North America land investment decreased due to E&P operator cash flow constraints.

Reservoir Characterization

Second-quarter 2019 revenue of $1.6 billion was essentially flat year-on-year. Higher Wireline, Testing, and Software Integrated Solutions revenue from increased international activity was offset by reduced OneSurface project revenue.

Year-on-year, pretax operating margin decreased 153 bps to 20% primarily due to reduced profitability from OneSurface as projects wound down at the end of 2018.

Drilling

Second-quarter 2019 revenue of $2.4 billion increased 8% year-on-year primarily due to higher demand for drilling services, largely in the international markets that benefited M-I SWACO, IDS, and Drilling & Measurements.

Year-on-year, pretax operating margin decreased 53 bps to 12% despite higher revenue as margins were affected by competitive pricing, and start-up costs from a number of integrated contracts internationally.

Production

Second-quarter 2019 revenue of $3.1 billion decreased 5% year-on-year with most of the revenue decline attributable to lower OneStim activity in North America as customers reduced spending due to higher cost of capital, lower borrowing capacity and expectation of better returns from their shareholders.

Year-on-year, pretax operating margin decreased 207 bps to 8% primarily due to reduced profitability in OneStim in North America.

Cameron

Second-quarter 2019 revenue of $1.2 billion decreased 4% year-on-year due to lower revenue for OneSubsea, Drilling Systems, and Valves & Measurement.

Year-on-year, pretax operating margin was essentially flat at 13%.

Six Months 2019 Compared to Six Months 2018

(Stated in millions)

	Six Months 2019		Six Months 2018	
	Revenue	**Income Before Taxes**	Revenue	Income Before Taxes
Reservoir Characterization	**$ 3,192**	**$ 619**	$ 3,199	$ 656
Drilling	**4,808**	**608**	4,360	582
Production	**5,967**	**453**	6,209	533
Cameron	**2,412**	**292**	2,605	332
Eliminations & other	**(230)**	**(96)**	(242)	(35)
Pretax segment operating income		**1,876**		2,068
Corporate & other (1)		**(511)**		(464)
Interest income (2)		**18**		36
Interest expense (3)		**(282)**		(266)
Charges and credits (4)		**-**		(184)
	$ 16,149	**$ 1,101**	$ 16,131	$ 1,190

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

(2) Interest income excludes amounts which are included in the segments' income ($5 million in 2019; $4 million in 2018).

(3) Interest expense excludes amounts which are included in the segments' income ($20 million in 2019; $21 million in 2018).

(4) Charges and credits described in detail in Note 2 to the *Consolidated Financial Statements.*

Six-month 2019 revenue of $16.1 billion was essentially flat year-on-year as international revenue increased 6% while North America land revenue declined 12%. These results reflect the normalization in global E&P spend that Schlumberger anticipated as international investment increases in response to the accelerating decline in the mature production base, and North America land investment decreases due to E&P operator cash flow constraints.

Reservoir Characterization

Six-month 2019 revenue of $3.2 billion was essentially flat year-on-year, driven primarily by higher Wireline and Testing from increased international activity that was offset by reduced OneSurface project revenue and the absence of WesternGeco marine seismic acquisition revenue following the divestiture of this business during the fourth quarter of 2018.

Year-on-year, pretax operating margin decreased 112 bps to 19% due to lower profitability from OneSurface as projects wound down at the end of 2018.

Drilling

Six-month 2019 revenue of $4.8 billion increased 10% year-on-year primarily due to higher demand for drilling services, largely in the international markets that benefited M-I SWACO, IDS, and Drilling & Measurements.

Year-on-year, pretax operating margin decreased 71 bps to 13% despite higher revenue as margins were affected by competitive pricing, and start-up costs from a number of integrated contracts internationally.

Production

Six-month 2019 revenue of $6.0 billion decreased 4% year-on-year with most of the revenue decline attributable to lower OneStim activity in North America as customers reduced spending due to higher cost of capital, lower borrowing capacity, and expectation of better returns from their shareholders. This decline was partially offset by higher production revenue internationally, which benefited all other technologies.

Year-on-year, pretax operating margin decreased 100 bps to 8% primarily due to reduced profitability in OneStim in North America.

Cameron

Six-month 2019 revenue of $2.4 billion decreased 7% year-on-year primarily due to lower revenue for OneSubsea.

Year-on-year, pretax operating margin decreased 63 bps to 12% primarily due to the reduced profitability in OneSubsea.

Interest and Other Income

Interest & other income consisted of the following:

(Stated in millions)

	Second Quarter		Six Months	
	2019	2018	**2019**	2018
Equity in net earnings of affiliated companies	**$ 14**	$ 28	**$ 16**	$ 42
Interest income	**11**	12	**23**	40
	$ 25	$ 40	**$ 39**	$ 82

Other

Research & engineering and *General & administrative* expenses, as a percentage of *Revenue*, for the second quarter and six months ended June 30, 2019 and 2018 were as follows:

	Second Quarter		Six Months	
	2019	2018	**2019**	2018
Research & engineering	**2.2%**	2.1%	**2.2%**	2.1%
General & administrative	**1.4%**	1.4%	**1.4%**	1.4%

The effective tax rate for the second quarter of 2019 was 17% compared to 19% for the same period of 2018 as charges described in Note 2 *to Consolidated Financial Statements* increased the effective tax rate for the second quarter of 2018 by two percentage points.

The effective tax rate for the first six months of 2019 was 16% as compared to 18% for the same period of 2018. The charges described in Note 2 *to Consolidated Financial Statements* increased the effective tax rate for the first six months of 2018 by one percentage point while the remaining decrease was primarily driven by the geographic mix of earnings.

Charges and Credits

2019

There were no charges or credits recorded during the first six months of 2019.

2018

During the second quarter of 2018, Schlumberger recorded a $184 million pretax charge ($164 million after-tax) associated with headcount reductions, primarily to further streamline its support cost structure. This charge is classified in *Impairments & other* in the *Consolidated Statement of Income*.

There were no charges or credits recorded during the first quarter of 2018.

