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SCHLUMBERGER ANNOUNCES FIRST QUARTER 2002 RESULTS

NEW YORK, April 17, 2002— Schlumberger Limited (NYSE: SLB) reported today first quarter operating revenue of $3.3 billion and net income, before a charge, of $201 million.

Diluted earnings, excluding a charge of $29 million ($0.05 per share) related to losses following the economic and financial crisis in Argentina, were $0.35 per share. This compares with adjusted earnings of $0.50 per share for the same period last year and $0.47 per share for the fourth quarter of 2001. Including the provision for Argentina, reported earnings were $0.30 per share.

Oilfield Services revenue, including WesternGeco, was flat versus the first quarter of 2001. The worldwide M-I rig count fell 20% over the same period. Revenue decreased 9% sequentially reflecting the quarterly average rig count decline of 6%.

SchlumbergerSema revenue of $835 million for the quarter decreased 11% sequentially reflecting continuation of the lackluster global IT spending environment, lower telecommunications card shipments with pricing erosion in Asia and lower utilities activity in North America.

Recently Schlumberger Technology Corporation, a wholly owned subsidiary of Schlumberger Limited, issued $1 billion of 10-year senior unsecured notes on the US capital markets. The issue, initially planned at $750 million, was increased to meet strong demand. The proceeds will replace the outstanding commercial paper, in order to improve the balance between short and long-term financing.

Chairman and CEO Euan Baird commented:

"The unraveling political situation in the Middle East, recent turmoil in Venezuela and conflicting signals from the US economy have all contributed to increased uncertainty about economic growth this year and consequent demand for oil and gas. We are being prudent about new investments in people and equipment until the position becomes clearer.

The continuing slump in the telecommunications industry and the seasonal slowdown in the IT markets in the first quarter have delayed the expected improvements in the performance of SchlumbergerSema. Even so, integration of the two companies goes ahead well, and our faultless performance at the Olympic Winter Games underlines the world-class systems integration skills of the new company."

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Note:
Supplemental information in the form of a question and answer document on this press release is available at http://www.slb.com/ir until Monday, May 6, 2002.

Schlumberger will make a presentation on 'Schlumberger Oilfield Technologies' followed by a question and answer session on Monday, April 22, 2002 at 12.15pm EST to Analysts in New York. A live webcast of this event will be available at http://www.slb.com/irwebcast on a listen only basis. Please allow 15 minutes ahead of time to test your browser and register for the webcast. A replay will be available four hours after the event until Monday, May 6, 2002.

Consolidated Statement of Income (Unaudited)

(Stated in thousands except per share amounts)

	Three Months	
For Periods Ended March 31	**2002**	**2001**[1]
Revenue		
Operating	**$ 3,309,356**	**$ 3,013,657**
Interest and other income[2]	**33,837**	**90,029**
	3,343,193	**3,103,686**
Expenses		
Cost of goods sold and services[3]	**2,600,090**	**2,295,962**
Research & engineering[4]	**160,691**	**173,596**
Marketing	**95,743**	**87,417**
General	**161,267**	**120,595**
Interest	**82,253**	**76,201**
	3,100,044	**2,753,771**
Income before taxes and minority interest	**243,149**	**349,915**
Taxes on income	**64,183**	**107,940**
Income before minority interest	**178,966**	**241,975**
Minority interest	**(6,494)**	**(6,087)**
Net Income	**$ 172,472**	**$ 235,888**
Diluted Earnings Per Share:		
Net Income	**$ 0.30**	**$ 0.41**
Add back amortization of goodwill	**-**	**0.05**
Adjusted earnings per share	**$ 0.30**	**$ 0.46**
Average shares outstanding	**576,306**	**573,060**
Average shares outstanding assuming dilution	**581,104**	**581,412**
Depreciation and amortization included in expenses[5]	**$ 363,210**	**$ 419,026**

1) Reclassified, in part, for comparative purposes.
2) Includes interest income of $18 million (2001 - $66 million).
3) 2002 includes a $29 million charge (pretax $30 million and minority interest credit of $1 million) related to the financial/economic crisis in Argentina ($0.05 per share – diluted).
4) 2001 includes a $25 million (pretax and after tax) in-process R&D charge relating to the Bull CP8 acquisition ($0.04 per share – diluted).
5) Including multiclient seismic data costs.

