Schlumberger Stichting Fund

ANBI requirements

1. Name: Schlumberger Stichting Fund
2. RSIN number: 8038.12.644
3. Contact info: Darryl Rigot, Parkstraat 83, 2514 JG Den Haag
4. Purpose/objectives: See Appendix 1
5. Directors: See Appendix 2
6. Remuneration policy: See Appendix 3
7. Report of activities to date: See Appendix 4
8. Financial reports: See Appendix 5
Appendix 1

Purpose/Objectives

The Schlumberger Foundation is a non-profit organization which operates its own educational development programs, extends grants to external organizations, and co-funds eligible Schlumberger outreach programs. The Foundation believes that education is a crucial factor in enabling individuals to fulfill their potential and, ultimately, in enabling nations to address the challenges of economic and social development.

The Foundation's gifts and contributions must be disinterested (made without regard to obtaining direct tangible or commercial benefit at any time for Schlumberger or for the Foundation or for their employees, officers and directors).

The Schlumberger Foundation must evaluate each grant request in a non-discriminatory manner to ensure that each grant is allocated fairly and appropriately in line with Foundation values.

Granting Activity

The Foundation makes grants focused on two broad program areas:

- Science and technology education for under-served high school students and university teachers where Schlumberger employees live and work
- Local programs and projects initiated and implemented within various Schlumberger GeoMarkets including those where employees participate or lead projects on their own time

The Foundation will not provide funding for the following:

- Unsolicited requests (until further notice)
- Individuals, unless as part of a specific Schlumberger Foundation program
- Political activities
- Religious organizations that are restricted to one religion
- Fund raising or sponsorship
- Travel bursaries, unless they are part of a specific Schlumberger Foundation program
- Private foundations
- Grant requests less than 1,000 USD
# Appendix 2

## Directors Schlumberger Stichting Fund

<table>
<thead>
<tr>
<th>Online inzage uittreksel</th>
<th>Deze inschrijving valt onder beheer van Kamer van Koophandel Den Haag</th>
</tr>
</thead>
<tbody>
<tr>
<td>KvK-nummer 41167008</td>
<td>803812644</td>
</tr>
<tr>
<td>Rechtspersoon</td>
<td>Slichting</td>
</tr>
<tr>
<td>RSIN</td>
<td>Schlumberger Stichting Fund</td>
</tr>
<tr>
<td>Rechtvorm</td>
<td>Schlumberger Foundation</td>
</tr>
<tr>
<td>Statutaire naam</td>
<td>'s-Gravenhage</td>
</tr>
<tr>
<td>Ook genoemd</td>
<td>Parkstraat 83-89, 2514JG 's-Gravenhage</td>
</tr>
<tr>
<td>Statutaire zetel</td>
<td>0703105400</td>
</tr>
<tr>
<td>Bezoekadres</td>
<td>0703105485</td>
</tr>
<tr>
<td>Telefoonnummer</td>
<td>20-06-1965</td>
</tr>
<tr>
<td>Faxnummer</td>
<td>06-10-2010</td>
</tr>
<tr>
<td>Datum akte laatste statutenwijziging</td>
<td></td>
</tr>
<tr>
<td>Activiteiten</td>
<td></td>
</tr>
</tbody>
</table>

### Bestuurders

<table>
<thead>
<tr>
<th>Naam</th>
<th>Perraud, Jean-Marc Francois Victor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geboortedatum en -plaats</td>
<td>28-11-1947, Koblenz, Duitsland</td>
</tr>
<tr>
<td>Datum in functie</td>
<td>02-10-2006</td>
</tr>
<tr>
<td>Titel</td>
<td>Voorzitter</td>
</tr>
<tr>
<td>Revoegheid</td>
<td>Alleen/zelfstandig bevoegd</td>
</tr>
<tr>
<td>Aanvang (huidige) bevoegd</td>
<td>12-07-2011</td>
</tr>
<tr>
<td>Naam</td>
<td>Chevallier, Jean Jacques Bernard</td>
</tr>
<tr>
<td>Geboortedatum en -plaats</td>
<td>29-03-1947, Montpellier, Frankrijk</td>
</tr>
<tr>
<td>Datum in functie</td>
<td>02-10-2006</td>
</tr>
<tr>
<td>Bevoegheid</td>
<td>Gezamenlijk bevoegd (met andere bestuurder(s), zie statuten)</td>
</tr>
<tr>
<td>Naam</td>
<td>El Sayed Soliman Hatem Ahmed,</td>
</tr>
<tr>
<td>Geboortedatum en -plaats</td>
<td>12-09-1958, Cairo, Egypt</td>
</tr>
<tr>
<td>Datum in functie</td>
<td>02-10-2006</td>
</tr>
<tr>
<td>Bevoegheid</td>
<td>Gezamenlijk bevoegd (met andere bestuurder(s), zie statuten)</td>
</tr>
<tr>
<td>Naam</td>
<td>Riyamy, Ranaa</td>
</tr>
<tr>
<td>Geboortedatum en -plaats</td>
<td>13-01-1974, Muscat, Oman</td>
</tr>
<tr>
<td>Datum in functie</td>
<td>05-01-2007</td>
</tr>
<tr>
<td>Bevoegheid</td>
<td>Gezamenlijk bevoegd (met andere bestuurder(s), zie statuten)</td>
</tr>
<tr>
<td>Naam</td>
<td>Oyinola, Hezekiah Adesola Akande</td>
</tr>
<tr>
<td>Geboortedatum en -plaats</td>
<td>09-05-1955, Sepeteri, Nigeria</td>
</tr>
<tr>
<td>Datum in functie</td>
<td>05-01-2007</td>
</tr>
<tr>
<td>Bevoegheid</td>
<td>Gezamenlijk bevoegd (met andere bestuurder(s), zie statuten)</td>
</tr>
<tr>
<td>Naam</td>
<td>Cox, Stephanie Lynn</td>
</tr>
<tr>
<td>--------------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>Geboortedatum en -plaats</td>
<td>19-12-1968, Duitsland, Duitsland</td>
</tr>
<tr>
<td>Datum in functie</td>
<td>27-01-2011 (datum registratie: 21-04-2011)</td>
</tr>
<tr>
<td>Titel</td>
<td>Board Member</td>
</tr>
<tr>
<td>Bevoegdheid</td>
<td>Gezamenlijk bevoegd (met andere bestuurder(s), zie statuten)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Naam</th>
<th>Sandveld, Tore Ingebrigt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geboortedatum en -plaats</td>
<td>29-04-1947, Stavanger, Noorwegen</td>
</tr>
<tr>
<td>Datum in functie</td>
<td>01-04-2011 (datum registratie: 15-07-2011)</td>
</tr>
<tr>
<td>Bevoegdheid</td>
<td>Gezamenlijk bevoegd (met andere bestuurder(s), zie statuten)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Naam</th>
<th>Verburg, Abraham Rutger</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geboortedatum en -plaats</td>
<td>13-10-1951, Curaçao, Nederlandse Antillen</td>
</tr>
<tr>
<td>Datum in functie</td>
<td>28-12-1994</td>
</tr>
<tr>
<td>Titel</td>
<td>Controller</td>
</tr>
<tr>
<td>Inhoud volmacht</td>
<td>Beperking naar handeling, raadpleeg dossier.</td>
</tr>
<tr>
<td>Aanvang (huidige) volmacht</td>
<td>01-01-2009</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Naam</th>
<th>Hardeell, Eileen</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geboortedatum en -plaats</td>
<td>13-08-1968, Gadderbaum, Duitsland</td>
</tr>
<tr>
<td>Datum in functie</td>
<td>02-03-2005</td>
</tr>
<tr>
<td>Titel</td>
<td>Secretaris</td>
</tr>
<tr>
<td>Inhoud volmacht</td>
<td>De secretaris is tevens bevoegd om alle documenten te tekener welke nodig zijn om alle wijzigingen in het handelsregister te verwerken voor verdere inhoud volmacht raadpleeg dossier.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Naam</th>
<th>Oyinola, Hezekiah Adesola Akande</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geboortedatum en -plaats</td>
<td>09-05-1955, Sepeteri, Nigeria</td>
</tr>
<tr>
<td>Datum in functie</td>
<td>01-01-2009</td>
</tr>
<tr>
<td>Titel</td>
<td>Penningmeester</td>
</tr>
<tr>
<td>Inhoud volmacht</td>
<td>Beperking naar handeling, raadpleeg dossier.</td>
</tr>
</tbody>
</table>

