

SCHLUMBERGER LIMITED/THE RAYTHEON COMPANY

UNDERTAKINGS PURSUANT TO SECTION 75G  
OF THE FAIR TRADING ACT 1973

Whereas:

- Schlumberger Limited ('the Company') has made an offer to acquire from The Raytheon Company the entire issued share capital of Seismograph Service Limited ('SSL') and Schlumberger Technology Corporation (a wholly-owned subsidiary of the Company) has made an offer to acquire the entire issued share capital of Geoquest Systems Incorporated;
- The Secretary of State has power to refer that merger situation ('the Merger') to the Monopolies and Mergers Commission ('the Commission') under section 75 of the Fair Trading Act 1973 ('the Act');
- The Director General of Fair Trading ('the Director') has made a recommendation to the Secretary of State under section 76 of the Act that such a reference should be made, and has given advice to the Secretary of State specifying that the Merger may have or might be expected to have effects adverse to the public interest by reducing competition in the supply of borehole seismic services, to the extent that the merged group would have a dominant position which it might be able to exploit to the detriment of customers by raising prices;

With a view to remedying or preventing those effects adverse to the public interest, and providing for the division of a business as contemplated by section 75G(2) of the Act, the Company gives the following undertakings to the Secretary of State pursuant to

section 75G of the Act:

1. The Company will procure the completion, not later than 15 months from the date on which it acquires a controlling interest in SSL or such other date as may be agreed in writing by the Secretary of State, of the disposal of all interests in the Business to a person, and on terms, which shall first have been approved in writing by the Director (the Director's approval not to be unreasonably withheld or delayed).
  
2. After the disposal pursuant to paragraph 1 above, except with the prior written consent of the Secretary of State or as otherwise provided in these undertakings:
  - (a) the Company will not, and will procure that its subsidiaries will not, directly or through any nominee or trustee:
    - (i) hold any interest in the Business;
    - (ii) hold any shares or interest in shares in any company carrying on or having control of the Business;
    - (iii) hold any other interest carrying an entitlement to vote at meetings of any such company;
    - (iv) acquire, other than in the ordinary course of business, any assets of the Business;
  
  - (b) the Company will procure that no employee or director of the Company or any of its subsidiaries will hold any directorship or managerial position in any company or other undertaking carrying on or having control of the Business; and will not, and will procure that its subsidiaries will not,

nominate any person to any such directorship or managerial position;

(c) the Company will not, and will procure that its subsidiaries will not, participate in the making of, or influence or attempt to influence, the policy with respect to the Business of any person carrying on or having control of the Business;

(d) the Company will not, and will procure that its subsidiaries will not, enter into or carry out any agreement which will or may result in any person associated with the Company, directly or through any trustee or nominee, doing any of the things listed in (i) to (iv) of sub-paragraph (a) above.

3. Prior to any disposal pursuant to paragraph 1 above, the Company will, and will procure that its subsidiaries will, take no steps which might impede compliance with that paragraph or which might impede the ability of the Business to operate viably as a going concern following the disposal and, without prejudice to the generality of this paragraph, will (after it has acquired a controlling interest in SSL) procure that:

(a) no assets, or interest in any assets, used in the Business are transferred or disposed of;

(b) the nature, standard and extent of the activities of the Business are maintained;

(c) no steps are taken which might lead to the integration of the Business with any other business;

provided that this paragraph shall not prevent any transfer or disposal of assets or adjustment to the activities of the Business in the ordinary course of business.

4. The Company will, and will procure that its subsidiaries will, provide promptly to the Director such information as he may reasonably require for the purpose of ascertaining whether the above undertakings are being or will be complied with.
  
5. Nothing in these undertakings shall prevent:
  - (a) the sale contemplated by paragraph 1 above being implemented as part of a larger transaction or by one or more transactions with one or more persons with completion at different times;
  
  - (b) the Company or any of its subsidiaries holding any shares or any interest in shares in any company carrying on or having control of the Business if the aggregate holding or interest of the Company, bodies corporate interconnected with the Company, and persons associated with any of them, in that company relates to less than 15 per cent of its issued share capital and carries less than 15 per cent of the voting rights exercisable at its shareholders' meetings;
  
  - (c) the Company or any of its subsidiaries entering into or carrying out any agreement if the carrying out of that agreement would result in any person associated with the Company holding any shares or any interest consistent with sub-paragraph (b) above.

In these undertakings:

"agreement" has the same meaning as in section 137(2) of the Act;

references to persons being associated with one another are to be construed in accordance with section 77(4) of the Act;

the reference to bodies corporate being interconnected is to be construed in accordance with section 137(5) of the Act;

"borehole seismic services" means the service by which various properties of an oil or gas well and the surrounding reservoir are measured, collected and analysed through the use of receivers placed in the well which record acoustic vibrations made from the surface of the water or of the earth outside the well or from another well;

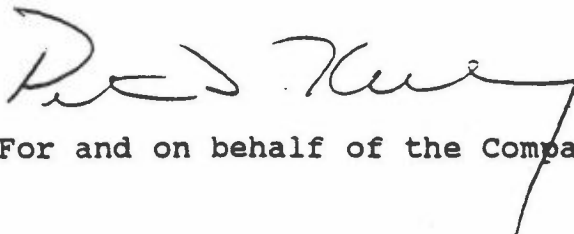
"the Business" means the entire business of SSL and its subsidiaries consisting in the supply of borehole seismic services;

"control" is to be construed in accordance with section 65(3) of the Act, but in any event, in the case of a body corporate, a person shall be deemed to control it if he holds or has an interest in shares of that body corporate amounting to 15 per cent or more of its issued share capital or carrying 15 per cent or more of the voting rights exercisable at its shareholders' meetings;

an "interest" in shares includes an entitlement, by a person other than the registered holder, to exercise any right conferred by the holding of those shares or an entitlement to control the exercise of any such right;

"subsidiary" has the same meaning as in section 736 of the Companies Act 1985.

Signed



For and on behalf of the Company

Date 19<sup>th</sup> November 1992