WEATHERFORD INTERNATIONAL LTD.
4-6 Rue Jean-François Bartholoni
1204 Geneva, Switzerland

PROSPECTUS

Published in Connection with the Admission of Weatherford International Ltd.'s Registered Shares
to Listing and Trading on the Professional Segment of NYSE Euronext Paris

AUTORITÉ
DES MARCHÉS FINANCIERS

Pursuant to Articles L. 412-1 and L. 621-8 of the *Code Monétaire et Financier* and Articles 211-1 to 216-1 of its General Regulation, the *Autorité des marchés financiers* ("AMF") granted visa number 09-277 dated September 29, 2009 on this prospectus. This prospectus has been prepared by the issuer and its signatory accepts the responsibility for its contents. In accordance with the provisions of Article L. 621-8-1-I of the *Code Monétaire et Financier*, the visa was granted after the AMF verified that the document was complete and comprehensible and that the information it contains was internally consistent. It does not imply that the AMF endorses the proposed transaction nor that it has validated the accounting and financial information presented herein.

Copies of this prospectus may be obtained free of charge from Weatherford International Ltd. at the address indicated above and from its paying agent in France, Société Générale – Titres et Bourse (Postal address: 32, rue du Champ de Tir, BP 81236, 44312 Nantes Cedex 3, France), and on the websites of Weatherford International Ltd. (www.weatherford.com) and the AMF (www.amf-france.org).

NOTE TO THE PROSPECTUS

This prospectus is published solely in connection with the admission of Weatherford International Ltd.'s Registered Shares to listing and trading on the Professional Segment of NYSE Euronext Paris ("Euronext"). This prospectus is not published in connection with and does not constitute an offer of securities by or on behalf of Weatherford International Ltd.

Pursuant to Article 516-19 of the AMF General Regulation, an investor other than a qualified investor, within the meaning of b) of Point 4 of II of Article L. 411-2 of the Monetary and Financial Code, may not purchase Weatherford International Ltd.'s Registered Shares on the Professional Segment of Euronext unless such investor takes the initiative to do so and has been duly informed by the investment services provider about the characteristics of the segment.

The distribution of this prospectus in certain jurisdictions may be restricted by law, and therefore persons into whose possession this prospectus comes should inform themselves of and observe any such restrictions.

This prospectus contains forward-looking statements concerning, among other things, the prospects for Weatherford International Ltd.'s operations, which are subject to certain risks, uncertainties and assumptions. The various assumptions Weatherford International Ltd. uses in its forward−looking statements, as well as risks and uncertainties relating to those statements, are set out in "Forward−Looking Statements" on pages 32 – 35 of Weatherford's Form 10-Q (as defined below).

This prospectus, which contains material information concerning Weatherford International Ltd., was established pursuant to Articles 211-1 to 216-1 of the AMF General Regulation. Pursuant to Article 25 of Commission Regulation (EC) No 809/2004 of 29 April 2004 (the "Prospectus Regulation"). This prospectus is composed of the following parts in the following order:

(1) a table of contents;

(2) the summary provided for in Article 5(2) of Directive 2003/71/EC;

(3) the risk factors linked to the issuer and the type of security covered by the issue; and

(4) the cross-reference lists stipulated in Article 25.4 of the Prospectus Regulation presenting the information in the order stipulated in Annexes I and III of the Prospectus Regulation which, by application of Articles 3, 4, and 6 thereof, are required for this transaction.

This prospectus also contains in Chapter C supplemental information concerning Weatherford International Ltd. and its business, provided at the AMF's request. For a better understanding of the summary of the prospectus in Chapter A, the reader should read the entire prospectus, including Chapter C: Supplemental Information concerning Weatherford International Ltd., contained on pages 18 – 28.

Further, the prospectus contains the following documents:

- Annual Report on Form 10-K for the fiscal year ended December 31, 2008, filed by Weatherford International Ltd. with the U.S. Securities and Exchange Commission (the "SEC") on February 24, 2009 ("Weatherford's 10-K");

- Quarterly Report on Form 10-Q for the quarter ended June 30, 2009, filed by Weatherford International Ltd. with the SEC on August 3, 2009 ("Weatherford's 10-Q");

- Definitive Proxy Statement on Schedule 14A, filed by Weatherford International Ltd. with the SEC on April 2, 2009 ("Weatherford's Proxy Statement");

- Current Report on Form 8-K12B filed by Weatherford International Ltd. with the SEC on February 26, 2009;

- Current Report on Form 8-K filed by Weatherford International Ltd. with the SEC on May 29, 2009;

- Current Report on Form 8-K filed by Weatherford International Ltd. with the SEC on June 9, 2009;

- Current Report on Form 8-K furnished by Weatherford International Ltd. to the SEC on July 20, 2009, relating to the quarter ended June 30, 2009;

- Current Report on Form 8-K filed by Weatherford International Ltd. with the SEC on July 22, 2009;

- Current Report on Form 8-K filed by Weatherford International Ltd. with the SEC on July 27, 2009;

- Current Report on Form 8-K filed by Weatherford International Ltd. with the SEC on September 17, 2009, including the Articles of Association of Weatherford International Ltd.;

- Organizational Regulations dated as of February 25, 2009 of Weatherford International Ltd.; and

- Consolidated Financial Statements of Weatherford International Ltd. as of December 31, 2007 and December 31, 2006 and for each of the three years ended in the period December 31, 2007.