Appendix 3

Remuneration Policy

Schlumberger Foundation

(Schlumberger Foundation, Inc and Schlumberger Stichting Fund)

Remuneration Policy

Approved by the Board on 12 December 2013

1. The Board will not be remunerated for tasks/activities performed for Schlumberger Foundation as Board Members.
2. Board Members are entitled to a reimbursement of reasonable expenses and fees for the attending of meetings.
3. Fees per meeting attended shall not exceed an amount of USD 2000 per meeting, including travel time, if any.
4. Board Member who at the same time are employees of the Schlumberger group of companies are not eligible for reimbursement of expenses or fees for the attendance of meetings.
5. Services provided by Board Members to Schlumberger Foundation outside their tasks as Board Members can be remunerated subject to appropriate decision of Schlumberger Foundation as well as documentation on such tasks and related compensation.
Appendix 4

Report of activities to date
In 2012, the Schlumberger Foundation continued to focus entirely on the flagship *Faculty for the Future* program.

New grant applications increased by 19% year-on-year. 63 new grants and 65 renewal grants were awarded out of approximately 600 applications submitted.

Post-Doctoral research students accounted for 25% of the new grantee population.

*Report as of July 1st, 2013*
Where do the Faculty for the Future Fellows come from?

With the 2012 awards, the Faculty for the Future community now stands at 256 women from 62 Countries.

Where do the Faculty for the Future Fellows Study?

The Faculty for the Future Fellows study in 23 advanced/OECD countries.

In 2012, 43% of the new grantees opted to study in top universities in the United States; 30% in the United Kingdom; 10% in South Africa and the remaining 17% chose institutes in Australia, Japan and Europe.
In 2012 the choice of disciplines continued to embrace the core scientific domains (chemistry, physics and mathematics) while the environmental sciences, computer engineering, hydrology, nutrition and medicine were also prominent with research projects directly focused to home country related issues.
By year end 2012, 136 or 53% of these women were still on grant. 60 women, 23%, had finished and returned home per their program.

Of the 61 who have finished and not yet returned home, 45 are continuing to study abroad without the support of the Schlumberger Foundation. This means that only 16 or 6.2% of the Fellows have not returned home after completion of all their studies abroad. We continue to monitor this ratio to ensure the goals of the Foundation and the Faculty for the Future program continue to be met.

The Selection Process

The selection process continues to be highly rigorous and is a critical part of the program itself. 26 Schlumberger engineers and scientists from different Schlumberger Research centres and field geomarket locations around the world evaluated applications related to their own specific lines of expertise and knowledge. Each application was given careful consideration and the final decision was taken solely on those applicants who met all of the selection criteria and who were considered most likely to meet the objectives of the Faculty for the Future program. This initial filter was then followed by a review with the Foundation team and the first line reviewers to force rank the applicants and produce a short list for one-on-one personal interviews. The Foundation Board directors then interviewed shortlisted applicants. From this list is drawn a tentative possible list from which the full Board selects the final awardees for the year.

Regional Forum in Houston, United States
In December 2012, the 10th in-person regional Faculty for the Future Forum was hosted by the Schlumberger Foundation in Houston in collaboration with Rice University. 29 women from 18 countries, who are pursuing PhD or post-doctoral level research in 11 different Universities across the United States, were invited.

This event, like the previous nine forums before this one, provided a unique opportunity for the Fellows to share their experiences and discuss their research topics; to meet and interact with accomplished female academics from top US Universities including Rice, Texas A&M and the University of Houston. Skill-building workshops were organized to provide ideas on how to achieve long-term international research collaboration and dissemination of results, how to apply recently acquired knowledge and skills to enrich one’s academic career as well as to examine in depth what it means to be a role model and a change agent. Leadership and effective technical communication workshops were a major value-add of this forum, facilitated by Rice University’s Leadership Center faculty. Faculty for the Future Alumni were also invited to share their home return experiences and to talk about how their academic careers have evolved since obtaining their PhD.

Community Web Forum

It has now been five years since the online Community Web Forum was launched and it is clearly becoming a very valuable networking source for grantees and alumni alike. It is a unique platform for these determined scientists to discuss issues that relate to their personal and professional achievements and to work through issues together to find solutions to help overcome the numerous obstacles and barriers that female scientists from developing countries continue to face.

Looking Ahead

These core programs will continue in 2013 and beyond.
Growth Prospects

During 2012, the Board commissioned a growth plan study to evaluate its finances to support its growth aspirations in the future.

First, the good news is that the world is generally reaching gender parity in gross enrolment, except in Sub Sahara Africa, South Asia, while Middle East and North Africa is almost there.

Yet, except for several countries in Latin America and the Caribbean, the proportion of women in research in most of our target countries remain below parity.

Women researchers in Latin America and the Caribbean

Women researchers in Africa, Asia and the Pacific
This study further showed that the annual demand from our target countries for the PhD scholarships that the Foundation offers through the flagship Faculty for the Future program is approximately 18,000. This number is based on a lot of assumptions. For example, according to data from the Institute of International Education and UNESCO’s Edstats there are approximately 1.4 million mobile students every year, of which 768,000 are men. Of the remaining approximately 600,000 women, approximately 30%, or 186,000 of them graduate in the science & technology (S&T) areas in tertiary institutions. We assume 10% of these graduate women will pursue a post graduate degree in S&T, hence the estimate of 18,000 per year.

Given that we receive approximately 600 new applications each year, we reach about 3% of the demand, and of course, award an even smaller percentage of the estimated demand, less than 1%. This gives us the assurance that there is still a large demand out there for the Faculty for the Future program.

Grant Evolution & Spend Summary

The current finances are strong. In 2012, we spent US$4.4 million in grants versus US$3.9 million in 2011. Total Foundation expenditure was US$4.9 million versus US$4.7 million in 2011. We had exceptionally good returns of 10.2% on investment during the year, earning net investment income of US$7.2 million, the best absolute return ever in Foundation history. This meant that we were able to fund our 2012 commitments from investment returns alone, and ended the year with an endowment balance of US$70.5 million.

In 2013, we are projecting a grant spend of US$6 million. The growth study suggested that to fund new applicants at the rate of at least 100 new fellows per year, and possibly reach 2,000 fellows by 2020, we will need to raise additional funding soon, but the Board agreed that we were sufficiently well funded for the next 3 years and then make a plan for funding after this initial period.
This strong endowment has allowed us to continue to improve the quality of the program and to begin to expand our communications outreach in order to reach countries where we feel underrepresented today based on the potential population of female graduates in S&T.

For instance, Thailand, Sri Lanka, Bangladesh, Myanmar in Asia; Bolivia, Haiti, Guatemala, El Salvador, Dominican Republic, Paraguay in South America; Algeria, Egypt, Morocco, Jordan, Iraq in the Middle East and North Africa region, and in Ivory Coast, Senegal, Congo, Angola, Cameroon, Zimbabwe in Sub Sahara Africa; all these countries need efforts to raise awareness about the program in 2013 and beyond.

