

# RBC Global Energy & Power Conference

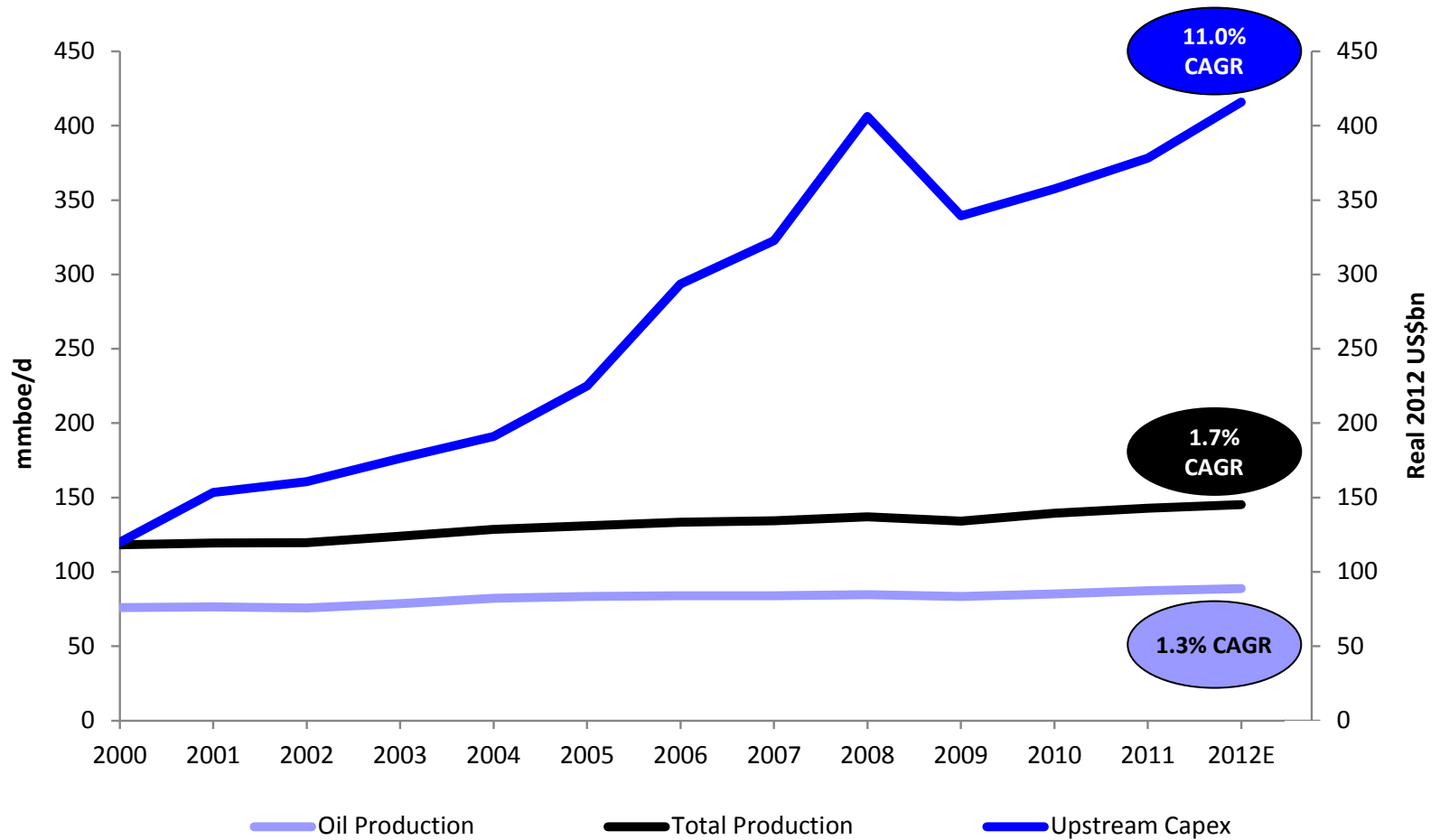
New York City

June 4, 2012



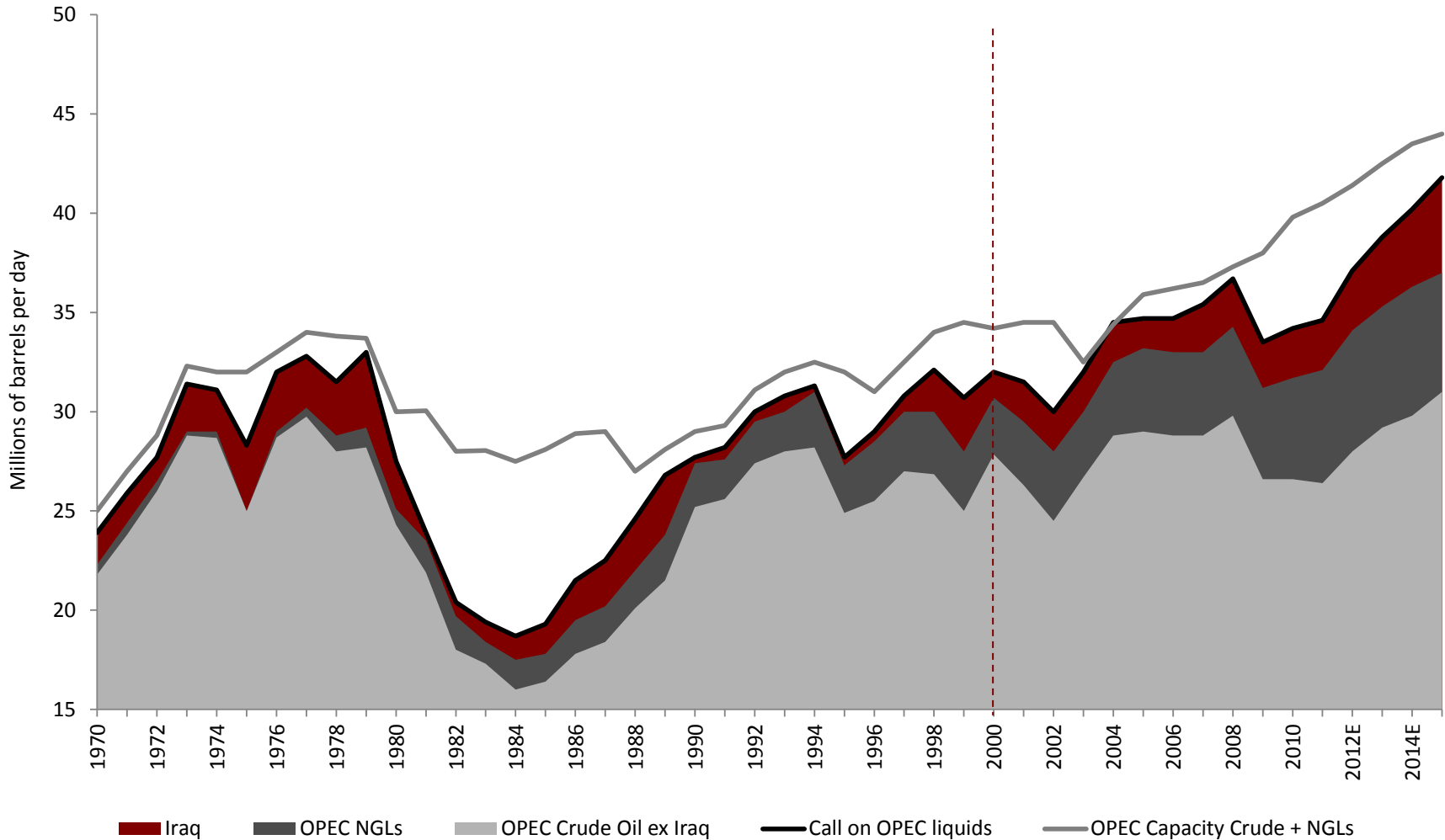
Reservoir Reality:  
Industrial History and Secular Force