Liquidity and Capital Resources

Details of the components of liquidity as well as changes in liquidity follow:

(Stated in millions)

Components of Liquidity:	Jun. 30, 2019	Jun. 30, 2018	Dec. 31, 2018
Cash	**$ 1,466**	$ 1,461	$ 1,433
Short-term investments	**882**	1,588	1,344
Short-term borrowings and current portion of long-term debt	**(98)**	(3,736)	(1,407)
Long-term debt	**(16,978)**	(13,865)	(14,644)
Net debt (1)	**$ (14,728)**	$ (14,552)	$ (13,274)

Changes in Liquidity:	Six Months Ended Jun. 30, 2019	Six Months Ended Jun. 30, 2018
Net income	**$ 923**	$ 971
Impairment and other charges	-	184
Depreciation and amortization (2)	**1,841**	1,750
Earnings of equity method investments, less dividends received	-	(26)
Stock-based compensation expense	**194**	176
Increase in working capital (3)	**(1,460)**	(1,338)
Other	**(64)**	(162)
Cash flow from operations	**1,434**	1,555
Capital expenditures	**(817)**	(974)
SPM investments	**(332)**	(434)
Multiclient seismic data costs capitalized	**(109)**	(47)
Free cash flow (4)	**176**	100
Dividends paid	**(1,385)**	(1,385)
Proceeds from employee stock plans	**106**	133
Stock repurchase program	**(199)**	(200)
Business acquisitions and investments, net of cash acquired plus debt assumed	**(17)**	(47)
Other	**(135)**	(43)
Increase in net debt	**(1,454)**	(1,442)
Net debt, beginning of period	**(13,274)**	(13,110)
Net debt, end of period	**$ (14,728)**	$ (14,552)

(1) "Net debt" represents gross debt less cash and short-term investments. Management believes that Net debt provides useful information regarding the level of Schlumberger's indebtedness by reflecting cash and investments that could be used to repay debt. Net debt is a non-GAAP financial measure that should be considered in addition to, not as a substitute for or superior to, total debt.

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

(3) Includes severance payments of approximately $71 million and $160 million during the six months ended June 30, 2019 and 2018, respectively.

(4) "Free cash flow" represents cash flow from operations less capital expenditures, SPM investments and multiclient seismic data costs capitalized. Management believes that free cash flow is an important liquidity measure for the company and that it is useful to investors and management as a measure of our ability to generate cash. Once business needs and obligations are met, this cash can be used to reinvest in the company for future growth or to return to shareholders through dividend payments or share repurchases. Free cash flow does not represent the residual cash flow available for discretionary expenditures. Free cash flow is a non-GAAP financial measure that should be considered in addition to, not as substitute for or superior to, cash flow from operations.

Key liquidity events during the first six months of 2019 and 2018 included:

- On January 21, 2016, the Board approved a $10 billion share repurchase program for Schlumberger common stock. Schlumberger had repurchased $922 million of Schlumberger common stock under this program as of June 30, 2019.

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

(Stated in millions, except per share amounts)

	Total cost of shares purchased	Total number of shares purchased	Average price paid per share
Six months ended June 30, 2019	**$ 199**	**4.8**	**$ 41.40**
Six months ended June 30, 2018	$ 200	2.9	$ 69.10

- Capital expenditures were $0.8 billion during the first six months of 2019 compared to $1.0 billion during the first six months of 2018. Capital expenditures for full-year 2019 are expected to be approximately $1.5 billion to $1.7 billion as compared to $2.2 billion in 2018.
- During the first quarter of 2019, Schlumberger issued $750 million of 3.75% Senior Notes due 2024 and $850 million of 4.30% Senior Notes due 2029.

Schlumberger generates revenue in more than 120 countries. As of June 30, 2019, four of those countries individually accounted for greater than 5% of Schlumberger's net receivables balance, of which only the United States accounted for greater than 10% of such receivables.

As of June 30, 2019, Schlumberger had $2.3 billion of cash and short-term investments on hand. Schlumberger had separate committed debt facility agreements aggregating $6.5 billion that support commercial paper programs, of which $3.3 billion was available and unused. Schlumberger believes these amounts are sufficient to meet future business requirements for at least the next 12 months.

Borrowings under the commercial paper programs at June 30, 2019 were $3.2 billion.

FORWARD-LOOKING STATEMENTS

This second-quarter 2019 Form 10-Q, as well as other statements we make, contain "forward-looking statements" within the meaning of the federal securities laws, which include any statements that are not historical facts, such as our forecasts or expectations regarding business outlook; growth for Schlumberger as a whole and for each of its segments (and for specified products or geographic areas within each segment); oil and natural gas demand and production growth; oil and natural gas prices; improvements in operating procedures and technology, including our transformation program; capital expenditures by Schlumberger and the oil and gas industry; the business strategies of Schlumberger's customers; our effective tax rate; Schlumberger's SPM projects, joint ventures and alliances; future global economic conditions; and future results of operations. These statements are subject to risks and uncertainties, including, but not limited to, global economic conditions; changes in exploration and production spending by Schlumberger's customers and changes in the level of oil and natural gas exploration and development; general economic, political and business conditions in key regions of the world; foreign currency risk; pricing pressure; weather and seasonal factors; operational modifications, delays or cancellations; production declines; changes in government regulations and regulatory requirements, including those related to offshore oil and gas exploration, radioactive sources, explosives, chemicals, hydraulic fracturing services and climate-related initiatives; the inability of technology to meet new challenges in exploration; and other risks and uncertainties detailed in this second-quarter 2019 Form 10-Q and our most recent Forms 10-K, 10-Q, and 8-K filed with or furnished to the Securities and Exchange Commission. If one or more of these or other risks or uncertainties materialize (or the consequences of any such development changes), or should our underlying assumptions prove incorrect, actual outcomes may vary materially from those reflected in our forward-looking statements. Schlumberger disclaims any intention or obligation to update publicly or revise such statements, whether as a result of new information, future events or otherwise.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

For quantitative and qualitative disclosures about market risk affecting Schlumberger, see Item 7A, "Quantitative and Qualitative Disclosures about Market Risk," of the Schlumberger Annual Report on Form 10-K for the fiscal year ended December 31, 2018. Schlumberger's exposure to market risk has not changed materially since December 31, 2018.

