SCHLUMBERGER 2006 INVESTOR CONFERENCE
Q&A SESSION
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CONFERENCE PARTICIPANTS

- Andrew Gould — Schlumberger, *Chairman and CEO*
- Ashok Belani — Schlumberger, *Chief Technology Officer*
- Dalton Boutte — Schlumberger, *President, WesternGeco*
- Chakib Sbiti — Schlumberger, *EVP, Oilfield Services*
- Jean-Marc Perraud — Schlumberger, *CFO*

QUESTION & ANSWER SESSION

Andrew Gould: All right, so I hope you've enjoyed the technology show, and at this stage I have with me Dalton on my extreme left, Jean-Marc, Chakib and Ashok and we would be happy to try to answer any questions you have for the next 55 minutes to an hour. And somebody has to start.

Go ahead.

Unidentified Audience Member: Hi, there. To start with the obsession of the day, could you just update us with respect to your perspective on what's happening as these files, with North American natural gas and the E&P gas oil spending and any potential vulnerabilities that you might foresee on that front and how you will adjust to any slowdown in activity should that unfold? Thanks.

Andrew Gould: Well, I think that, firstly, perhaps it's important to say where we are today. So, today, we have some weakness in shallow gas and coal bed methane in Canada, which is freeing up some assets already. We currently have no signs of weakness in the U.S.

What we have seen is some rigs being laid down by people with a little less money, but they've been picked up by other people almost immediately. And I think our best guess is that whatever the gas price, there will be no significant effect on activity before the end of the year because most of the programs are committed.

Then we have to get into what is the gas price going to be, and, frankly, your guess is as good as mine. But if storage is full by the end of October we have to suspect that spot gas will be very cheap. And if the drawdown this winter is low, if the winter is mild, as it was last year, then we have to assume that there's going to be, I think, at some stage some pause in U.S. gas drilling.

Now, our feeling is that the state of U.S. gas production is such that any slowdown absent a severe drop in demand is likely to be fairly short. Now, in that case, we are basically exposed to that through well services, which is pressure pumping and [case for] wireline. And to the extent that we consider that that will be a reasonably short period, I think we would not envisage a major redeployment of assets or a major redeployment of people, because probably our people have sufficient vacation balances and days off due to them for us not to have to make a major adjustment, provided the thing doesn't last too long.

Of course, the thing that everyone would like me to speculate on, which I am not going to speculate on, because I've been wrong more times than anybody else, is exactly when this is going to happen, and I don't know. If we have a very mild winter, I think it could happen early next year. If we have a normal winter, I suspect it's going to be more in the second half of next year, because I think there are two scenarios.

One is a drop in drilling, which we currently consider unlikely. The other is a slowing in the rate of increase in land rigs and a slowing of rate in the increase in land rigs to the point where capacity, particularly pressure pumping capacity, starts to catch up with the rates of growth in rigs, in which case there will be an effect on pricing, not necessarily on activity.

But beyond that, when this actually occurs, I'm afraid that we don't really know any better than you do and a lot depends on what the gas drawdown is this winter.

Michael.

Unidentified Audience Member: Thank you, Andrew. A question concerning cash and repurchases. You mentioned this morning that you'd repurchased 30-some million shares, but the share count has not really gone down all that much, and obviously with cash build looking to be what it is and a policy of maintaining no excess cash, just wondering if we would see a step up in that?

Andrew Gould: Well, I think the reason that the share count has not gone down, despite the very considerable purchases, is we have used the stock in acquisitions, particularly for PetroAlliance, because it was in the PetroAlliance activity, a stage acquisition over a year and a half, and part of the incentive that we tried to give the PetroAlliance owners to stay was to link themselves to the Schlumberger stock.

I think that we have always said that the initial objective of our stock buyback program was to stop any share creep, largely through the issuing of stock to employees under the stock option plan or the discounted stock purchase plan, and then acquisitions as well. So to the extent that, going forward, we have always said that in our share repurchases we would be opportunistic and I think you can assume that we've been opportunistic in this current period of weakness and we will continue to be so.