# Inelasticity of Production

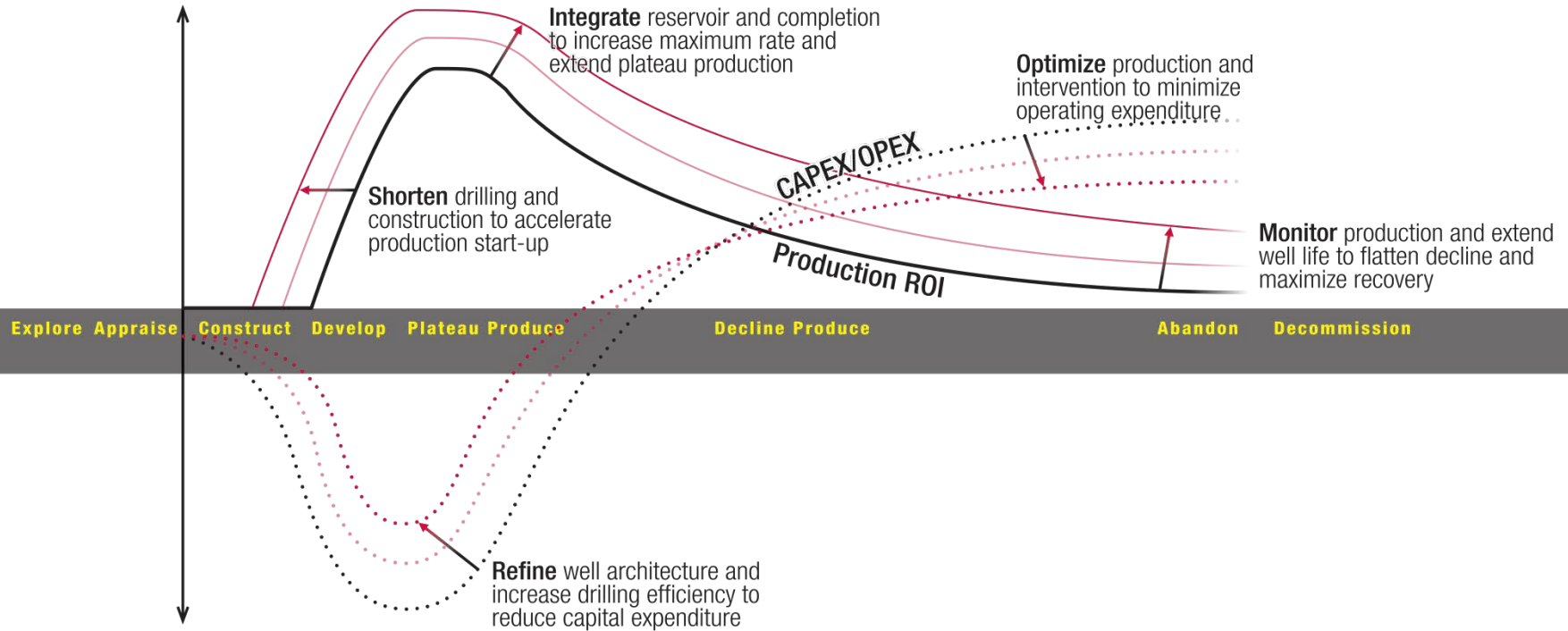


# Oil Production Spare Capacity

OPEC spare capacity has not increased meaningfully over the last 20 years in spite of increased spending



# OSX Technology Drives the Cost Curve



Weatherford

# Vital Statistics

(\$ in millions)

## Financial

Revenue	\$ 14,396
EBITDA	\$ 2,916
Operating Income	\$ 1,712
Income from Continuing Operations	\$ 760
Capital Expenditures	\$ 1,524

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## Operational

Product Offering	Comprehensive
Number of Countries	100+
Employees	63,000+
Service Bases	910
Manufacturing Facilities	98

# Growth Company: Over a Decade of Continued Growth

**2000**  
\$1.8B

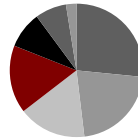
Artificial Lift  
Well Construction  
Drilling Tools  
Completion  
Re-Entry & Fishing



**11 Countries**  
**~12,000 Employees**

**2005**  
\$4.3B

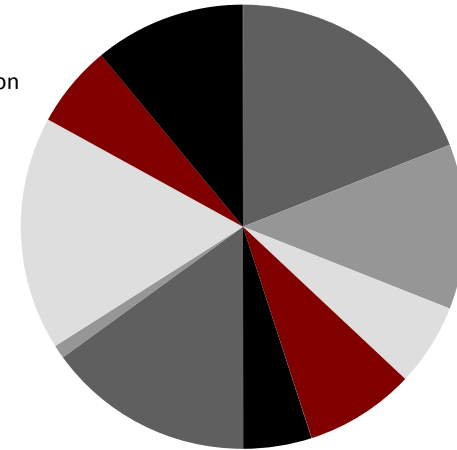
Artificial Lift  
Well Construction  
Drilling Tools  
Completion  
Re-Entry & Fishing  
Stimulation & Chemicals  
Pipeline & Specialty Services



