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: September 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 September 30, 2019
COMMON STOCK, $0.01 PAR VALUE PER SHARE	1,384,389,267

SCHLUMBERGER LIMITED
Third Quarter 2019 Form 10-Q
Table of Contents

		Page
PART I	**Financial Information**	
Item 1.	Financial Statements	3
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	20
Item 3.	Quantitative and Qualitative Disclosures about Market Risk	27
Item 4.	Controls and Procedures	27
PART II	**Other Information**	
Item 1.	Legal Proceedings	27
Item 1A.	Risk Factors	27
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	27
Item 3.	Defaults Upon Senior Securities	28
Item 4.	Mine Safety Disclosures	28
Item 5.	Other Information	28
Item 6.	Exhibits	29

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

SCHLUMBERGER LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF INCOME (LOSS)
(Unaudited)

(Stated in millions, except per share amounts)

	Third Quarter		Nine Months	
	2019	2018	**2019**	2018
Revenue				
Services	**$ 6,332**	$ 6,345	**$ 18,390**	$ 18,222
Product sales	**2,209**	2,159	**6,299**	6,414
Total Revenue	**8,541**	8,504	**24,689**	24,636
Interest & other income	**21**	36	**61**	118
Expenses				
Cost of services	**5,371**	5,336	**15,794**	15,414
Cost of sales	**2,014**	1,988	**5,800**	5,892
Research & engineering	**176**	177	**527**	524
General & administrative	**120**	105	**345**	330
Impairments & other	**12,692**	-	**12,692**	184
Interest	**160**	147	**462**	434
Income (loss) before taxes	**(11,971)**	787	**(10,870)**	1,976
Tax expense (benefit)	**(598)**	129	**(420)**	348
Net income (loss)	**(11,373)**	658	**(10,450)**	1,628
Net income attributable to noncontrolling interests	**10**	14	**20**	29
Net income (loss) attributable to Schlumberger	**$ (11,383)**	$ 644	**$ (10,470)**	$ 1,599
Basic earnings (loss) per share of Schlumberger	**$ (8.22)**	$ 0.46	**$ (7.56)**	$ 1.15
Diluted earnings (loss) per share of Schlumberger	**$ (8.22)**	$ 0.46	**$ (7.56)**	$ 1.15
Average shares outstanding:				
Basic	**1,385**	1,385	**1,385**	1,385
Assuming dilution	**1,385**	1,392	**1,385**	1,393

See Notes to Consolidated Financial Statements

SCHLUMBERGER LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (LOSS)
(Unaudited)

(Stated in millions)

	Third Quarter		Nine Months	
	2019	2018	**2019**	2018
Net income (loss)	**$ (11,373)**	$ 658	**$ (10,450)**	$ 1,628
Currency translation adjustments				
Unrealized net change arising during the period	**(21)**	(47)	**18**	(128)
Marketable securities				
Unrealized loss arising during the period	**-**	(12)	**-**	(33)
Cash flow hedges				
Net gain (loss) on cash flow hedges	**(27)**	4	**(31)**	(6)
Reclassification to net income (loss) of net realized (gain) loss	**3**	2	**7**	(2)
Pension and other postretirement benefit plans				
Amortization to net income (loss) of net actuarial loss	**23**	47	**70**	141
Amortization to net income (loss) of net prior service credit	**(2)**	(1)	**(8)**	(4)
Income taxes on pension and other postretirement benefit plans	**(1)**	(2)	**(3)**	(7)
Comprehensive income (loss)	**(11,398)**	649	**(10,397)**	1,589
Comprehensive income attributable to noncontrolling interests	**10**	14	**20**	29
Comprehensive income (loss) attributable to Schlumberger	**$ (11,408)**	$ 635	**$ (10,417)**	$ 1,560

See Notes to Consolidated Financial Statements

SCHLUMBERGER LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

(Stated in millions)

	Sept. 30, 2019 (Unaudited)	Dec. 31, 2018
ASSETS		
Current Assets		
Cash	**$ 1,183**	$ 1,433
Short-term investments	**1,109**	1,344
Receivables less allowance for doubtful accounts (2019 - $238; 2018 - $249)	**8,332**	7,881
Inventories	**4,341**	4,010
Other current assets	**1,186**	1,063
	16,151	15,731
Investments in Affiliated Companies	**1,335**	1,538
Fixed Assets less accumulated depreciation	**9,605**	11,679
Multiclient Seismic Data	**593**	601
Goodwill	**16,112**	24,931
Intangible Assets	**7,282**	8,727
Other Assets	**6,912**	7,300
	$ 57,990	$ 70,507
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	**$ 10,364**	$ 10,223
Estimated liability for taxes on income	**1,078**	1,155
Short-term borrowings and current portion of long-term debt	**340**	1,407
Dividends payable	**701**	701
	12,483	13,486
Long-term Debt	**16,333**	14,644
Postretirement Benefits	**1,101**	1,153
Deferred Taxes	**591**	1,441
Other Liabilities	**3,155**	3,197
	33,663	33,921
Equity		
Common stock	**13,012**	13,132
Treasury stock	**(3,641)**	(4,006)
Retained earnings	**19,111**	31,658
Accumulated other comprehensive loss	**(4,569)**	(4,622)
Schlumberger stockholders' equity	**23,913**	36,162
Noncontrolling interests	**414**	424
	24,327	36,586
	$ 57,990	$ 70,507

See Notes to Consolidated Financial Statements

SCHLUMBERGER LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

(Stated in millions)

	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
Cash flows from operating activities:		
Net income (loss)	**$ (10,450)**	$ 1,628
Adjustments to reconcile net (loss) income to cash provided by operating activities:		
Impairments and other charges	**12,692**	184
Depreciation and amortization (1)	**2,741**	2,637
Deferred taxes	**(833)**	(67)
Stock-based compensation expense	**329**	259
Earnings of equity method investments, less dividends received	**2**	(41)
Change in assets and liabilities: (2)		
Increase in receivables	**(429)**	(114)
Increase in inventories	**(400)**	(68)
(Increase) decrease in other current assets	**(127)**	78
Increase in other assets	**(12)**	(167)
Decrease in accounts payable and accrued liabilities	**(266)**	(1,011)
Decrease in estimated liability for taxes on income	**(118)**	(32)
Decrease in other liabilities	**(19)**	(6)
Other	**69**	102
NET CASH PROVIDED BY OPERATING ACTIVITIES	**3,179**	3,382
Cash flows from investing activities:		
Capital expenditures	**(1,230)**	(1,539)
SPM investments	**(526)**	(719)
Multiclient seismic data costs capitalized	**(181)**	(63)
Business acquisitions and investments, net of cash acquired	**(21)**	(290)
Sale of investments, net	**238**	1,922
Other	**(88)**	(36)
NET CASH USED IN INVESTING ACTIVITIES	**(1,808)**	(725)
Cash flows from financing activities:		
Dividends paid	**(2,077)**	(2,077)
Proceeds from employee stock purchase plan	**196**	227
Proceeds from exercise of stock options	**23**	29
Stock repurchase program	**(278)**	(300)
Proceeds from issuance of long-term debt	**3,973**	220
Repayment of long-term debt	**(3,396)**	(900)
Net decrease in short-term borrowings	**(44)**	(103)
Other	**(18)**	(47)
NET CASH USED IN FINANCING ACTIVITIES	**(1,621)**	(2,951)
Net decrease in cash before translation effect	**(250)**	(294)
Translation effect on cash	**-**	(12)
Cash, beginning of period	**1,433**	1,799
Cash, end of period	**$ 1,183**	$ 1,493

(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, except per share amounts)

January 1, 2019 – September 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 (loss)			(10,470)		20	(10,450)
Currency translation adjustments				18	(4)	14
Changes in fair value of cash flow hedges				(24)		(24)
Pension and other postretirement benefit plans				59		59
Shares sold to optionees, less shares exchanged	(26)	49				23
Vesting of restricted stock	(146)	146				-
Shares issued under employee stock purchase plan	(249)	445				196
Stock repurchase program		(278)				(278)
Stock-based compensation expense	329					329
Dividends declared ($1.50 per share)			(2,077)			(2,077)
Other	(28)	3			(26)	(51)
Balance, September 30, 2019	$ 13,012	$ (3,641)	$ 19,111	$ (4,569)	$ 414	$ 24,327

(Stated in millions, except per share amounts)