But what's made the --- why we haven't met the objective in this lapse of time is essentially the issuing of shares for PetroAlliance.

Dan?

Unidentified Audience Member: Andrew, we heard a lot today about your different technologies. One of the things that I was real interested in was essentially the link, or the extension of time between failures on some of your equipment; in other words, your equipment is becoming more efficient.

I guess where I'm going with this is how do we think – or help us think – about how your capacity, as we look into 2007, in a market that has been equipment constrained, I mean, talk to us about job capability plus capacity. Help us with revenue growth in a market that has essentially been equipment constrained?

Andrew Gould: Well, I don't think I'm going to give more guidance, beyond what I did earlier, on next year. What I will say is I think the whole industry is still equipment constrained on anything to do with directional drilling, measurement-while-drilling or logging-while-drilling. I think that we are probably less equipment constrained than others, but we are nonetheless equipment constrained today.

So, to the extent that reliability, or engineering for reliability, allows us to take less tools to the well site without seriously impairing the service quality, then yes, we get an extension of capacity. And forever in D&M there has been the argument, or there has been the consistent objective placed on my friend Sami, where is he? Somewhere around here – Sami, to take less equipment to the well site.

In fact, one of the engineering objectives for the Scope family was to try to repeat with Scope the reliability increment we got from Platform Express so he could – that's just one of the objectives, so he could stop taking so many tools to the well site.

And today what's happening is because the whole industry is short of tools; we just don't take any more tools to the well site. So I think that we get in quite a considerable capacity increment from reliability.

I cannot say beyond the measures that we sort of indicated to you, tools per job or thousands of feet between failures, or whatever it happens to be, exactly how much that is. What is true is in our terms and conditions today we are extremely – we are much stronger on not providing backup equipment than we would have been three or four years ago, and the customers have to accept that.

Unidentified Audience Member: Thank you, and I guess the follow-up is if we have an assumption of rig count growth next year, do you think you can grow faster than rig count? Twice as fast, three times as fast?

Andrew Gould: I think that the technology message you should take away today, and I don't mind whether it's from the quality of the technology or the efficiency of the technology, is that the quality of our revenue is going to improve. And I'm not exactly sure what factor that applies to the growth, but if there is today, in general, a part of the pricing premium, that is for reliability, particularly on the bigger offshore spreads, where spread costs are so high.

Unidentified Audience Member: My question is largely financially related. In 2004, you laid out some pretty ambitious targets that were largely exceeded and today you laid out similarly pretty ambitious targets but you were less specific on return on sales and return on capital employed than you were a couple of years ago, and I'm wondering if you could provide some guidance there or if you can't, or why not?

Andrew Gould: Well, I obviously could, but what I wanted to do today was to send two clear messages, or three. But the first clear message is that the nature of the cycle is shifting and the nature of the cycle is shifting towards what we consider to be overall higher-quality revenue, measurement for risk reduction and improving performance, and that that in itself has some premium in the margins.

The second message I wanted to send is that we are now fairly convinced that the cycle is going to be longer than we originally said. In fact, I gave, in 2004, if you remember, a very clear growth target that we would grow in double digits through the end of the decade. Now, the message I wanted to send today was that we actually think that growth is going to extend beyond the end of the decade. Now, within that, I don't really want to provide any more guidance on short-term revenue targets than we have in the past.
And margin-wise, you can derive from the objective that EPS will grow faster than revenue, that the quality of our revenue leaves room for margin expansion.

Andrew Gould: [Jamie]?

Unidentified Audience Member: I just wanted to follow up a little bit on that margin-expansion comment, because as I look at a lot of the technology that you showed today, it would seem to me that there's actually quite a bit of scope with repair and maintenance costs coming down, with the mean time between failures growing, et cetera, that there's quite a bit of scope for margin expansion.