**50+ Countries**  
**~28,000 Employees**

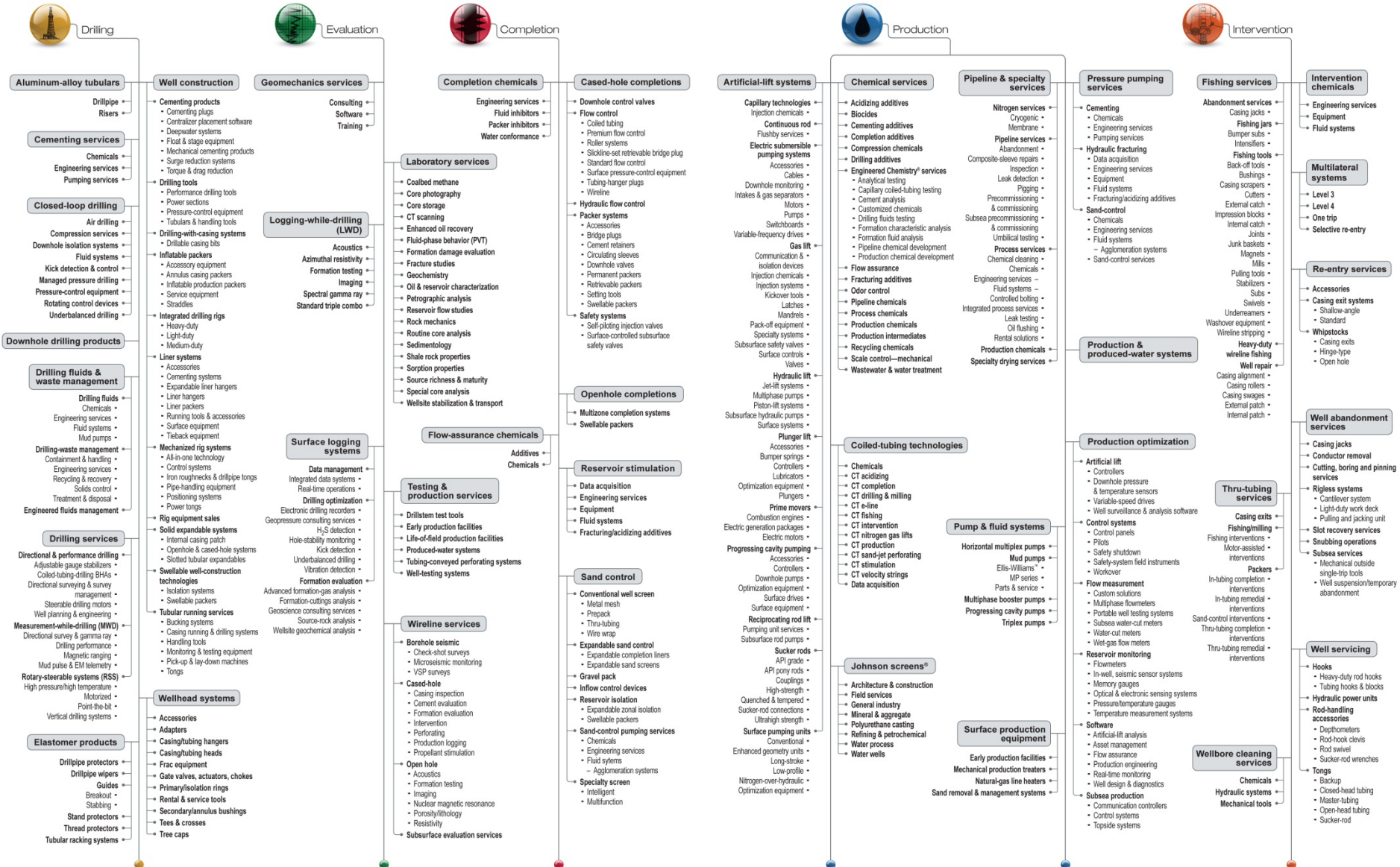
**2012E**  
\$14.4B\*

Artificial Lift & Production Optimization  
Well Construction  
Drilling Tools  
Completion  
Re-Entry & Fishing  
Stimulation & Chemicals  
Pipeline & Specialty Services  
Drilling Services  
Wireline  
Integrated Drilling



