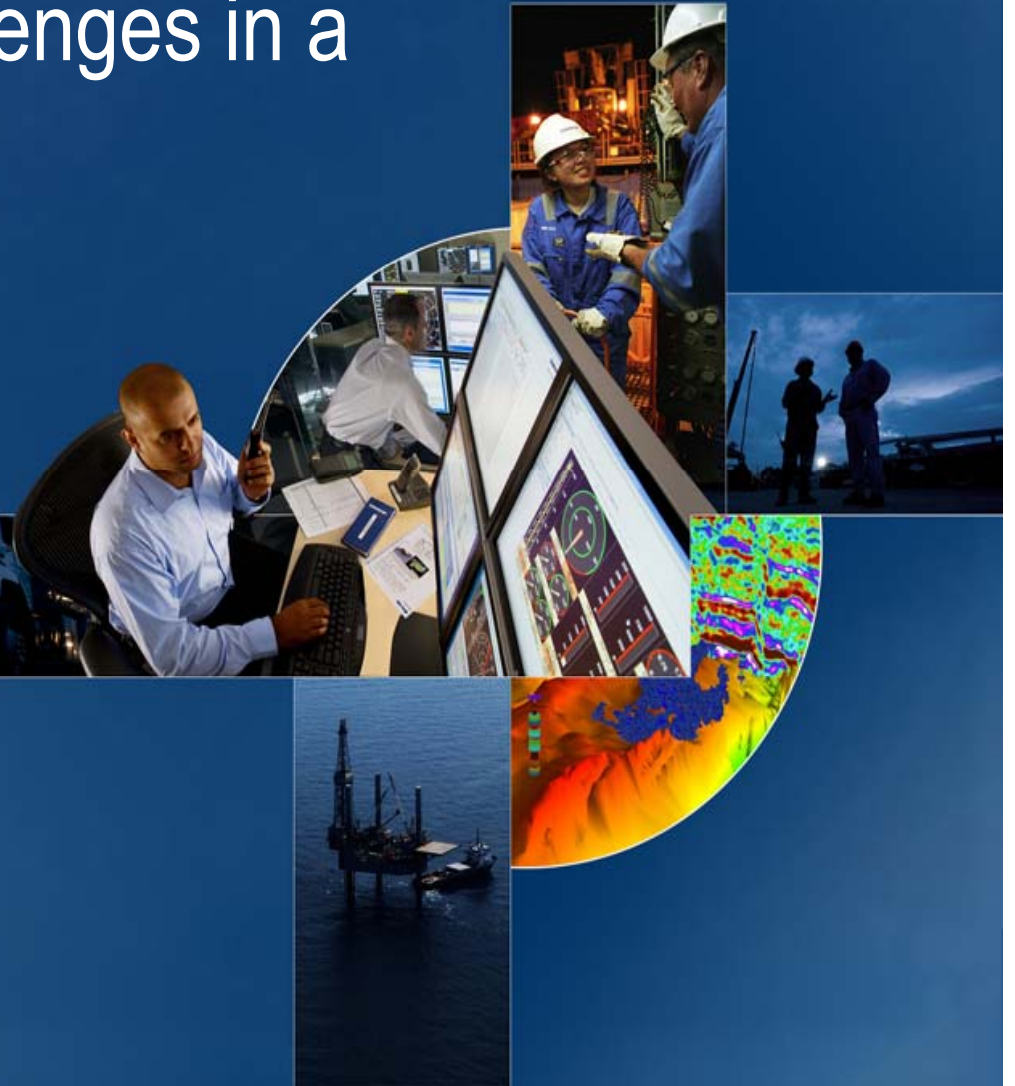


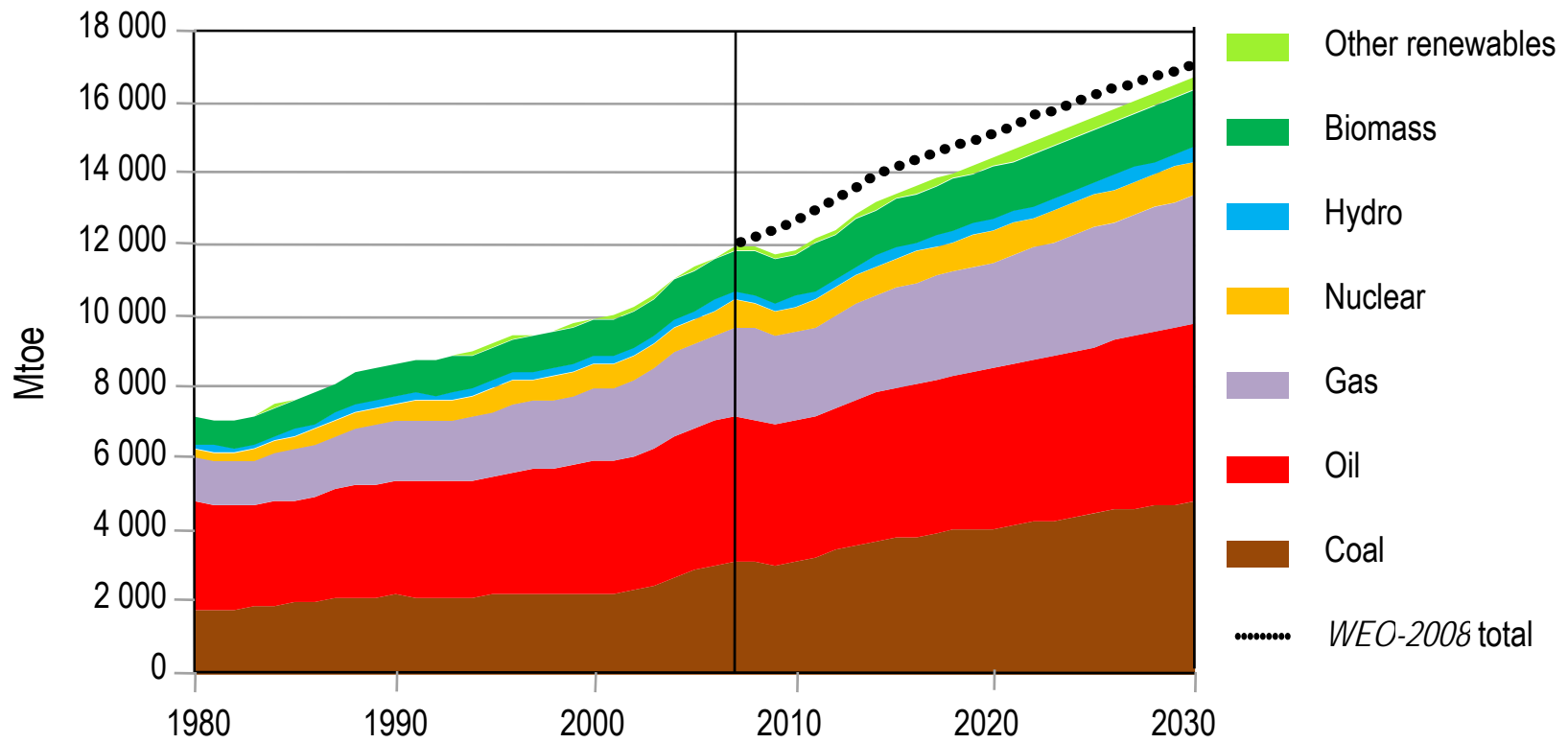
# Opportunities and Challenges in a Volatile Environment

Andrew Gould

International Oil and Gas Conference and  
Exhibition in China  
Beijing, June 8<sup>th</sup> 2010