Condensed Balance Sheet (Unaudited)

(Stated in thousands)

Assets	Mar. 31, 2002	Dec. 31, 2001
Current Assets		
Cash and short-term investments	$ 1,421,185	$ 1,617,701
Other current assets	6,085,032	6,087,189
	7,506,217	7,704,890
Fixed income investments, held to maturity	510,000	576,000
Fixed assets	4,843,105	4,827,879
Multiclient seismic data	1,082,866	1,028,954
Goodwill	6,379,534	6,260,969
Other assets	1,766,237	1,927,675
	$ 22,087,959	$ 22,326,367

Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	$ 4,134,746	$ 4,506,634
Estimated liability for taxes on income	549,479	587,328
Bank loans and current portion of long-term debt	836,025	1,015,181
Dividend payable	108,708	108,642
	5,628,958	6,217,785
Long-term debt	6,479,414	6,215,709
Postretirement benefits	516,952	504,797
Other liabilities	369,107	372,696
	12,994,431	13,310,987
Minority interest	645,760	636,899
Stockholders' Equity	8,447,768	8,378,481
	$ 22,087,959	$ 22,326,367

Business Review

(Stated in millions)

	Oilfield Services			SchlumbergerSema			Other[1]		
First Quarter	2002	2001	% chg	2002	2001	% chg	2002	2001	% chg
Operating Revenue	$2,417	$ 2,428	- %	$ 835	$ 301	178%	$ 84	$ 305	(73)%
Pretax Operating Income[2]	$ 370	$ 419	(12)%	$ 1	$ 7	(83)%	$ (7)	$ (1)	- %

1) 2001 includes the divested Resource Management Services businesses.

2) Pretax operating income represents income before taxes and minority interest, excluding interest income, interest expense and amortization of intangibles.

Oilfield Services

Operating revenue of $2.4 billion in the first quarter was flat year-on-year in sharp contrast to a 20% decline in the M-I rig count. Sequential revenue decreased 9% versus a 6% decline in the M-I rig count. The sharper fall in revenue versus rig count was primarily attributable to reduced multiclient sales in WesternGeco coupled with weak economic conditions in parts of Latin America. WesternGeco revenue decreased 8% year-on-year and 17% sequentially.

The flat year-on-year revenue resulted from declining North American activity, which was partially offset by sustained pricing levels and market share improvements in the other Areas. Strong performance was recorded by Well Completions and Productivity technologies, particularly artificial lift installations and completions services.

Pretax operating income of $370 million decreased 12% year-on-year and 21% sequentially. The sequential decrease was largely as a result of pricing pressure in North America.

North America

Revenue of $738 million decreased 22% versus the same quarter last year and 17% sequentially compared with the M-I rig count, which decreased 30% year-on-year and 7% sequentially. Pretax operating income of $123 million was 46% lower year-on-year and down 31% sequentially.

Lower demand due to mild weather conditions and economic uncertainties, together with pricing pressure on drilling related services in North America, resulted in lower year-on-year and sequential revenues. The decline in pretax operating income was due to a steep reduction in multiclient sales for WesternGeco as stated previously. However, growth was experienced in the Canada and Alaska GeoMarkets due to increased Drilling and Measurements and Well Services activity as the winter drilling campaign moved into gear. This was highlighted by the award of a significant two-year contract

for coiled tubing drilling (CTD) services including a new CTD unit in Alaska that will complement the existing fully integrated unit. This contract positions Schlumberger as the leading provider of CTD services in Alaska.

Latin America

Revenue of $384 million decreased 3% compared with the first quarter of 2001 and 12% sequentially in contrast to the M-I rig count decline of 20% year-on-year and 15% sequentially. Pretax operating income of $66 million increased 53% year-on-year and decreased 9% compared with last quarter. Sequential revenues declined across all GeoMarkets.

The economic and financial crisis and introduction of the Hydrocarbon Export Tax in Argentina impacted activity levels in this Area during the quarter. This was partially mitigated by strong year-on-year growth in the Mexico and Peru/Colombia/Ecuador GeoMarkets. Drilling activity and revenue in Ecuador continued to be strong and was reinforced by the award of a major PowerDrilling* directional drilling services contract in the Peru/Colombia/Ecuador GeoMarket. The PowerDrilling initiative combines innovative directional drilling and drill bit technologies to maximize drilling performance for the operator. The contract was awarded based on the Schlumberger PowerDrive* rotary steerable system and new generation high performance TreX* fixed cutter bits.

