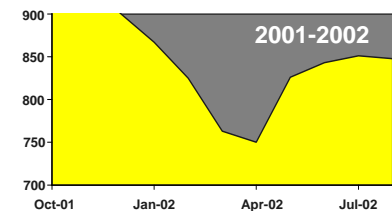
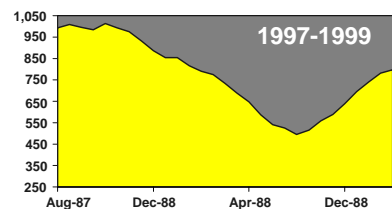
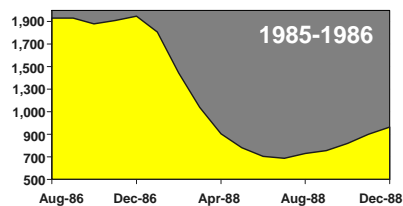
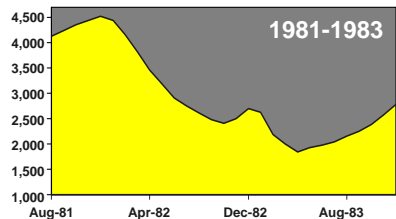


10th International Oil Summit

Tim Probert
Executive Vice President
Strategy and Corporate Development

Lessons from Historical Market Cycles

U.S.



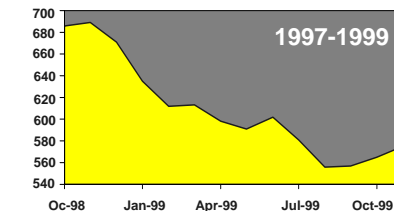
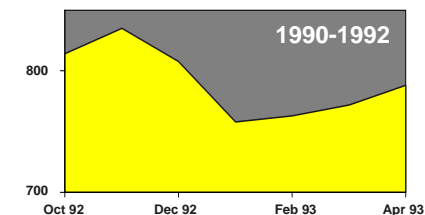
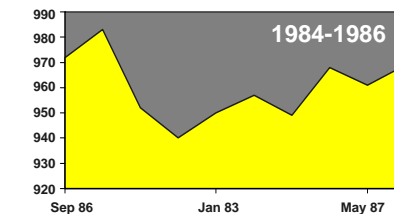
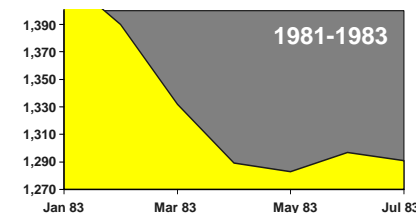
Historical North America Cycle

- Deep
 - Between 40% to 75% in the US
- Short
 - Peak to trough timeframes of 3 to 6 quarters

