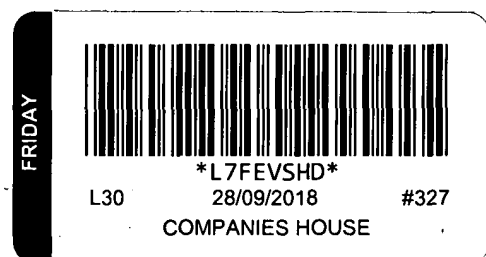


**SPECIALISED PETROLEUM
SERVICES INTERNATIONAL
(BRANCH) LIMITED**

Company Registration No. 02661838

Director' report and financial statements

For the year ended 31 December 2017



Specialised Petroleum Services International (Branch) Limited

Directors' report for the year ended 31 December 2017

The directors present their annual report together with the unaudited financial statements for the Company for the year ended 31 December 2017. The directors' note that the prior year financial statements were audited.

Principal activity and review of business

The Company did not trade during the year and is expected to continue in its current (inactive) form in the foreseeable future.

Directors

The directors, who served during the year and to the date of this report, except as noted otherwise, were as follows:

I Jack (resigned 10 August 2018)

D Marsh

S Smoker

Auditors

The Directors have relied upon the provisions of Section 476 of the Companies Act 2006 and have resolved not to appoint auditors.

This report was approved by the Board of Directors on 27 September 2018 and signed on its behalf by:



S Smoker

Director

27 September 2018

Specialised Petroleum Services International (Branch) Limited

Profit and loss account

For the year ended 31 December 2017

		2017	Audited 2016
	Note	£'000	£'000
Tax on result	7	-	(29)
Loss for the financial year		-	(29)

The Company did not have any other comprehensive income in the preceding year and consequently has not presented a statement of comprehensive income.

The notes on pages 5 to 8 form part of these financial statements.

Specialised Petroleum Services International (Branch) Limited

Balance Sheet As at 31 December 2017

	Note	2017 £'000	Audited 2016 £'000
Current assets			
Debtors: amounts falling due within one year	8	13,281	13,281
		<u>13,281</u>	<u>13,281</u>
Creditors: amounts falling due within one year	9	(5,818)	(5,818)
Net current assets		<u>7,463</u>	<u>7,463</u>
Net assets		<u>7,463</u>	<u>7,463</u>
Capital and reserves			
Called-up share capital	10	-	-
Profit and loss account	10	7,463	7,463
Total shareholder's funds		<u>7,463</u>	<u>7,463</u>

For the year ending 31 December 2017 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

The members have not required the Company to obtain an audit of its accounts for the year in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The notes on pages 5 to 8 form part of these financial statements.

The financial statements of Specialised Petroleum Services International (Branch) Limited, (company registration number 02661838) were approved by the board of directors, and authorised for issue on 27 September 2018 and signed on the Board's behalf by:



S Smoker
Director
27 September 2018

Specialised Petroleum Services International (Branch) Limited

Statement of changes in equity For the year ended 31 December 2017

	Note	Called-up share capital £'000	Profit and loss account £'000	Total shareholders' funds £'000
Balance as at 1 January 2016 – audited	10	-	7,492	7,492
Loss for the year and total comprehensive expense		-	(29)	(29)
Balance as at 31 December 2016 – audited	10	-	7,463	7,463
Result for the year and total comprehensive result		-	-	-
Balance as at 31 December 2017	10	-	7,463	7,463

The notes on pages 5 to 8 form part of these financial statements.

Specialised Petroleum Services International (Branch) Limited

Notes to the financial statements For the year ended 31 December 2017

1. General information

Specialised Petroleum Services International (Branch) Limited is a private company limited by shares and incorporated in Scotland under the Companies Act.

The Company has not traded since 1 January 2009 following the transfer of the trade, certain assets and liabilities to M-I Drilling Fluids UK Limited and intermediate parent company.

2. Statement of compliance

The individual financial statements of Specialised Petroleum Services International (Branch) Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standards 102, "The Financial Reporting Standards applicable in the United Kingdom and Republic of Ireland" ("FRS 102") and Companies Act 2006.

3. Accounting policies

The principal accounting policies applied in preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements have been prepared on a going concern basis, under the historical cost convention in accordance with the Companies Act 2006 and applicable United Kingdom Accounting Standards.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

All Company results are shown in £ thousands unless stated otherwise.