Europe/CIS/West Africa

Revenue of $617 million increased 24% compared with the same quarter last year exceeding the M-I rig count (including CIS), which grew 7%. On a sequential basis revenue declined 6% and the M-I rig count 4%. Pretax operating income of $79 million was 33% higher compared with last year but down 23% sequentially. The sequential revenue decline was due to reduced activity resulting from adverse winter conditions in the North Sea.

However, year-on-year revenue growth was recorded across all GeoMarkets led by Nigeria, the Caspian, Russia and the UK and in all technology segments with the exception of WesternGeco. In particular, a higher number of Reda* electric submersible pump installations in West Africa, and increased Well Services activities in Russia and the Caspian, were recorded as customers accelerated programs to meet aggressive production targets. In addition, Schlumberger was awarded a 3-year artificial lift contract for 100 Reda pump installations in Russia. This contract includes the InterACT* web based data delivery system which will be deployed to monitor pump parameters in real time to ensure optimum well production.

Middle East and Asia

Revenue of $591 million increased 21% year-on-year outpacing the M-I rig count, which increased 6%. Sequential revenue decreased 3% as the rig count declined 1%. Pretax operating income of $116 million was 27% higher than the first quarter of last year and down 12% sequentially. The sequential revenue decline was as a result of the stronger than expected fourth quarter results which included exceptional

artificial lift and completion sales. The sharp sequential decrease in pretax operating income was due to lower revenue and high inventory costs.

Robust Well Services performance in the Malaysia/Brunei/Philippines GeoMarket coupled with generally higher seismic activity led strong year-on-year revenue growth. Schlumberger installed its first-ever Level 3 RapidConnect* multilateral completion system providing selective drain hole access and connectivity with expandable screens in the Far East. This sand control solution combined VISION475* logging while drilling real-time imaging technology and steerable PowerPak* motors that drilled two laterals ahead of schedule with minimum formation damage. Subsequent well production increased four-fold.

Highlights:

- **Experienced strong growth in year-on-year and sequential revenues of 83% and 10% respectively for Schlumberger Network Solutions due to increased demand for connectivity and security solutions. Large IT outsourcing and DeXa.Badge security solution contracts within the oil and gas industry contributed significantly to these results.**

- **Acquired Inside Reality, a new 3D virtual reality system technology that creates a unique and powerful environment for interactive well planning, real-time geosteering and geophysical analysis. Users can interact virtually with the reservoir employing natural hand and body movements. Use of this technology for placement of horizontal wells has reduced turnaround time up to 90% and significantly increased oil production compared to wells planned with conventional workstation software.**

- **Launched the highest capacity Q*-Marine single sensor marine seismic vessel. The Western Neptune is the first vessel built under the WesternGeco Joint Venture and is the flagship of the Q fleet. The Western Neptune can deploy 10 eight-kilometer streamers and is the fourth WesternGeco seismic vessel to be equipped with the proprietary Q-Marine system. During the quarter the Western Neptune was deployed in the Gulf of Mexico to acquire a large multiclient survey.**

- **Record performances across the Schlumberger technology spectrum were achieved during the quarter. Q*-borehole integrated seismic technology recorded over 30,000 shots in a 200-hour survey in the Gulf of Mexico with on site process and quality control provided in real time. A new extended reach drilling record was set in Latin America when Schlumberger drilled a total of 5,797 feet at an average of 305 feet/hour on one horizontal well. In the Middle East over 21,635 feet of horizontal section were drilled using PowerDrive rotary steerable, PowerPulse* telemetry and GeoVISION* imaging technologies. Schlumberger also set an industry record**

through successful completion of a 10,600 feet CoilFRAC* stimulation job using advanced coiled tubing equipment and operating technique.

SchlumbergerSema

The SchlumbergerSema business segment was created on April 6, 2001 when Schlumberger completed the acquisition of Sema plc.

SchlumbergerSema operating revenue for the quarter was $835 million down 11% sequentially due to normal seasonal slowdown, currency exchange impact, and delayed projects as a result of deferred spending within the IT sector. The drop in revenue from volume products was due primarily to lower activity in telecommunications and the end of the Euro terminals and system-related retrofit. Pretax operating income of $1.2 million decreased 96% sequentially reflecting lower revenue and pricing pressure. Twelve-month revenue attributed to orders booked during the first quarter is marginally better than revenue for the same period.