Historical International Cycle

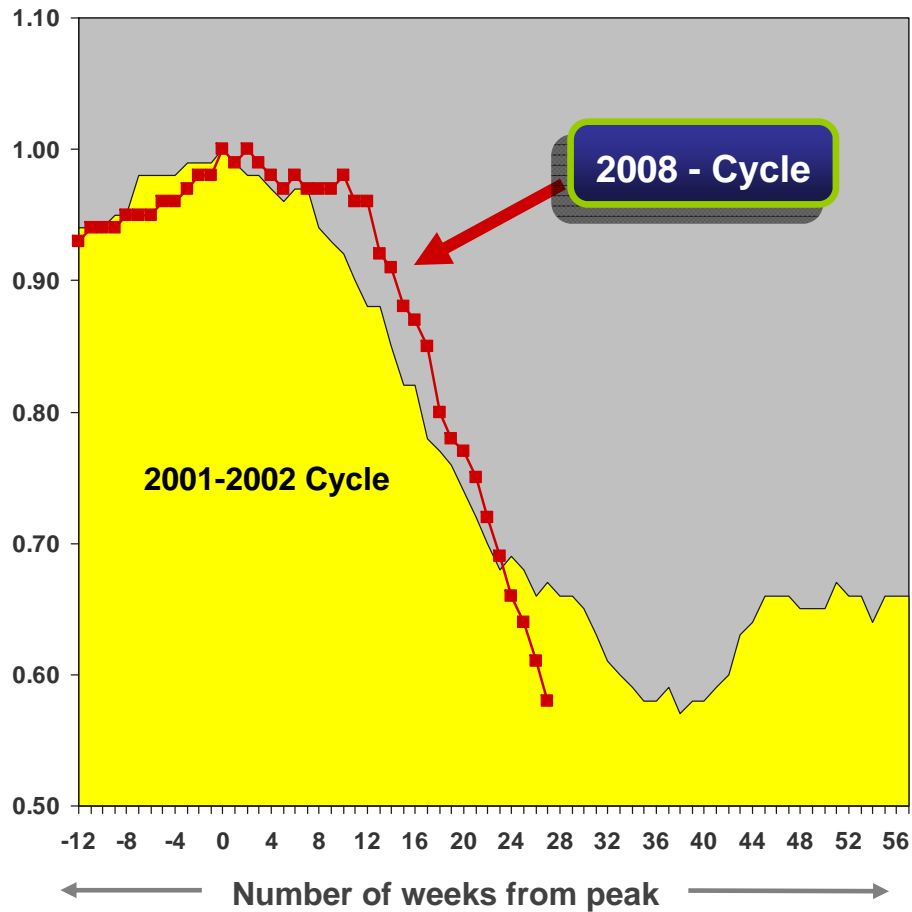
- Later
 - Lag North America by 1-2 Quarters
- Shallower
 - Between 20- 30%
- Longer
 - Peak to trough timeframes of 6 to 7 Quarters

International

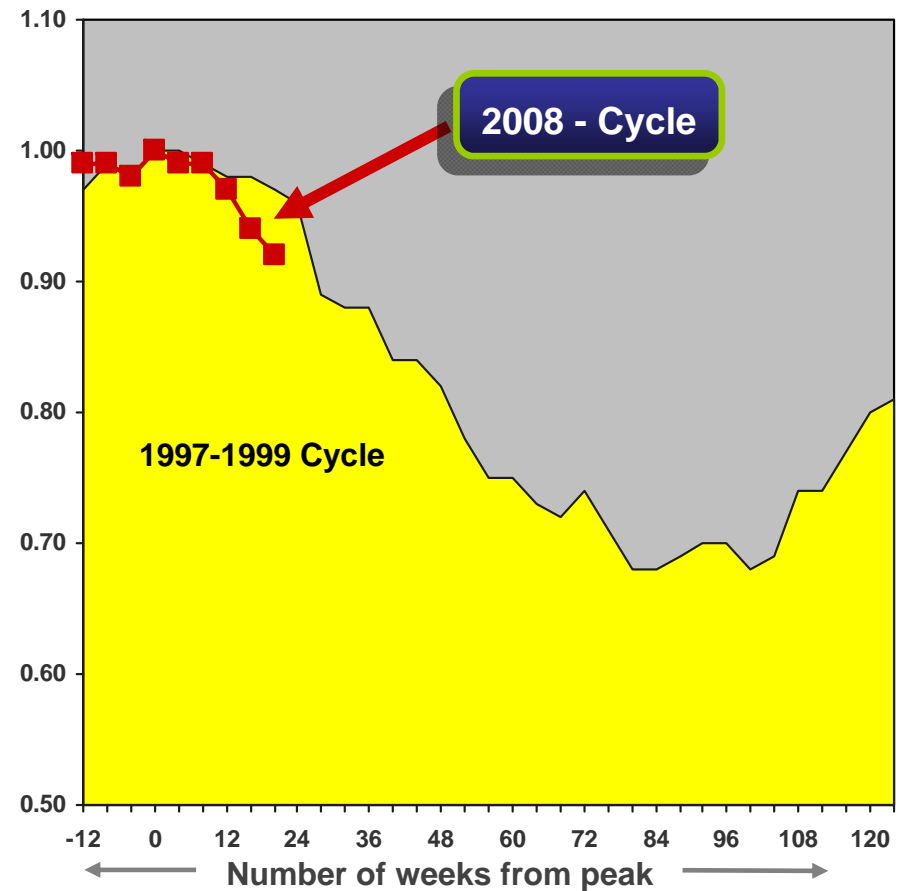


Current Cycle Comparisons

U.S. Rig Count (Indexed)