January 1, 2018 – September 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			1,599		29	1,628
Currency translation adjustments				(128)	(4)	(132)
Changes in unrealized gain on marketable securities				(33)		(33)
Changes in fair value of cash flow hedges				(8)		(8)
Pension and other postretirement benefit plans				130		130
Shares sold to optionees, less shares exchanged	(37)	66				29
Vesting of restricted stock	(63)	63				-
Shares issued under employee stock purchase plan	(67)	294				227
Stock repurchase program		(300)				(300)
Stock-based compensation expense	259					259
Dividends declared ($1.50 per share)			(2,077)			(2,077)
Other	(9)	2			(29)	(36)
Balance, September 30, 2018	$ 13,058	$ (3,924)	$ 31,712	$ (4,313)	$ 415	$ 36,948

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(Unaudited)

(Stated in millions, except per share amounts)

July 1, 2019 – September 30, 2019	Common Stock Issued	Common Stock In Treasury	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
Balance, July 1, 2019	$ 13,037	$ (3,827)	$ 31,186	$ (4,544)	$ 421	$ 36,273
Net income (loss)			(11,383)		10	(11,373)
Currency translation adjustments				(21)	(4)	(25)
Changes in fair value of cash flow hedges				(24)		(24)
Pension and other postretirement benefit plans				20		20
Vesting of restricted stock	(20)	20				-
Shares issued under employee stock purchase plan	(134)	245				111
Stock repurchase program		(79)				(79)
Stock-based compensation expense	135					135
Dividends declared ($0.50 per share)			(692)			(692)
Other	(6)				(13)	(19)
Balance, September 30, 2019	$ 13,012	$ (3,641)	$ 19,111	$ (4,569)	$ 414	$ 24,327

(Stated in millions, except per share amounts)

July 1, 2018 – September 30, 2018	Common Stock Issued	Common Stock In Treasury	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
Balance, July 1, 2018	$ 13,030	$ (4,001)	$ 31,760	$ (4,305)	$ 413	$ 36,897
Net income			644		14	658
Currency translation adjustments				(47)	(3)	(50)
Changes in unrealized gain on marketable securities				(12)		(12)
Changes in fair value of cash flow hedges				6		6
Pension and other postretirement benefit plans				44		44
Shares sold to optionees, less shares exchanged	(7)	13				6
Vesting of restricted stock	(10)	10				-
Shares issued under employee stock purchase plan	(34)	154				120
Stock repurchase program		(100)				(100)
Stock-based compensation expense	83					83
Dividends declared ($0.50 per share)			(692)			(692)
Other	(4)			1	(9)	(12)
Balance, September 30, 2018	$ 13,058	$ (3,924)	$ 31,712	$ (4,313)	$ 415	$ 36,948

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	-	6	6
Stock repurchase program	-	(7)	(7)
Balance, September 30, 2019	1,434	(50)	1,384

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 nine-month period ended September 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.

Reclassifications

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

2. Charges and Credits

2019

In connection with the preparation of its third quarter 2019 financial statements, Schlumberger recorded the following charges, all of which are classified as *Impairments & other* in the *Consolidated Statement of Income (Loss)*:

(Stated in millions)

	Pretax	Tax	Net
Goodwill	$ 8,828	$ (43)	$ 8,785
Intangible assets	1,085	(248)	837
North America pressure pumping	1,575	(344)	1,231
Other North America-related	310	(53)	257
Argentina	127	-	127
Equity-method investments	231	(12)	219
Schlumberger Production Management	294	-	294
Other	242	(13)	229
	$ 12,692	$ (713)	$ 11,979

- During August 2019, Schlumberger's market capitalization deteriorated significantly compared to the end of the second quarter of 2019. Schlumberger's stock price reached a low not seen since 2005. Additionally, the Philadelphia Oil Services Sector Index, which is comprised of companies involved in the oil services sector, reached an 18-year low.

  As a result of these facts, Schlumberger determined that it was more likely than not that the fair value of certain of its reporting units were less than their carrying value. Therefore, Schlumberger performed an interim goodwill impairment test as of August 31, 2019.

  As of August 31, 2019, Schlumberger had 17 reporting units with goodwill balances aggregating $25.0 billion. Schlumberger determined that the fair value of seven of its reporting units, representing approximately $13.8 billion of the goodwill, was substantially in excess of their carrying value. Schlumberger performed a detailed quantitative impairment assessment of the remaining 10 reporting units, which represented $11.2 billion of goodwill. As a result of this assessment, Schlumberger concluded that the goodwill associated with nine of the 10 reporting units was impaired, resulting in an $8.8 billion goodwill impairment charge. This charge primarily relates to Schlumberger's Drilling and Cameron segments.

Following the $8.8 billion goodwill impairment charge relating to these nine reporting units, only three had a remaining goodwill balance. These three reporting units had goodwill balances which ranged between $0.4 billion and $0.6 billion and aggregated to $1.5 billion as of August 31, 2019. The tenth reporting unit, which was determined not to be impaired, had $0.9 billion of goodwill.

Schlumberger primarily used the income approach to estimate the fair value of its reporting units, but also considered the market approach to validate the results. The income approach estimates the fair value by discounting each reporting unit's estimated future cash flows using Schlumberger's estimate of the discount rate, or expected return, that a marketplace participant would have required as of the valuation date. The market approach includes the use of comparative multiples to corroborate the discounted cash flow results. The market approach involves significant judgement involved in the selection of the appropriate peer group companies and valuation multiples.

Some of the more significant assumptions inherent in the income approach include the estimated future net annual cash flows for each reporting unit and the discount rate. Schlumberger selected the assumptions used in the discounted cash flow projections using historical data supplemented by current and anticipated market conditions and estimated growth rates. Schlumberger's estimates are based upon assumptions believed to be reasonable. However, given the inherent uncertainty in determining the assumptions underlying a discounted cash flow analysis, actual results may differ from those used in Schlumberger's valuations which could result in additional impairment charges in the future.

The discount rates utilized to value Schlumberger's reporting units were between 12.5% and 14.0%, depending on the risks and uncertainty inherent in the respective reporting unit. Assuming all other assumptions and inputs used in each of the respective discounted cash flow analysis were held constant, a 50 basis point increase in the discount rate assumption would have increased the goodwill impairment charge by approximately $0.3 billion. Conversely, assuming all other assumptions and inputs used in each of the respective discounted cash flow analysis were held constant, a 50 basis point decrease in the discount rate assumption would have decreased the goodwill impairment charge by approximately $0.4 billion.

- The negative market indicators described above combined with deteriorating market conditions in North America, as well as the results of the previously mentioned fair value determinations of certain of Schlumberger's reporting units and the appointment of a new Chief Executive Officer (as described below), were all triggering events that indicated that certain of Schlumberger's long-lived tangible and intangible assets may be impaired.

  Recoverability testing, which was performed as of August 31, 2019, indicated that long-lived assets associated with certain asset groups were impaired. The estimated fair value of these asset groups was determined to be below their carrying value. As a result, Schlumberger recorded the following impairment and related charges:
    - $1.085 billion of intangible assets, of which $842 million relates to Schlumberger's 2010 acquisition of Smith International, Inc. The remaining $243 million primarily relates to other acquisitions in North America.
    - $1.575 billion of charges relating to Schlumberger's pressure pumping business in North America. This amount consists of $1.324 billion of pressure pumping equipment and related assets; $98 million of right-of-use assets under operating leases; $121 million relating to a supply contract; $19 million of inventory; and $13 million of severance.
    - $310 million of charges primarily relating to other businesses in North America, consisting of $230 million of fixed asset impairments, $70 million of inventory write-downs and $10 million of severance.

- As a result of the ongoing economic challenges in Argentina, Schlumberger recorded $127 million of charges during the third quarter of 2019. This consists of $72 million of asset impairments, a $26 million devaluation charge and $29 million of severance.

- Schlumberger also recorded the following impairment and restructuring charges:

    - $231 million relating to certain equity method investments that were determined to be other-than-temporarily impaired.
    - $294 million impairment relating to the carrying value of certain smaller Schlumberger Production Management ("SPM") projects.
    - $242 million of restructuring charges consisting of: $62 million of severance; $57 million relating to the acceleration of stock-based compensation expense associated with certain individuals; $49 million of business divestiture costs; $29 million relating to the repurchase of certain Senior Notes (see Note 9 - *Long-term Debt*); and $45 million of other provisions.