Item 4. Controls and Procedures.

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

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

The information with respect to this Item 1 is set forth under Note 10—*Contingencies,* in the *Consolidated Financial Statements*.

Item 1A. Risk Factors.

As of the date of this filing, there have been no material changes from the risk factors disclosed in Part 1, Item 1A, of Schlumberger's Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

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

Unregistered Sales of Equity Securities

None.

Issuer Repurchases of Equity Securities

As of June 30, 2019, Schlumberger had repurchased $922 million of Schlumberger common stock under its $10 billion share repurchase program.

Schlumberger's common stock repurchase activity for the three months ended June 30, 2019 was as follows:

(Stated in thousands, except per share amounts)

	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced programs	Maximum value of shares that may yet be purchased under the programs
April 2019	744.6	$ 45.09	744.6	$ 9,144,906
May 2019	890.7	$ 39.54	890.7	$ 9,109,692
June 2019	876.5	$ 36.51	876.5	$ 9,077,694
	2,511.8	$ 40.12	2,511.8	

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

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

Item 5. Other Information.

In 2013, Schlumberger completed the wind down of its service operations in Iran. Prior to this, certain non-US subsidiaries provided oilfield services to the National Iranian Oil Company and certain of its affiliates (“NIOC”).

Schlumberger’s residual transactions or dealings with the government of Iran during the second quarter of 2019 consisted of payments of taxes and other typical governmental charges. Certain non-US subsidiaries of Schlumberger maintain depository accounts at the Dubai branch of Bank Saderat Iran (“Saderat”), and at Bank Tejarat (“Tejarat”) in Tehran and in Kish for the deposit by NIOC of amounts owed to non-US subsidiaries of Schlumberger for prior services rendered in Iran and for the maintenance of such amounts previously received. One non-US subsidiary also maintained an account at Tejarat for payment of local expenses such as taxes. Schlumberger anticipates that it will discontinue dealings with Saderat and Tejarat following the receipt of all amounts owed to Schlumberger for prior services rendered in Iran.

Item 6. Exhibits.

Exhibit 3.1—Articles of Incorporation 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 6, 2016)

Exhibit 3.2—Amended and Restated By-laws of Schlumberger Limited (Schlumberger N.V.) (incorporated by reference to Exhibit 3 to Schlumberger's Current Report on Form 8-K filed on July 22, 2019)

* Exhibit 10.1—Employment Agreement effective as of April 1, 2019, by and between Schlumberger Limited, Schlumberger Global Resources, Ltd. and Aaron Gatt Floridia (+)

Exhibit 10.2—Amended and Restated 2004 Stock and Deferral Plan for Non-Employee Directors, as amended and restated effective January 17, 2019 (incorporated by reference to Exhibit 10.1 to Schlumberger's Current Report on Form 8-K filed on April 3, 2019) (+)

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

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

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

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

* Exhibit 95—Mine Safety Disclosures

* Exhibit 101.INS—XBRL Instance Document - The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document

* Exhibit 101.SCH—XBRL Taxonomy Extension Schema Document

* Exhibit 101.CAL—XBRL Taxonomy Extension Calculation Linkbase Document

* Exhibit 101.DEF—XBRL Taxonomy Extension Definition Linkbase Document

* Exhibit 101.LAB—XBRL Taxonomy Extension Label Linkbase Document

* Exhibit 101.PRE—XBRL Taxonomy Extension Presentation Linkbase Document

* Filed with this Form 10-Q.
** Furnished with this Form 10-Q.
+ Compensatory plans or arrangements.

SIGNATURE

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

Schlumberger Limited
(Registrant)

Date: July 24, 2019

/s/ Howard Guild

Howard Guild
Chief Accounting Officer and Duly Authorized Signatory

Exhibit 10.1

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement") is effective as of the 1st of April 2019, by and between Schlumberger Limited, a Netherlands Antilles corporation (the "Company"), Schlumberger Global Resources, Ltd ("SGRL") and Aaron Gatt Floridia, an individual currently residing in Houston, TX ("Executive").

1. Employment of Executive: In consideration of the mutual covenants and agreements herein contained, including Executive's agreement to sign a release of claims as provided in Section 15, the Company and Executive wish to enter into this Agreement retaining Executive's services as described herein, establishing certain incentive, tenure and performance criteria related to such employment and otherwise fixing Executive's benefits and compensation.

2. Term and Extent of Services: During the Term, as defined below, Executive shall be employed as Senior Advisor reporting to the Chief Operating Officer. The term hereof shall commence April 1, 2019 (the "Effective Date") and shall continue until the close of business on March 31, 2021 (the "Term"). It is expected that as of, or as soon as practicable following, the beginning of the Term, Executive's employment shall be transferred to SGRL in its offices in Dubai, and Executive agrees and consents to such relocation and transfer of employment. Unless the context requires otherwise, following Executive's transfer to SGRL, references to the Company shall be deemed to be references to SGRL. During the Term, Executive agrees to provide advisory services as reasonably requested and the parties currently expect that he will perform services at a mutually agreed level over the course of the Term. At the expiration of the Term, Executive's employment with the Company and all Affiliates (as defined in Section 4(e) hereof) shall terminate. For purposes of clarity and the avoidance of doubt, the parties acknowledge and agree that Executive is permitted to commence employment with another employer during the Term and such employment shall not cause the Term to end or otherwise cause or result in the compensation and benefits payable to Executive under this Agreement to cease or otherwise be diminished, nor shall it cause Executive's employment to be deemed terminated under this Agreement, provided that (i) such employer is not one of the "Restricted Companies" as defined in Section 6 hereof, (ii) Executive complies with the notice requirements in Section 6(b), and (iii) such employment does not interfere with Executive's ability to provide the services during the Term as provided in this Section 2.

3. Compensation and Benefits:

(a) Salary: During the Term, Executive's annual base salary shall be $840,000, paid on a monthly basis, in accordance with the Company's normal payroll practices. The base salary amount shall be inclusive of any perquisite allowance, such that no additional amount will be paid to Executive for any perquisite allowance.

