

China NOC Expansion in Latin American Preparing for the Future

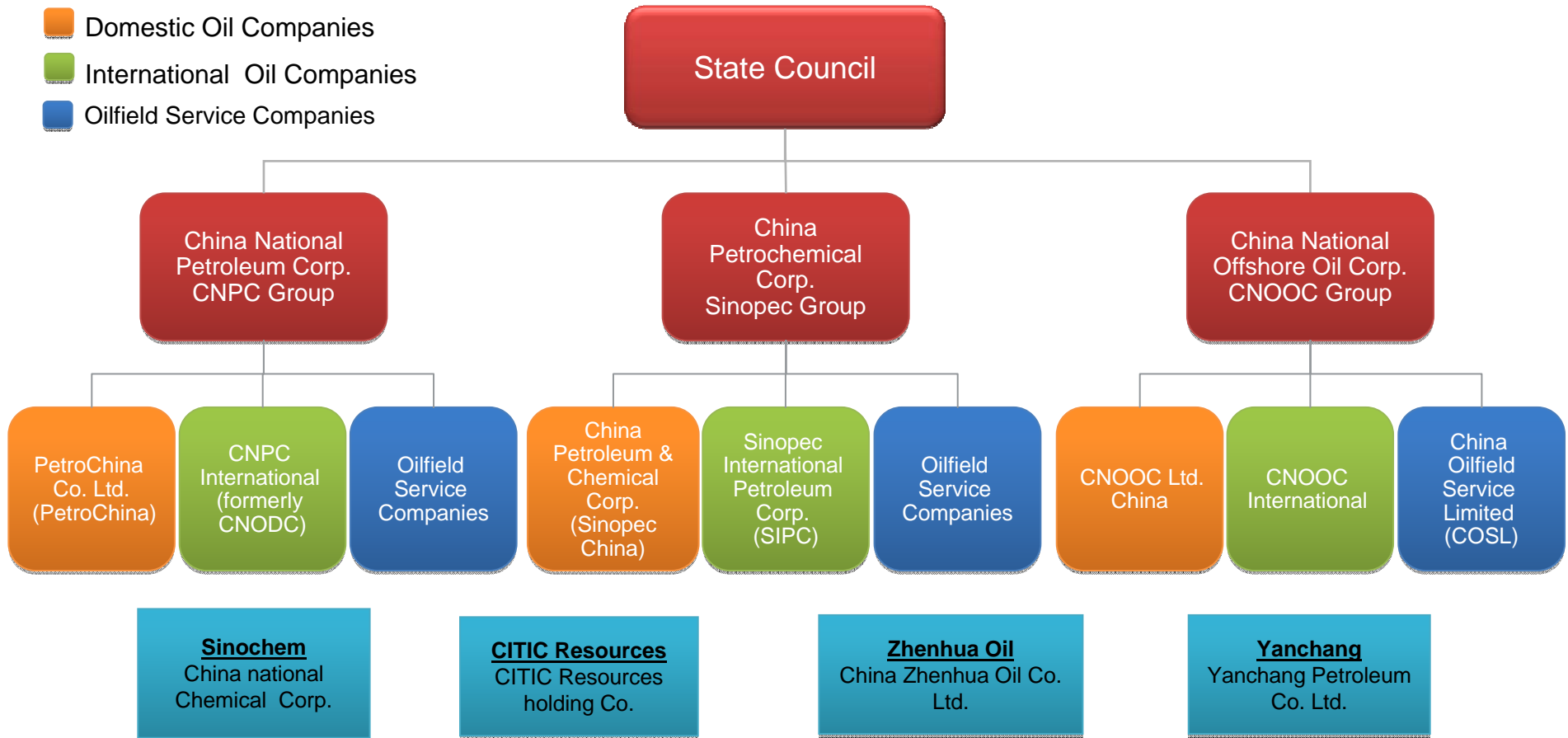
*XIX Annual Latin American Energy Conference
May 10-12, 2010 , La Jolla, California*

Jin Shumao

Schlumberger Vice President,

China NOCs Global Accounts-CNPC, Sinopec, CNOOC, Sinochem.....