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COMPANY REPRESENTATIVE FOR PROSPECTUS

1.1 Bernard J. Duroc-Danner, President and Chief Executive Officer of Weatherford International Ltd., acting for and on behalf of Weatherford International Ltd.

1.2 I hereby declare, after taking all reasonable measures for this purpose and to the best of my knowledge, that the information contained in this prospectus is in accordance with the facts and that the prospectus makes no material omission.

/s/ Bernard J. Duroc-Danner

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Bernard J. Duroc-Danner
President and Chief Executive Officer of
Weatherford International Ltd.

Geneva, Switzerland, September 28, 2009

CHAPTER A:
PROSPECTUS SUMMARY

NOTE TO THE PROSPECTUS SUMMARY

VISA NUMBER 09-277 DATED SEPTEMBER 29, 2009 OF THE AMF

Note to the reader

This summary should be read as an introduction to the prospectus. Any decision to invest in the securities should be based on consideration of the prospectus as a whole by the investor. Where a claim relating to the information contained in a prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States of the European Community or States party to the European Economic Area Agreement, have to bear the costs of translating the prospectus before the legal proceedings are initiated. Civil liability attaches to the persons who presented the summary, and any translation thereof, only if the content of the summary is misleading, inaccurate or inconsistent when read with other parts of the prospectus.

The following is a summary of some of the information contained in this prospectus. We urge you to read this entire document carefully, including the risk factors, our historical consolidated financial statements and the notes to those financial statements. References in this prospectus to the "Company," "we," "us," "our" and "Weatherford" are to Weatherford International Ltd., a Swiss joint stock corporation ("Weatherford-Switzerland"), or, prior to February 26, 2009, to Weatherford International Ltd., a Bermuda exempted company ("Weatherford-Bermuda"), which, as of that date, became a direct, wholly owned subsidiary of Weatherford-Switzerland and its subsidiaries, collectively. For further information on Weatherford's corporate reorganization, please see Chapter C Section 1.1 of this prospectus and the risk factors set out on pages 15 – 16 of Weatherford's Form 10-K.

I. GENERAL DESCRIPTION OF WEATHERFORD INTERNATIONAL LTD.

1.1 Introduction

Weatherford is one of the world's leading providers of equipment and services used in the drilling, evaluation, completion, production and intervention of oil and natural gas wells. We were originally incorporated in Delaware in 1972, and as a result of our corporate reorganization in 2008, are now incorporated in Switzerland. Many of our businesses, including those of Weatherford Enterra, have been operating for more than 50 years.

Our product offerings can be grouped into ten service lines: 1) drilling services; 2) artificial lift systems; 3) well construction; 4) completion systems; 5) integrated drilling; 6) drilling tools; 7) re-entry and fishing; 8) stimulation and chemicals services; 9) wireline and evaluation services; and 10) pipeline and specialty services.

We operate in approximately 100 countries, which are located in nearly all of the oil and natural gas producing regions in the world. Our operational performance is segmented and reviewed on a geographic basis, and we report the following regions as reporting segments: (1) North America, (2) Latin America, (3) Europe/West Africa/the Former Soviet Union ("FSU") and (4) Middle East/North Africa/Asia.

The following chart contains net operating revenues by reporting segments for 2008, 2007 and 2006:

	Years Ended December 31		
	2008	2007	2006
North America	$ 4,460,147	$ 3,937,456	$ 3,672,630
Middle East/North Africa/Asia	2,391,520	1,823,769	1,352,758
Europe/West Africa/FSU	1,539,190	1,188,519	827,343
Latin America	1,209,707	882,318	726,197
Total	$ 9,600,564	$ 7,832,062	$ 6,578,928

1.2 Growth Strategy

Our growth strategy has included a mix of organic product and service development, the acquisition of key technologies, products and services and several notable divestitures. One of our most substantial acquisitions was in August 2005, when we acquired Precision Energy Services and Precision Drilling International. Precision Energy Services broadened our wireline and directional capabilities and strengthened our controlled pressure drilling and testing product lines. Precision Drilling International added land rigs to our portfolio, primarily in the Eastern Hemisphere.

1.3 Outlook and Forward View

During 2009, we expect to increase the number of Integrated Project Management (IPM) contracts we perform. IPM contracts are contracts under which we bring together multiple products and services, including the drilling rig, to deliver completed wells to our customer. During 2009, we expect to add operational strings to existing contracts and to start new projects. All of this work is outside North America.

We are integrating our acquisition of the Oilfield Services Division of TNK-BP International Ltd. ("TNK-BP") during the second half of 2009. We expect the skills, processes, assets and infrastructure that we have added to our business in the FSU as a result of the acquisition to provide opportunities to exploit the future growth of this market. For further information on this acquisition, see Section V below.

While North America remains an important market for us, we foresee the main oil field services growth opportunities over the next five years will be in international markets. Over this period Weatherford expects its revenue profile to change. Ultimately we expect the balance of our revenues will comprise approximately 20% of revenues deriving from North America, 25% from Latin America and 55% from the Eastern Hemisphere. As we continue to grow and to exploit our scale and strategic position, we expect improved returns on capital.