(b) Welfare Benefits: During the Term, Executive and his eligible dependents shall be eligible to participate in the Company's medical plans applicable to employees in Dubai on a basis comparable to that of other employees consistent with the plan terms.

Following Executive's voluntary termination at the end of the Term, Executive and his eligible dependents will be eligible to elect coverage under the Deferred Medical Program Free Cover subject to the terms of the Company's Plan as such plan may be amended from time to time

(c) Pension and Profit Sharing: During the Term, Executive will continue to accrue additional benefits under the Company's qualified and non-qualified pension and profit sharing plans and retiree medical plans, in each case for which Executive is otherwise eligible. Payments under the Company's non-qualified pension and profit sharing plans will be made in accordance with the terms of the relevant plan upon a separation from service with the Company.

(d) Incentive Plans: Beginning April 1, 2019 and for the remainder of the Term, Executive will not participate in the Company's Performance Incentive Plan, or any other bonus program. Executive will be eligible to receive a prorated payout for service through March 31, 2019, to be calculated and paid in March of 2020.

During the Term, Executive will not receive any new grants of long-term incentive awards. During the Term, or if Executive's employment is terminated sooner pursuant to Section 4, until such termination, Executive will qualify for special retirement under the company's long-term incentive award agreements. The long-term incentive awards will continue to vest under the Company's stock incentive plans in accordance with the terms of those plans and any applicable agreements.

Outstanding Stock Options: Options previously issued to Executive and outstanding as of the Effective Date, which for clarity are set forth below, will continue to vest through Executive's termination of employment and thereafter, subject to the terms of the applicable agreements. Such options will remain exercisable upon the earlier of five years after Executive's termination of employment or upon the stock option expiration date, subject to earlier termination pursuant to the terms of the applicable agreements.

Grant Date	Vested Options	Unvested Options	Grant Price	Option Expiration Date
1/21/2010	30,000	0	$68.51	1/21/2020
1/20/2011	30,000	0	$83.89	1/20/2021
7/21/2011	20,000	0	$90.00	7/21/2021
1/19/2012	62,000	0	$72.11	1/19/2022
1/17/2013	50,000	0	$73.25	1/17/2023
1/16/2014	53,000	0	$88.77	1/16/2024
1/15/2015	56,800	14,200	$77.80	1/15/2025
1/21/2016	68,400	45,600	$61.92	1/21/2026

Unvested Restricted Stock Units: RSUs previously issued to Executive and outstanding as of the Effective Date, which for clarity are set forth below, will continue to vest until Executive's termination of employment and thereafter subject to the terms and conditions of the applicable agreement.

Grant Date	RSUs Granted	Vest Date
7/20/2016	15,000	7/20/2019
10/18/2017	20,000	10/18/2020

Performance Stock Units: PSUs previously issued to Executive and outstanding as of the Effective Date, which for clarify are set forth below, will continue to vest until Executive's termination of employment and thereafter subject to the terms and conditions of the applicable agreement, including the applicable performance conditions.

Grant Date	PSUs Granted	Vest Date
1/19/2017	19,600	January 2020
1/19/2017	48,000 Earned	January 2019 Earned January 2020 Released
1/17/2018	22,400	January 2021
1/17/2018	21,900	January 2020 Earned January 2021 Released
1/16/2019	44,800	January 2022
1/16/2019	44,800	January 2022

(e) Vacation: During the Term, Executive shall not be eligible to accrue vacation pay. Within 30 days after the Effective Date, Executive shall be paid a cash amount representing his accrued and unused vacation accumulated as of March 31, 2019.

(f) Repatriation Assistance: The Company will provide repatriation assistance, which includes economy flights reimbursement and movement of household goods.

(g) Expense Reimbursement: Executive shall be reimbursed for any previously authorized expenses incurred in the normal course of performing his duties hereunder, including any travel expenditures necessary to satisfactorily perform his duties. Executive shall submit all written invoices for such incurred costs to the Company no later than 30 days prior to the end of the taxable year following the taxable year in which they were incurred.

(h) Tax Preparation Expenses: During the Term, the Company will provide for tax preparation assistance for the 2019 tax jurisdiction filings. The Company will directly pay as incurred, fees associated with the 2019 tax preparation assistance and tax advisory services incurred by Executive through the end of the Term for these filings.

4. Termination of Employment: The following provisions of this Section 4 shall govern the rights of Executive under this Agreement in connection with a termination of employment:

(a) Termination by the Company for Cause: In the event the Company terminates Executive's employment during the Term for Cause, as defined below, he shall be entitled to:

i. His base salary through the date of the termination of his employment for Cause; and

ii. Any other amounts earned, accrued or owing for previously vested benefits as of the date of termination of employment under the applicable employee benefit plans or programs of the Company; provided, however, that any options not exercised as of the date of termination will be forfeited, and any prior option or restricted stock unit exercises may be rescinded as a result of "detrimental activity" within the meaning of the governing plan or award agreement.

iii. Executive will also forfeit as of the date of termination of employment any rights to the benefits described in Section 3 above.

"Cause" means Executive's dishonesty in connection with Company business, conviction of a felony, violation of Company policies or code of conduct, or any breach of this Agreement, specifically including the Non-compete, Non-solicitation, Non-disparagement, Confidentiality and Return of Company Property provisions of this Agreement.

(b) Termination Due to Death: In the event Executive's employment terminates during the Term as a result of Executive's death, Executive's beneficiary or beneficiaries shall receive any base salary and benefits accrued but unpaid as of his death, plus any amounts payable on account of Executive's death pursuant to any other plan or program of the Company.

(c) Termination Due to Disability: In the event Executive's employment terminates during the Term due to his disability within the meaning of any long-term disability plan maintained by the Company and covering Executive as of the date of Executive's disability, Executive shall receive any base salary and benefits accrued but unpaid as of the date of his termination due to disability, plus any amounts payable on account of Executive's disability pursuant to any other plan or program of the Company.