And maybe you could relate back to what you think your incremental margin will look like in a range relative to what we've seen in the last couple of years. Do you expect it to moderate and then be sustainable? Just give us an idea of the range you're looking at.

Andrew Gould: I think if the growth rate moderates, then the rate of margin expansion is going to moderate as well, but it's still going to leave room for margin expansion, basically through this change in the quality of the revenue. Do you want to add anything?

Unidentified Company Representative: Sorry. Can you hear? Yes, I think it's pretty clear. We said we had two forces that play there. One is maybe the moderating of the margin into some markets, especially maybe North America, and a continuing expansion for high-technology services and also in a lot of places outside of North America. So the end result is what Andrew was saying, which is margin expansion, probably at a lower pace than what we witnessed for the last three years.

Andrew Gould: [Jeff]?

Unidentified Audience Member: Thank you. I'd just like to come back to your comment, Andrew, that you made at the beginning and just repeated there. What seems to have changed in regards – a big change in regards to your outlook is that you now see the cycle extending beyond 2010. I'm not quite sure I completely understand what you've learned or what has driven that change over the last six months. And, as an associated question, you did say that one of the risks to that was that supply growth surprised us. It's been below what was expected for the last couple of years, but having spent most of the day listening about technology that Schlumberger is bringing to bring on more supply, can you talk about what really are the risks that maybe supply growth does surprise us on the upside?

Andrew Gould: Well, actually, I think the thing that has fundamentally changed in the last, let's say, year, not six months, is the notion not only in the international oil companies, but just as much in the national oil companies, of reserve replacement.

And the concentration on reserve replacement, in the first year after the oil price escalated, was in fact very low. But then you start to see the reserve replacement ratios of the IOCs collectively going well below one, and a lot of the NOCs, actually, it's very interesting, they've not only not done much exploration in the last 20 years, but some of them have never done any exploration at all.

So we feel that what has changed is the exploration horizon – and as you well know, an exploration horizon about that Dalton uses to shoot seismic today in deepwater, you're talking about a development probably around 2011, 2012, just for starters. So if you add to that the fact that the deepwater is going to be constrained by lack of floaters, lack of semi-submersibles and drill ships, that's where we think that the cycle extension is going to come.

Now, on supply, it is true that it has consistently disappointed, but I would take you back to one of the remarks I made, which is that the increase in E&P expenditure, whatever the number is, has largely gone – or to a large extent – has been absorbed by cost inflation, and that's not necessarily inflation in our end of the business.

I mean, look at what happened to the price of steel between 2003 and 2006 and when you think of the amount of steel that goes into an offshore rig or platform, that in fact in dollar terms is a much bigger number than any inflation there might have been in service cost.

But we have a classic situation over the last two or three years of too much money chasing too few goods, and the industry has had cost inflation. So the actual amount of effort that's gone into increasing production over the last two years is not represented in the increase in E&P expenditure. So we feel that the amount of effort that's actually gone in is not sufficient to make a significant difference.

And, if you look, the classic case of this to me is the North Sea. You look at the North Sea today, all of the operators, in development or reserve enhancement or in exploration are rig constrained. I mean, if you could conjure up 10 offshore rigs into the North Sea, they would be contracted tomorrow. And so we just don't think there's been sufficient effort yet to make a huge difference to the supply picture.

Jim?

Unidentified Audience Member: [inaudible question – microphone inaccessible].

Andrew Gould: Sorry.

Unidentified Audience Member: I think you told me recently, Andrew, that you thought that the edge, technically, in LWD and Wireline, between yourselves and your competition was either as great as it's ever been or it's never been greater, and then you outlined this morning R&D spending that you thought would grow as a percentage of revenues. So if you're thinking of growing revenue in the high teens, then are you really looking at from here R&D spending growth of 20% or more per year out the next several years?