The Schlumberger Foundation is proud to be touching lives and making an impact on the gender gap in science. The future remains bright to build broader collaborations across likeminded organizations to reduce the gender hurdles to women in the Sciences.
Appendix 5

Financial reports
Schlumberger Stichting Fund

Financial Statements
and Supplemental Material
Years Ended December 31, 2012 and 2011
Independent Auditors’ Report

Financial Statements:

Statements of Financial Position as of December 31, 2012 and 2011

Statements of Activities for the Years Ended December 31, 2012 and 2011

Statements of Functional Expenses for the Years Ended December 31, 2012 and 2011

Statements of Cash Flows for the Years Ended December 31, 2012 and 2011

Notes to Financial Statements

Independent Auditors’ Report on Supplemental Material

Supplemental Material:

Investments at Fair Value at December 31, 2012

Grants at December 31, 2012
Independent Auditors’ Report
### Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2012</th>
<th>December 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents (Note XX)</td>
<td>133,179 USD</td>
<td>314,087 USD</td>
</tr>
<tr>
<td>Investments at market or fair value (Notes XX and XX)</td>
<td>51,324,362 USD</td>
<td>48,236,952 USD</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>51,457,541 USD</td>
<td>48,551,039 USD</td>
</tr>
</tbody>
</table>

| **Liabilities and Reserves** |                   |                   |
| **Liabilities:**             |                   |                   |
| Grants payable (Note XX)     | 719,590 USD       | 654,610 USD       |
| Accrued expenses (Note XX)   | 98,101 USD        | 0 USD             |
| **Reserves**                 | 0 USD             | 0 USD             |
| Reserves (Note XX)           | 50,639,850 USD    | 47,896,429 USD    |
| **Total Liabilities**        | 51,457,541 USD    | 48,551,039 USD    |

*See accompanying notes to financial statements.*
Year ended December 31, 2012

<table>
<thead>
<tr>
<th>Description</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions (Note XX)</td>
<td>0</td>
<td>29,000,000</td>
</tr>
<tr>
<td>Investment income:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net realized gain on sale of investments</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Net change in unrealized gain (loss) on investments</td>
<td>5,764,411</td>
<td>(1,138,717)</td>
</tr>
<tr>
<td>Interest</td>
<td>6</td>
<td>(28)</td>
</tr>
<tr>
<td>Dividends</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Equity in net income of investments in limited partnerships</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total Investment Income</td>
<td>5,764,417</td>
<td>(1,138,745)</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>5,764,417</td>
<td>27,861,255</td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants</td>
<td>(2,499,563)</td>
<td>(2,172,068)</td>
</tr>
<tr>
<td>Operating and administrative expenses</td>
<td>(514,167)</td>
<td>(710,332)</td>
</tr>
<tr>
<td>Total Program Expenses</td>
<td>(3,013,730)</td>
<td>(2,882,400)</td>
</tr>
<tr>
<td>Other expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment management fees (Note XX)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Federal excise tax (Notes XX and XX)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other expenses</td>
<td>(7,266)</td>
<td>(11,963)</td>
</tr>
<tr>
<td>Total Other Expenses</td>
<td>(7,266)</td>
<td>(11,962)</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>(3,020,996)</td>
<td>(2,894,363)</td>
</tr>
<tr>
<td>Change in Net Assets</td>
<td>2,743,421</td>
<td>24,966,892</td>
</tr>
<tr>
<td>Net Assets, Beginning of Year</td>
<td>47,896,429</td>
<td>22,929,537</td>
</tr>
<tr>
<td>Net Assets, End of Year</td>
<td>50,639,850</td>
<td>47,896,429</td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.
Year ended December 31, 2012 | Year ended December 31, 2011
---|---
USD | USD

**Conferences and meetings** | $(24,178)$ | $(50,408)$
**Accounting fees** | $(9,879)$ | $(12,048)$
**Management/Advisor fees** | $(404,097)$ | $(433,455)$
**Other expenses** | $(76,013)$ | $(214,421)$

**Total Operating and Administrative Expenses** | $(514,167)$ | $(710,332)$

See accompanying notes to financial statements.

---

**Year ended December 31,**

<table>
<thead>
<tr>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>USD</strong></td>
<td><strong>USD</strong></td>
</tr>
</tbody>
</table>

**Cash Flows From Operating Activities:**

| Change in net assets | 2,743,421 | 24,966,892 |
| Adjustments to reconcile change in net assets to net cash used in operating activities: | 0 | 0 |
| Depreciation and amortization | 0 | 0 |
| Net unrealized gains on investment | $(3,087,411)$ | $(24,584,281)$ |
| New investment | 0 | 29,000,000 |
| Grants payable | 64,741 | (368,240) |
| Accrued expenses payable | 98,101 | (64,500) |

**Net Cash Used In Operating Activities** | $(180,908)$ | 28,949,871 |

**Cash Flows From Investing Activities:**

| Proceeds from sale of investments | 0 | 0 |
| Purchases of investments | $(0)$ | $(29,000,000)$ |

**Net Cash Provided By Investing Activities** | 0 | $(29,000,000)$ |

**Net Increase (Decrease) in Cash and Cash Equivalents** | $(180,908)$ | $(50,129)$ |

**Cash and Cash Equivalents, Beginning of Year** | 314,087 | 364,216 |

**Cash and Cash Equivalents, End of Year** | 133,179 | 314,087 |

See accompanying notes to financial statements.
1. Description of the Organization

Schlumberger Stichting Fund is a charitable trust established by Schlumberger Limited (the “Company”) to provide grants for charitable, scientific, literary and educational purposes. The Foundation's flagship program is Faculty for the Future, which was established for awarding fellowships and supporting women academics in science and engineering from developing and emerging countries for their advanced graduate study at top universities abroad.

The statutory objective of the Schlumberger Stichting Fund is to support scientific, educational and charitable programs and projects. During the last 10 years this effort has led to the development of a flagship program (Faculty of the Future) that is designed to encourage women from emerging economies to pursue academic careers in science and technology. The long-term goal of the program is to foster a generation of women with advanced degrees in physical sciences who in their home countries serve as role models to many other young women.

Schlumberger Stichting Fund receives support for program activities primarily from cash contributions from the Company or affiliates of the Company.

2. Summary of Significant Accounting Policies

(a) Basis of Presentation

The financial statements have been prepared on Dutch GAAP basis. In the statement of financial position, assets are presented in order of liquidity or conversion to cash and liabilities are reflected in order of their maturity resulting in the use of cash.

(b) Financial Statement Presentation

The classification of Schlumberger Stichting Fund net assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of three classes of net assets, permanently restricted, temporarily restricted, and unrestricted, be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.
These classes are defined as follows:

**Permanently Restricted** - Net assets resulting from contributions and other inflows of assets whose use by the Schlumberger Stichting Fund is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of Schlumberger Stichting Fund.

**Temporarily Restricted** - Net assets resulting from contributions and other inflows of assets whose use by Schlumberger Stichting Fund is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of Schlumberger Stichting Fund pursuant to those stipulations.

**Unrestricted** - The part of net assets that is neither permanently nor temporarily restricted by donor-imposed stipulations.

(c) **Cash and Cash Equivalents**

Schlumberger Stichting Fund considers all cash and highly liquid debt instruments purchased with an original maturity of three months or less at time of purchase to be cash equivalents.
(d) **Securities Transactions and Portfolio Valuations**

Securities transactions and related income and expenses are recorded on a trade date basis. The Schlumberger Stichting Fund’s investments in securities are valued at market value on the financial statement date based upon the last reported sales price on the largest recognized exchange on which they are traded or, if no trading took place on that date, at the last quoted “bid” price for investments in securities owned. The resulting unrealized gains and losses are included in the statements of activities.