The fair value of certain of these impaired assets was estimated based on the present value of projected future cash flows that the underlying assets are expected to generate. Such estimates included unobservable inputs that required significant judgment.

Substantially all of the charges recorded during the third quarter of 2019 will not result in any future cash outflows.

During the third quarter of 2019, Schlumberger's Board of Directors announced the appointment of a new Chief Executive Officer. As the new Chief Executive Officer further develops and implements his strategy, it may result in additional restructuring charges in future periods. Furthermore, Schlumberger may be required to record additional impairment charges if industry conditions deteriorate.

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 (Loss)*.

There were no charges or credits recorded during the first and third quarters of 2018.

3. Earnings (Loss) Per Share

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

(Stated in millions, except per share amounts)

	2019			2018		
	Schlumberger Net Income (Loss)	**Average Shares Outstanding**	**Loss per Share**	Schlumberger Net Income (Loss)	Average Shares Outstanding	Earnings per Share
Third Quarter						
Basic	**$ (11,383)**	**1,385**	**$ (8.22)**	$ 644	1,385	$ 0.46
Assumed exercise of stock options	**-**	**-**		-	-	
Unvested restricted stock	**-**	**-**		-	7	
Diluted	**$ (11,383)**	**1,385**	**$ (8.22)**	$ 644	1,392	$ 0.46

	2019			2018		
	Schlumberger Net Income (Loss)	**Average Shares Outstanding**	**Loss per Share**	Schlumberger Net Income (Loss)	Average Shares Outstanding	Earnings per Share
Nine Months						
Basic	**$ (10,470)**	**$ 1,385**	**$ (7.56)**	$ 1,599	$ 1,385	$ 1.15
Assumed exercise of stock options	**-**	**-**		-	1	
Unvested restricted stock	**-**	**-**		-	7	
Diluted	**$ (10,470)**	**$ 1,385**	**$ (7.56)**	$ 1,599	$ 1,393	$ 1.15

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
Third Quarter	**47**	40
Nine Months	**47**	40

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)

	Sept. 30, 2019	Dec. 31, 2018
Raw materials & field materials	**$ 1,964**	$ 1,803
Work in progress	**606**	519
Finished goods	**1,771**	1,688
	$ 4,341	$ 4,010

5. Fixed Assets

A summary of fixed assets follows:

(Stated in millions)

	Sept. 30, 2019	Dec. 31, 2018
Property, plant & equipment	**$ 35,961**	$ 38,664
Less: Accumulated depreciation	**26,356**	26,985
	$ 9,605	$ 11,679

Depreciation expense relating to fixed assets was as follows:

(Stated in millions)

	2019	2018
Third Quarter	**$ 499**	$ 516
Nine Months	**$ 1,525**	$ 1,564

6. Multiclient Seismic Data

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

(Stated in millions)

Balance at December 31, 2018	$ 601
Capitalized in period	181
Charged to expense	(189)
Balance at September 30, 2019	$ 593

7. Goodwill

A summary of goodwill follows:

(Stated in millions)

	Reservoir Characterization	Drilling	Production	Cameron	Total
Balance at December 31, 2018	$ 4,703	$ 10,111	$ 4,678	$ 5,439	$ 24,931
Impairment	(97)	(3,025)	(705)	(5,001)	(8,828)
Impact of changes in exchange rates and other	7	3	(1)	-	9
Balance at September 30, 2019	$ 4,613	$ 7,089	$ 3,972	$ 438	$ 16,112

8. Intangible Assets

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

(Stated in millions)

	Sept. 30, 2019			Dec. 31, 2018		
	Gross Book Value	**Accumulated Amortization**	**Net Book Value**	Gross Book Value	Accumulated Amortization	Net Book Value
Customer relationships	**$ 3,859**	**$ 853**	**$ 3,006**	$ 4,768	$ 1,243	$ 3,525
Technology/technical know-how	**2,526**	**735**	**1,791**	3,494	1,246	2,248
Tradenames	**1,911**	**248**	**1,663**	2,799	628	2,171
Other	**1,432**	**610**	**822**	1,404	621	783
	$ 9,728	**$ 2,446**	**$ 7,282**	$ 12,465	$ 3,738	$ 8,727

Amortization expense charged to income was as follows:

(Stated in millions)

	2019	2018
Third Quarter	**$ 156**	$ 167
Nine Months	**$ 480**	$ 506

Based on the net book value of intangible assets at September 30, 2019, amortization charged to income for the subsequent five years is estimated to be: fourth quarter of 2019—$138 million; 2020—$528 million; 2021—$518 million; 2022—$515 million; 2023—$497 million; and 2024—$477 million.

9. Long-term Debt

A summary of *Long-term Debt* follows:

(Stated in millions)

	Sept. 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	**1,442**	-
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	**746**	-
1.00% Guaranteed Notes due 2026	**654**	678
2.65% Senior Notes due 2022	**598**	598
0.00% Notes due 2024	**544**	-
0.25% Notes due 2027	**543**	-
0.50% Notes due 2031	**536**	-
2.20% Senior Notes due 2020	**499**	499
3.00% Senior Notes due 2020	**415**	1,596
3.63% Senior Notes due 2022	**294**	847
7.00% Notes due 2038	**209**	210
4.50% Notes due 2021	**130**	132
5.95% Notes due 2041	**114**	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	**2,128**	2,433
Other	**175**	263
	$ 16,333	$ 14,644

During the third quarter of 2019, Schlumberger issued €500 million of 0.00% Notes due 2024, €500 million of 0.25% Notes due 2027 and €500 million of 0.50% Notes due 2031.

In September 2019, Schlumberger repurchased $783 million of its 3.00% Senior Notes due 2020 and $321 million of its 3.625% Senior Notes due 2022. Schlumberger paid a premium of $29 million in connection with these repurchases. This premium was classified as *Impairments & other* in the *Consolidated Statement of Income (Loss)*. (See Note 2 - *Charges and Credits.*)

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 September 30, 2019 and December 31, 2018, was $16.9 billion and $14.6 billion, respectively.

At September 30, 2019, Schlumberger had separate committed credit facility agreements aggregating $6.5 billion with commercial banks, of which $4.1 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, $2.0 billion matures in February 2023, $2.0 billion matures in February 2024 and $1.5 billion matures in July 2024. Interest rates and other terms of borrowing under these lines of credit vary by facility.

Borrowings under Schlumberger's commercial paper programs at September 30, 2019 were $2.4 billion, of which $0.3 billion was classified in *Short-term borrowings and current portion of long-term debt* and the remaining $2.1 billion was classified in *Long-term Debt* in the *Consolidated Balance Sheet*. At December 31, 2018, borrowings under the commercial paper programs were $2.4 billion, all of which was classified in *Long-term debt* in the *Consolidated Balance Sheet*.

10. Derivative Instruments and Hedging Activities

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

Interest Rate Risk

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

At September 30, 2019, Schlumberger had fixed rate debt aggregating $14.0 billion and variable rate debt aggregating $2.7 billion.

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 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 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 cross-currency swaps to provide a hedge against these cash flow risks.

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 of 2.20% Senior Notes due 2020 and its $0.6 billion of 2.65% Senior Notes due 2022. These cross-currency swaps effectively convert the US-dollar denominated notes to Canadian-dollar denominated debt with fixed annual interest rates of 1.97% and 2.52%, respectively.

During the third quarter of 2019, a US-dollar functional currency subsidiary of Schlumberger issued €1.5 billion of Euro-denominated debt. Schlumberger entered into cross-currency swaps for an aggregate notional amount of €1.5 billion in order to hedge changes in the fair value of its €0.5 billion 0.00% Notes due 2024, €0.5 billion 0.25% Notes due 2027 and €0.5 billion Notes due 2031. These cross-currency swaps effectively convert the Euro-denominated notes to US-dollar denominated debt with fixed annual interest rates of 2.29%, 2.51% and 2.76%, respectively.

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 (Loss)* as are changes in fair value of the hedged item.

At September 30, 2019, contracts were outstanding for the US dollar equivalent of $6.8 billion in various foreign currencies, of which $2.8 billion relates to hedges of debt denominated in currencies other than the functional currency.

At September 30, 2019, Schlumberger recognized a cumulative $37 million loss in *Accumulated Other Comprehensive Loss* relating to changes in the fair value of foreign currency forward contracts and cross-currency swaps.