Andrew Gould: No, not for seven years, but several years. So there are two things. The first is everybody else is spending a lot more in R&D as well, so there is a notion of being able to keep a competitive edge. The second thing is that I suppose it would not be a surprise to you, given what we've said about seismic deep-reading measurements, deeper bore-hole measurements, that we are spending a lot of R&D on products and services between the different segments, which is a spend we've never had before.

And I did say that, and I'm not going to disclose exactly what we had purchased three portfolios of disruptive technology, one of which is CSEM, or controlled-source electromagnetics. But there are two others, which you could almost look at as fairly substantial internal startups, which are absorbing a fairly large amount of R&D as well.

Gentleman there?

Unidentified Audience Member: Thanks, Andrew. One of the things that you'd talked about back at the Connecticut conference was you were going to focus on expanding the margins at Schlumberger and translating the superior technology into improving returns. Returns are clearly up, but they're up for the industry, so I guess what I'm hearing here is the capacity constraints are allowing pricing to get better for everybody.

What do you see or do you see the market evolving in such a way that Schlumberger can actually start to expand margins and returns relative to the peers, or will that be more their margins going down and yours flattening out?

Andrew Gould: Well, I think there are two things you need to look at. The first is the margin expansion inside and outside North America, and the relative weight of each of the service companies' portfolios inside and outside North America. And the second thing is the shift, which I mentioned before, away from services, that are by no means commodities but are not quite as high tech as some of the stuff we do, into a portfolio that's going to be very much about exploration, reserve extension and recovery factors.

So, I just think that's the shift that's going to happen compared to what happened in the last two years, which, let's face it, for the industry has still been dominated by North American gas.

Jim Wicklund, there.

Jim Wicklund: Over the next three to five years, which five countries do you consider the most important?

Andrew Gould: But if I talk about them, Jim, everybody else is going to talk about them. No, I suppose I have to say Russia, the Middle East as a whole, India. After that, I suspect we will not be surprised by some parts of Latin America, which will be much more active than perhaps they have been for the last few years. And the rest I think, particularly offshore, is just longer term. It's going to be waiting for rigs, essentially.

Jim Wicklund: Will those countries and those regions be the highest users of your higher value add technologies, or are they just going to be more important on a relative basis just because of the size of their growth?

Andrew Gould: I don't think today, with a few exceptions, we can say that different theaters have different levels of usage of our technology. Now, obviously, huge offshore exploration and development has a very high concentration, but then so does reservoir recovery on land in the Middle East in carbonate reservoirs. So I wouldn't say Mexico bad, Saudi Arabia good, or Maracaibo bad, Gulf of Mexico good. It's not that clear anymore.

I think it's the shift more than the geographical theater that's important to us.

Barry.

Unidentified Audience Member: Andrew, at Ridgefield, you talked about carbon sequestration as one of the important developing technologies for the next decade. Can you update us on your thoughts on that and Schlumberger's role? Will it go beyond simply measurement?

Andrew Gould: Ashok, would you like to talk about carbon sequestration for a minute?

Ashok Belani: Actually, I didn't take it in my talk, but we do have a business unit that is working on carbon dioxide sequestration. There are approximately 10 to 16 projects, which are in various levels of activity. We are engaged in just about all of them, but at this point in time there is a lot of technology we are working on which comes from our subsurface knowledge of 4-D seismic, of different kind of cementation that gives you insurance of monitoring technologies that will be used in carbon dioxide sequestration, of simulation techniques that will be used in carbon dioxide projects.

So there is a lot of interest, which is mounting up, now spread right through the world. There are projects in Australia, there are projects in North Africa, of course, in Norway and in the United States and we see a lot more interest in the area going forward. Our business is still quite small, but it's growing quite rapidly, actually.

Andrew Gould: There's one at the back there.