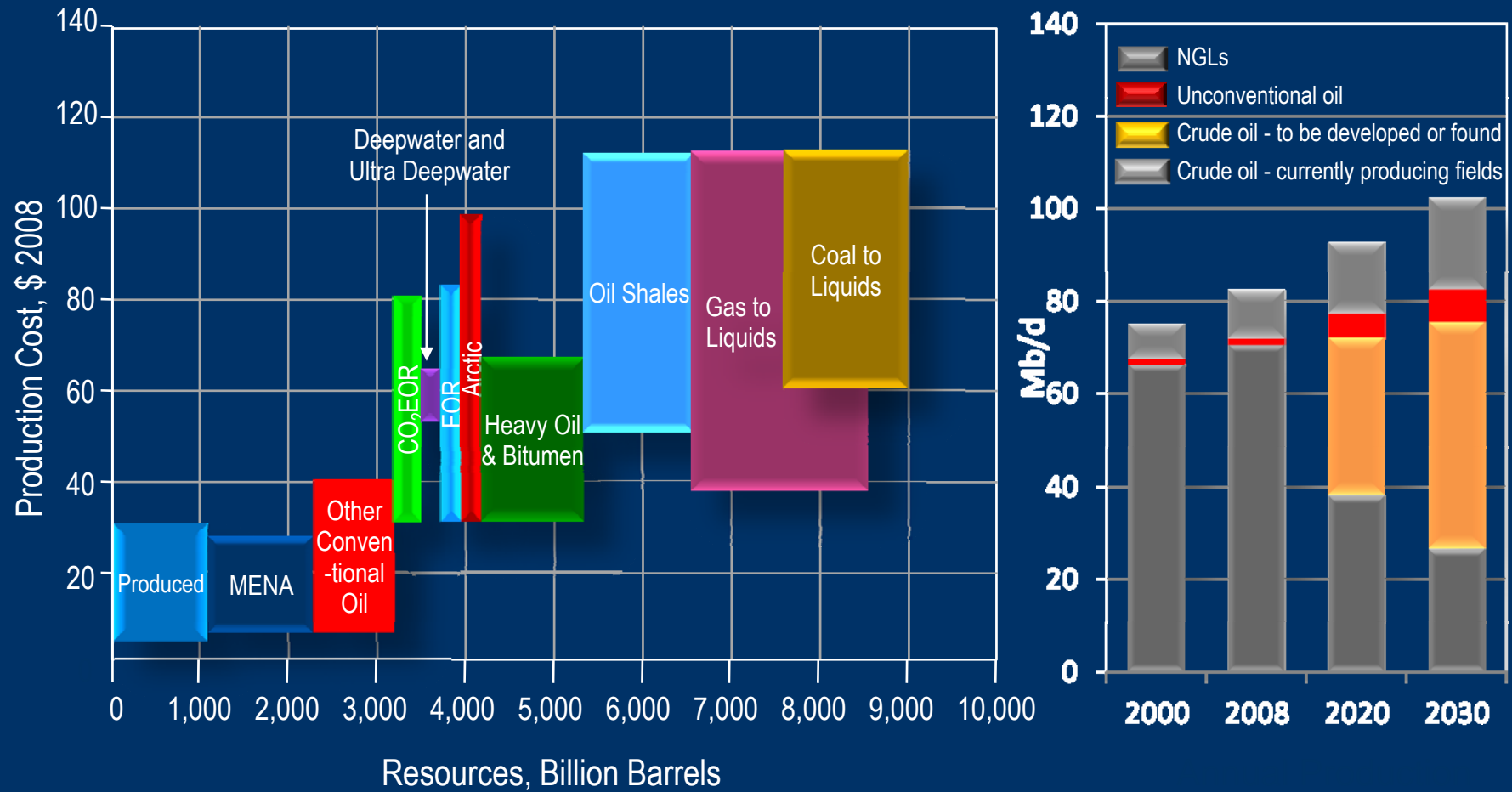
# World Primary Energy Demand Grows by 40% by 2030