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

(Stated in millions)

	Gain (Loss) Recognized in Income (Loss)				
	Third Quarter		Nine Months		
	2019	2018	**2019**	2018	Consolidated Statement of Income (Loss) Classification
Derivatives designated as fair value hedges:					
Cross currency swaps	**$ -**	$ 6	**$ -**	$ (6)	*Interest expense*
Derivatives designated as cash flow hedges:					
Foreign exchange contracts	**$ (3)**	$ (2)	**$ (7)**	$ 3	*Cost of services/sales*
Cross currency swaps	**(2)**	(30)	**(40)**	25	*Interest expense*
	$ (5)	$ (32)	**$ (47)**	$ 28	
Derivatives not designated as hedges:					
Foreign exchange contracts	**$ -**	$ (17)	**$ (8)**	$ 15	*Cost of services/sales*

11. 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.

12. Segment Information

(Stated in millions)

	Third Quarter 2019		Third Quarter 2018	
	Revenue	**Income (Loss) Before Taxes**	Revenue	Income (Loss) Before Taxes
Reservoir Characterization	**$ 1,651**	**$ 360**	$ 1,587	$ 361
Drilling	**2,470**	**305**	2,429	339
Production	**3,153**	**288**	3,249	320
Cameron	**1,363**	**173**	1,386	160
Eliminations & other	**(96)**	**(30)**	(147)	(28)
		1,096		1,152
Corporate & other (1)		**(231)**		(234)
Interest income (2)		**7**		8
Interest expense (3)		**(151)**		(139)
Charges and credits (4)		**(12,692)**		-
	$ 8,541	**$ (11,971)**	$ 8,504	$ 787

(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 ($1 million in 2019; $2 million in 2018).

(3) Interest expense excludes amounts which are included in the segments' income ($9 million in 2019; $8 million in 2018).

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

(Stated in millions)

	Nine Months 2019		Nine Months 2018	
	Revenue	**Income (Loss) Before Taxes**	Revenue	Income (Loss) Before Taxes
Reservoir Characterization	**$ 4,669**	**$ 959**	$ 4,602	$ 987
Drilling	**7,279**	**913**	6,789	921
Production	**9,120**	**740**	9,458	853
Cameron	**3,949**	**486**	4,175	522
Eliminations & other	**(328)**	**(126)**	(388)	(63)
		2,972		3,220
Corporate & other (1)		**(742)**		(699)
Interest income (2)		**25**		44
Interest expense (3)		**(433)**		(405)
Charges and credits (4)		**(12,692)**		(184)
	$ 24,689	**$ (10,870)**	$ 24,636	$ 1,976

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

(2) Interest income excludes amounts which are included in the segments' income ($6 million in 2019; $7 million in 2018).

(3) Interest expense excludes amounts which are included in the segments' income ($29 million in both 2019 and 2018).

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

Revenue by geographic area was as follows:

(Stated in millions)

	Third Quarter		**Nine Months**	
	2019	2018	**2019**	2018
North America	**$ 2,850**	$ 3,189	**$ 8,389**	$ 9,164
Latin America	**1,014**	978	**3,121**	2,767
Europe/CIS/Africa	**2,062**	1,820	**5,665**	5,316
Middle East & Asia	**2,553**	2,417	**7,343**	7,079
Eliminations & other	**62**	100	**171**	310
	$ 8,541	$ 8,504	**$ 24,689**	$ 24,636

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

(Stated in millions)

	Third Quarter 2019			
	North America	**International**	**Eliminations & other**	**Total**
Reservoir Characterization	**$ 299**	**$ 1,347**	**$ 5**	**$ 1,651**
Drilling	**553**	**1,861**	**56**	**2,470**
Production	**1,426**	**1,726**	**1**	**3,153**
Cameron	**589**	**772**	**2**	**1,363**
Other	**(17)**	**(77)**	**(2)**	**(96)**
	$ 2,850	**$ 5,629**	**$ 62**	**$ 8,541**

	Third Quarter 2018			
	North America	International	Eliminations & other	Total
Reservoir Characterization	$ 242	$ 1,312	$ 33	$ 1,587
Drilling	601	1,760	68	2,429
Production	1,724	1,524	1	3,249
Cameron	644	713	29	1,386
Other	(22)	(94)	(31)	(147)
	$ 3,189	$ 5,215	$ 100	$ 8,504

(Stated in millions)

	Nine Months 2019			
	North America	**International**	**Eliminations & other**	**Total**
Reservoir Characterization	**$ 756**	**$ 3,898**	**$ 15**	**$ 4,669**
Drilling	**1,683**	**5,435**	**161**	**7,279**
Production	**4,218**	**4,900**	**2**	**9,120**
Cameron	**1,771**	**2,146**	**32**	**3,949**
Other	**(39)**	**(250)**	**(39)**	**(328)**
	$ 8,389	**$ 16,129**	**$ 171**	**$ 24,689**

	Nine Months 2018			
	North America	International	Eliminations & other	Total
Reservoir Characterization	$ 732	$ 3,729	$ 141	$ 4,602
Drilling	1,733	4,884	172	6,789
Production	4,919	4,535	4	9,458
Cameron	1,842	2,250	83	4,175
Other	(62)	(236)	(90)	(388)
	$ 9,164	$ 15,162	$ 310	$ 24,636

Revenue in excess of billings related to contracts where revenue is recognized over time was $0.2 billion at both September 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 $2.6 billion at September 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 $0.9 billion at both September 30, 2019 and December 31, 2018. Such amounts are included within *Accounts payable and accrued liabilities* in the *Consolidated Balance Sheet*.

13. Pension and Other Postretirement Benefit Plans

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

(Stated in millions)

	Third Quarter				Nine Months			
	2019		2018		**2019**		2018	
	US	**Int'l**	US	Int'l	**US**	**Int'l**	US	Int'l
Service cost	**$ 14**	**$ 32**	$ 14	$ 35	**$ 41**	**$ 96**	$ 44	$ 105
Interest cost	**45**	**82**	41	77	**136**	**248**	125	229
Expected return on plan assets	**(58)**	**(148)**	(61)	(149)	**(173)**	**(446)**	(186)	(442)
Amortization of prior service cost	**3**	**2**	3	3	**7**	**6**	9	8
Amortization of net loss	**7**	**16**	12	35	**23**	**47**	36	105
	$ 11	**$ (16)**	$ 9	$ 1	**$ 34**	**$ (49)**	$ 28	$ 5

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

(Stated in millions)

	Third Quarter		Nine Months	
	2019	2018	**2019**	2018
Service cost	**$ 8**	$ 8	**$ 23**	$ 24
Interest cost	**12**	11	**36**	33
Expected return on plan assets	**(16)**	(15)	**(49)**	(47)
Amortization of prior service credit	**(7)**	(7)	**(21)**	(21)
	$ (3)	$ (3)	**$ (11)**	$ (11)

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

Third Quarter 2019 Compared to Second Quarter 2019

(Stated in millions)

	Third Quarter 2019		Second Quarter 2019	
	Revenue	**Income (Loss) Before Taxes**	Revenue	Income (Loss) Before Taxes
Reservoir Characterization	**$ 1,651**	**$ 360**	$ 1,558	$ 317
Drilling	**2,470**	**305**	2,421	300
Production	**3,153**	**288**	3,077	235
Cameron	**1,363**	**173**	1,328	165
Eliminations & other	**(96)**	**(30)**	(115)	(49)
		1,096		968
Corporate & other (1)		**(231)**		(238)
Interest income (2)		**7**		9
Interest expense (3)		**(151)**		(146)
Charges and credits (4)		**(12,692)**		-
	$ 8,541	**$ (11,971)**	$ 8,269	$ 593

(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 ($1 million in Q3 2019; $2 million in Q2 2019).

(3) Interest expense excludes amounts which are included in the segments' income ($9 million in Q3 2019; $10 million in Q2 2019).

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

Third-quarter revenue of $8.5 billion increased 3% sequentially with North America revenue of $2.8 billion increasing 2%, while international revenue of $5.6 billion increased 3%.

International revenue increased 3% sequentially, led by Europe/CIS/Africa where revenue increased 9% sequentially driven by the peak summer activity campaigns in the Northern Hemisphere as well as the start of new projects in Africa. Sequential international revenue growth was also driven by double-digit growth in Asia. Latin America revenue decreased 9% sequentially on lower activity in Argentina and Mexico. International activity in the fourth quarter will be affected by the usual winter slowdown, particularly in the Northern Hemisphere.