China NOC Company Group Organigram



Becoming a Global Major Energy Company in More Than 40 Countries

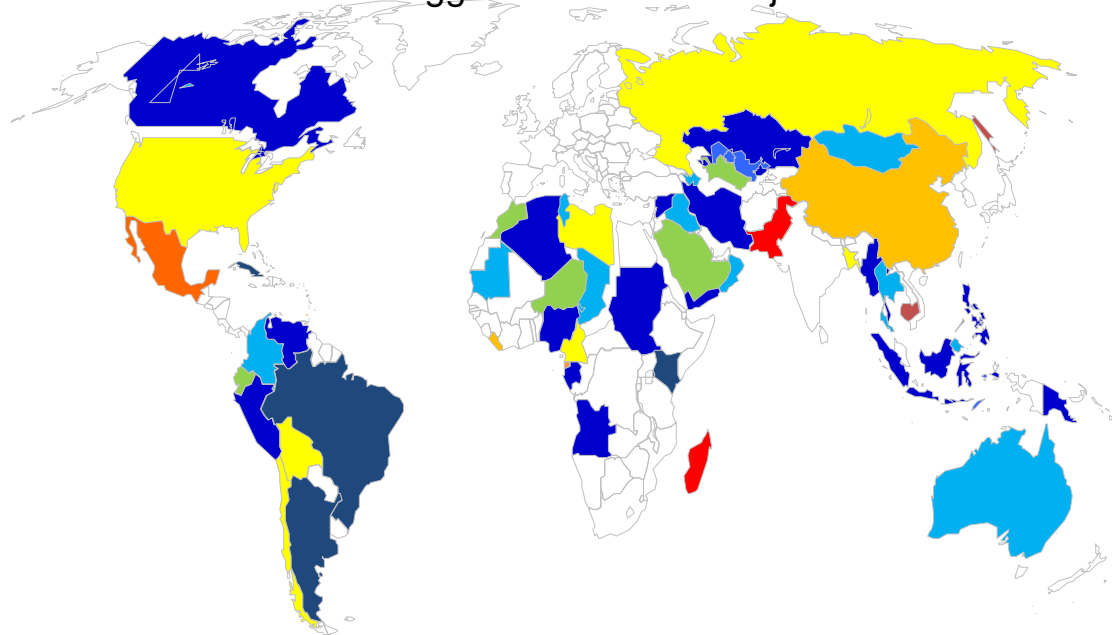
Chinese NOC Production:

2010: 3.9 million BOPD domestic & 2 million BOPD overseas; 2020: 4 million BOPD & 4 million BOPD overseas

2009 Chinese NSC Revenues:

Domestic \$ 20 billion and overseas \$ 6 billion

China NOC Services-the biggest second tier major International Services



A Comprehensive Major Global Energy Company, NSCs not likely to separate from NOCs, but as competitive advantages