II. INFORMATION RELATING TO ADMISSION TO LISTING AND TRADING ON EURONEXT

Issuer	Weatherford International Ltd., a corporation governed by the laws of Switzerland, with its principal executive offices at 4-6 Rue Jean-François Bartholoni, 1204 Geneva, Switzerland, and its registered office at Alpenstrasse 15, 6300 Zug, Switzerland.
Stock Exchange Listing	Our Registered Shares (as defined below) are listed on the New York Stock Exchange ("NYSE") under the symbol "WFT." We have applied for admission to listing and trading on the Professional Segment of Euronext of 758,446,637 Registered Shares issued as of September 17, 2009. On September 28, 2009, Euronext approved our application for listing and trading of our Registered Shares on Euronext. Our Registered Shares will be listed under the symbol "WFT."

	In light of its recent corporate reorganization, Weatherford is attracting greater numbers of investors based outside of the United States, particularly in Europe. The Euronext listing is intended to promote additional liquidity for all investors and provide greater access to Weatherford's shares among European fund managers who may be required to invest in Euro-zone markets or currencies only.
Transfer Agent and Registrar for Registered Shares	American Stock Transfer & Trust Company, LLC.
Paris Paying Agent	Société Générale – Titres et Bourse (32, rue du Champ de Tir, BP 81236, 44312 Nantes Cedex 3, France) is acting as Weatherford's paying agent for France ("the Paying Agent").
Securities Identification Code	The CUSIP number assigned to the Registered Shares is H27013103. The ISIN is CH0038838394.
Authorized Capital	The share capital of Weatherford is CHF 879,798,098.92 and is divided into 758,446,637 fully paid-in registered shares, par value CHF 1.16 per share (the "Registered Shares").
Authorized but Unissued Capital Stock and Conditional Capital Stock	Our Board of Directors (the "Board") is authorized to issue new Registered Shares at any time during the two-year period beginning February 26, 2009 and thereby increase our share capital, by a maximum amount of 50% of the share capital registered in the commercial register without obtaining additional shareholder approval. After the expiration of this two-year period, and each subsequent two-year period, authorized share capital will be available to the Board for issuance of additional Registered Shares only if new authorized capital is created to that effect by the shareholders. Accordingly, subject to the above limitations, the Board may issue at any time until February 25, 2011, up to a maximum of 334,856,309 Registered Shares at a price equal to or higher than the par value of CHF 1.16 per share without authorization from the shareholders. Any issue of Registered Shares would give rise to a registration requirement under the SEC rules, absent any available exemption, such as an issue of Registered Shares solely to qualified institutional buyers. Weatherford has equity compensation plans under which Registered Shares may be provided to directors and employees of the Company. Weatherford's obligations in this respect may be satisfied either by Registered Shares held in treasury or by newly issued Registered Shares. The additional 24,386,704 Registered Shares that may be issued under such plans, together with the 12,928,856 Registered Shares that may be issued pursuant to the warrants described on page 18 of this prospectus, would represent an aggregate dilution of approximately 4.7%. For further information regarding these equity compensation plan awards, see pages 61 – 64 of Exhibit I (Note 13. Share-Based Compensation Plans), page 13 of Exhibit II (Note 13. Retirement and Employee Benefit Plans) and pages 32 – 39 of Exhibit III (from "Grants of Plan Based Awards in 2008" up to "Pension Benefits").

Dividend Policy	Weatherford has not declared or paid cash dividends on its Registered Shares since 1984. Weatherford currently does not have plans to pay any cash dividends in the near future. See “Dividend Rights” on page 19 of this prospectus.
First Paris Trading Date	Trading in the Registered Shares on the Professional Segment of Euronext is expected to start on October 6, 2009. Weatherford will be continuously traded on Euronext.
Use of Proceeds	We will not receive any proceeds from the admission to listing and trading of our Registered Shares on Euronext.
Currency of Trading	Trading of our Registered Shares on Euronext will be in Euros.
Settlement	Settlement of any transactions on Euronext is expected to occur through the book-entry facilities of Euroclear France.
Liquidity	At this time, Weatherford does not intend to enter into any agreement with a liquidity provider in connection with the listing of its Registered Shares on Euronext. However, Weatherford reserves the right to enter into such agreement in the future, subject to compliance with applicable legislation in France, the United States and Switzerland. Until such time that an agreement is entered into with a liquidity provider (if ever), liquidity in the Registered Shares will result initially from execution on Euronext of sell orders in respect of Registered Shares currently traded on the NYSE and future trading in the Registered Shares on Euronext with settlement through Euroclear France.
Applicable Takeover Rules	Weatherford is subject to various takeover provisions under Swiss, U.S. and French law. See Applicable Takeover Rules on page 22 of this prospectus and pages 13 – 15 of Exhibit IV ("Appraisal Rights and Compulsory Acquisitions” and “Anti-Takeover Provisions").
Market Capitalization	Based on 737,085,102 outstanding Registered Shares as of September 17, 2009, and the closing price of the Registered Shares on the NYSE on September 25, 2009 ($20.61), Weatherford had a market capitalization of approximately $15,191,323,952, which, based on the exchange rate on September 25, 2009 ($1 = EUR 0.68), corresponds to approximately EUR 10,330,100,287. Please find below information concerning the Common Share price performance and shareholder return performance:

Common Share Price Performance

The following table sets forth, for the periods indicated, the range of high and low sales prices per common share as reported on the NYSE. The Board approved a two-for-one share split of its Registered Shares effected through a share dividend. Shareholders of record on May 9, 2008, were entitled to the dividend, which was distributed on May 23, 2008. All prices have been restated to reflect this stock split.