North America revenue improved 2% sequentially, driven by WesternGeco® multiclient seismic license sales. Land revenue was slightly higher as a modest increase in OneStim® activity was off-set by softer pricing while land drilling revenue was essentially flat despite the lower rig count. As Schlumberger exited the third quarter, OneStim activity decelerated as frac programs were either deferred or cancelled due to customer budget and cash flow constraints.

The third quarter's results reflected a macro environment of slowing production growth rate in North American land as operators maintained capital discipline and reduced drilling and frac activity. Year-to-date high single-digit international revenue growth continues to be underpinned by international investment levels. Market uncertainty, however, is weighing on future oil demand outlook in a climate where trade concerns are seen as challenging global economic growth.

Reservoir Characterization

Reservoir Characterization revenue of $1.7 billion increased 6% sequentially due to peak summer activity campaigns. Growth was led by Wireline international activity, increased Integrated Service Management (ISM) project activity in India and higher WesternGeco multiclient seismic license sales in North America.

Reservoir Characterization pretax operating margin of 22% was 149 basis points (bps) higher sequentially due to the peak summer campaign for Wireline and stronger WesternGeco multiclient seismic license sales.

Drilling

Drilling revenue of $2.5 billion increased 2% sequentially led by stronger international activity in Russia from the peak summer drilling campaign that mainly benefited Drilling & Measurements. Higher drilling activity in China and Australia also contributed to the sequential growth.

Drilling pretax operating margin of 12% was essentially flat sequentially.

Production

Production revenue of $3.2 billion increased 2% sequentially, primarily driven by higher international activity for Completions in the Far East, Asia & Australia, Russia & Central Asia, and Sub-Sahara Africa GeoMarkets.

Recent production shut-ins in Ecuador due to the ongoing civil unrest may potentially impact fourth quarter revenue.

Production pretax operating margin of 9% expanded 148 bps sequentially largely due to improved international margins from higher activity. Additionally, the reduction in depreciation and amortization expense as a result of the third quarter 2019 impairment charges (see Note 2 - *Charges & Credits*) accounted for just under half of the sequential margin improvement.

Cameron

Cameron revenue of $1.4 billion increased 3% sequentially driven by higher international revenue for Surface Systems, OneSubsea, and Drilling Systems.

Cameron pretax operating margin of 13% was essentially flat sequentially.

Third Quarter 2019 Compared to Third Quarter 2018

(Stated in millions)

	Third Quarter 2019		Third Quarter 2018	
	Revenue	**Income (Loss) Before Taxes**	Revenue	Income (Loss) Before Taxes
Reservoir Characterization	**$ 1,651**	**$ 360**	$ 1,587	$ 361
Drilling	**2,470**	**305**	2,429	339
Production	**3,153**	**288**	3,249	320
Cameron	**1,363**	**173**	1,386	160
Eliminations & other	**(96)**	**(30)**	(147)	(28)
		1,096		1,152
Corporate & other (1)		**(231)**		(234)
Interest income (2)		**7**		8
Interest expense (3)		**(151)**		(139)
Charges and credits (4)		**(12,692)**		-
	$ 8,541	**$ (11,971)**	$ 8,504	$ 787

(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 ($1 million in 2019; $2 million in 2018).

(3) Interest expense excludes amounts which are included in the segments' income ($9 million in 2019; $8 million in 2018).

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

Third-quarter 2019 revenue of $8.5 billion was essentially flat year-on-year as North America revenue declined 11% while international revenue increased 8%. The international results were underpinned by increased investment levels. In contrast, the North America results reflect a slowing production growth rate on land as operators maintained capital discipline and reduced drilling and frac activity.

Reservoir Characterization

Third-quarter 2019 revenue of $1.7 billion was 4% higher year-on-year. Revenue in Wireline, Testing, and ISM drove the increase as a result of higher international activity.

Year-on-year, pretax operating margin decreased 90 bps to 22%.

Drilling

Third-quarter 2019 revenue of $2.5 billion increased 2% year-on-year primarily due to higher demand for drilling services, largely in the international markets.

Year-on-year, pretax operating margin decreased 161 bps to 12% despite higher revenue as margins were affected by competitive pricing and higher costs associated with a number of integrated contracts internationally.

Production

Third-quarter 2019 revenue of $3.2 billion decreased 3% year-on-year with most of the revenue decrease 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 72 bps to 9% primarily due to reduced profitability in OneStim in North America.

Cameron

Third-quarter 2019 revenue of $1.4 billion decreased 2% year-on-year due to lower revenue for OneSubsea and Valves & Process Systems.

Year-on-year, pretax operating margin increased 117 bps to 13% due to improved profitability in OneSubsea.

Nine Months 2019 Compared to Nine Months 2018

(Stated in millions)

	Nine Months 2019		Nine Months 2018	
	Revenue	**Income (Loss) Before Taxes**	Revenue	Income (Loss) Before Taxes
Reservoir Characterization	**$ 4,669**	**$ 959**	$ 4,602	$ 987
Drilling	**7,279**	**913**	6,789	921
Production	**9,120**	**740**	9,458	853
Cameron	**3,949**	**486**	4,175	522
Eliminations & other	**(328)**	**(126)**	(388)	(63)
		2,972		3,220
Corporate & other (1)		**(742)**		(699)
Interest income (2)		**25**		44
Interest expense (3)		**(433)**		(405)
Charges and credits (4)		**(12,692)**		(184)
	$ 24,689	**$ (10,870)**	$ 24,636	$ 1,976

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

(2) Interest income excludes amounts which are included in the segments' income ($6 million in 2019; $7 million in 2018).

(3) Interest expense excludes amounts which are included in the segments' income ($29 million in both 2019 and 2018).

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

Nine-month 2019 revenue of $24.7 billion was essentially flat year-on-year with North America revenue decreasing 8% and international revenue increasing 6%. The international results were underpinned by increased investment levels. In contrast, the North America results reflect a slowing production growth rate on land as operators maintained capital discipline and reduced drilling and frac activity.

Reservoir Characterization

Nine-month 2019 revenue of $4.7 billion increased 1% year-on-year primarily driven by increased international activity.

Year-on-year, pretax operating margin decreased 91 bps to 20%.

Drilling

Nine-month 2019 revenue of $7.3 billion increased 7% year-on-year primarily due to higher demand for drilling services, largely in the international markets that benefited Drilling & Measurements, M-I SWACO, and Integrated Drilling Services (IDS).

Year-on-year, pretax operating margin decreased 103 bps to 12% despite higher revenue as margins were affected by competitive pricing and higher costs associated with a number of integrated contracts internationally.

Production

Nine-month 2019 revenue of $9.1 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.

Year-on-year, pretax operating margin decreased 90 bps to 8% primarily due to reduced profitability in OneStim in North America.

Cameron

Nine-month 2019 revenue of $3.9 billion decreased 5% year-on-year due to lower revenue for OneSubsea and Valves & Process Systems.

Year-on-year, pretax operating margin decreased 19 bps to 12%.

Interest and Other Income

Interest & other income consisted of the following:

(Stated in millions)

	Third Quarter		Nine Months	
	2019	2018	**2019**	2018
Equity in net earnings of affiliated companies	**$ 13**	$ 26	**$ 30**	$ 67
Interest income	**8**	10	**31**	51
	$ 21	$ 36	**$ 61**	$ 118

The decreases in earnings from equity method investments primarily relates to lower income associated with Schlumberger's equity investments in rig- and seismic-related businesses.

Interest income for the first nine months of 2019 declined $20 million to $31 million as compared to the same period of 2018 as a result of lower short-term investment balances.

Other

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

	Third Quarter		Nine Months	
	2019	2018	**2019**	2018
Research & engineering	**2.1%**	2.1%	**2.1%**	2.1%
General & administrative	**1.4%**	1.2%	**1.4%**	1.3%

The effective tax rate for the third quarter of 2019 was 5%, as compared to 16% for the same period of 2018. The lower effective tax rate was almost entirely due to the charges described in Note 2 to the *Consolidated Financial Statements*, which were primarily related to non-deductible goodwill.