**100+ Countries**  
**~63,000 Employees**

# Product and Service Portfolio: Breadth & Depth



# Infrastructure: Reach

## North America

Service Locations	410
Manufacturing Facilities	49
Employees	30%

## Latin America

Service Locations	111
Manufacturing Facilities	12
Employees	19%

## Europe/West Africa/FSU

Service Locations	207
Manufacturing Facilities	19
Employees	25%

## Middle East/North Africa/Asia

Service Locations	182
Manufacturing Facilities	18
Employees	26%

## Total Service and Manufacturing Facilities

1,008



## International

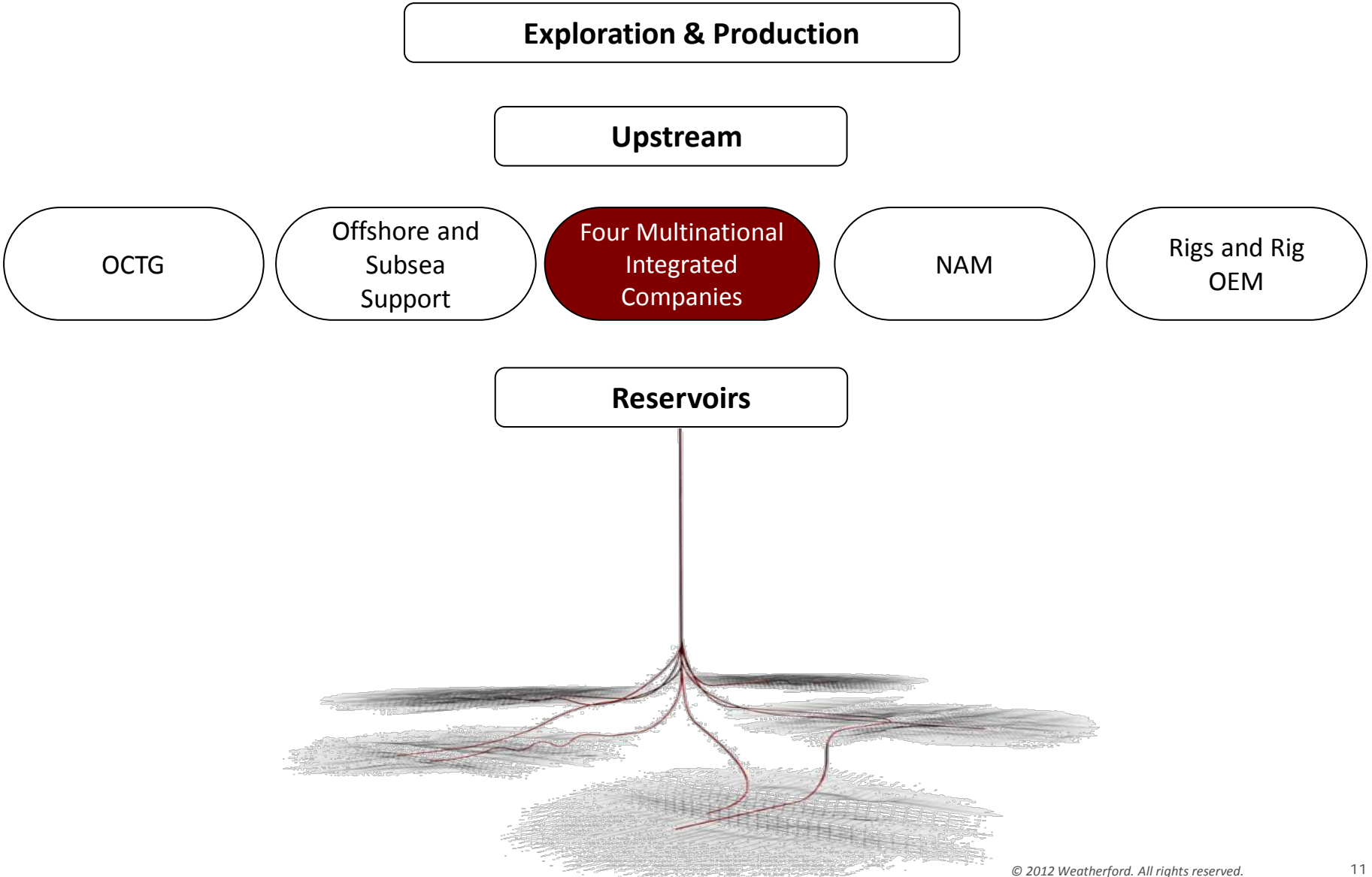
500 Service Locations  
49 Manufacturing Facilities