Volume products revenue of $189 million was down 18% sequentially and 9% year-on-year due primarily to lower volume in mobile communications cards versus the seasonally strong year end. Decreased revenues were also due to continued pricing pressure and lower eTransactions revenues reflecting the end of the Euro retrofitting of parking terminals and associated systems. Volume products gross margin remained flat sequentially however year-on-year gross margins declined 7.6 percentage points. Pretax operating income was $2 million compared to $8.5 million last quarter.

Europe, Middle East and Africa

Revenue declined $79 million, down 12% sequentially, reflecting the expected slowdown in the first quarter and the deterioration in volume products and lower spending within existing contracts, primarily in the UK. Revenue in Italy was down following the exceptionally strong fourth quarter in outsourcing and telecommunications. Pretax operating income declined 47% to $29 million reflecting a decrease of 40% in volume products and 65% in services.

North and South America

Revenue declined $28 million, down 15% sequentially reflecting lower electricity product sales and lower revenue in telecommunications and cards in the US and Latin America. Economic conditions and ongoing uncertainty related to deregulation in the US market continued to impact the utilities-related systems integration business. Pretax operating losses of $19 million deteriorated by $10 million.

Asia

Revenue declined $6 million down 6% sequentially primarily due to higher discounts in outsourcing and delays in system integration projects. Cards revenue remained in line with last quarter reflecting sustainable activity in China and South East Asia. Pretax operating income of $2 million improved by $3 million due to a favorable mix in cards products and a decrease in the cost base. Orders were up in telecommunications, finance and managed services with improved demand for GSM and high-end 64k cards.

Highlights

- **SchlumbergerSema successfully completed its project as Worldwide Information Technology Partner managing and integrating the complex information systems, software applications and integrated technologies as well as the network infrastructure, telecommunication systems and crisis management processes used during the 2002 Olympic Winter Games in Salt Lake City.**

- **Signed an agreement with the Association of Train Operating Companies for the final phase of a contract to design, build and operate the UK rail settlement system. Valued at $113 million, this is the largest IT contract ever awarded by Britain's rail industry. The system will be capable of handling and allocating nearly $5 billion in annual passenger revenue to Britain's 27 passenger train operators.**

- **Selected as sole supplier to China Unicom for a complete end-to-end CDMA telecommunications solution that is compatible and convergent with the GSM platform and enables operators to generate revenue by providing additional value-added services to their customers while continuing to maintain low costs.**

- **Chosen by TIM for the rollout of the first GSM services in Brazil to provide leading edge Java SIM card technology as well as end-to-end integration capabilities.**

- **Completed implementation of a multi-channel customer relationship system at CONNEX, the leading Vodafone affiliate in Southeastern Europe, enabling CONNEX to automate and enhance its customer contact processes.**

- **Selected by LG&E Energy of Louisville, KY, to provide consulting services and IT systems integration that will enable the utility to provide customers with improved customer service reliability. This represents the second phase of a two-phase project to plan and deploy a digital energy enterprise to improve efficiency of the utility's energy delivery operations.**

- **Secured a multi-million dollar systems integration contract with Connecticut-based Yankee Gas Services to provide consulting services and systems integration to enhance the utility's business process efficiency and improve customer service.**

- **Chosen by HSBC Bank plc as its key supplier for EMV migration. In the UK, SchlumbergerSema will supply end-to-end supply chain management from secure manufacturing through personalization and fulfillment and, in the rest of the world, SchlumbergerSema will provide cards and regionally defined services.**

- **Awarded $10 million outsourcing contract by Luftfartsverket, the Swedish Civil Aviation Authority, to provide a full range of IT services including installation and maintenance of PCs operation and management of servers, and help-desk support.**

- **Won a $7 million outsourcing contract by Sweden's Coop Bank to manage and operate its central IT platform.**

Change in Liquidity

Liquidity represents cash, short-term investments and fixed income investments, held to maturity, less debt. A summary of the major components of the first quarter change in liquidity follows:

First Quarter	*(Stated in millions)* **2002**
Funds provided by:	
Net income	**$ 172**
Charges	**29**
Depreciation and amortization[1]	**363**
Funds used for:	
Capital expenditures[1]	**(452)**
Dividends paid	**(108)**
Working capital	**(305)**
Other	**(46)**
Change in liquidity	**(347)**
Liquidity, beginning of period	**(5,037)**
Liquidity, end of period	**$ (5,384)**

1) Including multiclient seismic data costs.

***Mark of Schlumberger**
Java is a mark of Sun Microsystem Inc.

This press release is at http://www.slb.com.

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