Exemption for qualified entities under FRS 102

As a qualifying entity, the Company has taken advantage of the following exemptions:

- i) from preparing a statement of cash flow, on a basis that it is a qualifying entity and the consolidated statement of cash flow of Schlumberger Limited, includes the Company's cash flow. (FRS 102 Section 7 and paragraph 3.17(d);
- ii) from the financial instrument disclosures, required under FRS 102 as the information is provided in the consolidated financial statement of Schlumberger Limited (paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29); and
- iii) from the related party transactions disclosures, required under FRS 102 as the information is provided in the consolidated financial statement of Schlumberger Limited (paragraph 33.1A).

Going concern

The Company's net assets substantially comprise balances due from other group companies. Having considered financial commitments due within 12 months of signing the financial statements, the directors consider the Company has sufficient assets available to satisfy its obligations. Accordingly, the going concern basis has been adopted.

Foreign currencies

Functional and presentation currency

The Company's functional and presentation currency is the pound sterling.

Specialised Petroleum Services International (Branch) Limited

Notes to the financial statements

For the year ended 31 December 2017 (continued)

3. Accounting policies (continued)

Financial assets and liabilities

The classification of financial assets and liabilities depends on the purpose for which the financial assets were acquired or the financial liabilities were incurred. Management determines the classification of its financial assets and liabilities at initial recognition. The Company classifies its financial assets in the following categories: loans and receivables and derivatives and its financial liabilities in the following categories: Other financial liabilities and derivatives.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date, which are classified as non-current assets.

The Company's loans and receivables comprise debtors (including amounts owed by Schlumberger Limited group companies).

Loans and receivables are recognised at cost.

Other financial liabilities

The Company's other financial liabilities mainly comprise basic financial liabilities.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Distributions to equity holders

Dividends and other distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the Company's shareholders. These amounts are recognised in the statement of changes in equity.

4. Critical accounting judgments and estimation uncertainty policies

Critical accounting judgments

There are no critical accounting judgments impacting the financial statements.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of debtors

The Company makes an estimate of recoverable amounts due by group undertakings. In making this assessment, management considers factors including the ability of parent company to provide support to respective group companies.

5. Profit and loss account

The Company did not trade during the year or the preceding year and made neither a profit nor a loss. There were also no other recognised gains and losses for the current financial year or the preceding financial year.

Auditor's remuneration of £Nil (2016 (audited): £3,625) has been borne by M-I Drilling Fluids U.K. Limited, a fellow group company.

6. Information regarding directors and employees

There were no employees (2016 (audited): Nil). The directors did not receive any remuneration for their services to this Company in the current or prior year.

Specialised Petroleum Services International (Branch) Limited

Notes to the financial statements For the year ended 31 December 2017 (continued)

7. Tax on result

	2017 £'000	Audited 2016 £'000
Current taxation		
UK corporation tax	-	29

The standard rate in the previous year, based on the UK standard rate of corporation tax is 20.00%. The actual tax charge for the previous year differs from the standard rate due to transfer pricing adjustment.

A reduction in the UK corporation tax rate to 17% (effective 1 April 2020) was substantively enacted by Finance (No. 2) Act 2016 on 15 September 2016. The main rate of corporation tax for 1 April 2016 is set at 20% and was reduced to 19% for the financial year beginning 1 April 2017 to 1 April 2019.

8. Debtors: amount falling due within one year

	2017 £'000	Audited 2016 £'000
Amounts owed by Schlumberger Limited group of companies	13,281	13,281

The non-trading balance receivables from Schlumberger Limited group of companies are unsecured, interest free and payable on demand.

9. Creditors: amounts falling due within one year

	2017 £'000	Audited 2016 £'000
Amounts owed to Schlumberger Limited group of companies	5,818	5,818

The non-trading balance due to Schlumberger Limited group of companies are unsecured, interest free and payable on demand.

10. Called up share capital

	£	Number
Ordinary shares of £1 each:		
Balance at 31 December 2016 (audited) and 31 December 2017	400	400

Profit and loss account

The profit and loss account represents cumulative profits or losses, including unrealised profit on the remeasurement of investment properties, net of dividends paid and other adjustments.

Specialised Petroleum Services International (Branch) Limited

Notes to the financial statements

For the year ended 31 December 2017 (continued)

11. Controlling parties

Specialised Petroleum Services Group Limited, a company incorporated in Scotland, is the immediate parent company.

Schlumberger Limited, a company incorporated in Curacao, a country within the Kingdom of the Netherlands, is the parent undertaking of the smallest and the largest group of undertakings of which Specialised Petroleum Services International (Branch) Limited is a member and for which group financial statements are drawn up. The directors consider Schlumberger Limited to be the ultimate parent company and controlling party.

Copies of the financial statements of Schlumberger Limited can be obtained from 17th Floor, 5599 San Felipe, Houston, Texas, 77056 USA or on the Group website at www.slb.com.