- Weatherford locations
- Regional offices
- Corporate headquarters

# International Infrastructure: A Typical Operation



# Where Do We Belong?



# What Makes Us Different?

- Predominantly land
- Oil bias
- Low market saturation
- Limited overlap
- Differentiating technology

## What Moves Us Specifically

- Geographic Saturation
- Focus on Production
- Unconventionals

# Value Drivers: Geographic Saturation

**Natural level = 5% - 7%**

North America

\$7.0B\*

~4.4% E&P  
Expenditure\*\*

International

\$7.4B\*

~1.7% E&P  
Expenditure\*\*

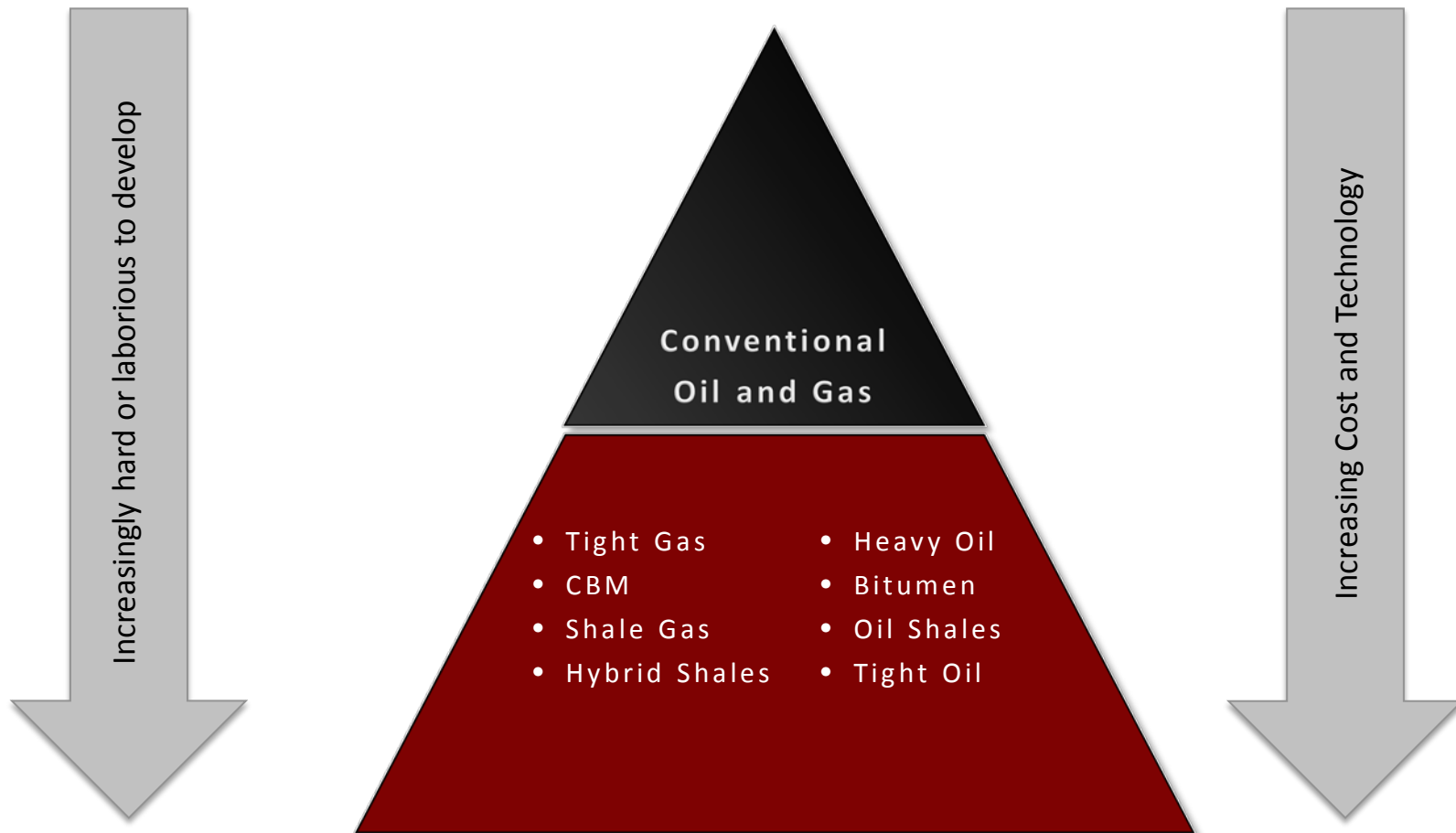
\*Revenue – Three months ended March 31, 2012 annualized