(e) **Investments in Investment Partnerships and Investment Companies**

Schlumberger Stichting Fund investments in investment partnerships and investment companies are accounted for under the equity method. These investments are stated at fair value based upon the Schlumberger Stichting Fund’s equity interest reported by the investment entities.

3. Investments

(a) Investments at fair value categorized by investment category are as follows:

<table>
<thead>
<tr>
<th>Investment category</th>
<th>% of Total</th>
<th>Fair Value</th>
<th>Cost</th>
<th>% of Total</th>
<th>Fair Value</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Income</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0</td>
<td>0.0%</td>
<td>3,253,524</td>
<td>0</td>
</tr>
<tr>
<td>Ultra short bonds</td>
<td>1.13%</td>
<td>581,804</td>
<td>0</td>
<td>6.75%</td>
<td>21,872,708</td>
<td>0</td>
</tr>
<tr>
<td>Global bonds</td>
<td>46.72%</td>
<td>23,979,713</td>
<td>0</td>
<td>45.34%</td>
<td>23,110,720</td>
<td>0</td>
</tr>
<tr>
<td>Equity</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0</td>
</tr>
<tr>
<td>Global Stock Index.</td>
<td>52.15%</td>
<td>26,762,846</td>
<td>0</td>
<td>47.91%</td>
<td>23,110,720</td>
<td>0</td>
</tr>
<tr>
<td>Non-U.S.</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100.0%</td>
<td>51,324,363</td>
<td>$0</td>
<td>100.0%</td>
<td>48,236,852</td>
<td>$0</td>
</tr>
</tbody>
</table>

Schlumberger Stichting Fund (SSF) has an investment brokerage agreement with Vanguard Investments Series PLC, Ireland (Ultra short bonds and Global bonds) and Pimco Fund Services, Ireland (Global stock index). Both investment companies were not able to produce an investment result/costs breakdown, as required by US GAAP. Both investment companies, only provide accounting data as required by Irish GAAP and tax laws.

Schlumberger Stichting Fund assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. A description of the valuation techniques applied to the Foundation’s major categories of assets and liabilities measured at fair value are as follows:

*Cash, Deposits & Money Market Funds*

Deposits and money market funds consist primarily of a bank deposit of an affiliated bank of the custodian and are reflected at amortized cost, which approximates fair value.
**Equities**

For its investments with asset managers that hold public common and preferred stocks, the Schlumberger Stichting Fund has position-level transparency into individual holdings. These investments are priced by the Foundation’s custodian using nationally recognized pricing services based on observable market data and are classified as Level 1.

**4. Grants Payable**

Of the grants approved by the Board of Directors through December 31, 2012 and 2011, USD 719,590 and USD 654,610, respectively, are payable to grantees and are subject to satisfaction of certain conditions by the grantees before payment is made. Any noncompliance with the grant requirements will result in the return of funds by the grantees.

**5. Related Parties**

Some of Schlumberger Stichting Fund directors also serve as directors on the boards of directors of the Company’s affiliates.

**6. Broker Agreements**

Through its brokerage agreement with Vanguard Investments and Pimco Funds Services Ireland, Schlumberger Stichting Fund has agreements to carry its accounts through a passive investment management approach.

The advantage of this approach is that it spreads risk widely within a market, avoiding the losses that can follow a dramatic decline in any one specific company or industry sector. However, risk is spread rather than avoided. The passive approach cannot protect against broad market declines, as it follows the market.

**7. Subsequent Events**

The Schlumberger Stichting Fund has evaluated subsequent events through May 2013, which is the date these financial statements were available to be issued.
Schlumberger Foundation, Inc.

Schlumberger Stichting Fund

Combined Financial Statements

As of December 31, 2012 and 2011 and for the periods then ended
# Schlumberger Foundation, Inc.
Schlumberger Stichting Fund
Combined Financial Statements

## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent Auditors’ Report</td>
<td>3</td>
</tr>
<tr>
<td><strong>Financial Statements:</strong></td>
<td></td>
</tr>
<tr>
<td>Report of the Director’s</td>
<td>4</td>
</tr>
<tr>
<td>Statements of Financial Position as of December 31, 2012 and 2011</td>
<td>5</td>
</tr>
<tr>
<td>Statements of Activities for the Years Ended December 31, 2012 and 2011</td>
<td>6</td>
</tr>
<tr>
<td>Statements of Functional Expenses for the Years Ended December 31, 2012 and 2011</td>
<td>8</td>
</tr>
<tr>
<td>Statements of Cash Flows for the Years Ended December 31, 2012 and 2011</td>
<td>7</td>
</tr>
<tr>
<td>Notes to Financial Statements</td>
<td>8-20</td>
</tr>
</tbody>
</table>
Independent Auditors’ Report
Report by the Board of Directors - 2012
## Statements of Financial Position

**December 31,**

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>‘000</td>
<td>‘000</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$231</td>
<td>$474</td>
</tr>
<tr>
<td>Investments</td>
<td>70,517</td>
<td>67,989</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>70,748</td>
<td>68,463</td>
</tr>
<tr>
<td><strong>Liabilities and net assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Liabilities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>118</td>
<td>11</td>
</tr>
<tr>
<td>Grants payable</td>
<td>861</td>
<td>780</td>
</tr>
<tr>
<td>Excise taxes payable</td>
<td>10</td>
<td>1</td>
</tr>
<tr>
<td>Deferred federal excise tax liability</td>
<td>8</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>997</td>
<td>793</td>
</tr>
<tr>
<td><strong>Net assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>69,751</td>
<td>67,670</td>
</tr>
<tr>
<td><strong>Total Liabilities and net assets</strong></td>
<td>70,748</td>
<td>68,463</td>
</tr>
</tbody>
</table>

*See accompanying notes to financial statements.*
# Schlumberger Foundation, Inc.
## Schlumberger Stichting Fund
### Combined Financial Statements

#### Statements of Activities
**(Unrestricted)**

<table>
<thead>
<tr>
<th>Year ended December 31,</th>
<th>2012 ('000)</th>
<th>2011 ('000)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>$ -</td>
<td>$ 50,000</td>
</tr>
<tr>
<td>Investment income:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Net realized gain on sale of investments (Schlumberger Foundation Inc)</td>
<td>417</td>
<td>26</td>
</tr>
<tr>
<td>- Net change in unrealized gain on Investments (Schlumberger Foundation Inc)</td>
<td>497</td>
<td>134</td>
</tr>
<tr>
<td>- Interest Income and Dividends (Schlumberger Foundation Inc)</td>
<td>589</td>
<td>113</td>
</tr>
<tr>
<td>- Gain (Loss) on investments (Schlumberger Stichting Fund)</td>
<td>5,764</td>
<td>(1,139)</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td>7,267</td>
<td>49,134</td>
</tr>
</tbody>
</table>

| **Expenditure:**        |             |             |
| Grants                  | (4,519)     | (3,654)     |
| Operating and administrative expenses | (553) | (706) |
| Federal Excise Tax      | (18)        | (2)         |
| Other expenses          | (96)        | (63)        |
| **Total expenditure**   | (5,186)     | (4,425)     |

| Change in net assets    | 2,081       | 44,709      |
| **Net assets, beginning of year** | 67,670 | 22,961     |
| **Net assets, end of year** | $69,751 | $67,670 |

