

WBR ARTICLE

Schlumberger Ltd. sees profit drop, cuts jobs

By Staff

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HOUSTON — Schlumberger Ltd., one of the leading oilfield services companies in the world, has announced that the worldwide economic situation, which is sapping demand for energy and forcing commodity prices down, has trimmed its profit in the fourth quarter by 17 percent, while the company's shares fell 46 percent. Oil futures fell by 35 percent in the same period.

In response to the slowdown, the company announced that it would be trimming jobs by 5,000 worldwide – 1,000 in North America. The total number of layoffs represents 5 percent of the company's worldwide workforce, including temporary and contract workers.

According to a Dec. report by Barclays Capital Research, spending on oil and natural gas exploration is expected to drop 12 percent in 2009. Schlumberger will spend about \$3 billion on capital in the coming year, with \$2.2 billion going to oilfield services and \$800 million on seismic business.

"At current prices, most of the new categories of hydrocarbon resources are not economic to develop," Schlumberger CEO Andrew Gould said in the statement. "We expect 2009 activity to weaken across the board with the most significant declines occurring in North American gas drilling, Russian oil production enhancement and in mature offshore basins."