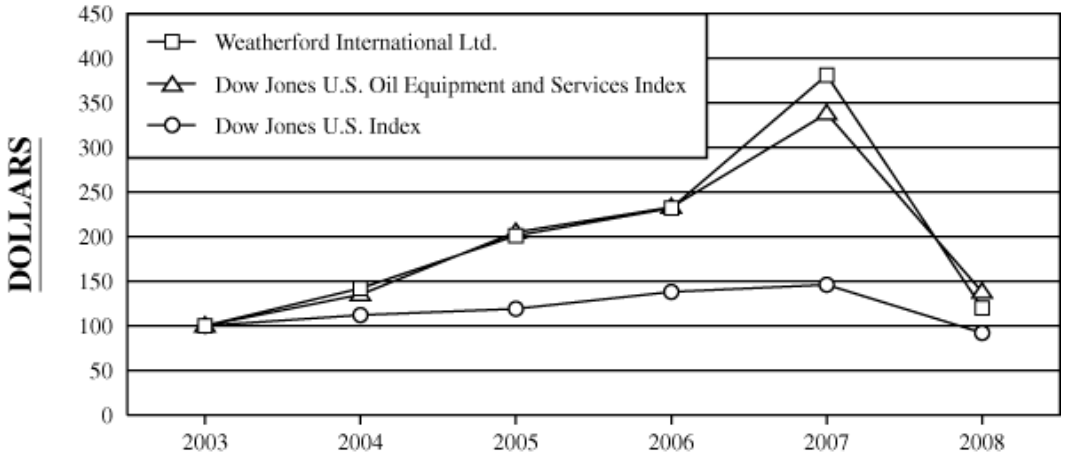
	Price	
	High	Low
Year ending December 31, 2008		
First Quarter	$ 36.82	$ 25.91
Second Quarter	49.98	34.96

	Price	
	High	Low
Third Quarter	49.76	22.26
Fourth Quarter	24.69	7.75
Year ending December 31, 2007		
First Quarter	$ 23.51	$ 17.95
Second Quarter	29.52	22.52
Third Quarter	35.50	24.31
Fourth Quarter	36.11	28.18

Performance Graph

This graph compares the yearly cumulative return on our Registered Shares with the cumulative return on the Dow Jones U.S. Oil Equipment & Services Index and the Dow Jones U.S. Index for the last five years. The graph assumes the value of the investment in Weatherford's Registered Shares and each index was $100 on December 31, 2003. The stockholder return set forth below is not necessarily indicative of future performance.

Comparison of Five Year Total Return



III. MAJOR SHAREHOLDERS

The following table shows information for each person known by Weatherford to beneficially own 5% or more of the outstanding Registered Shares as of March 23, 2009.

Name and Address of Beneficial Owner	Number of Registered Shares[1]	Percent of Outstanding Registered Shares
ClearBridge Advisors, LLC[2] 620 8th Avenue New York, New York 10018, U.S.A.	58,201,085	8.3
FMR LLC[3] Edward C. Johnson 3d 82 Devonshire Street Boston, Massachusetts 02109, U.S.A.	54,700,158	7.8
Wellington Management Company, LLP[4] 75 State Street Boston, Massachusetts 02109, U.S.A.	35,970,900	5.2

(1), (2), (3), (4): See page 17 of Weatherford's Proxy Statement.

IV. RISK FACTORS

Set forth below are summaries of certain of the risks, uncertainties and other factors that may affect our future results. The full description of these and other risk factors is included on pages 12 – 16 of Weatherford's 10-K and on pages 32 – 35 of Weatherford's 10-Q, attached respectively as Exhibits I and II to this prospectus. The risk factors summarized below should be read in conjunction with the other risk factors in Weatherford's 10-K and Weatherford's 10-Q.

- Our long-term growth depends upon technological innovation and commercialization.
- Current turmoil in the credit markets may reduce our access to capital or reduce the availability of financial risk-mitigation tools.
- We have significant operations that would be adversely impacted in the event of war, political disruption, civil disturbance, economic and legal sanctions or changes in global trade policies.
- Our significant operations in foreign countries expose us to currency fluctuation risks.
- The anticipated benefits of moving our principal executive offices to Switzerland may not be realized, and difficulties in connection with moving our principal executive offices could have an adverse effect on us.
- We are involved in several governmental and internal investigations, which are costly to conduct, have resulted in a loss of revenue and may result in substantial financial penalties, including as follows:
  - The U.S. Department of Justice ("DOJ") and the SEC are conducting investigations of Weatherford's participation in the oil-for-food program and have subpoenaed certain documents in connection with these investigations.
  - The U.S. Department of Commerce, Bureau of Industry & Security, Office of Foreign Assets Control, DOJ and SEC are investigating allegations of improper sales of products and services by the Company and its subsidiaries in certain sanctioned countries.
  - The DOJ and SEC are investigating the embezzlement of approximately $175,000 at a European subsidiary and the possible improper use of these funds, including possible payments to government officials in Europe, during the period from 2000 to 2004, and the Company's compliance with the Foreign Corrupt Practices Act and other laws worldwide.

  For further information regarding these legal proceedings, please refer to Note 15. Disputes and Litigation on pages 16 – 17 of Weatherford's 10-Q.