See accompanying notes to financial statements.
Statements of Cash flow

<table>
<thead>
<tr>
<th>Year ended December 31,</th>
<th>2012 '000</th>
<th>2011 '000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting fees</td>
<td>$ 31</td>
<td>$ 23</td>
</tr>
<tr>
<td>Conferences and meetings</td>
<td>35</td>
<td>73</td>
</tr>
<tr>
<td>Management/Advisor fees</td>
<td>404</td>
<td>433</td>
</tr>
<tr>
<td>Other fees</td>
<td>83</td>
<td>177</td>
</tr>
<tr>
<td><strong>Total Operating and Administrative Expenses</strong></td>
<td><strong>$553</strong></td>
<td><strong>$706</strong></td>
</tr>
</tbody>
</table>

*See accompanying notes to financial statements.*
### Schlumberger Foundation, Inc.
### Schlumberger Stichting Fund
### Combined Financial Statements

#### Statements of Cash flow

<table>
<thead>
<tr>
<th>Year ended December 31,</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>‘000</td>
<td>‘000</td>
</tr>
<tr>
<td><strong>Cash flows from operating activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>$2,081</td>
<td>$44,709</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Gain)/Loss on investments</td>
<td>(7,256)</td>
<td>866</td>
</tr>
<tr>
<td>Other Non Cash Movements</td>
<td>96</td>
<td>2</td>
</tr>
<tr>
<td>(Decrease)/increase in:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>107</td>
<td>(54)</td>
</tr>
<tr>
<td>Grants payable</td>
<td>81</td>
<td>(243)</td>
</tr>
<tr>
<td>Other</td>
<td>15</td>
<td>2</td>
</tr>
<tr>
<td><strong>Net cash (used in) provided by operating activities</strong></td>
<td>(4,876)</td>
<td>45,282</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sale of investments</td>
<td>4,633</td>
<td>3,275</td>
</tr>
<tr>
<td>Purchases of investments</td>
<td>-</td>
<td>(48,478)</td>
</tr>
<tr>
<td><strong>Net cash provided by (used in) investing activities</strong></td>
<td>4,633</td>
<td>(45,203)</td>
</tr>
<tr>
<td><strong>Net (decrease) increase in cash and cash equivalents</strong></td>
<td>(244)</td>
<td>79</td>
</tr>
<tr>
<td>Cash and cash equivalents, beginning of year</td>
<td>474</td>
<td>395</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents, end of year</strong></td>
<td>$ 231</td>
<td>$ 474</td>
</tr>
</tbody>
</table>

#### Supplemental disclosure of cash flow information:

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash paid for federal excise tax</td>
<td>$ 2</td>
<td>$ 0</td>
</tr>
</tbody>
</table>

*See accompanying notes to financial statements.*
1. Description of the Organization

Schlumberger Foundation, Inc. (SF Inc) and Schlumberger Stichting Fund (SSF), hereafter called the “Foundation” are charitable trusts established by Schlumberger Limited (the “Company”) to provide grants for charitable, scientific, literary and educational purposes. The Foundation’s flagship program is Faculty for the Future, which was established for awarding fellowships and supporting women academics in science and engineering from developing and emerging countries for their advanced graduate study at top universities abroad.

The objective of the Foundation is to support scientific, educational and charitable programs and projects. During the last 10 years this effort has led to the development of a flagship program (Faculty of the Future) that is designed to encourage women from emerging economies to pursue academic careers in science and technology. The long-term goal of the program is to foster a generation of women with advanced degrees in physical sciences who in their home countries serve as role models to many other young women.

The Foundation receives support for program activities primarily from cash contributions from the Company or affiliates of the Company.

2. Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying combined financial statements of the Foundation include the accounts of the SF Inc and SSF. All transactions among the organizations have been eliminated. Combined financial statements are presented because the organizations have a common Board of Directors, common management and the common objective to support scientific, educational and charitable programs and projects. The combined financial statements have been prepared in accordance with accounting principles generally accepted in the United States. The Foundation was unable to obtain certain information in respect of the investments of SSF which is required for certain disclosures under ASC 820 and ASU 2009-12 and as such, these disclosures are not included in the Notes to the Combined Financial Statements. This includes the cost value by investment type, the division of realized and unrealized gains and losses per investment type, the fair value hierarchy, and the category, fair value, redemption frequency, and redemption notice period for those assets whose fair value is estimated using the net asset value (NAV) per share.

The combined financial statements have been prepared on an accrual basis. In the statement of financial position, assets are presented in order of liquidity or conversion to cash and liabilities are reflected in order of their maturity resulting in the use of cash.

(b) Financial Statement Presentation

The classification of the Schlumberger Foundation’s net assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of three classes of net assets, permanently restricted, temporarily restricted, and unrestricted, be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities. These classes are defined as follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed restrictions

Temporarily Restricted Net Assets - Net assets subject to donor imposed restrictions that may or will be met either by actions of the Schlumberger Foundation and/or the passage of time.
Permanently Restricted Net Assets - Net assets subject to donor-imposed restrictions that they be maintained permanently by the Schlumberger Foundation.

(c) Cash and Cash Equivalents

The Schlumberger Foundation considers all cash and highly liquid debt instruments purchased with an original maturity of three months or less at time of purchase to be cash equivalents.

(d) Investments at Market or Fair Value

Financial instruments are carried at fair value. The Foundation adopted Accounting Standards Codification (“ASC”) 820, “Fair Value Measurements and Disclosures”. This statement defines fair value, establishes a framework for measuring fair value and expands the disclosures about fair value measurements. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in a principal or most advantageous market. Fair value is a market-based measurement that is determined based on inputs, which refer broadly to assumptions that market participants use in pricing assets or liabilities. These inputs can be readily observable, market corroborated, or unobservable. ASC 820 established a fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value in three broad levels. The standard requires that assets and liabilities be classified in their entirety based on the level of input that is significant to the fair value measurement. Assessing the significance of a particular input may require judgment considering factors specific to the asset or liability, and may affect the valuation of the asset or liability and their placement within the fair value hierarchy. The Foundation classifies fair value balances based on the fair value hierarchy defined by ASC 820 as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Valuation adjustments and block discounts are not applied to Level 1 instruments.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Investments in equity securities with readily determinable market values and investments in debt securities are valued at their fair values in the statements of financial position. Income from investments, including unrealized gains and losses, are reported in the statement of activities as change in unrestricted net assets unless the use of the income is limited by donor-imposed restrictions.

Due to the restriction of available information, SSF is unable to provide detailed information on the fair value hierarchy periods presented. Accordingly, disclosures made are not in compliance with ASC 820. Disclosures in compliance with ASC 820 are included for SF Inc in Note 3.

(e) Securities Transactions and Portfolio Valuations

Securities transactions and related income and expenses are recorded on a trade date basis. The Foundation’s investments in securities are valued at market value on the financial statement date based upon the last reported sales price on the largest recognized exchange on which they are
traded or, if no trading took place on that date, at the last quoted “bid” price for investments in securities owned. The resulting unrealized gains and losses are included in the statements of activities.

Due to the restriction of available information, SSF is unable to provide detailed information on the portion of gains and losses that are realized or unrealized for the periods presented. Accordingly, disclosures made in the statement of activities combine both realized and unrealized activity for the periods then ended. The statement of activities presents separately the unrealized gains and losses for SF Inc.

(f) Investments in Investment Partnerships and Investment Companies

The Foundation’s investments in investment partnerships and investment companies are accounted for under the equity method. These investments are stated at fair value based upon the Foundation’s equity interest reported by the investment entities.

(g) Investment Impairment

The Schlumberger Foundation’s investments consist of money market funds, equities, fixed income, and limited partnerships. At December 31, 2012, the Schlumberger Foundation has deemed that all securities that were in loss positions, were temporarily impaired. Positive evidence considered in reaching the Schlumberger Foundation’s conclusion that the loss for equity securities is not other-than-temporary consisted of:

a. the ability and intent to retain the investment for a sufficient amount of time to allow an anticipated recovery in value; and
b. determining that the changes in market value were reasonable in relation to overall fluctuations in market conditions.