(d) Voluntary Termination at End of Term. In the event Executive remains employed until the end of the Term, the parties agree he shall voluntarily terminate employment as of such date. Executive acknowledges and agrees that he shall not be entitled to any severance or termination indemnity payment of any kind other than as specifically provided above and under the terms of this Agreement.

(e) Employment by Affiliates: Notwithstanding any provision of this Agreement to the contrary, for purposes of determining whether Executive has terminated employment hereunder, "employment" means employment as an employee with the Company or any Affiliate. For purposes of this Agreement, the term "Affiliate" means (i) Schlumberger Limited, a Curaçao corporation, (ii) any entity in which the equity interests owned or controlled directly or indirectly by Schlumberger Limited shall represent 40% or more of the voting power of the issued and outstanding equity interests of such entity, and (iii) any other entity controlled by, controlling or under common control with the Company within the meaning of Section 414 of the Internal Revenue Code of 1986, as amended (the "Code").

5. Confidentiality and Return of Property

(a) Confidentiality: Executive acknowledges that the Company has provided and will provide Executive with Confidential Information. Executive agrees that in return for this and other consideration provided under this Agreement he will not disclose or make available to any other person or entity, or use for his own personal gain, any Confidential Information, except for such disclosures as required in the performance of his duties hereunder. For purposes of this Agreement, "Confidential Information" shall mean any and all information, data and knowledge that have been created, discovered, developed or otherwise become known to the Company or any of its Affiliates or ventures or in which property rights have been assigned or otherwise conveyed to the Company or any of its Affiliates or ventures, which information, data or knowledge has commercial value in the business in which the Company is engaged, except such information, data or knowledge as is or becomes known to the public without violation of the terms of this Agreement. By way of illustration, but not limitation Confidential Information includes trade secrets, processes, formulas, know-how, improvements, discoveries, developments, designs, inventions, techniques, marketing plans, manual, records of research, reports, memoranda, computer software, strategies, forecasts, new products, unpublished financial statements or parts thereof, budgets or other financial information, projections, licenses, prices, costs, and employee, customer and supplier lists or parts thereof.

(b) Return of Property: Within ten (10) days after the end of the Term or upon request of the Company at any time prior to the end of the Term, Executive agrees the following:

i. He will deliver to the Company all (and will not keep in his possession, recreate or deliver to anyone else, any) Confidential Information, as well as all other devices, records, data, notes, reports, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, materials, equipment, customer or client lists or information, or any other documents or property (including all reproductions of the aforementioned items) belonging to the Company or any of its Affiliates or ventures, regardless of whether such items were prepared by Executive; and

ii. Executive will return to a Company representative all computers and electronic storage devices including thumb drives, back-up devices, etc. that contain Company information. To the extent that Executive owns electronic devices that contain Company information (e.g. personal computers, phones or home computers), Executive agrees to allow access to such devices to Company IT personnel to remove the Company information. To the extent Company-owned electronic devices contain Executive personal information, Executive and Company agree to cooperate in the removal or copying of the personal information to a separate device for Executive. Executive agrees to sign an inventory of the devices returned and steps taken to remove Company information from Executive personal computers and devices.

6. Covenant Not to Compete, Non-solicitation and Non-disparagement: Executive acknowledges that the skills, processes and information developed at the Company are highly proprietary and global in nature and could be utilized directly and to the Company's detriment (or the detriment of any of the Company's Affiliates or ventures) by several other businesses. Executive also acknowledges that the nature of his duties and responsibilities under the Agreement will bring him into close contact with much of the Company's Confidential Information, and the Company has affirmatively agreed to provide him with Confidential Information. Accordingly, for the consideration provided to Executive in this Agreement, Executive agrees to be bound by the following restrictive covenants:

(a) During the period of the Term, herein referred to as the "Restricted Period", Executive shall not accept employment with or render services or otherwise become involved either directly or indirectly, on his own behalf or on behalf of any other person, firm or company, in any capacity throughout the world (whether as agent, consultant, director, employee, owner, partner, shareholder or in any other capacity) in the following organizations' operations or business, which organizations are herein referred to as the "Restricted Companies":

1) Baker Hughes, a GE company
2) Halliburton Company
3) Weatherford International Limited
4) National Oilwell Varco (NOV)
5) OilServ
6) any North American land oilfield services company in which more than 50% of its gross revenue is derived from hydraulic fracturing services,

7) any of the aforementioned companies, affiliated companies of joint ventures, where that affiliated company or joint venture company is principally engaged in any oilfield-services related business, and/or

8) any entity that is acquired by or a successor to any of the aforementioned companies.

(b) In the event that, during the Restricted Period, Executive becomes engaged or employed (in any form described above) by an organization or business inside the oil & gas industry that is **not** one of the Restricted Companies listed above, Executive shall give the Company advance notice of his accepting employment in any capacity. Notice of any subsequent employment shall be in writing and must be received by the Chief Executive Officer, at 5599 San Felipe, Houston, TX 77056 on behalf of the Company at least thirty (30) days before the proposed starting date of the employment. The request must include the full name and address of the organization with which Executive is seeking employment, the department or area in which Executive proposes to work, the position or job title to be held by Executive, and a complete description of the duties Executive expects to perform for such employer.

(c) In the event the organization of business in which Executive is involved (in any form described above) becomes a Restricted Company during the Restricted Period, or is acquired during the Restricted Period by one of the Restricted Companies, Executive shall provide written notice of the same immediately to the Chief Executive Officer, as soon as the information is ready to be made public.

(d) Moreover, during the Restricted Period, Executive shall not directly or indirectly, on Executive's own behalf or on behalf of any person or entity, recruit, hire, solicit, or assist others in recruiting, hiring, or soliciting any person, who is, at the time of the recruiting, hiring, or solicitation, an employee, consultant, or contractor of the Company to leave the Company, diminish their relationship with the Company, or work for a competing business. This restriction shall be limited to persons: (1) with whom Executive had contact or business dealings while employed by Company; (2) who worked in Executive's business unit (Group); or (3) about whom Executive had access to confidential information. In the event of breach by the Executive, the specified period will be extended by the period of time of the breach.