V. RECENT DEVELOPMENTS

On July 20, 2009, Weatherford reported second quarter 2009 income from continuing operations of $69 million, or $0.10 per diluted share, excluding an after tax loss of $0.04 for investigation and exit costs incurred in connection with the Company's withdrawal from sanctioned countries and severance costs principally associated with restructuring activities. Second quarter diluted earnings per share from continuing operations reflect a decrease of 77 percent over the second quarter of 2008 diluted earnings per share from continuing operations of $0.43, before non-recurring items, mainly due to a combination of record low seasonal activity in Canada and greater than anticipated pricing declines in both the United States and Canada. For further information, see Exhibit VII.

On July 27, 2009, Weatherford completed its previously disclosed acquisition of the Oilfield Services Division of TNK-BP from Novy Investments Limited, an affiliate of TNK-BP. Weatherford originally disclosed on Form 8-K its entry into the related Sale and Purchase Agreement on May 29, 2009 (see Exhibit V), including its obligations to enter into a registration rights agreement with TNK-BP at completion and register with the SEC the 24.3 million shares issued in the transaction to facilitate TNK-BP's re-sale of these shares. For further information, see Exhibit IX.

VI. FINANCIAL INFORMATION CONCERNING WEATHERFORD INTERNATIONAL LTD. FOR THE FISCAL YEARS ENDED DECEMBER 31, 2008, 2007 AND 2006 AND THE QUARTER ENDED JUNE 30, 2009

The consolidated financial statements of Weatherford set out in this prospectus have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), as authorized by the decision of the European Commission of December 12, 2008.

The following selected financial data of Weatherford have been derived from the historical consolidated financial statements referred to below and should be read in conjunction with the consolidated financial statements and the notes included therein. The data reflect the 2008 two-for-one stock split.

For the audited consolidated balance sheets of Weatherford as of December 31, 2008 and 2007, and the related consolidated statements of income, cash flows, and stockholders' equity for each of the three years in the period ended December 31, 2008 and the report of the Independent Registered Public Accounting Firm with respect to such consolidated financial statements, the reader's attention is called to the Weatherford's 10-K, which is attached as Exhibit I to this prospectus.

For the audited consolidated balance sheets of Weatherford as of December 31, 2007 and 2006, and the related consolidated statements of income, cash flows, and stockholders' equity for each of the three years in the period ended December 31, 2007 and the report of the Independent Registered Public Accounting Firm with respect to such financial statements, see the Consolidated Financial Statements of Weatherford International Ltd. and subsidiaries, which are attached as Exhibit XII to this prospectus.

The following selected consolidated statements of operations data for the three and six months ended June 30, 2008, and June 30, 2009, and consolidated balance sheet data at June 30, 2009, are derived from Weatherford's unaudited condensed consolidated financial statements, which are contained on pages 2 – 24 of Weatherford's Form 10-Q.

SELECTED THREE YEAR FINANCIAL DATA
(In thousands, except per share data)

Results of Operations

	Years ended December 31,		
	2008	2007	2006
Revenues	$ 9,600,564	$ 7,832,062	$ 6,578,928
Operating Income	1,978,549	1,624,336	1,354,687
Income from Continuing Operations	1,366,831	1,091,975	906,106
Net Income Attributable to Weatherford	1,353,903	1,070,606	896,369
Basic Earnings Per Share Attributable to Weatherford from Continuing Operations	2.00	1.61	1.31
Diluted Earnings Per Share Attributable to Weatherford from Continuing Operations	1.96	1.57	1.28

Cash Flow

	Years ended December 31,		
	2008	2007	2006
Net Cash Provided by Operating Activities	$ 1,104,568	$ 872,506	$ 1,087,019
Net Cash Used by Investing Activities	(3,010,055)	(2,233,048)	(1,242,499)
Net Cash Provided by Financing Activities	1,977,531	1,401,629	145,112
Net Increase (Decrease) in Cash and Cash Equivalents	67,684	44,427	(7,958)
Cash and Cash Equivalents at End of Year	$ 238,398	$ 170,714	$ 126,287

Liabilities and Shareholders' Equity

	Years ended December 31,		
	2008	2007	2006
Cash and Cash Equivalents	$ 238,398	$ 170,714	$ 126,287
Total Assets	16,476,513	13,190,957	10,139,248
Short-term Borrowings and Current Portion of Long-term Debt	1,255,947	774,220	648,736
Long-term Debt	4,564,255	3,066,335	1,564,600
Weatherford Shareholders' Equity	8,285,648	7,406,719	6,174,799
Cash Dividends Per Share	-	-	-

SELECTED QUARTERLY FINANCIAL DATA
(In thousands, except per share data – Unaudited)

Results of Operations

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
Revenues	$ 1,994,832	$ 2,229,250	$ 4,250,973	$ 4,425,142
Operating Income	153,365	496,924	464,090	912,458
Income from Continuing Operations, Net of Taxes	50,555	371,368	224,215	660,973
Net Income Attributable to Weatherford	$ 41,981	$ 370,984	$ 206,783	$ 635,185
Basic Earnings Per Share Attributable to Weatherford from Continuing Operations	$ 0.06	$ 0.53	$ 0.30	$ 0.95
Diluted Earnings Per Share Attributable to Weatherford from Continuing Operations	$ 0.06	$ 0.52	$ 0.29	$ 0.93