The Schlumberger Foundation considered the following evidence in reaching the conclusion that the loss on fixed income instruments was not other-than-temporary:

a. whether or not it intended to sell its investments before the full recovery of cost basis; and
b. whether or not it will be required to sell its investments before the full recovery of cost basis

(h) Income Taxes

SF Inc is exempt from federal income taxes in the United States under Section 501(c)(3) of the Internal Revenue Code and has been classified as a “private Schlumberger Foundation”. Provisions have been made for federal excise tax on net investment income.

and the portion of gains and losses that are realized or unrealized for the
The United States Internal Revenue Code provides that each year the SF Inc must make certain minimum qualifying distributions equal to approximately 5% of the average fair market value of its assets. The minimum distribution requirement for the fiscal year ended December 31, 2012 has been satisfied.

SSF is exempt from taxes under Dutch Tax (Algemeen Nut Beogende Instelling), resolution nr. CPP2008/291M as a “vrijgestelde beleggingsinstelling” (a tax exempt investment institution with a charity status).
(i) Uncertainty in Income Taxes

The Foundation adopted the provisions of ASC 740, “Accounting for Uncertainty in Income Taxes”. Under ASC 740, an organization must recognize the tax benefit associated with tax position taken for tax return purposes when it is more likely than not that the position will be sustained. The Foundation does not believe there are any material uncertain tax positions and, accordingly, it will not recognize any liability for unrecognized tax benefits.

The Foundation has filed for and received income tax exemptions in the jurisdictions where it is required to do so.

The Foundation has filed Internal Revenue Service Form 990 tax returns, as required, and all other applicable returns in jurisdictions when it is required. For the year ended December 31, 2012, there was no interest or penalties recorded or included in the statement of activities. As of December 31, 2012, the years subject to examination by a taxing authority are 2009 through 2011.

(j) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(k) Recently Issued Accounting Pronouncement

In May 2011, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2011-04, “Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs”. ASU 2011-04 amended ASC 820 to provide a consistent definition of fair value and improve the comparability of fair value measurements presented and disclosed in the financial statements prepared in accordance with U.S. GAAP and IFRSs. Some of the amendments clarify the application of existing fair value measurement and disclosure requirements, while other amendments change a particular principle or requirement for measuring fair value or disclosing information about fair value measurements. The amendments were effective for annual periods beginning after December 15, 2011. Other than the newly required disclosures, the adoption of the provisions of ASU 2011-04 did not have a material impact on the financial statements.
## 3. Investments

Investments at fair value categorized by investment category are as follows:

<table>
<thead>
<tr>
<th>Investment category</th>
<th>2012 '000s</th>
<th>2011 '000s</th>
<th>% of Total Fair Value</th>
<th>% of Total Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash, Deposits &amp; Money Market Funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits &amp; Money Market Funds</td>
<td>0.0%</td>
<td>$53</td>
<td>4.8%</td>
<td>$3,293</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common Stocks</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S.</td>
<td>0.0%</td>
<td>-</td>
<td>0.0%</td>
<td>-</td>
</tr>
<tr>
<td><strong>Mutual Funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Grade Fixed Income</td>
<td>14.1%</td>
<td>$9,944</td>
<td>14.7%</td>
<td>$10,002</td>
</tr>
<tr>
<td>US Ultra Short Term Bonds</td>
<td>.1%</td>
<td>582</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Global Bonds</td>
<td>33.9%</td>
<td>23,980</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Other Fixed Income</td>
<td>3.2%</td>
<td>1,619</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S.</td>
<td>5.6%</td>
<td>3,976</td>
<td>4.4%</td>
<td>2,979</td>
</tr>
<tr>
<td>Non-U.S.</td>
<td>1.7%</td>
<td>1,218</td>
<td>1.0%</td>
<td>719</td>
</tr>
<tr>
<td>Global Stock Index</td>
<td>38.0%</td>
<td>26,763</td>
<td>34.0%</td>
<td>23,111</td>
</tr>
<tr>
<td><strong>Alternative Investments</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Limited Partnerships and Investment Companies</td>
<td>3.4%</td>
<td>2,382</td>
<td>2.9%</td>
<td>1,963</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100.0%</td>
<td>$70,517</td>
<td><strong>Total</strong></td>
<td>$18,398</td>
</tr>
</tbody>
</table>

* The Foundation was unable to obtain certain information in respect of the investments of SSF which is required for certain disclosures under ASC 820 and ASU 2009-12 and as such, these disclosures are not included in the Notes to the Combined Financial Statements. This includes the cost value by investment type.

A description of the valuation techniques applied to the Foundation’s major categories of assets and liabilities measured at fair value are as follows:

### Cash, Deposits & Money Market Funds

Deposits and money market funds consist primarily of a bank deposit of an affiliated bank of the custodian and are reflected at amortized cost, which approximates fair value.
Equity

For its investments in public common and preferred stocks, SF Inc has position-level transparency into individual holdings. These investments are priced by the SF Inc’s custodian using nationally recognized pricing services based on observable market data and are classified as Level 1.

Mutual Funds

Mutual funds and other registered investment companies are stated at fair value. Mutual funds are valued at quoted market prices (available to institutions and retail clients) which represent the net asset value of shares owned by the Foundation at year-end. Certain other registered investment companies are valued based on the net asset value of the units owned by the Foundation at year-end as determined by the investment manager of the other registered investment companies based on the fair value of the underlying investments of the other registered investment companies. Exchange traded funds, also considered to be other registered investment companies, are valued at quoted market prices, which may not represent the net asset value of the units owned by the Foundation at year-end.

Alternative Investments

The Foundation invests in several limited partnerships and investment companies, including an investment in a real estate limited partnership which is concentrated primarily in U.S. commercial real estate. For these investments, the Foundation owns a share of the companies but not individual positions. A significant amount of the Foundation’s investments consists of equity, fixed income, real estate, and private equity fund managers. These investments are long-term investments, which require a commitment of capital for several years and do not have readily observable fair values. Valuation is based on an assessment of each underlying investment, incorporating valuations that consider the evaluation of financing and sale transactions with third parties, expected cash flows and market-based information, performance multiples and changes in market outlook, among other factors. The fair value of these investments is determined by each manager using either an in-house valuation team or a third-party administrative service. The Foundation performs periodic due diligence procedures on each manager. The financial statements of the investees are audited annually by independent auditors. These nonpublic investments are included in Level 3 of the fair value hierarchy because they trade infrequently, and, therefore, the fair value is unobservable.
During the years ended December 31, 2012 and 2011, the Foundation’s investments appreciated as follows:

<table>
<thead>
<tr>
<th>Investment category</th>
<th>2012</th>
<th></th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Net Appreciation (Depreciation)</td>
<td>Realized Gain (Loss)</td>
<td>Unrealized Gain (Loss)</td>
</tr>
<tr>
<td>Cash, Deposits &amp; Money Market Funds</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Deposits &amp; Money Market Funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S.</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Equity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mutual Funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed Income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Grade Fixed Income</td>
<td>2</td>
<td>201</td>
<td>(199)</td>
</tr>
<tr>
<td>US Ultra Short Term Bonds</td>
<td>5</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Global Bonds</td>
<td>2,106</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Other Fixed Income</td>
<td>68</td>
<td>12</td>
<td>56</td>
</tr>
<tr>
<td>Equity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S.</td>
<td>405</td>
<td>200</td>
<td>205</td>
</tr>
<tr>
<td>Non-U.S.</td>
<td>118</td>
<td>3</td>
<td>114</td>
</tr>
<tr>
<td>Global Stock Index</td>
<td>3,652</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Alternative Investments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Limited Partnerships and Investment Companies</td>
<td>321</td>
<td>-</td>
<td>321</td>
</tr>
</tbody>
</table>