The effective tax rate for the first nine months of 2019 was 4%, as compared to 18% for the same period of 2018. The charges described in Note 2 to the *Consolidated Financial Statements* reduced the effective tax rate for the first nine months of 2019 by 12 percentage points, as the majority of the charges related to non-deductible goodwill.

Charges and Credits

2019

Schlumberger recorded the following charges in connection with the preparation of its third quarter 2019 financial statements, which are fully described in Note 2 to the *Consolidated Financial Statements*, all of which are classified in *Impairment & other* in the *Consolidated Statement of Income (Loss)*:

(Stated in millions)

	Pretax	Tax	Net
Goodwill	$ 8,828	$ (43)	$ 8,785
Intangible assets	1,085	(248)	837
North America pressure pumping	1,575	(344)	1,231
Other North America-related	310	(53)	257
Argentina	127	-	127
Equity-method investments	231	(12)	219
Schlumberger Production Management	294	-	294
Other	242	(13)	229
	$ 12,692	$ (713)	$ 11,979

As these impairment charges were effective as of August 31, 2019, the third quarter 2019 results include a one month reduction in depreciation and amortization expense of $27 million. Approximately $21 million of this amount relates to the Production segment. The remaining $6 million is reflected in the “Corporate & other” line item.

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 (Loss).*

There were no charges or credits recorded during the first and third quarters 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:	Sept. 30, 2019	Sept. 30, 2018	Dec. 31, 2018
Cash	**$ 1,183**	$ 1,493	$ 1,433
Short-term investments	**1,109**	1,361	1,344
Short-term borrowings and current portion of long-term debt	**(340)**	(3,215)	(1,407)
Long-term debt	**(16,333)**	(14,159)	(14,644)
Net debt (1)	**$ (14,381)**	$ (14,520)	$ (13,274)

Changes in Liquidity:	Nine Months Ended Sept. 30, 2019	2018
Net income (loss)	**$ (10,450)**	$ 1,628
Impairment and other charges	**12,692**	184
Depreciation and amortization (2)	**2,741**	2,637
Earnings of equity method investments, less dividends received	**2**	(41)
Deferred taxes	**(833)**	(67)
Stock-based compensation expense	**329**	259
Increase in working capital (3)	**(1,340)**	(1,147)
Other	**38**	(71)
Cash flow from operations	**3,179**	3,382
Capital expenditures	**(1,230)**	(1,539)
SPM investments	**(526)**	(719)
Multiclient seismic data costs capitalized	**(181)**	(63)
Free cash flow (4)	**1,242**	1,061
Dividends paid	**(2,077)**	(2,077)
Proceeds from employee stock plans	**196**	227
Proceeds from exercise of stock options	**23**	29
Stock repurchase program	**(278)**	(300)
Business acquisitions and investments, net of cash acquired plus debt assumed	**(21)**	(290)
Other	**(192)**	(60)
Increase in net debt	**(1,107)**	(1,410)
Net debt, beginning of period	**(13,274)**	(13,110)
Net debt, end of period	**$ (14,381)**	$ (14,520)

(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 $104 million and $265 million during the nine months ended September 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 nine 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 $1.0 billion of Schlumberger common stock under this program as of September 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
Nine months ended September 30, 2019	**$ 278**	**7.0**	**$ 39.92**
Nine months ended September 30, 2018	$ 300	4.4	$ 67.67

- Capital expenditures were $1.2 billion during the first nine months of 2019 compared to $1.5 billion during the first nine months of 2018. Capital expenditures for full-year 2019 are expected to be approximately $1.6 billion to $1.7 billion as compared to $2.2 billion in 2018.

- During the third quarter of 2019, Schlumberger issued €500 million of 0.00% Notes due 2024, €500 million of 0.25% Notes due 2027 and €500 million of 0.50% Notes due 2031.

- In September 2019, Schlumberger repurchased $783 million of its 3.00% Senior Notes due 2020 and $321 million of its 3.625% Senior Notes due 2022.

- 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 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.

- 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.

  In October 2019, Schlumberger and Rockwell Automation closed their previously announced joint venture, Sensia. Rockwell Automation owns 53% of the joint venture and Schlumberger owns 47%. At closing, Rockwell Automation made a $250 million cash payment to Schlumberger.

Schlumberger generates revenue in more than 120 countries. As of September 30, 2019, five 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 September 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 $4.1 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 September 30, 2019 were $2.4 billion.

FORWARD-LOOKING STATEMENTS

This third-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; our expectations regarding the amount of cash expenditures estimated to be incurred as a result of the impairment charges described in Note 2 to the *Consolidated Financial Statements*; 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; 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 third-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 11—*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 September 30, 2019, Schlumberger had repurchased $1.0 billion of Schlumberger common stock under its $10 billion share repurchase program.

Schlumberger's common stock repurchase activity for the three months ended September 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
July 2019	846.7	$ 39.69	846.7	$ 9,044,087
August 2019	999.7	$ 34.46	999.7	$ 9,009,642
September 2019	317.6	$ 35.35	317.6	$ 8,998,416
	2,164.0	$ 36.64	2,164.0	

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 third 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, Non-Competition and Non-Solicitation Agreement effective as of August 1, 2019, by and between Schlumberger Limited and Paal Kibsgaard (+)

* 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—Inline XBRL Instance Document

* Exhibit 101.SCH—Inline XBRL Taxonomy Extension Schema Document

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

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

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

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

Exhibit 104—Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

* 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:	October 23, 2019	/s/ Howard Guild **Howard Guild** **Chief Accounting Officer and Duly Authorized Signatory**

EMPLOYMENT, NON-COMPETITION AND NON-SOLICITATION AGREEMENT

THIS **EMPLOYMENT, NON-COMPETITION AND NON-SOLICITATION** AGREEMENT (“Agreement”) is effective as of August 1st, 2019, by and between **SCHLUMBERGER LIMITED**, a Curaçao corporation (the “Company”), and Paal Kibsgaard (“Executive”).

1. Employment of Executive: In consideration of the mutual covenants and agreements herein contained, including Executive’s execution of a release of claims as provided in as Exhibit A to this Agreement, the Company and Executive enter into an agreement retaining Executive’s services as described herein, securing Executive’s covenants herein, establishing certain incentive, tenure and performance criteria related to such employment, and otherwise fixing Executive’s benefits.

2. Term and Extent of Services: The term will commence August 1, 2019 (the “Effective Date”) and will continue until the close of business on July 31, 2022 (the “Term”). This Agreement does not constitute a guarantee of continued employment but instead provides for certain obligations of, and rights and benefits for, Executive during the Term, and in the event his employment with the Company terminates under the circumstances described herein. Effective as of August 1, 2019, Executive shall resign from his positions as Chairman of the Board and as Chief Executive Officer of the Company. Executive will remain employed by the Company through the end of the Term, unless otherwise terminated under Section 4. During the Term, the Executive shall be employed as an advisor reporting to the Chairman of the Board of Directors of the Company (the “Board”). At the expiration of the Term, Executive’s employment with the Company and all of its affiliates shall terminate.

Nothing herein shall prohibit Executive, during the Term, from being engaged as a consultant or employee to organizations and businesses or to be appointed to their board of directors except those specifically identified as Unauthorized Competitors in Section 5. Executive agrees that he will not accept employment with any oil and gas related company without prior written approval from the Chairman of the Board. For the avoidance of doubt, “oil and gas related company” expressly excludes any Unauthorized Competitor.

3. Non-Competition Payments and Benefits:

(a) Base Salary: During the Term, or if Executive’s employment is terminated sooner pursuant to Section 4, until such termination, Executive shall be entitled to payment of annual base salary of $2,000,000.00 (Two Million Dollars), and shall be paid in accordance with the Company’s standard payroll practices for employees.

(b) Welfare Benefits: During the Term, or if Executive's employment is terminated sooner pursuant to Section 4, until such termination, Executive shall be eligible to participate in the Company's health, welfare and insurance plans (e.g., medical, dental, vision, life insurance, short- and long-term disability, etc.) on a basis comparable to that of other United States employees of the Company from time to time.

(c) Pension: During the Term, or if Executive's employment is terminated sooner pursuant to Section 4, until such termination, Executive shall continue to accrue benefits under the Company's pension plans.