\*\*Barclays Capital

# Focus on Production

- Secular
  - Aging of exploited reservoirs = deeper/hotter/less productive, heavier, greater maintenance, technology and service demands
  - Shale
  - Heavy Oil
  
- Market Leadership – Core Business
  - All forms of lift
  - Global footprint
  - Continued growth – Eastern Hemisphere expansion
  - Strong technology, continued innovation – hardware, software
  - Providing both individual lift and integrated production management systems
    - 350,000 wells under our real-time production management platform
  
- Magnet for other Production related services
  - Formation Evaluation
  - Completion
  - Stimulation

# Unconventional Resources



## Global Perspective

- Scarcity of conventional resources will lead to unconventional resources playing an increasing role in supply growth
- Unconventional projects will rival offshore projects in total investment, due to large number of wells and extensive surface facilities

# Value Drivers: Varying Unconventional Resources

- **Heavy Oil:**

Reservoirs with < 22° API, 100 centipoise oil

- Composed of Heavy, Extra Heavy and Bitumen classifications
- Multiple production methods depending on type and depth – cold to thermal
- Typically sands, often shallow

- **Shale Liquids:**

Same reservoir characteristics as Shale Gas (low porosity, ultra-low permeability)

- Either high associated condensate content (wet gas) or containing oil as the primary hydrocarbon

- **Shale Oil:**

Same reservoir characteristics as Shale Gas (low porosity, ultra-low permeability)

- Thick organic rich formations, source rock is the reservoir
- Require extensive stimulation and predominantly horizontal wells to produce

- **Tight Oil:**

Same reservoir characteristics as Tight Gas

- Conventional reservoirs containing saturated oil
- Benefit from hydraulic fracturing and associated completion techniques to recover reserves
- Often multi-zone (stacked reservoir) type environments

- **Tired Oil:**

Conventional reservoirs with conventional characteristics

- Late in production life where oil has been bypassed by conventional recovery techniques
- Novel formation evaluation and fit for purpose drilling/sidetrack/intervention techniques are required and applied to access and produce these reserves

- **Tight Gas Reservoirs:**

Low porosity and low permeability reservoirs

- Typically require stimulation to produce
- Multiple stacked reservoirs, Majority sand, though increasing tight carbonates

- **Coalbed Methane / Coal Seam Gas:**

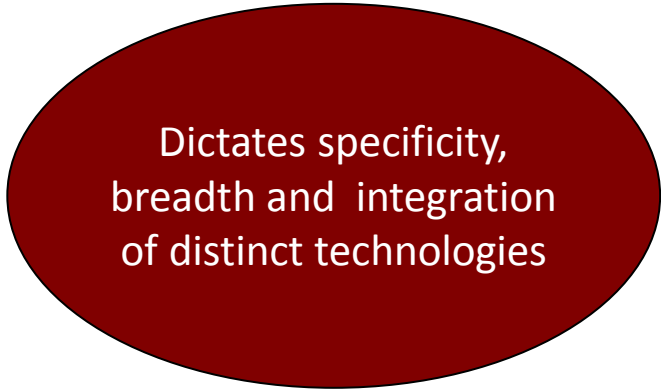
Gas is produced from coal seams

- Must reduce pressure by pumping water before gas produced
- Typically < 1,000 m depth