Unidentified Audience Member: Yes, Andrew, just in terms of the overall high-teens revenue outlook over the course of the next several years, I think it may be fair to say, and correct me if I'm wrong, that you think the '07 overall growth rate may slow from what you've seen in '05 and '06, and just want to get a sense from you if you think that high-teens revenue growth rate is something that you'll see consistently over that period of time, or whether you'll see higher growth rates in the first stage and lower growth rates in the back half?

Andrew Gould: So, I would be unrealistic if I said that instead of the high teens it was going to be the low 20s. Inasmuch as I have no idea whether it's going to be the high teens or the low 20s, and even less, what specific figure it's going to be. What I do know is that having had two years of back-to-back growth, of absolutely huge proportions, yes, of course, the rate eventually is going to slow.

So in preparing this, rather than change my outlook, I decided to stick to the same thing and try to get across the message that we think the cycle is going to be extended.

But, yes, do I think that towards the end of the decade growth is going to slack off from the extraordinarily high rates for a company which is $14 billion is making today? Yes, I do, but to what extent, I don't know. So is the final number going to be what I said or a bit more or a bit less, I really have no idea today.

Yes, Henry.

Unidentified Audience Member: Hi, a quick follow-up, Andrew. If we could talk about two GeoMarkets or countries, Mexico, number one, and Iraq, number two. What's your outlook for both of those countries, please? Thank you.

Andrew Gould: Well, my outlook for Mexico, I would say, is considerably improved since the election is over. I think there is a general consensus that Pemex needs money, and therefore, I think that we are likely to see a fairly active Mexico, a more active Mexico than we originally thought on the balance of '06, and a fairly active Mexico on the balance of '07.

And I also think that next year – Dalton, you may want to comment – Mexico is likely to go back to doing more exploration. So overall, I think that's about it.

Do you have any comment on exploration, Dalton?

Dalton Boutte: No, the early signs are that they will begin exploration in January, of offshore, of '07. There is no sign of it yet onshore.

Andrew Gould: And, Iraq, I can only reiterate the position I told you before and that is we send our security advisers in every three months or six months and, to the extent that they can tell Chakib and myself, who lived through it together, that we can work under the same conditions as Algeria in the 1990s, we will be prepared to go back. I don't know what the latest is.

Chakib, do you know what the – ?

Chakib Sbiti: No, the latest is that we don't have a change as far as security management is concerned with regards to Iraq, and therefore we do not foresee or plan for the short term for activity, significant activity, in Iraq.

Andrew Gould: Let's take Jeff, then Jamie, then Dan.

Unidentified Audience Member: Or Jamie, then Jeff, then Dan.

Andrew Gould: Whatever. You guys fight it out.

Unidentified Audience Member: Just, Andrew, Michael asked the question before about your buyback, but you didn't comment on the back half of this question, which was on the dividend policy going forward as an alternative to buybacks, or in lieu of buybacks.

Andrew Gould: Jean-Marc?

Jean-Marc Perraud: Well, actually, it's not in lieu. We'll use it in combination with buyback, and as Andrew pointed out this morning, we have reviewed and increased the dividend over the last two years each year. And we plan to review it again at the beginning of next year and make a proposal to the board. So, yes, we do look at it more regularly than we used to do it in the past and expect to increase it at some point.

I would like just to add that, as you know, a dividend decision is obviously a long-term commitment and we take it very seriously. If you look at our track record as a public company, for the last – since 1962, when we were a public company for the –, we never cut our dividends. So for us it's a long-term commitment. We look at the sustainability and, again, we'll look at it next year.

Unidentified Audience Member: Hello? Okay, the day has been dominated by positive, upbeat comments. What parts of the business would you like to see doing better today than it is?

Andrew Gould: Well, I think despite the huge progress we've made in completions, we still have more to do. I think now it's more in the execution than the engineering, and I have to say, before Doug gets nervous, that we really, really are doing a lot better than we ever thought we would at this stage. But still, we have more progress to make in the market.