Energy Security

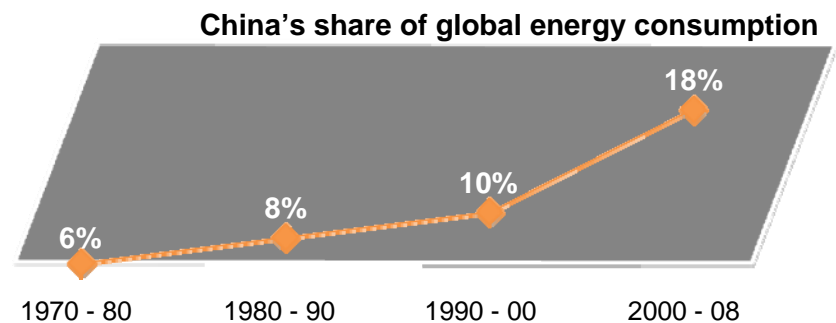
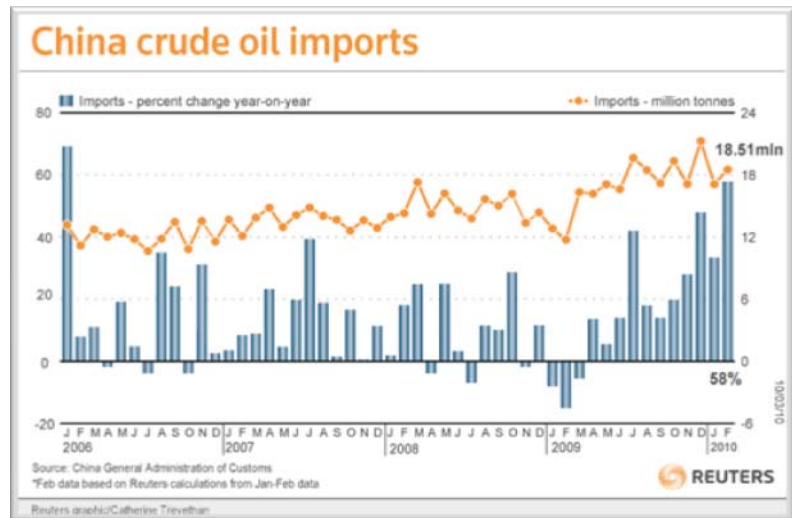
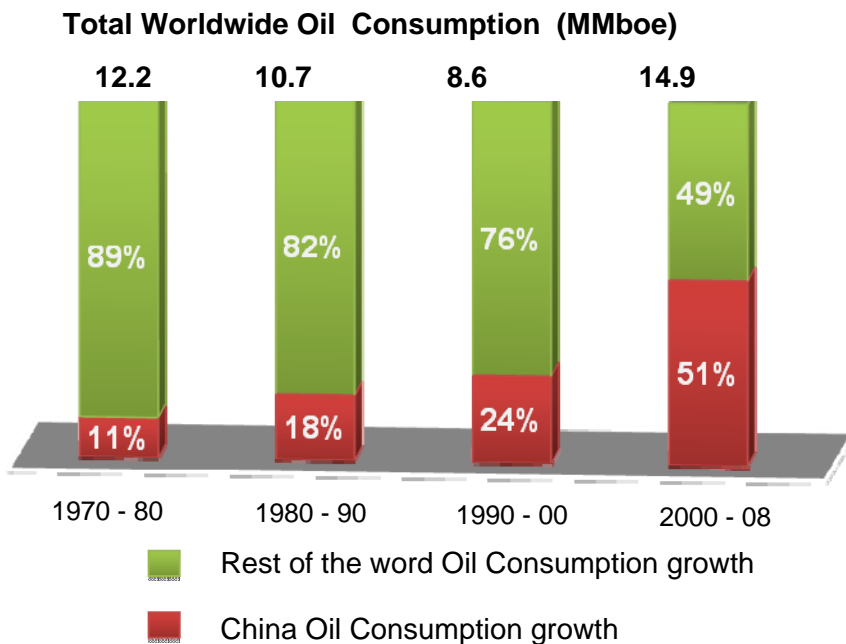
Political and Economic