- **Shale Gas:**

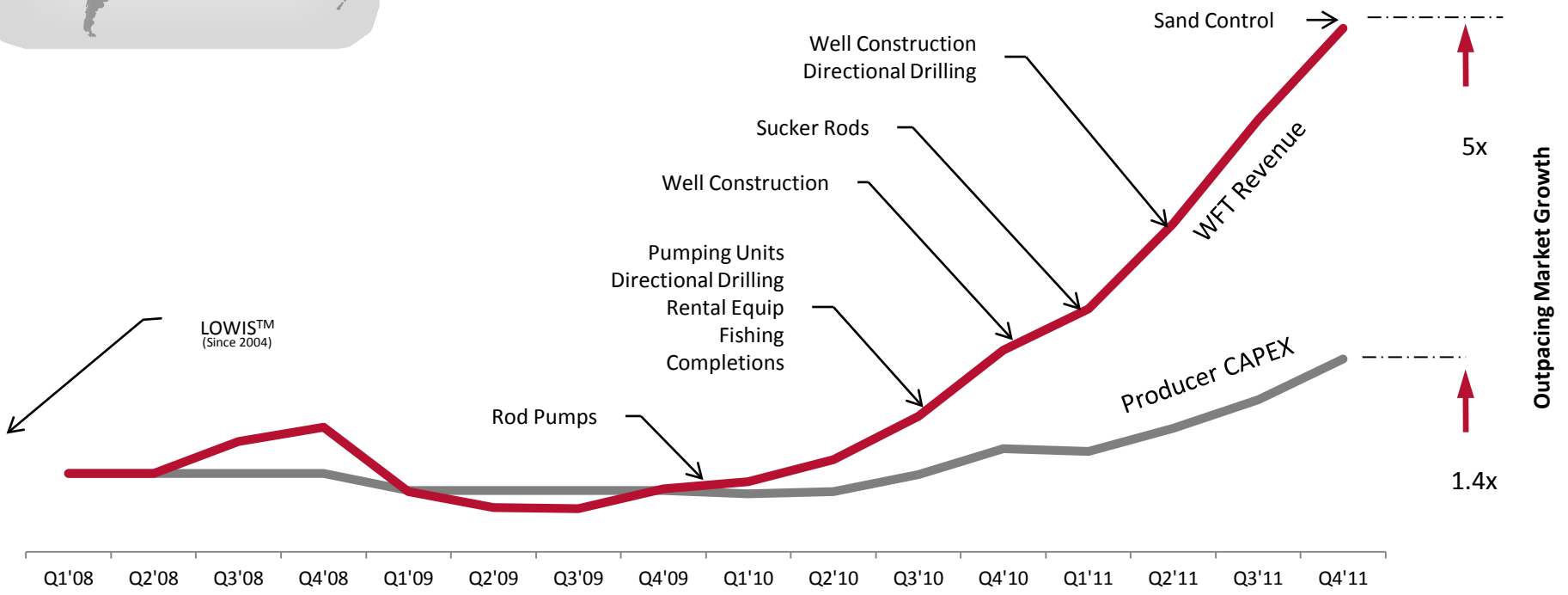
Low porosity, extremely low permeability reservoirs

- Thick organic rich formations, source rock is the reservoir
- Require extensive stimulation and predominantly horizontal wells to produce