Source: IEA World Energy Outlook 2009



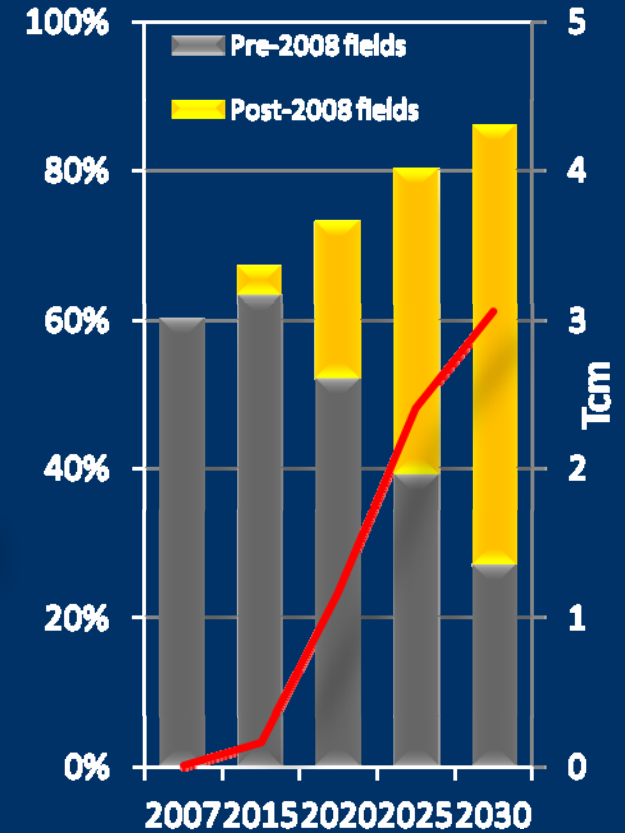
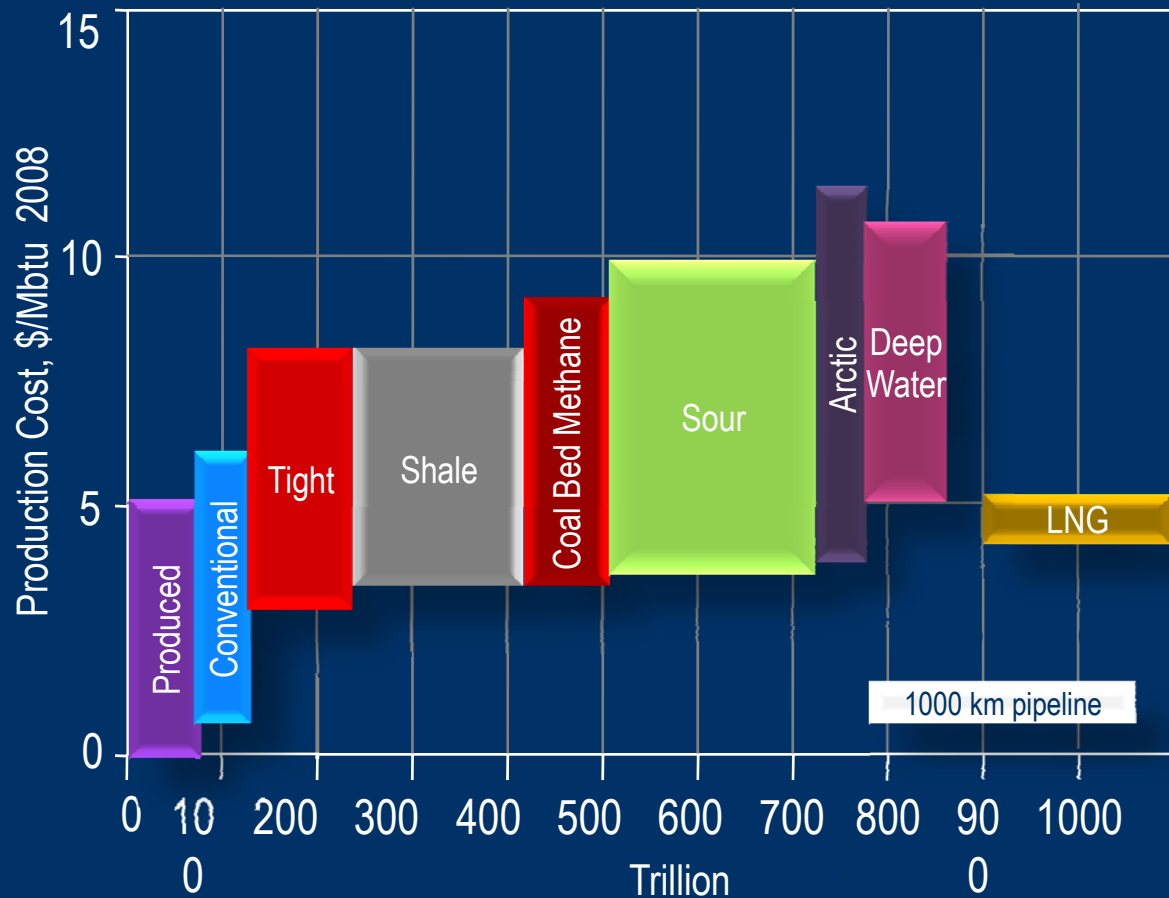
# Long-Term Oil Supply—Resources and Production