* The Foundation was unable to obtain certain information in respect of the investments of SSF which is required for certain disclosures under ASC 820 and ASU 2009-12 and as such, these disclosures are not included in the Notes to the Combined Financial Statements. This includes the division of realized and unrealized gains and losses per investment type.
The following tables present the level within the fair value hierarchy at which the Foundation’s financial assets and financial liabilities are measured on a recurring basis at December 31, 2012 and 2011:

<table>
<thead>
<tr>
<th>Total at December 31, 2012</th>
<th>Quoted Prices in Active Markets for Identical Assets (Level 1)</th>
<th>Significant Other Observable Inputs (Level 2)</th>
<th>Significant Unobservable Inputs (Level 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash, Deposits &amp; Money Market Funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits &amp; Money Market Funds</td>
<td>$ 53</td>
<td>$ 53</td>
<td>$ -</td>
</tr>
<tr>
<td>Equity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common Stocks</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mutual Funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed Income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Grade Fixed Income</td>
<td>9,944</td>
<td>-</td>
<td>9,944</td>
</tr>
<tr>
<td>US Ultra Short Term Bonds</td>
<td>1</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Global Bonds</td>
<td>23,980</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Other Fixed Income</td>
<td>1,619</td>
<td>-</td>
<td>1,619</td>
</tr>
<tr>
<td>Equity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S.</td>
<td>3,976</td>
<td>3,032</td>
<td>944</td>
</tr>
<tr>
<td>Non-U.S.</td>
<td>1,218</td>
<td>415</td>
<td>803</td>
</tr>
<tr>
<td>Global Stock Index</td>
<td>26,763</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Alternative Investments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Limited Partnerships and Investment Companies</td>
<td>2,382</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ 70,517</td>
<td>$ 3,500*</td>
<td>$ 13,310*</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total at December 31, 2011</th>
<th>Quoted Prices in Active Markets for Identical Assets (Level 1)</th>
<th>Significant Other Observable Inputs (Level 2)</th>
<th>Significant Unobservable Inputs (Level 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash, Deposits &amp; Money Market Funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits &amp; Money Market Funds</td>
<td>$ 3,293</td>
<td>$ 3,293</td>
<td>$ -</td>
</tr>
<tr>
<td>Equity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Common Stocks</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mutual Funds</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed Income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Grade Fixed Income</td>
<td>10,002</td>
<td>-</td>
<td>10,002</td>
</tr>
<tr>
<td>US Ultra Short Term Bonds</td>
<td>3,254</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Global Bonds</td>
<td>21,873</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Other Fixed Income</td>
<td>795</td>
<td>795</td>
<td>-</td>
</tr>
<tr>
<td>Equity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S.</td>
<td>2,979</td>
<td>960</td>
<td>2,019</td>
</tr>
<tr>
<td>Non-U.S.</td>
<td>719</td>
<td>155</td>
<td>564</td>
</tr>
<tr>
<td>Global Stock Index</td>
<td>23,111</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Alternative Investments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Limited Partnerships and Investment Companies</td>
<td>1,963</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ 67,989</td>
<td>$ 5,203</td>
<td>$ 12,585</td>
</tr>
</tbody>
</table>

* The Foundation was unable to obtain certain information in respect of the investments of SSF which is required for certain disclosures under ASC 820 and ASU 2009-12 and as such, these disclosures are not included in the Notes to the Combined Financial Statements. This includes the fair value hierarchy.
The tables listed below provide a reconciliation of the beginning and ending net balances for assets of the Foundation, measured at fair value and classified as Level 3 in the fair value hierarchy:

<table>
<thead>
<tr>
<th></th>
<th>Beginning Balance at January 1, 2012</th>
<th>Total Realized Gain or (Loss)</th>
<th>Total Unrealized Gain or (Loss) Relating to Instruments Still Held at End of Reporting Period</th>
<th>Purchases (Sales), Other Settlements and Issuances, Net</th>
<th>Ending Balance at December 31, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Alternative Investments</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Limited Partnerships and Investment Companies</td>
<td>$1,962,912</td>
<td>$-</td>
<td>$289,696</td>
<td>$129,742</td>
<td>$2,382,350</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Beginning Balance at January 1, 2011</th>
<th>Total Realized Gain or (Loss)</th>
<th>Total Unrealized Gain or (Loss) Relating to Instruments Still Held at End of Reporting Period</th>
<th>Purchases (Sales), Other Settlements and Issuances, Net</th>
<th>Ending Balance at December 31, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Alternative Investments</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Limited Partnerships and Investment Companies</td>
<td>$-</td>
<td>$-</td>
<td>$51,057</td>
<td>$1,911,855</td>
<td>$1,962,912</td>
</tr>
</tbody>
</table>
In accordance with ASU 2009-12, the Foundation expanded its disclosures to include the category, fair value, redemption frequency, and redemption notice period for those assets whose fair value is estimated using the NAV per share or its equivalent for which the fair value is not readily determinable:

<table>
<thead>
<tr>
<th>Investments</th>
<th>Fair Value</th>
<th>Unfunded Commitments</th>
<th>Redemption Frequency</th>
<th>Redemption Notice Period</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mutual Funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Fixed Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Grade Fixed Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GSAM: TAXABLE FIXED INCOME</td>
<td>$9,944</td>
<td>$ -</td>
<td>Daily</td>
<td>None</td>
</tr>
<tr>
<td>US Ultra Short Term Bonds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VANGUARD US ULTRA SHORT TERM BOND FUND</td>
<td>1</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Global Bonds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PIMCO GLOBAL BOND FUND</td>
<td>$23,980</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>U.S.</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NEUBERGER BERMAN: LARGE CAP GROWTH</td>
<td>-</td>
<td>-</td>
<td>Daily</td>
<td>None</td>
</tr>
<tr>
<td>INSTITUTIONAL CAPITAL: LARGE CAP VALUE</td>
<td>411</td>
<td>-</td>
<td>Daily</td>
<td>None</td>
</tr>
<tr>
<td>THE LONDON COMPANY: SMALL CAP CORE</td>
<td>532</td>
<td>-</td>
<td>Daily</td>
<td>None</td>
</tr>
<tr>
<td><strong>Non-U.S.</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DELAWARE: NON US EQUITY</td>
<td>398</td>
<td>-</td>
<td>Daily</td>
<td>None</td>
</tr>
<tr>
<td>INVESCO: NON-US EQUITY</td>
<td>405</td>
<td>-</td>
<td>Daily</td>
<td>None</td>
</tr>
<tr>
<td><strong>Global Stock Index</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VANGUARD GLOBAL STOCK INDEX FUND</td>
<td>$26,763</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td><strong>Alternative Investments</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Limited Partnerships and Investment Companies</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DYNAMIC EQUITY MANAGERS: PORTFOLIO 2 [SERIES]</td>
<td>1,244</td>
<td>-</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>NON-US EQUITY MANAGERS:PORTFOLIO 4 LLC</td>
<td>1,016</td>
<td>-</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>PRIVATE EQUITY PARTNERS XI OFFSHORE, L.P.</td>
<td>9</td>
<td>1,641</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>U.S. REAL PROPERTY INCOME FUND, L.P.</td>
<td>114</td>
<td>-</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

$64,817
1,641*
Schlumberger Foundation, Inc.
Schlumberger Stichting Fund
Combined Financial Statements