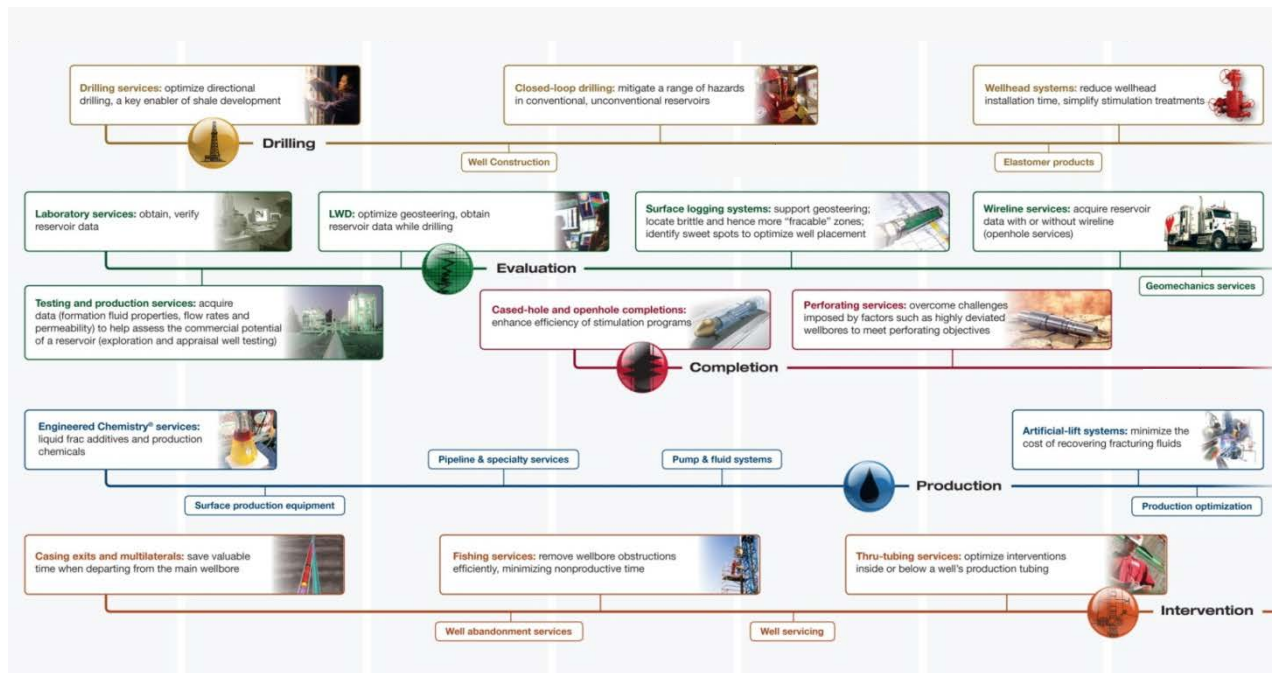
Dictates specificity,  
breadth and integration  
of distinct technologies

# Strategic Partnering: Outpacing Secular Growth



# Unconventionals: Disproportionate Importance of Technology

## Technology Differentiation



MotorySteerable™ System

Total Depth<sup>SM</sup> Services

Spectral Azimuthal  
Gamma Ray (SAGR™) LWD

Surface Gas Chromatography

Core Analysis  
at Well Site

Memory Cross Dipole  
Sonic & Micro-imaging

Openhole Zonal isolation

Smart Sleeves

Artificial Lift

Production Optimization

## Near-Term View

# Near-Term View

## North America

- Strength around liquids
- Retrenchment of gas

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## Latin America

- Strength in Argentina, Colombia, Mexico and Venezuela

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## Eastern Hemisphere

- Strength in Russia
- Strength in Asia driven by China and Australia
- Progress in the Middle East primarily driven by Saudi Arabia and Kuwait
- Increased focus on exploration of unconventional plays

# Future Value Creation

- Long Technology
- Harvest immaturity
- Focus on Production and Unconventionals
  
- Discipline as a Core Value
  
- Financial Value:
  - Top line growth
  - Maximize margins
  - Utilization of capital

# Multi-Year Financial Objectives

## Growth Targets

- Revenue: 20% per annum, similar to past five years

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## Margin Expansion (EBIT)

- Recent Peak: NAM = 29.8%  
International = 25.2%
- Recent Trough: NAM = negative  
International = 5%

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## Capital Efficiency

- Working Capital: 38% of revenue to 30%\*
- Capex: 10% – 15% of revenue
- Capital Intensity of Growth: ~0.70 cents per dollar of revenue

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## Return Expansion

- Targeted ROCE > 20%

*Bernard Duroc-Danner: "Improving our returns and managing our capital more efficiently are strategic imperatives of this Company. We expect to achieve this without losing the traditional growth and entrepreneurial strengths we are known for."*

# Multi-Year Financial Objectives Continued

## Working Capital

- Targeted DSO: 76 days\*
- Targeted DSI: 75 days\*\*

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## Improve Returns

- Improve Capex Returns
- Capital Efficiency: Generate FCF 2013
- Increase Margins: Disciplined structure not just about growth

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## Taxes

- Remediation
- Lower Tax Rate
- Multi-Year tax optimization

\* Q1 2012 DSO: 84 days

\*\*Q1 2012 DSI: 83 days



This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 concerning, among other things, Weatherford's prospects for its operations, expectations regarding future financial results and the resolution of our remediation of our material weakness in internal controls over financial reporting of income taxes, which are subject to certain risks, uncertainties and assumptions. These risks and uncertainties, which are more fully described in Weatherford International Ltd.'s reports and registration statements filed with the SEC, include but are not limited to the impact of oil and natural gas prices and worldwide economic conditions on drilling activity, the outcome of pending government investigations and litigation, our ability to maintain robust internal controls over financial reporting, the demand for and pricing of Weatherford's products and services, domestic and international economic and regulatory conditions, changes in tax and other laws affecting our business, results of our tax planning efforts, effects of extreme weather conditions and global political instability. Should one or more of these risks or uncertainties materialize, or should the assumptions prove incorrect, actual results may vary materially from those currently anticipated.