Employment and Resource Utilization

China NOC Expansion in Latin American - Preparing for the future

Decades of Economic & Consumption Growth

China has taken the lion's share of global energy growth

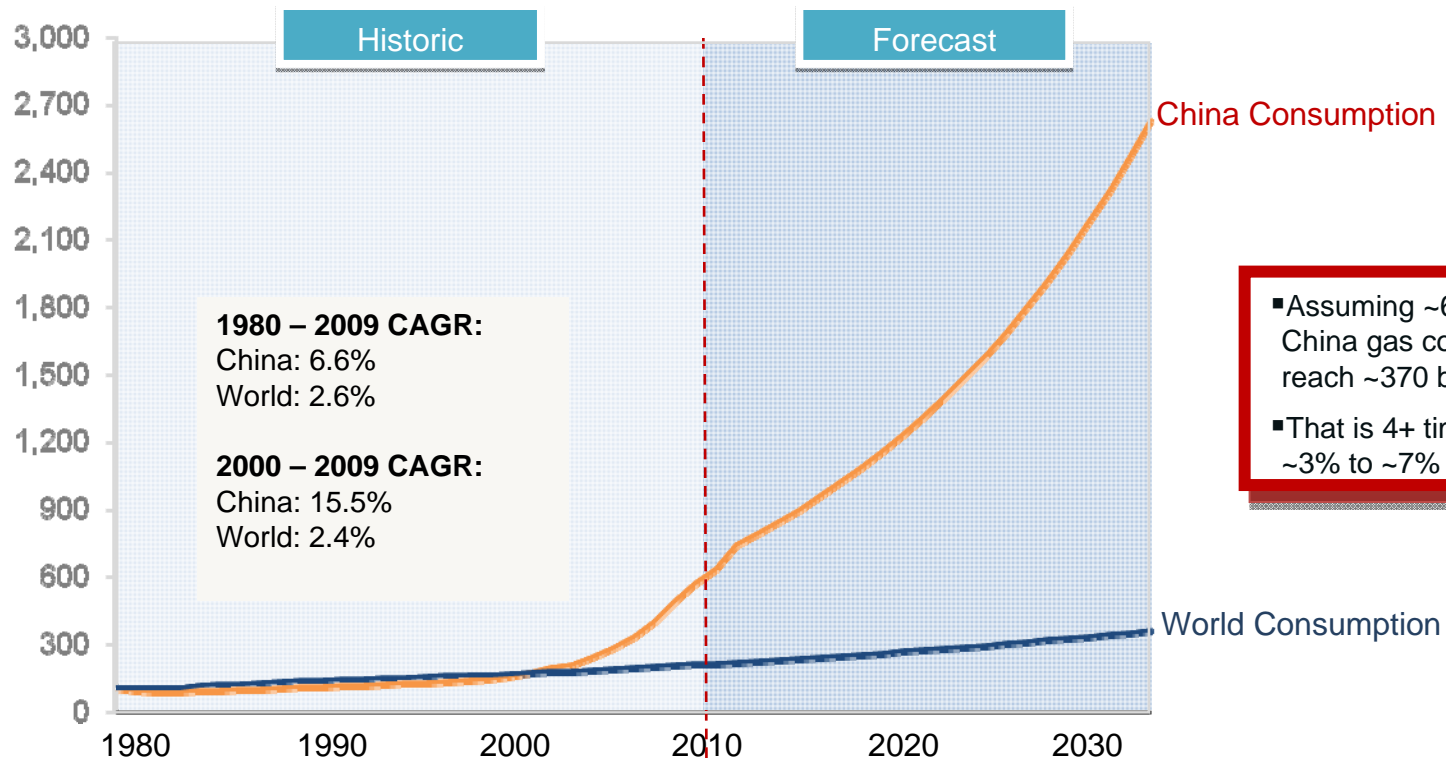


Source: BP Statistical Review of World Energy 2009; EIA International Energy Outlook 2009, CNPC Research Institute for Economics and Technology – "China and the World: Oil & Gas Industry Development Report 2009" (for China 2009 – 2010 estimates); SBC analysis