I think the other thing is that in the long term, we would like to do better in pressure pumping, and I'm not talking about the size. I'm talking about the technology that goes into that business and while we have plenty of ideas, I don't think we have perhaps the same position as we have in our other segments, and therefore it is an area of focus for both our research and engineering centers.

And, beyond that, I think the huge prize we have out there, which is a very exciting challenge, not only for our individual segments, but also for our interpretation in the geoscience community, is to achieve the value of products that are going to come from combining the measurements, be they – and particularly, the ability to image the intervening space between the wells, be it with seismic or with deep-reading electromagnetics or be it with deeper-reading logging measurements, all the rest of it.

Because the prize out there is huge inasmuch as it is going to remove the uncertainty of putting the reservoir into production and maintaining it into production. And if you look at the presentations we gave you today, the success of PeriScope as a service is huge, because it reads deeper. And because it reads deeper and allows proper steering, not only does it improve the productivity but it allows the customer to add reserves that he never though the was going to be able to produce.

So we think that a huge frontier for us in the longer term is this ability to combine our measurements, to image the space aerially between wells.

There was Dan, afterwards.

Unidentified Audience Member: Andrew, I think everything that we've heard from you would imply that your path forward from here on the technology side is probably small acquisitions and a build out on the R&D side, so a two-part question. One, should we assume that we have probably seen the last multi-billion dollar acquisition from Schlumberger for a while? And after you answer that, I'll ask part two.

Andrew Gould: Okay, well, never say never, but if you're asking me – if we do make a multi-billion acquisition, and I'm purely saying this in the context of one never says never, it would be in our domain. It would not be outside our domain. Never say never, but and today I don't see it as being very likely.

Unidentified Audience Member: Okay, that's fair. And when we look at your balance sheet currently, where you'll be in a very short period of time in terms of cash flow, I guess the question then comes back to in a multi-year positive environment, we're going to have $2 to $3 billions a year of free cash and a stock that's trading at relatively opportunistic points, and so why not be quite opportunistic, or a lot more aggressive, on the share repo side?

Andrew Gould: Well, I don't think one should necessarily go out and borrow money to repurchase stock. You also have to remember that Schlumberger's capacity to absorb debt is somewhat limited by the fact that we are registered in the Netherlands Antilles, and therefore our capacity to deduct interest on debt is limited to one or two places where we operate, one of which is our most important one, it is difficult to distribute cash to the holding company.

So we will be opportunistic, Dan, but I don't think we should go into debt to purchase stock. Do you want to say something, Jean-Marc?

Jean-Marc Perraud: Well, just that we have no intention to be in a net cash position on a permanent basis. It may happen, but it will be very temporary. So, obviously, our first use of cash is for the business and you got some guidance this morning on the capex side. You have some ideas, but that will depend on opportunities about acquisitions.

We are going to de-leverage the balance sheet, but as you pointed out, this is probably going to be done before the end of the decade. And, for the rest, that leaves the cash return to the shareholders.

Andrew Gould: There's one over there. You go ahead.

Unidentified Audience Member: Hi. ExxonMobil recently announced, or said, that they believe that 55% of the world's reserves or reservoirs are in carbonate reservoirs.

Andrew Gould: Yes.

Unidentified Audience Member: First question, really what you think of that. And after seeing the presentations today, you seem to have a lot of different technologies that seem could be more oriented to that type of work, and does that put you uniquely, or make Schlumberger uniquely positioned, right from the reservoir up to do better than your competitors?

Andrew Gould: What is the statistic? Is it two-thirds of the remaining oil? Seventy percent of the remaining oil will be produced from carbonate reservoirs. The heterogeneity in carbonate reservoirs means that today there is no simple solution to producing a carbonate reservoir efficiently. I mean, a lot of the deep-reading technologies that we showed you are just particularly – if you remember the Minigish example from Kuwait. This is the sort of way we are using technology to demonstrate that you can do better in carbonates.