(d) Incentive Plans:

i. During the Term, or if Executive's employment is terminated sooner pursuant to Section 4, until such termination, Executive will continue to vest in stock options and performance share units ("PSUs") previously granted to Executive under the Company's stock incentive plans in accordance with the terms of those plans and any applicable agreement.

ii. Except for termination of Executive's employment for Cause pursuant to Section 4(c) or upon Executive's employment with an Unauthorized Competitor identified in Section 5(c)(i), Executive shall, pursuant to the terms of Executive's stock option and PSU award agreements, and upon execution and delivery of this Agreement, be deemed to have terminated his employment with the Company at the end of the Term due to "Special Retirement," as defined in the applicable equity award agreements and plan rules, and shall have the period to exercise any outstanding stock options as per the plan rules of five years, to the extent that such options were exercisable as of the date of such termination. In addition, any PSUs outstanding as of such date will continue to vest according the terms of the applicable PSU award agreements.

iii. For the year 2019, Executive will be eligible for the normal full-year cash incentive bonus, based on achievement of the personal and financial performance targets that were approved by the Board in early 2019, with the date of payment of such annual cash incentive award being the same as the date of payment for the other officers of the Company. The actual pay-out to Executive under this Section 3(d)(iii) shall be based on achievement of the established personal and financial performance targets as if Executive had been employed as Chairman and Chief Executive Officer for the full year and the payment will not be prorated.

iv. From and after the Effective Date, Executive will not be eligible to participate in, or receive any, annual incentive or bonus program or payout of any kind, other than as described in Section 3(d)(iii) above.

(e) Vacation: As soon as practicable following the Effective Date, Executive shall be paid a cash amount representing his accrued and unused vacation accumulated as of August 1, 2019. During the Term, Executive shall not be eligible to accrue vacation pay.

(f) Expense Reimbursement: The Company shall reimburse Executive for actual and reasonable business expenses incurred in the normal course of performing his duties hereunder, following delivery of supporting documentation therefor. Executive shall submit all 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. The Company shall reimburse Executive for any undisputed costs within 30 days of receipt of such invoices and supporting documentation as requested. The Company accepts that Executive expects to remain on the International Advisory Board ("IAB") of King Abdullah University of Science and Technology ("KAUST"), in Saudi Arabia, and agrees to pay, or reimburse Executive for, first class air travel from Houston to the location of the official KAUST IAB meetings, for the duration of the Term or Executive's service on the KAUST IAB, whichever is shorter.

4. Termination of Employment: Should Executive's employment terminate prior to the end of the Term, the following provisions of this Section 4 shall govern the rights of Executive under this Agreement:

(a) 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.

(b) 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.

(c) <u>Termination by the Company for Cause</u>: In the event the Company terminates Executive's employment during the Term for Cause, as defined below, he shall be entitled to any other amounts earned, accrued or owing as of the date of termination of employment under the applicable employee benefit plans or programs of the Company.

"Cause" means Executive's dishonesty relating to his employment with the Company, conviction of a felony, willful unauthorized disclosure of confidential information of the Company, or breach of any of Executive's obligations in Section 5.

(d) <u>Voluntary Termination and Termination Due to Mutual Agreement</u>: Upon 15 days' prior written notice to the Company (unless otherwise waived by the Company in writing), Executive may voluntarily terminate his employment with the Company. A voluntary termination pursuant to this Section 4(d) shall not include a termination under Section 4 (a), 4(b) or 4 (c) above, and shall not be deemed a breach of this Agreement by Executive (except if Executive accepts employment or other prohibited association with an Unauthorized Competitor during the Term).

Executive may work for another employer (excluding an Unauthorized Competitor) during the Term without terminating his employment relationship with the Company hereunder. In the event Executive voluntarily terminates his employment with the Company during the Term pursuant to this Section 4(d), and (I) does not become employed by or otherwise render services to an Unauthorized Competitor or (II) becomes employed by an oil & gas related company, for which employment the Executive, will have received written pre-approval the Chairman of the Board prior to acceptance of employment, he shall be entitled to:

i. other benefits for which he is eligible in accordance with applicable plans or programs of the Company;

ii. exercise any stock options granted under a plan of the Company that vested during the Term (and prior to his termination date) as per the Plan rules.

(e) <u>Termination due to Employment by or Services to Unauthorized Competitor</u>: If during the Term, Executive accepts employment with, or otherwise render services to, an Unauthorized Competitor (as defined in Section 5(c)), Executive shall be required to reimburse all payments and other value received by Executive under this Agreement no later than 30 days from the date the Company learns of the acceptance. This repayment obligation shall not apply if Executive becomes an employee of an Unauthorized Competitor as a result of a merger or acquisition involving Executive's employer and an Unauthorized Competitor.

For purposes of this Agreement, an Unauthorized Competitor means those companies as specifically identified in Section 5.

5. Confidentiality, Return of Property, and Covenant Not to Compete:

(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, monetary or otherwise, 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: Executive agrees that at the time of leaving the Company's employ, if not sooner, 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.

(c) Covenant Not to Compete: 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. Accordingly, (1) in consideration for the Confidential Information previously provided by the Company to Executive, (2) as part of the consideration for the payments to be made and benefits to be extended to Executive hereunder, (3) to protect the Confidential Information of the Company disclosed or entrusted to Executive by the Company or created or developed by Executive for the Company and (4) as an additional incentive for the Company to enter into this Agreement, Executive agrees to be bound by the following restrictive covenants:

i. Executive agrees that for a period of three (3) years from the Effective Date, he shall not accept employment with or otherwise render services, directly or indirectly, anywhere in the world, to any specifically identified Unauthorized Competitor, whether as a director, officer, agent, employee, independent contractor or consultant, or, during the Term, take any action inconsistent with the fiduciary relationship of an employee to his employer. In order to protect the Company's goodwill and other legitimate business interests, provide greater flexibility to Executive in obtaining other employment and to provide both parties with greater certainty as to their obligations hereunder, the parties agree that Executive shall not be prohibited from accepting employment or otherwise rendering any services, anywhere in the world with any company or other enterprise except an Unauthorized Competitor; *provided*, *however*, that before Executive may accept employment or a service engagement with any oil and gas related company that is not an Unauthorized Competitor, Executive must have received written pre-approval from the Chairman of the Board.

For purposes of this Agreement, an "Unauthorized Competitor" refers specifically to the following entities:

- **Halliburton Company;**
- **Baker Hughes, a GE company;**
- **Weatherford International Limited plc;**
- **Archer Limited;**
- **Oilserv Limited;**
- **Aker Solutions ASA;**
- **TechnipFMC plc;**
- **National Oilwell Varco, Inc.;**

- **any entity engaged in seismic data acquisition, processing and reservoir geosciences services to the oil and natural gas industry; and**
- **any other oilfield equipment and services company,**

and includes any and all of their parents, subsidiaries, affiliates, joint ventures or divisions, as of the date of this Agreement as well as any of their successors or assigns; *provided, however*, that the restrictions in this Section 5(c) shall not apply if Executive becomes an employee of an Unauthorized Competitor as a result of a merger or other acquisition involving Executive's employer and an Unauthorized Competitor after Executive accepts employment or service under terms and conditions that otherwise satisfy this Agreement.

ii. Executive further agrees that for a period of three (3) years from the Effective Date, he shall not at any time, directly or indirectly, induce, entice or solicit (or attempt to induce, entice or solicit) any employee of the Company or any of its affiliates or ventures to leave the employment of the Company or any of its affiliates or ventures.

iii. Executive acknowledges that the restrictive covenant under Section 5(c)(i), for which he received consideration from the Company as provided in Section 3, is ancillary to otherwise enforceable provisions of this Agreement with respect to the protection of Confidential Information, and that these restrictive covenants contain limitations as to time, geographical area and scope of activity to be restrained that are reasonable, and do not impose a greater restraint than is necessary to protect the good will or other business interests of the Company, such as the Company's need to protect its Confidential Information.

iv. Executive acknowledges that in the event of a breach by Executive of any 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.

v. Executive further acknowledges that if his employment terminates prior to the Term for any reason, the restrictive covenant provisions of Section 5 will extend throughout the remainder of the Term or indefinitely, as provided in the applicable subsection of this Section 5.

vi. Executive further agrees that in the event that (x) the Company determines that Executive has breached any term of Section 5(c) or (y) all or any part or of Section 5(c) 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 or issuance 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. The repayment required by the foregoing provision shall be net of any taxes withheld on the original payments to Executive.

vii. Executive expressly recognizes that Executive was a high-level, executive employee who was provided with access to Confidential Information of the Company as part of Executive's employment and that the restrictive covenants set forth in this Section 5 are reasonable and necessary in light of Executive's prior executive position and prior access to the Company's Confidential Information.