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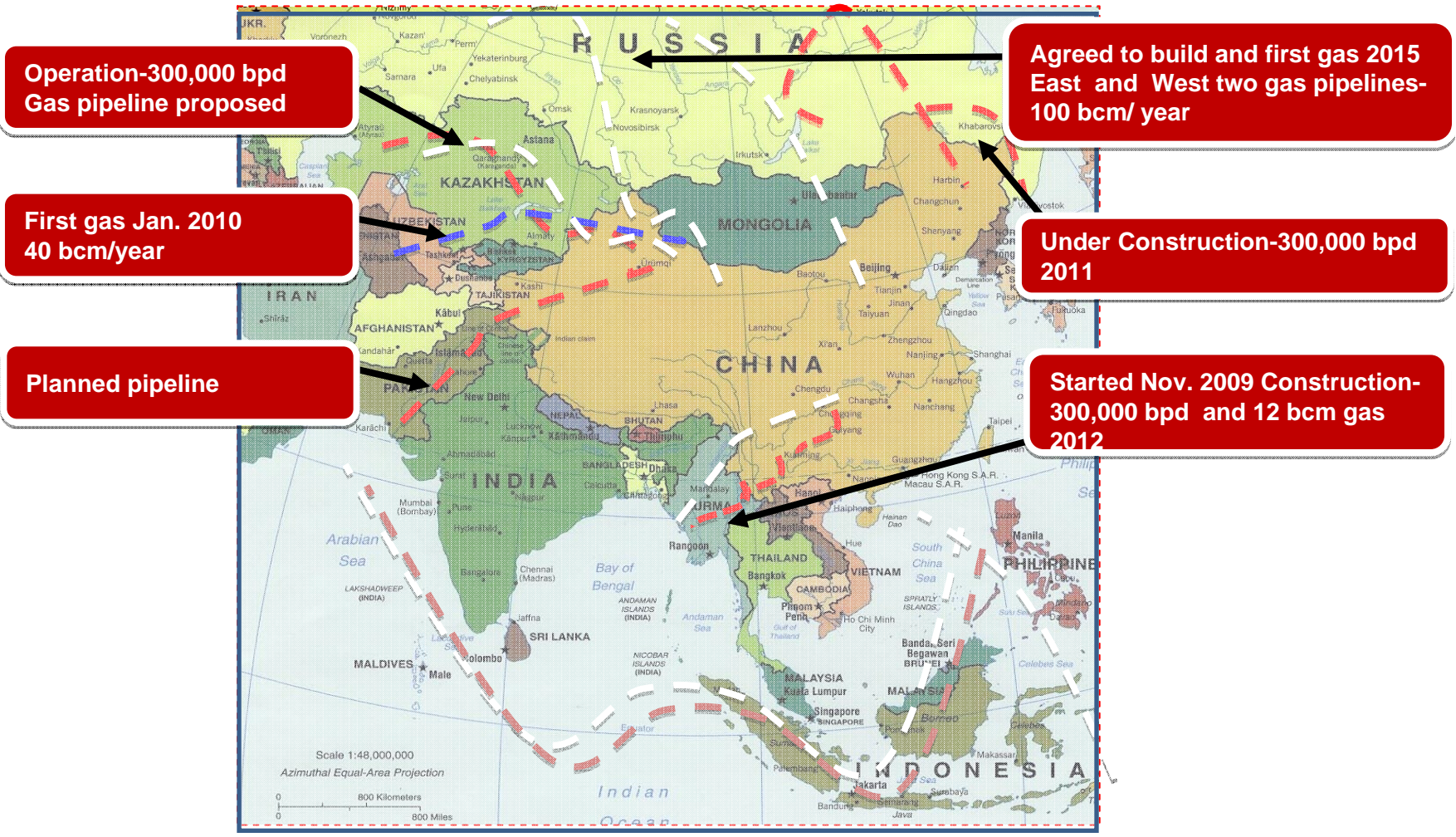
China Gas Consumption Evolution