Ashok, do you want to make some comments on carbonate technology?

Ashok Belani: I think, in general, your observation is absolutely right, that we are targeting some of our new technology development such that they can be very effective in carbonate. There are still outstanding problems in carbonates where we need to develop the applications of some of these technologies that we are developing, and we are very, very, let's say, this is a very exciting area for us to be working in right now.

So there will be a lot of focus on it, and we should see development coming in in that space in the future.

Andrew Gould: Another element of that which is very interesting is that as you move away from the well-bore scale to the field scale, to the application technology you are going to need more and more to do in situ experiments. In other words, you're going to need to experiment the technology not on the scale of the well but on the scale of the gap between wells or the scale of the field.

So one of the original objectives of opening the Dhahran Research Center in Saudi Arabia was to have research people close enough to the action to be able to interact with these technologies as they are deployed in carbonate fields.

Unidentified Audience Member: Thanks.

Andrew Gould: One down here in the middle.

Unidentified Audience Member: Andrew, the company, Schlumberger, today, is very different from what it was 3 1/2 years ago when you took the helm in terms of operational and financial performance. How do you manage success? How do you motivate the people to stay in the lead? Obviously, there was a lot of sort of kicking at the start to say, guys, we've got to claw our way back in credibility and reliability, et cetera, but you're back on top. How do you maintain it?

Andrew Gould: Well, I actually think the – Chakib and I discuss this a lot. We have to worry about complacency. I mean, we do both of us, and Dalton, too, when he's finished getting over his fantastic margins. He has to start worrying about complacency. Now, one of the advantages of Schlumberger is that generally we have an extremely young population.

The average age in Schlumberger has probably gone down a bit. It's probably about 37 now, and we find that the best way to guard against complacency is to challenge people. And so I would say that the number one thing is that we constantly seek to challenge our people, be they field people, be they R&D people, financial people. It doesn't make any difference. We spend a lot of time looking for challenges for them.

And I think the second thing is that despite the fact that we're a huge company now, the actual management style has remained extremely informal. These guys are used to it, they don't like it, but I have a rule that I can take the telephone and call someone five layers down the organization if I want to know what's going on. And the only thing I don't do is contradict in public anything that they've said. I might contradict it in private, but I won't contradict it in public.

And I think that actually quite a lot of managers copy me, and actually it's an extremely good way to be sure that the top management does not become isolated on its little cloud of success. I can no longer say in New York, but from the 16th floor of the San Felipe Tower in Houston, if the management takes the trouble to try to keep itself aware of what's going on, and we have I would say a couple of other tools in that domain that we use fairly extensively.

One is, twice a year we hold seminars to which we invite 150 operations managers. These are not big chiefs. These are guys who are running operations in the field. Maybe you can describe the Delhi or Edinburgh, Chakib.

Chakib Sbiti: We have for the last three years introduced these communication events. In fact, one of the main changes is along the axis of communication and we are much more – or making great efforts in first building a proper communication team that actually obliges us to make sure we stay in touch.

So one of the exercises is precisely to organize events where we select a vast part of the management of the company worldwide and we meet in places and we have basically sessions, three-day sessions, whereby the pulse of the company on both sides is well perceived. And so that mechanism, if you want, we feel comfortable with the value it brings going forward, and we have no intention of changing that.

Andrew Gould: Anybody else? Anyone else?

Well, maybe there's some nervousness about getting your flight at Intercontinental. Would anyone like to ask the last question?

J-F?

Jean-Francois Poupeau: Well, thank you very much, ladies and gentlemen. As I mentioned this morning, the keynote presentations you've heard today will be available at the company's website at www.SLB.com/ir and a transcript of these presentations and this afternoon's Q&A session will be published on the same website today.

Ladies and gentlemen, on behalf of the Schlumberger executive management team, I want to thank you for participating in the 2006 investor conference.

Thank you.