(e) Executive agrees that these restrictions are reasonable in light of the consideration given. Executive was given an opportunity to review these restrictions, advised to consult with an attorney, and agreed to these restrictions in exchange for the Company's provision of confidential information and its agreement to pay the additional consideration described in Section 3. The Company is relying on Executive's commitment to comply with the restrictions set forth in this Section 6 in agreeing to pay the consideration set forth in Section 3 and this commitment is ancillary to the Executive's agreement to protect the Company's confidential information. Executive acknowledges that in the event of a breach by Executive of these restrictive covenants, the covenants may be enforced by temporary restraining order, preliminary or temporary injunction and permanent injunction, in addition to any other remedies that may be available by law. In that connection, Executive acknowledges that in the event of a breach, the Company will suffer irreparable injury for which there is no adequate legal remedy, in part because damages caused by the breach may be difficult to prove with any reasonable degree of certainty. Executive further agrees that in the event that (1) the Company determines that Executive has breached any term of Section 6 or (2) all or any part or of Section 6 is held or found invalid or unenforceable for any reason whatsoever by a court of competent jurisdiction in an action between Executive and the Company, in addition to any other remedies at law or in equity the Company may have available to it, the Company may immediately stop payment of any future amounts due pursuant to Section 3 and may in its sole discretion require that Executive repay to the Company, within five business days of receipt of written demand therefor, an amount equal to the payments or benefits received by Executive pursuant to Section 3.

7. Expenses: The Company and Executive shall each be responsible for its/his own costs and expenses, including, without limitation, court costs and attorney's fees, incurred as a result of any claim, action or proceeding arising out of, or challenging the validity or enforceability of, this Agreement or any provisions hereof.

8. Indemnification: To the fullest extent permitted by applicable law, the Company shall hold harmless and fully indemnify Executive against any and all liabilities incurred by or for him in connection with any threatened, pending or completed claim, action, suit, investigation or proceeding of any kind to which Executive is made a party or otherwise subjected to by reason of his status as an employee or officer of the Company or its Affiliates (whether Executive is, becomes or may become a party, a witness or otherwise is a participant in any role), other than any action brought in a dispute between the Company and Executive relating to his employment or his post-employment restrictive covenants. For all matters for which Executive is entitled to indemnification hereunder, Executive shall be entitled to advancement of all expenses (including legal fees) in connection therewith, subject to his execution of an undertaking to repay any amounts so advanced to the extent it is finally determined that he was not entitled to such indemnification under applicable law.

9. Notices: For purposes of this Agreement, notices and all other communications provided for herein shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by United States registered or certified mail, return receipt requested, postage prepaid, addressed (except as set forth in Section 6 (b) hereof) as follows:

If to the Company:	Schlumberger Limited 5599 San Felipe Houston, TX 77056 ATTENTION: Pat Strong, HR Manager
If to Executive:	Aaron Gatt Floridia at the most recent address for Executive listed in the payroll records of the Company.

or to such other address as either party may furnish to the other in writing in accordance herewith, except that notices of changes of address shall be effective only upon receipt.

10. Applicable Law; Venue: The validity, interpretation, construction and performance of this Agreement will be governed exclusively by and construed in accordance with the substantive laws of the State of Texas, without giving effect to the principles of conflict of laws of such state. Any suit, action or other legal proceeding arising out of this Agreement shall be brought in the United States District Court for the Southern District of Texas, Houston Division, or, if such court does not have jurisdiction or will not accept jurisdiction, in any court of general jurisdiction in Harris County, Texas. Each of Executive and the Company consents to the jurisdiction of any such court in any such suit, action, or proceeding and waives any objection that it may have to the laying of venue of any such suit, action, or proceeding in any such court.

11. Severability: Any provision in this Agreement which is prohibited or unenforceable in any jurisdiction by reason of applicable law shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating or affecting the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

12. Withholding of Taxes: The Company may withhold from any benefits payable under this Agreement all federal, state, city or other taxes as may be required pursuant to any law or governmental regulation or ruling.

13. No Assignment; Successors: Executive’s right to receive payments or benefits hereunder shall not be assignable or transferable, whether by pledge, creation, or a security interest or otherwise, whether voluntary, involuntary, by operation of law or otherwise, other than a transfer by will or by the laws of descent or distribution, and in the event of any attempted assignment or transfer contrary to this Section 13, the Company shall have no liability to pay any amount so attempted to be assigned or transferred. This Agreement shall inure to the benefit of and be enforceable by Executive’s personal or legal representatives, executors, administrators, successors, heirs, distributes, devises and legatees.

This Agreement shall be binding upon and inure to the benefit of the Company, its successors and assigns (including, without limitation, any company into or with which the Company may merge or consolidate).

14. Effect of Prior Agreements: This Agreement contains the entire understanding between the parties hereto and supersedes any prior employment, severance or other agreement between the Company or any Affiliate, or any predecessor of the Company or any Affiliate, and Executive (except any agreement containing restrictions relating to patents, confidential information, intellectual property, solicitation or competition). For the avoidance of doubt, this clause shall not affect the validity of Executive's equity compensation related agreements, or his entitlement to vested benefits pursuant to any employee benefit plan of the Company or its Affiliates.

15. Release of Claims: In consideration for the compensation and other benefits provided pursuant to this Agreement, Executive agrees to execute a "Waiver and Release," a form of which is attached hereto as Exhibit A. Executive acknowledges that he was given copies of this Agreement and the Waiver and Release on March 7, 2019 and was given at least 21 days to consider whether to sign the Agreement and the Waiver and Release. The Company's obligations under this Agreement are expressly conditioned on the execution of the Waiver and Release contemporaneously with the execution of this Agreement, no payments will be provided hereunder until the Waiver and Release is executed and delivered, and Executive's failure to execute and deliver such Waiver and Release, or Executive's revocation of the Waiver and Release within the seven day period provided in the Release, will void the Company's obligations hereunder.

16. Section 409A Compliance:

(a) If Executive is a "specified employee" for purposes of Section 409A of the Code, and the regulations thereunder, to the extent required to comply with Section 409A of the Code, any payments otherwise payable on account of the Executive's separation from service which are deferred compensation subject to Section 409A of the Code shall not commence until one day after the day which is six (6) months from the date of termination.