Notes to the Combined Financial Statements

Fair Value Estimated Using NAV Per Share at December 31, 2011

<table>
<thead>
<tr>
<th>Investments</th>
<th>Fair Value</th>
<th>Unfunded Commitments</th>
<th>Redemption Frequency</th>
<th>Redemption Notice Period</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mutual Funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Fixed Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Investment Grade Fixed Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GSAM: TAXABLE FIXED INCOME</td>
<td>$10,002</td>
<td>$-</td>
<td>Daily</td>
<td>None</td>
</tr>
<tr>
<td>US Ultra Short Term Bonds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VANGUARD US ULTRA SHORT TERM BOND FUND</td>
<td>3,254</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td><strong>Global Bonds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PIMCO GLOBAL BOND FUND</td>
<td>21,873</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>U.S.</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NEUBERGER BERMAN: LARGE CAP GROWTH</td>
<td>274</td>
<td>-</td>
<td>Daily</td>
<td>None</td>
</tr>
<tr>
<td>INSTITUTIONAL CAPITAL: LARGE CAP VALUE</td>
<td>289</td>
<td>-</td>
<td>Daily</td>
<td>None</td>
</tr>
<tr>
<td>THE LONDON COMPANY: SMALL CAP CORE</td>
<td>350</td>
<td>-</td>
<td>Daily</td>
<td>None</td>
</tr>
<tr>
<td>EPOCH: ALL CAP VALUE</td>
<td>555</td>
<td>-</td>
<td>Daily</td>
<td>None</td>
</tr>
<tr>
<td>BARON CAPITAL: ALL CAP GROWTH</td>
<td>551</td>
<td>-</td>
<td>Daily</td>
<td>None</td>
</tr>
<tr>
<td><strong>Non-U.S.</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DELAWARE: NON US EQUITY</td>
<td>278</td>
<td>-</td>
<td>Daily</td>
<td>None</td>
</tr>
<tr>
<td>INVESCO: NON-US EQUITY</td>
<td>286</td>
<td>-</td>
<td>Daily</td>
<td>None</td>
</tr>
<tr>
<td><strong>Global Stock Index</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VANGUARD GLOBAL STOCK INDEX FUND</td>
<td></td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td><strong>Alternative Investments</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Limited Partnerships and Investment Companies</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DYNAMIC EQUITY MANAGERS: PORTFOLIO 2 [SERIES]</td>
<td>1,106</td>
<td>-</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>NON-US EQUITY MANAGERS: PORTFOLIO 4 LLC</td>
<td>843</td>
<td>-</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>PRIVATE EQUITY PARTNERS XI OFFSHORE, L.P.</td>
<td>14</td>
<td>1,658</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>U.S. REAL PROPERTY INCOME FUND, L.P.</td>
<td>-</td>
<td>-</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>39,699</td>
<td>1,658*</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* The Foundation was unable to obtain certain information in respect of the investments of SSF which is required for certain disclosures under ASC 820 and ASU 2009-12 and as such, these disclosures are not included in the Notes to the Combined Financial Statements. This includes the category, fair value, redemption frequency, and redemption notice period for those assets whose fair value is estimated using the net asset value (NAV) per share.
Notes to the Combined Financial Statements

Mutual Funds

The primary objective of NEUBERGER BERMAN: LARGE CAP GROWTH and INSTITUTIONAL CAPITAL: LARGE CAP VALUE is to approximate the risk and return characterized by certain indices, such as the Russell 1000 Value Index and the Russell 1000 Growth TR Index. These indices are commonly used to represent the large cap segment of the U.S. equity market.

The primary objective of THE LONDON COMPANY: SMALL CAP CORE is to approximate the risk and return characterized by certain indices, such as the Russell 2000 Index and the Russell 2000 Value Index. These indices are commonly used to represent the small cap segment of the U.S. equity market.

The primary objective of EPOCH: ALL CAP VALUE and BARON CAPITAL: ALL CAP GROWTH is to approximate the risk and return characterized by certain indices, such as the Russell 3000 Index and the Russell 3000 Value Index. These indices are broad market based and measure the performance of the largest 3000 U.S. companies representing approximately 98% of the investable U.S. equity market.

The primary objective of DELAWARE: NON US EQUITY and INVESCO: NON-US EQUITY is to approximate the risk and return characterized by the MSCI EAFE Net Total Return Index. This Index is a stock market index that is designed to measure the equity market performance of developed markets outside of the U.S. & Canada.

The primary objective of VANGUARD GLOBAL STOCK INDEX FUND is to approximate the risk and return characterized by certain indices, specifically, the MSCI World Index. The MSCI World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. The MSCI World Index consists of the following 24 developed market country indices: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom, and the United States.

Limited Partnerships and Investment Companies

The primary objective of DYNAMIC EQUITY MANAGERS: PORTFOLIO 2 [SERIES] is to approximate the risk and return characterized by the S&P 500 Total Return Index. This index is commonly used to represent the large cap segment of the U.S. equity market.

The primary objective of NON-US EQUITY MANAGERS: PORTFOLIO 4 LLC is to approximate the risk and return characterized by the MSCI EAFE Net Total Return Index.
PRIVATE EQUITY PARTNERS XI OFFSHORE, L.P. was formed for the purpose of investing substantially all of its assets in Private Equity Partners XI Offshore Holdings, L.P., a Cayman Islands exempted limited partnership (the “Offshore Holdings Partnership”). The Offshore Holdings Partnership was formed for the purpose of investing in (i) pooled investment vehicles via capital commitments to the issuers of such investments, (ii) pooled investment vehicles purchased from the existing owners of such pooled investments and not from the issuers of such investments or transactions structured to share many of the characteristics and economics of such purchases, and (iii) privately negotiated transactions generally sourced on a co-investment basis with certain other co-investment partnerships.

The U.S. REAL PROPERTY INCOME FUND, L.P. seeks to identify diverse real estate investment opportunities across markets in the U.S.

These investments can never be redeemed with the funds. Instead, the nature of the investments is that distributions are received through the liquidation of the underlying assets of the funds. If these investments were held, it is estimated that the underlying assets of the funds would be liquidated over 10-15 years.

4. Grants Payable

Of the grants approved by the Board of Directors through December 31, 2012 and 2011, $860 and $780, respectively, are payable by the Schlumberger Foundation to grantees and are subject to satisfaction of certain conditions by the grantees before payment is made. Any noncompliance with the grant requirements will result in the return of funds by the grantees.

5. Income Taxes (SFInc)

Under the Internal Revenue Code ("IRC"), SF Inc is assessed a 2% excise tax on net investment income. Net investment income does not include the increase or decrease in unrealized gains. The excise tax is reduced by 1% if SF Inc meets certain distribution requirements under Section 4940(e) of the IRC. SF Inc incurred $18 and $3 excise taxes during the years ended December 31, 2012 and 2011, respectively. SF Inc recorded an excise tax payable of $10 and $1, respectively, as of December 31, 2012 and 2011 which represents the total excise taxes due after applying credits and payments.

6. Related Parties

Some of the Schlumberger Foundation’s directors also serve as directors on the boards of directors of the Company’s affiliates.
7. Broker Agreements

Through its brokerage agreements with Goldman Sachs USA, Pimco and Vanguard, the Schlumberger Foundation has agreements with several investment managers to carry its accounts. The managers have discretion over these assets and, from time to time, cash balances may be due.

Some securities and cash positions serve as collateral for any amounts due to brokers as well as collateral for securities sold, not yet purchased or purchased on margin.

The Schlumberger Foundation is subject to credit risk if the investment managers are unable to repay balances due or deliver securities in their custody.

8. Subsequent Events

The Schlumberger Foundation has evaluated subsequent events through __________, 2013, which is the date these financial statements were available to be issued.