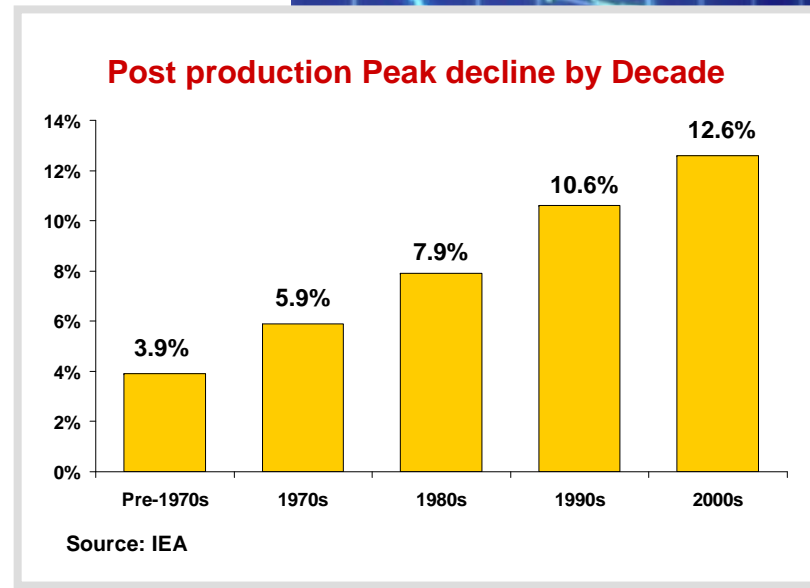


International Rig Count (Indexed)



■ Is the 2008 Cycle Different?

- Impact of Financial Crisis
 - Credit and cash flow imperatives
 - Finding a “bottom” for demand destruction
 - Fighting F&D Cost Escalation legacy
- Accelerating decline rates
 - Non-OPEC production static

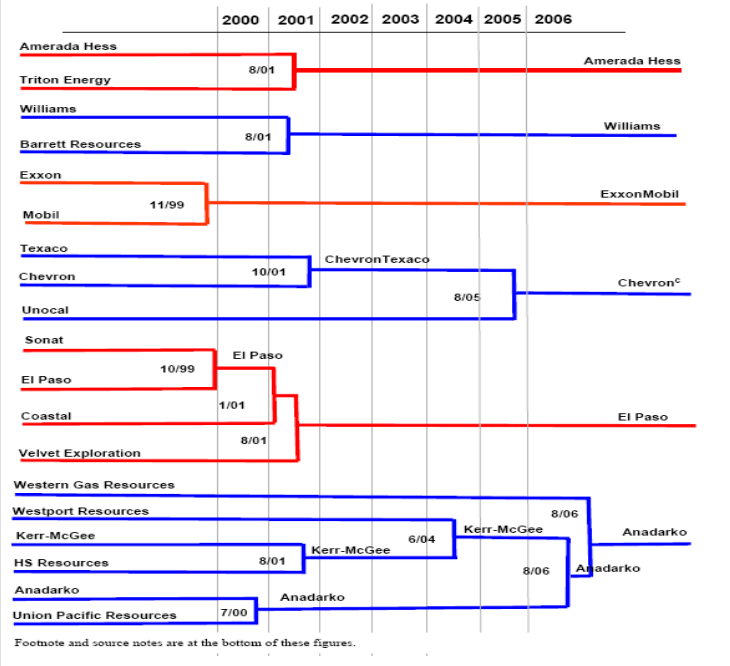


■ What are the Implications?