China and World: Gas Consumption, 1980 – 2030, Index = 100

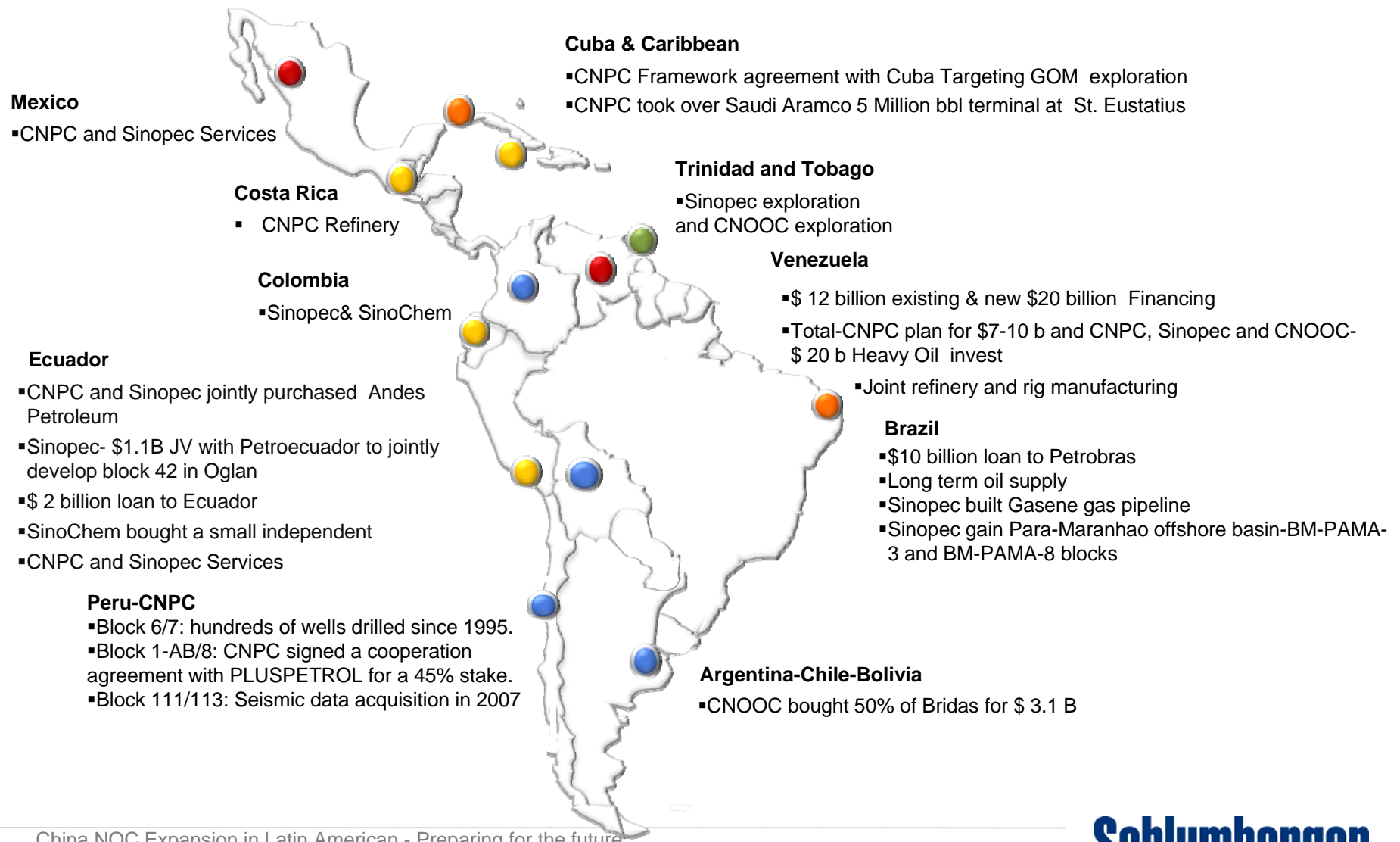


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China's Oil and Gas Importing Pipeline & LNG Import