Cash Flow

	Six Months Ended June 30,	
	2009	2008
Net Cash Provided by Operating Activities	$ 299,913	$ 381,217
Net Cash Used by Investing Activities	(994,525)	(1,054,196)
Net Cash Provided by Financing Activities	661,486	770,243
Net Increase (Decrease) in Cash and Cash Equivalents	(33,126)	97,264
Cash and Cash Equivalents at End of Period	$ 205,272	$ 267,978

Liabilities and Shareholders' Equity

	June 30, 2009	December 31, 2008*
Cash and Cash Equivalents	$ 205,272	$ 238,398
Total Assets	17,365,659	16,476,513
Short-term Borrowings and Current Portion of Long-term Debt	692,535	1,255,947
Long-term Debt	5,805,036	4,564,225
Weatherford Shareholders' Equity	8,749,450	8,285,648

* Derived from audited consolidated balance sheet.

At June 30, 2009, Weatherford had availability under its committed borrowing facilities of $1,607 million. For further information about Weatherford's short-term borrowings and long-term debt, see pages 29 – 31 and 56 – 59 of Weatherford's Form 10-K and the updated information at June 30, 2009, set out on pages 8 – 9 and 30 – 32 of Weatherford's Form 10-Q.

VII. DOCUMENTS ON DISPLAY

Our Internet address is www.weatherford.com. General information about us, including our Corporate Governance Policies and charters for the committees of our Board, can be found on our Web site. On our Web site we make available, free of charge, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the U.S. Securities Exchange Act of 1934 (the "Exchange Act") as soon as reasonably practicable after we electronically file or furnish them to the SEC. The SEC maintains an internet site that contains our reports, proxy and information statements, and our other SEC filings. The address of that site is www.sec.gov. References to our website do not constitute incorporation by reference of the information contained on our website and such information is not part of this prospectus.

Copies of the above referenced information will also be made available, free of charge, by calling +41-41-729-4242 or upon written request to:

Weatherford International Ltd.
Investor Relations
4-6 Rue Jean-François Bartholoni
1204 Geneva, Switzerland

CHAPTER B:
RISK FACTORS

I. BUSINESS RISK FACTORS

Set forth below are summaries of the risks, uncertainties and other factors that may affect our future business and results. The full description of these risk factors is included on pages 32 – 35 (Forward-Looking Statements) of Weatherford's 10-Q and on pages 12 – 16 (Item 1A. Risk Factors) of Weatherford's 10-K.

- Global political, economic and market conditions could affect projected results.
- Our ability to manage our workforce and fixed costs could affect our projected results.
- Our long-term growth depends upon technological innovation and commercialization.
- The downturn in our industry could affect the carrying value of our goodwill.
- Adverse weather conditions in certain regions could adversely affect our operations.
- Current turmoil in the credit markets may reduce our access to capital or reduce the availability of financial risk-mitigation tools.
- Increases in the prices and availability of our raw materials could affect our results of operations.
- Nonrealization of expected benefits from our acquisitions could affect our projected results.
- We have significant operations that would be adversely impacted in the event of war, political disruption, civil disturbance, economic and legal sanctions or changes in global trade policies.
- We are involved in several governmental and internal investigations, which are costly to conduct, have resulted in a loss of revenue and may result in substantial financial penalties.
- Our significant operations in foreign countries expose us to currency fluctuation risks.
- Uninsured claims and litigation could adversely impact our results.
- Customer credit risks could result in losses.
- The capital financing necessary to fund growth may not be available to us at economic rates.
- A terrorist attack could have a material and adverse effect on our business.
- Changes in tax laws could adversely impact our results.
- The anticipated benefits of moving our principal executive offices to Switzerland may not be realized, and difficulties in connection with moving our principal executive offices could have an adverse effect on us.
- The rights of our shareholders will be governed by Swiss law and documents following the redomestication.

- We intend to hold future shareholder meetings in Switzerland, and our required quorum for those meetings may be lower.

- The market for the Weatherford-Switzerland shares may differ from the market for the Weatherford-Bermuda shares, and Weatherford-Switzerland's shares may be removed as a component of certain index-based or other funds.

II. MARKET RISK FACTORS

We are currently exposed to market risk from changes in foreign currency and changes in interest rates. From time to time, we may enter into derivative financial instrument transactions to manage or reduce our market risk, but we do not enter into derivative transactions for speculative purposes. A discussion of our market risk exposure in financial instruments follows. The full description of these risks is included on pages 35 – 37 (Item 3. Quantitative and Qualitative Disclosure About Market Risk) of Weatherford's 10-Q.

Foreign Currency Exchange Rates

We operate in virtually every oil and natural gas exploration and production region in the world. In some parts of the world, such as the Middle East and Southeast Asia, the currency of our primary economic environment is the U.S. dollar. We use this as our functional currency. In other parts of the world, we conduct our business in currencies other than the U.S. dollar and the functional currency is the applicable local currency. In those countries in which we operate in the local currency, the effects of foreign currency fluctuations are largely mitigated because local expenses of such foreign operations are also generally denominated in the same currency.