(d) 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 represent 40% or more of the voting power of the issued and outstanding equity interest of such entity, and (iii) any other company 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.

(e) Non-Disparagement: Executive agrees that he shall not, directly or indirectly, whether in writing, orally or electronically, make any negative, derogatory or other comment that could reasonably be expected to be detrimental to the Company or any of its Affiliates, their business or operations, or to any of its or their current or former employees, officers or directors. Notwithstanding the foregoing, nothing in this Agreement, including the confidentiality provisions above, limits Executive's ability to communicate with the Securities and Exchange Commission (or any other governmental agency) regarding any possible violations of law, to otherwise participate in any investigation or proceeding that may be conducted by a governmental agency (including providing documents or other information without notice to the Company), or to receive any award for information provided to a governmental agency.

(f) Notification of Future Employer. Executive consents to the Company showing this Agreement to any third party believed by the Company to be a prospective or actual employer of Executive, and to insisting on Executive's compliance with the terms of this Agreement.

6. 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.

7. Notices: For purposes of this Agreement, all 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 registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Company: Schlumberger Limited
5599 San Felipe, 17th Floor
Houston, TX 77056
ATTENTION: General Counsel

If to Executive: Paal Kibsgaard
3030 Post Oak Blvd, Unit 402
Houston, TX 77056

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.

8. 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.

9. Severability: If a court of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, then the invalidity or unenforceability of any other provision of this Agreement, and all other provisions shall remain in full force and effect.

10. 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.

11. 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 as provided in Section 4(a), 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 11, 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).

12. 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 predecessor of the Company and Executive; except that (i) this Agreement will not affect or reduce any benefit or compensation inuring to Executive of a kind elsewhere expressly provided and not modified in this Agreement, and is not intended to modify the terms and conditions of the award agreements or plans governing the terms of Executive's equity compensation awards and (ii) any restrictive covenants included in prior arrangements with the Company or its Affiliates that impose additional or broader requirements or restrictions on Executive remain in effect in accordance with their terms.

13. Release of Claims: In consideration for the compensation and other benefits provided pursuant to this Agreement, Executive has executed a "Waiver and Release," in the form attached hereto as Exhibit A. Executive acknowledges that he was given copies of this Agreement and the Waiver and Release on June 15th, 2019, and was given sufficient time 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 within the time period set forth in Section 2, 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.

14. Section 409A: Each payment under this Agreement, including each payment in a series of installment payments, is intended to be a separate payment for purposes of Treas. Reg. § 1.409A-2(b), and is intended to be: (i) exempt from Section 409A of the Code, the regulations and other binding guidance promulgated thereunder ("Section 409A"), including, but not limited to, by compliance with the short-term deferral exemption as specified in Treas. Reg. § 1.409A-1(b)(4) and the involuntary separation pay exception within the meaning of Treas. Reg. § 1.409A-1(b)(9)(iii), or (ii) in compliance with Section 409A, including, but not limited to, being paid pursuant to a fixed schedule or specified date pursuant to Treas. Reg. § 1.409A-3(a) and the provisions of this Agreement will be administered, interpreted and construed accordingly. Notwithstanding the foregoing provisions of this Agreement, if the payment of any severance compensation or severance benefits under Section 2 would be subject to additional taxes and interest under Section 409A because the timing of such payment is not delayed as provided in Section 409A(a)(2)(B)(i) of the Code, and Executive constitutes a specified employee within the meaning of Section 409A(a)(2)(B)(i) of the Code, then any such payments that Executive would otherwise be entitled to during the first six months following Executive's separation from service within the meaning of Section 409A(a)(2)(A)(i) of the Code shall be accumulated and paid on the date that is six months after Executive's separation from service (or if such payment date does not fall on a business day of the Company, the next following business day of the Company), or such earlier date upon which such amount can be paid under Section 409A without being subject to such additional taxes and interest.

15. No Waiver: No failure by either party hereto at any time to give notice of any breach by the other party of, or to require compliance with, any condition or provision of this Agreement shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

16. Counterparts: This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together will constitute one and the same Agreement.

17. Headings: The Section headings have been inserted for purposes of convenience and shall not be used for interpretive purposes.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and delivered the 17th day of July 2019, but effective as of the 1st of August 2019.

SCHLUMBERGER LIMITED

By: /s/ Alexander C. Juden
Name: Alexander C. Juden
Title: Secretary and General Counsel

EXECUTIVE

/s/Paal Kibsgaard

<u>Exhibit A</u>

SCHLUMBERGER LIMITED
WAIVER AND RELEASE

Schlumberger Limited has offered to pay me the payments (the "Release Payments") contemplated by section 3(a) of my Employment Agreement with Schlumberger Limited, effective as of August 1st, 2019 (the "Agreement"), which is in addition to any remuneration or benefits to which I am already entitled. This Release Payment was 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 (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 payment of the Release Payment 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 the Release Payment, I must sign (and return to Alexander C. Juden, Schlumberger Limited, 5599 San Felipe, 17th Floor, Houston, TX 77056) this Waiver and Release by 5 p.m. on July 17th, 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.

In exchange for the payment to me of the Release Payments, which is 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 Waiver and Release 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 or (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 (collectively the "Protected Disclosures"). 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 the Release Payment 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.

Subject to the provisions above regarding Protected Disclosures, both the Company and I agree to refrain from any criticisms or disparaging comments about each other or in any way relating to my employment or separation and the Company and I specifically acknowledge that our willingness to enter into this Waiver and Release is in anticipation of our fidelity to this commitment. The above is not intended to restrict me from seeking or engaging in other employment and, in that connection, from making confidential disclosure to potential employers of such facts or opinions as I may elect to convey, nor is it intended to restrict the Company from conducting such confidential internal communications as may be necessary to manage this resignation in a businesslike way.

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 Rebecca Bleeker, Executive Compensation Manager of Schlumberger Limited - Houston, 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 pay me the Release Payment. 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.

______________________________	______________________________
Employee’s Printed Name	Company Representative
______________________________	______________________________
Employee’s Signature	Company’s Execution Date

Employee’s Signature Date: ______________________________

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Olivier Le Peuch, 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: October 23, 2019

/s/ Olivier Le Peuch
Olivier Le Peuch
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: October 23, 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 September 30, 2019 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Olivier Le Peuch, 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: October 23, 2019

/s/ Olivier Le Peuch
Olivier Le Peuch
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 September 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: October 23, 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 September 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 September 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	—	—	—	—	—	$121	—	N	N	—	—	—
Battle Mountain Grinding Plant/2600828	2	1	—	—	—	$1,579	—	N	N	—	—	—
Galveston GBT Barite Grinding Plant/4104675	1	—	—	—	—	$0(2)	—	N	N	—	—	—
Greybull Milling Operation/4800602	2	—	—	—	1	$2,112	—	N	N	—	—	—
Greybull Mining Operation/4800603	1	—	—	—	—	$0(3)	—	N	N	—	—	—
Greystone Mine/2600411	—	—	—	—	—	—	—	N	N	—	—	—
Mountain Springs Beneficiation Plant/2601390	—	—	—	—	—	—	—	N	N	—	—	—
Wisconsin Proppants Hixton Mine/4703742	—	—	—	—	—	—	—	N	N	—	—	—
Wisconsin Proppants Alma Mine/4703823	—	—	—	—	—	—	—	N	N	—	—	—
Wisconsin Proppants Monahans Mine/4105336	—	—	—	—	—	$0(4)	—	N	N	—	—	—
Wisconsin Proppants High Roller Sand Mine/4105321	—	—	—	—	—	—	—	N	N	—	—	—

(1) Amounts included are the total dollar value of proposed assessments received from MSHA during the quarter on or before September 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.

(2) As of September 30, 2019, MSHA had not yet proposed an assessment for the one S&S citation at Galveston GBT Barite Grinding Plant/4104675.

(3) As of September 30, 2019, MSHA had not yet proposed an assessment for the one S&S citation at Greybull Mining Operation/4800603.

(4) As of September 30, 2019, MSHA had not yet proposed an assessment for three non-S&S citations at Wisconsin Proppants Monahans Mine/4105336.