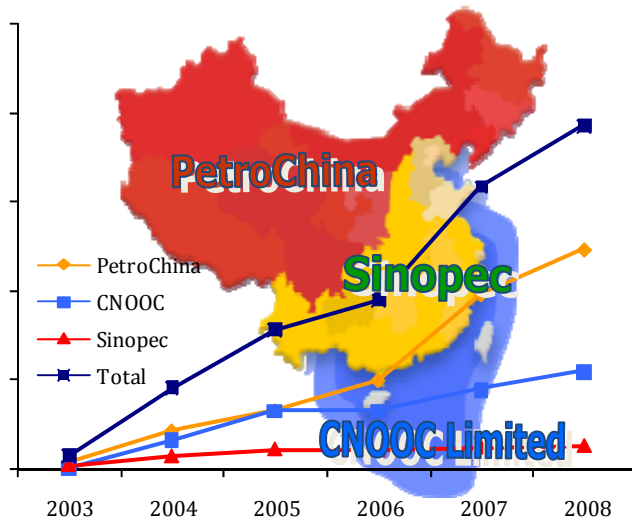


Chinese NOC Expansion in Latin America



Schlumberger Pursuing Long Term Relationships with China NOCs

High Level Strategic Technology Alliance -Leverage China Success to Global Growth



1. Top down relationship - China NOCs-SLB strategic technology alliances

- Reservoir Characterization (Logging) MSA
- Drilling & Measurement MSA
- Reservoir Studies

2. Developing new alliance MSA

- Deep water alliance with PetroChina
- Production enhancement alliances with PetroChina
- Sinopec Drilling & Measurements and Well Services related technology alliance

3. Leverage China Best Practices to overseas strategic alliance partnership

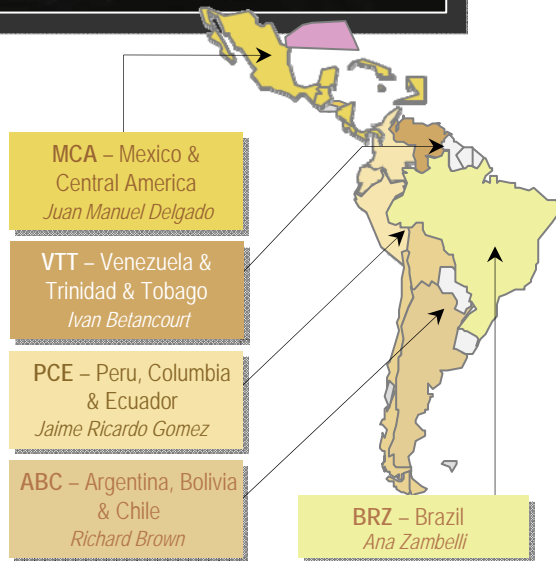
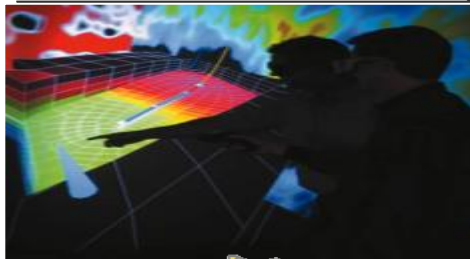
- Global Deep Water Alliance
- Global Exploration Alliance
- Local Segment MSAs
- G&G center reservoir study global alliance

Chinese NOC Events Including Training



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Technology Portfolio & Business Models



LAM – LATIN AMERICA
Hatem Soliman

- China NOC Global Account coverage in Latin America
- Flexible business models for discrete oilfield service and integrated Bundled Services with IPM support
- Operations Support Centers for real time operations and support for remote decision making
- WesternGeco-DCS Pre-Drilling Reservoir Study - Integration from reservoir understanding to engineering services
- Training and Knowledge Transfer
- Long term win-win to jointly create added value

Schlumberger Global and LAM Capabilities

SLB has in-depth understanding of both China NOC and Latin America Oil and Gas Industry with existing partnership with local oil and gas industry in both places, will bridge China NOC and Latin America Oil and Gas Industry

Global Capacities

Largest leading Global Oilfield Services

- more than 80 years of continuous presence in Latin America
- 30 years in China
- strategic grow plan in place for implementation in China for services, manufacture and R&D
- Acquired GeoServices
- Merger announced with Smith International

Partnership with local oil and gas industry

- Strategic technology alliance with China NOCs
- China NOC Global Account world wide coverage

Latin America Experience