(b) This Agreement is intended to comply with Section 409A of the Code (to the extent applicable) and, to the extent it would not adversely impact the Company, the Company agrees to interpret, apply and administer this Agreement in the least restrictive manner necessary to comply with such requirements and without resulting in any diminution in the value of payments or benefits to the Executive.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered the 7th day of March, 2019, but effective as of the day and year first above written.

Schlumberger Limited

By *_/s/ Pat Strong_*
Pat Strong, HR Manager

Schlumberger Global Resources, Ltd.

By *_/s/ Midori Nakagawa_*

Midori Nakagawa, International Support Center Manager

EXECUTIVE

*_/s/ Aaron Gatt Floridia_*
Aaron Gatt Floridia

Exhibit A

SCHLUMBERGER LIMITED
WAIVER AND RELEASE

Schlumberger Limited has offered to pay me certain benefits ("Benefits") pursuant to my Employment Agreement with Schlumberger Limited, effective as of April 1, 2019 (the "Effective Date"), which are in addition to any remuneration or benefits to which I am already entitled. These Benefits were offered to me in exchange for my agreement, among other things, to waive all of my claims against and release Schlumberger Limited and its predecessors, successors and assigns (collectively referred to as the "Company"), all of the affiliates (including parents and subsidiaries) of the Company and Schlumberger Limited, the ultimate parent of the Company, (collectively referred to as the "Affiliates") and the Company's and Affiliates' directors and officers, employees and agents, employee benefit plans and the fiduciaries and agents of said plans (collectively, with the Company and Affiliates, referred to as the "Corporate Group") from any and all claims, demands, actions, liabilities and damages arising out of or relating in any way to my employment with or separation from the Company or the Affiliates; provided, however, that this Waiver and Release shall not apply to any claim or cause of action to enforce or interpret any provision contained in the Agreement. I have read this Waiver and Release and the Agreement (which, together, are referred to herein as the "Agreement Materials") and the Agreement is incorporated herein by reference. The provision of the Benefits is voluntary on the part of the Company and is not required by any legal obligation other than the Agreement. I choose to accept this offer.

I understand that signing this Waiver and Release is an important legal act. I acknowledge that the Company has advised me in writing to consult an attorney before signing this Waiver and Release. I understand that, in order to be eligible for Benefits, I must sign and return to Pat Strong, HR Manager, Schlumberger Limited, 5599 San Felipe, 17th Floor, Houston, TX 77056) this Waiver and Release by 5 p.m. on March 28, 2019. I acknowledge that I have been given at least 21 days to consider whether to sign the Agreement and whether to execute this Waiver and Release, and that no Benefits will be paid or provided to me until I execute this Waiver and Release and deliver it to the Company.

In exchange for the payment to me of Benefits, which are in addition to any remuneration or benefits to which I am already entitled, I, among other things, (1) agree never to institute, maintain or prosecute, or induce or assist in the instigation, commencement, maintenance or prosecution of any action, suit, proceeding or administrative charge in any forum regarding or relating in any way to my employment with or separation from the Company or the Affiliates, and (2) knowingly and voluntarily waive all claims and release the Corporate Group from any and all claims, demands, actions, liabilities, and damages, whether known or unknown, arising out of or relating in any way to my employment with or separation from the Company or the Affiliates, except to the extent that my rights are vested under the terms of employee benefit plans sponsored by the Company or the Affiliates and except with respect to such rights or claims as may arise after the date this Waiver and Release is executed. This Waiver and Release includes, but is not limited to, claims and causes of action under: Title VII of the Civil Rights Act of 1964, as amended (“Title VII”); the Age Discrimination in Employment Act of 1967, as amended, including the Older Workers Benefit Protection Act of 1990 (“ADEA’’); the Civil Rights Act of 1866, as amended; the Civil Rights Act of 1991; the Americans with Disabilities Act of 1990 (“ADA”); the Energy Reorganization Act, as amended, 42 U.S.C. § 5851; the Workers Adjustment and Retraining Notification Act of 1988; the Pregnancy Discrimination Act of 1978; the Employee Retirement Income Security Act of 1974, as amended; the Family and Medical Leave Act of 1993; the Occupational Safety and Health Act; claims in connection with workers’ compensation; and/or contract, tort, defamation, slander, wrongful termination or any other state or federal regulatory, statutory or common law. Further, I expressly represent that no promise or agreement which is not expressed in the Agreement Materials has been made to me in executing this Waiver and Release, and that I am relying on my own judgment in executing this Waiver and Release, and that I am not relying on any statement or representation of the Company, any of the Affiliates or any other member of the Corporate Group or any of their agents. I agree that this Waiver and Release is valid, fair, adequate and reasonable, is with my full knowledge and consent, was not procured through fraud, duress or mistake and has not had the effect of misleading, misinforming or failing to inform me. Notwithstanding the above, nothing in this Agreement is intended to (i) release or affect in any way any board resolution or by-law of the Company or other agreement between me and the Company which may provide for indemnity and/or director and officer insurance coverage relating to any potential claim against me arising out of my role as an officer and employee of the Company (ii) release or affect in any way any claims arising under the Agreement, (iii) prevent me from filing a complaint with, providing information to, or testifying or otherwise assisting in any investigation or proceeding brought by any state, federal or local regulatory or law enforcement agency or legislative body, or (iv) prevent me from filing any claims that are not permitted to be waived or released under applicable law. However, I further agree and covenant that I will not seek or accept any personal, equitable or monetary relief from the Corporate Group in any action, suit, proceeding or administrative charge filed on my behalf by any person, organization or other entity against the Corporate Group. Notwithstanding the foregoing, I understand and the Company agrees, that nothing in the Agreement or this Waiver and Release prohibits me from reporting to any governmental authority information concerning possible violations of law or regulation, making other disclosures that are protected under the whistleblower provisions of federal law or regulation or receiving an award for information provided to any government agency. This Agreement and the Waiver and Release do not limit my right to receive an award for information provided to any governmental agencies. Pursuant to the Defend Trade Secrets Act of 2016, I understand that I will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of any secret or confidential information that (i) is made (A) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney and (B) solely for the purpose of reporting or investigating a suspected violation of law or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