Interest Rates

We are subject to interest rate risk on our fixed-interest and variable-interest rate borrowings. Variable rate debt, where the interest rate fluctuates periodically, exposes us to short-term changes in market interest rates. Fixed-rate debt, where the interest rate is fixed over the life of the instrument, exposes us to changes in market interest rates reflected in the fair value of the debt and to the risk that we may need to refinance maturing debt with new debt at a higher rate. All other things being equal, the fair value of our fixed-rate debt will increase or decrease as interest rates change.

Interest Rate Swaps and Derivatives

We manage our debt portfolio to achieve an overall desired position of fixed and floating rates and may employ interest rate swaps as a tool to achieve that goal. The major risks from interest rate derivatives include changes in the interest rates affecting the fair value of such instruments, potential increases in interest expense due to market increases in floating interest rates and the creditworthiness of the counterparties in such transactions. The counterparties to our interest rate swaps are multinational commercial banks. In light of recent events in the global credit markets and the potential impact of these events on the liquidity of the banking industry, we continue to monitor the creditworthiness of our counterparties.

CHAPTER C:
SUPPLEMENTAL INFORMATION CONCERNING WEATHERFORD INTERNATIONAL LTD.

I. RIGHTS RELATED TO THE WEATHERFORD REGISTERED SHARES

1.1 Corporate Reorganization

On February 26, 2009, Weatherford-Bermuda and Weatherford-Switzerland completed a share exchange transaction under the terms of a share exchange agreement, dated as of December 10, 2008, effected by way of a scheme of arrangement under Bermuda law, for purposes of changing our place of incorporation from Bermuda to Switzerland (the "Transaction"). In the Transaction, each holder of Weatherford-Bermuda common shares of Weatherford-Bermuda, par value $1.00 per share (the "Weatherford-Bermuda Common Shares") outstanding immediately prior to the Transaction received one Weatherford-Switzerland Registered Share in exchange for each outstanding Weatherford-Bermuda Common Share. As a result of the Transaction, Weatherford-Bermuda became a direct, wholly-owned subsidiary of Weatherford-Switzerland.

Prior to the Transaction, the Weatherford-Bermuda Common Shares were registered pursuant to Section 12(b) of the Exchange Act, and listed on the NYSE under the symbol "WFT." As a result of the Transaction, all of the Weatherford-Bermuda Common Shares were exchanged for Weatherford-Switzerland Registered Shares. Accordingly, Weatherford-Bermuda requested that the NYSE file with the Commission a Form 25 to remove the Weatherford-Bermuda Common Shares from listing on the NYSE. The Weatherford-Switzerland Registered Shares were approved for listing on the NYSE and began trading under the symbol "WFT," the same symbol under which the Weatherford-Bermuda Common Shares previously traded, on February 26, 2009.

On the same day, Weatherford-Switzerland and Weatherford-Bermuda entered into a Warrant Assignment and Assumption Agreement (the "Assignment Agreement") regarding outstanding warrants to purchase an aggregate of 12,928,856 million Weatherford-Bermuda Common Shares, at an exercise price of $15.00 per share (collectively, the "Warrants").

Under the Assignment Agreement, Weatherford-Bermuda assigned to Weatherford-Switzerland, and Weatherford-Switzerland assumed, all of Weatherford-Bermuda's rights and obligations under the Warrants. As a result, the holders of the Warrants were entitled to receive, in accordance with the terms of the Warrants, one Weatherford-Switzerland Registered Share on exercise of the Warrants in lieu of each Weatherford-Bermuda Common Share that they were entitled to receive upon exercise of the Warrant.

1.2 Type and the Class of the Securities Being Offered, Including the Security Identification Code

The share capital of Weatherford is CHF 879,798,098.92 and is divided into 758,446,637 fully paid-in Registered Shares, par value CHF 1.16 per share.

Our Board is authorized to issue new Registered Shares at any time during the two-year period beginning February 26, 2009 and thereby increase our share capital, by a maximum amount of 50% of the share capital registered in the commercial register without obtaining additional shareholder approval. After the expiration of this two-year period, and each subsequent two-year period, authorized share capital will be available to the Board for issuance of additional Registered Shares only if new authorized capital is created to that effect by the shareholders.

Accordingly, subject to the above limitations, the Board may issue at any time until February 25, 2011, up to a maximum of 334,856,309 Registered Shares at a price equal to or higher than the par value of CHF 1.16 per share without authorization from the shareholders. Any issue of Registered Shares would give rise to a registration requirement under the SEC rules, absent any available exemption, such as an issue of Registered Shares solely to qualified institutional buyers.

Weatherford has equity compensation plans under which Registered Shares may be provided to directors and employees of the Company. Weatherford's obligations in this respect may be satisfied either by Registered Shares held in treasury or by newly issued Registered Shares. The additional 24,386,704 Registered Shares that may be issued under such plans, together with the 12,928,856 million Registered Shares that may be issued pursuant to the Warrants, would represent an aggregate dilution of approximately 4.7%.

For further information regarding these equity compensation plan awards, see pages 61 – 64 (Note 13. Share-Based Compensation Plans) and 87 – 88 (Item 12(d). Securities Authorized for Issuance Under Equity Compensation Plans) of Exhibit I, page 13 of Exhibit II (Note 13. Retirement and Employee Benefit Plans) and pages 32 – 39 of Exhibit III (from "Grants of Plan Based Awards in 2008" up to "Pension Benefits").

Our Registered Shares are listed the NYSE under the symbol "WFT."