- Stormy Weather.....
 - Underinvestment in supply infrastructure
 - Another human capital challenge
 - Risks of slowing technology development on long term economics

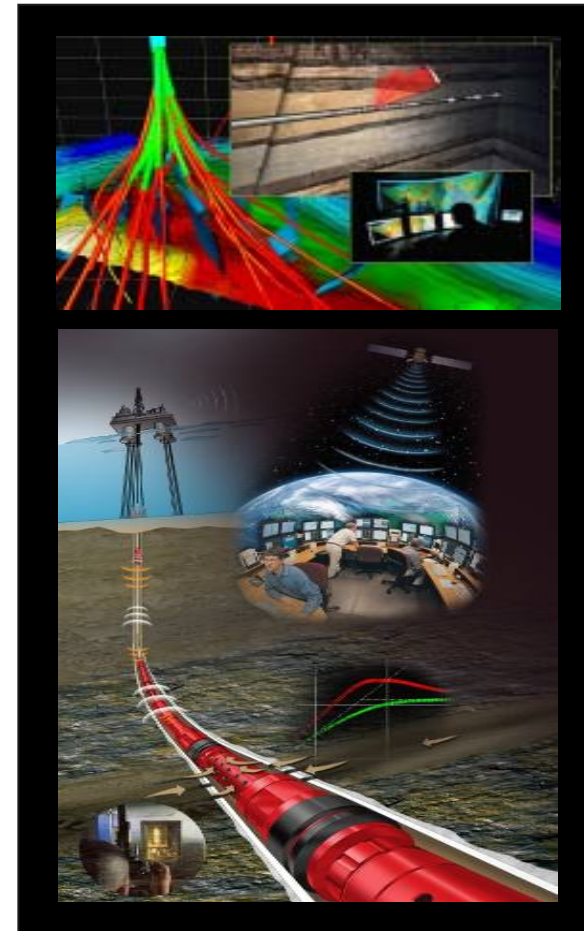
■ Industry Consolidation

Genealogy of Major US Oil and Gas Producers



■ Service Company Imperatives?

- Aggressive focus on input costs
- Effective management of capital employed
- Focus on quality of execution
- Technology portfolio adjustments



■ Long Term Outlook Very Positive

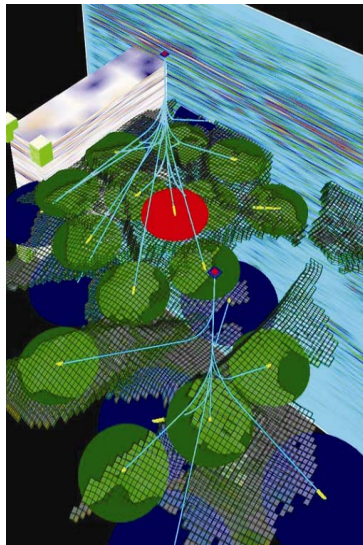


.....But reservoir performance shapes the long term

- Smaller and More Complex Accumulations
- Accelerating Depletion
- Increasingly Unconventional

Technology Key to unlocking resources

Reduce
Uncertainty in
Complex
Reservoirs



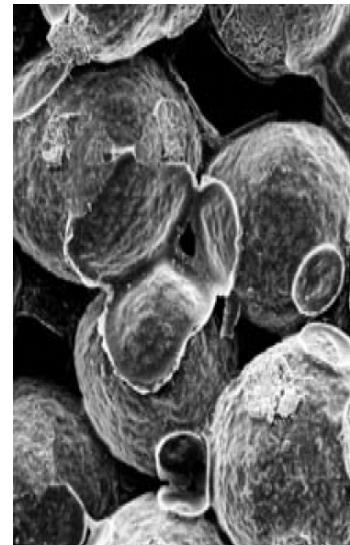
Improve Net
Recovery from
New & Old
Fields



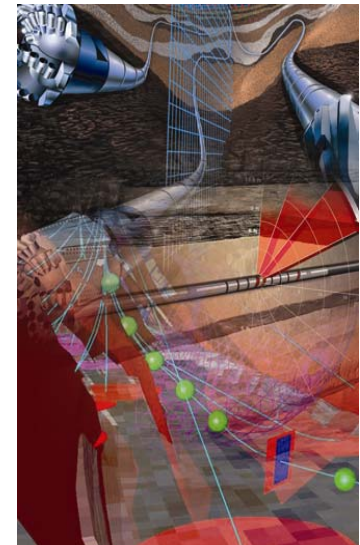
Deep Water,
Deeply Buried
Access



Non-
Conventional
Reserves



Digital Efficiency
Models



the digital  asset™

■ Summary

- Outlook is demand driven
- Healthy relationships are key to alignment
- Technology remains the key to long term economic development of reserves