Source: IEA World Energy Outlook 2009



# Long-Term Gas Supply—Resources and Production



Source: IEA World Energy Outlook 2009



# Directions for New Technology



# LEAN Engineering and Manufacturing



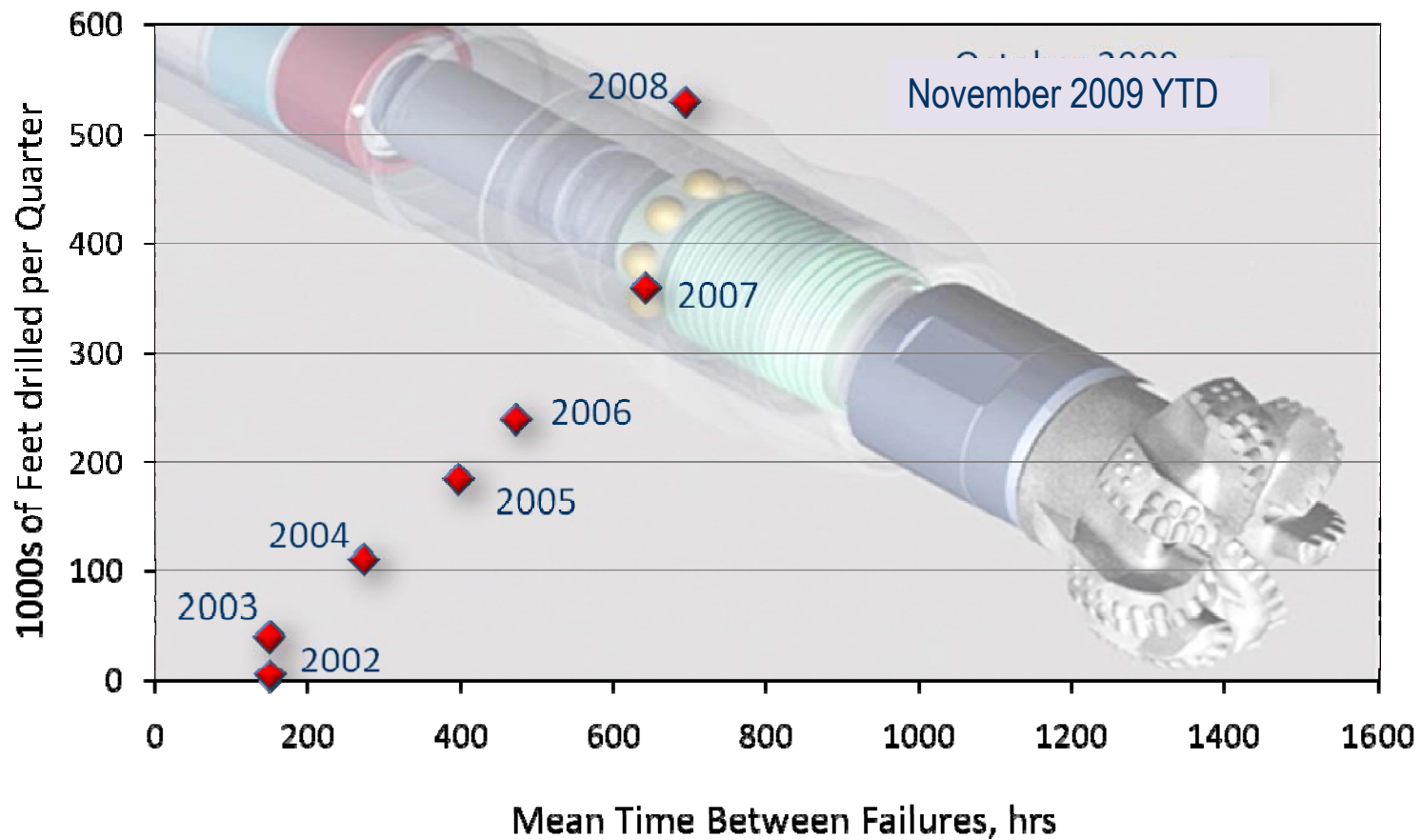
# Excellence in Execution

- A series of major initiatives to increase performance through improving technology development, deployment and delivery
- Begun in 2007 with the creation of an engineering, manufacturing and sustaining organization to establish systems, processes and standards across product development and manufacturing
- Centered on a system of concurrent lifecycle management that represents a major evolution in the way we work
- Targets operational consistency through standardized field maintenance, staff training and operational support.



# Excellence in Execution—Product Reliability

## PowerDrive 475 Activity versus Reliability



# Excellence in Execution—Maintenance Facilities

- More than \$300 million invested in 13 new large oilfield services bases in China, Canada, the US, Libya, Australia, Saudi Arabia, Abu Dhabi, Mexico, Congo and Brazil
- State-of-the-art operational bases enable standardization and more robust maintenance processes
- Tangible results include reduced volatility in key performance indicators, reduced staff overtime and increased productivity.



# Excellence in Execution—Training and Development

- Nearly 24,000 technical staff recruited since 2006 for positions in field engineering, field support, data services, and research, engineering and manufacturing
- New-generation learning centers opened to bring consistency and efficiency to training with scalability and critical mass
- Almost 900,000 training days since 2006—more than 40% focused on maintenance staff

Source: Company Data



# Excellence in Execution—Consistency in Operations

- Global network of 30 Operational Support Centers provide 24-by-7 performance assurance
- Remote support and intervention from center experts allow sustained reduction in NPT with reduced variability in service quality
- Centers provide a platform for higher-value real-time workflows in geomechanics, well placement and drilling optimization.



# Final Thoughts

- Oil and natural gas are expected to supply the major part of the world's energy supply for decades to come
- Technological challenges are formidable but we must also focus on eliminating waste effort from oilfield operations
- There is a clear need to improve operational performance through reliability and consistency—from product design and development to operational support facilities
- At Schlumberger, we want to evolve from a “can do” culture to a “we can do it right every time” approach.