I acknowledge that payment of Benefits to me by the Company is not an admission by the Company or any other member of the Corporate Group that they engaged in any wrongful or unlawful act or that the Company or any member of the Corporate Group violated any federal or state law or regulation. Except as provided in the Agreement Materials, I acknowledge that neither the Company nor any other member of the Corporate Group has promised me continued employment or represented to me that I will be rehired in the future. I acknowledge that the Company and I contemplate an unequivocal, complete and final dissolution of my employment relationship following the Term (as defined in the Agreement). I acknowledge that this Waiver and Release does not create any right on my part to be rehired by the Company or the Affiliates and I hereby waive any right to future employment by the Company or any other member of the Corporate Group.

Should any of the provisions set forth in this Waiver and Release be determined to be invalid by a court, agency or other tribunal of competent jurisdiction, it is agreed that such determination shall not affect the enforceability of other provisions of this Waiver and Release. I acknowledge that this Waiver and Release and the other Agreement Materials set forth the entire understanding and agreement between me and the Company or any other member of the Corporate Group concerning the subject matter of this Waiver and Release and supersede any prior or contemporaneous oral and/or written agreements or representations, if any, between me and the Company or any other member of the Corporate Group. I understand that for a period of 7 calendar days following the date that I sign this Waiver and Release, I may revoke my acceptance of the offer, provided that my written statement of revocation is received on or before that seventh day by Pat Strong, HR Manager, in which case the Waiver and Release will not become effective. In the event I revoke my acceptance of this offer, the Company shall have no obligation to provide me Benefits. I understand that failure to revoke my acceptance of the offer within 7 calendar days from the date I sign this Waiver and Release will result in this Waiver and Release being permanent and irrevocable.

I acknowledge that I have read this Waiver and Release, have had an opportunity to ask questions and have it explained to me and that I understand that this Waiver and Release will have the effect of knowingly and voluntarily waiving any action I might pursue, including breach of contract, personal injury, retaliation, discrimination on the basis of race, age, sex, national origin, or disability and any other claims arising prior to the date of this Waiver and Release. By execution of this document, I do not waive or release or otherwise relinquish any legal rights I may have which are attributable to or arise out of acts, omissions, or events of the Company or any other member of the Corporate Group which occur after the date of the execution of this Waiver and Release.

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Paal Kibsgaard, certify that:

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

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

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

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

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 24, 2019

/s/ Paal Kibsgaard
Paal Kibsgaard
Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Simon Ayat, certify that:

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

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

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

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

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 24, 2019

/s/ Simon Ayat
Simon Ayat
Executive Vice President and Chief Financial Officer

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

In connection with the Quarterly Report on Form 10-Q of Schlumberger N.V. (Schlumberger Limited) (the "Company") for the quarterly period ended June 30, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Paal Kibsgaard, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 24, 2019

/s/ Paal Kibsgaard
Paal Kibsgaard
Chief Executive Officer

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

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

Exhibit 32.2

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

In connection with the Quarterly Report on Form 10-Q of Schlumberger N.V. (Schlumberger Limited) (the "Company") for the quarterly period ended June 30, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Simon Ayat, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 24, 2019

/s/ Simon Ayat
Simon Ayat
Executive Vice President and Chief Financial Officer

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

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

Exhibit 95

Mine Safety Disclosure

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

The table that follows reflects citations, orders, violations and proposed assessments issued by the Mine Safety and Health Administration (the "MSHA") to indirect subsidiaries of Schlumberger. The disclosure is with respect to the three months ended June 30, 2019. Due to timing and other factors, the data may not agree with the mine data retrieval system maintained by the MSHA at www.MSHA.gov.

Three Months Ended June 30, 2019
[unaudited]
(*whole dollars*)

Mine or Operating Name/MSHA Identification Number	Section 104 S&S Citations	Section 104(b) Orders	Section 104(d) Citations and Orders	Section 110(b)(2) Violations	Section 107(a) Orders	Total Dollar Value of MSHA Assessments Proposed (1)	Total Number of Mining Related Fatalities	Received Notice of Pattern of Violations Under Section 104(e) (yes/no)	Received Notice of Potential to Have Pattern Under Section 104(e) (yes/no)	Legal Actions Pending as of Last Day of Period	Legal Actions Initiated During Period	Legal Actions Resolved During Period
Amelia Barite Plant/1600825	–	–	–	–	–	–	–	N	N	–	–	–
Battle Mountain Grinding Plant/2600828	–	–	–	–	–	–	–	N	N	–	–	–
Galveston GBT Barite Grinding Plant/4104675	–	–	–	–	–	–	–	N	N	–	–	–
Greybull Milling Operation/4800602	–	–	–	–	–	–	–	N	N	–	–	–
Greybull Mining Operation/4800603	–	–	–	–	–	–	–	N	N	–	–	–
Greystone Mine/2600411	–	–	–	–	–	–	–	N	N	–	–	–
Mountain Springs Beneficiation Plant/2601390	–	–	–	–	–	–	–	N	N	–	–	–
Wisconsin Proppants Hixton Mine/4703742	–	–	–	–	–	$374	–	N	N	–	–	–
Wisconsin Proppants Alma Mine/4703823	–	–	–	–	–	–	–	N	N	–	–	–
Wisconsin Proppants Monahans Mine/4105336	–	–	–	–	–	–	–	N	N	–	–	–
Wisconsin Proppants High Roller Sand Mine/4105321	2	–	–	–	–	$1,972	–	N	N	–	–	–

(1) Amounts included are the total dollar value of proposed assessments received from MSHA during the quarter on or before June 30, 2019, regardless of whether the assessment has been challenged or appealed. Citations and orders can be contested and appealed, and as part of that process, are sometimes reduced in severity and amount, and sometimes dismissed. The number of citations, orders, and proposed assessments vary by inspector and vary depending on the size and type of the operation.