On September 28, 2009, Euronext approved our application for listing and trading of our Registered Shares on Euronext. Our Registered Shares will be listed under the symbol "WFT." Trading in the Registered Shares on the Professional Segment of Euronext is expected to start on October 6, 2009.

The CUSIP number assigned to the Registered Shares is H27013103. The ISIN is CH0038838394.

1.3 Legislation Under Which the Securities Have Been Created

Our Registered Shares were created under the Swiss Code of Obligations (the "Swiss Code").

1.4 Form of Securities, Name and Address of the Entity in Charge of Keeping the Records

In general, shareholders may hold Registered Shares either in certificated or street name form. The transfer and registrar for the Registered Shares is American Stock Transfer & Trust Company, LLC. ("ASTTC").

ASTTC can be contacted through the web at www.amstock.com, by telephone at 1-800-937-5449 (or + 1 (718) 921-8124 for those located outside of the United States), or by mail at: 59 Maiden Lane, Plaza Level, New York, NY 10038, U.S.A.

Weatherford's paying agent in France is Société Générale – Titres et Bourse (32, rue du Champ de Tir, BP 81236, 44312 Nantes Cedex 3, France).

1.5. Currency of the Securities Issue

Trading of our Registered Shares on Euronext will be in Euros.

1.6 Rights Attached to the Securities

Dividend Rights. Weatherford has not declared or paid cash dividends on its Registered Shares since 1984. Weatherford currently does not have plans to pay any cash dividends in the near future. The Board approved a two-for-one share split of its Registered Shares effected through a share dividend. Shareholders of record on May 9, 2008 were entitled to the dividend, which was distributed on May 23, 2008. For further information, please see pages 19 – 20 of Exhibit I (Item 5. Market for Registrant's

Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities) and pages 8 – 9 of Exhibit IV ("Dividends").

Voting Rights. Each Registered Share carries one vote at a general meeting of shareholders. Voting rights may be exercised by shareholders registered in our share register or by a duly appointed proxy of a registered shareholder, which proxy need not be a shareholder. Our articles of association do not limit the number of Registered Shares that may be voted by a single shareholder. Treasury shares, whether owned by us or one of our majority-owned subsidiaries, will not be entitled to vote at general meetings of shareholders.

Under the Swiss Code of Obligations, which we refer to as the Swiss Code, and our articles of association, we must hold an annual, ordinary general meeting of shareholders within six months after the end of our fiscal year for the purpose, among other things, of approving the annual financial statements and the annual business report, and the annual election of directors for the class whose term has expired. The invitation to general meetings must be published in the Swiss Official Gazette of Commerce and sent to the shareholders of record at least 20 calendar days prior to the relevant general meeting of shareholders. The notice of a meeting must state the items on the agenda and the proposals of the Board and of the shareholders who demanded that a shareholders meeting be held or that an item be included on the agenda and, in case of elections, the names of the nominated candidates. No resolutions may be passed at a shareholders meeting concerning agenda items for which proper notice was not given. This does not apply, however, to proposals made during a shareholders meeting to convene an extraordinary shareholders meeting or to initiate a special investigation. No previous notification will be required for proposals concerning items included on the agenda or for debates as to which no vote is taken.

Annual general meetings of shareholders may be convened by the Board or, under certain circumstances, by the auditor. A general meeting of shareholders must generally be held at or near the place of incorporation of Weatherford, as decided by the Board.

An extraordinary general meeting of Weatherford may be called upon the resolution of the Board or, under certain circumstances, by the auditor. In addition, the Board is required to convene an extraordinary general meeting of shareholders if so resolved by the general meeting of shareholders, or if so requested by shareholders holding an aggregate of at least 10% of the Registered Shares, specifying the items for the agenda and their proposals, or if it appears from the stand-alone annual statutory balance sheet that half of the Company's share capital and reserves are not covered by the Company's assets. In the latter case, the Board must immediately convene an extraordinary general meeting of shareholders and propose financial restructuring measures.

Pursuant to our articles of association, the shareholders generally take resolutions and decide elections upon a relative majority of the votes cast at the general meeting of shareholders (broker non-votes, abstentions and blank and invalid ballots and withdrawals shall be disregarded), unless otherwise provided by law or our articles of association. If the number of directors nominated for election is greater than the number of directors to be elected, the persons receiving the most votes (up to the number of directors to be elected) will be elected as directors. Our articles of association do not provide for cumulative voting for election of directors.

The acting chair may direct that elections be held by use of an electronic voting system. Electronic resolutions and elections are considered equal to resolutions and elections taken by way of a written ballot.

The Swiss Code and/or our articles of association require the affirmative vote of at least two-thirds of the voting rights and a majority of the par value of the Registered Shares, each as represented at a general meeting, to approve the following matters:

- the amendment to or the modification of the purpose of the Company;

- the creation or cancellation of shares with privileged voting rights;
- the restriction on the transferability of shares and any amendment in relation thereto;
- the restriction on the exercise of the right to vote and any amendment in relation thereto;
- an authorized or conditional increase in the nominal share capital;
- an increase in the nominal share capital through (1) the conversion of capital surplus, (2) a contribution in kind for an acquisition of assets, or (3) a grant of special privileges;
- the limitation or withdrawal of preferential subscription rights or advance subscription rights;
- a change in the place of incorporation of the Company;
- the conversion of Registered Shares into bearer shares and vice versa;
- the dissolution of the Company; and
- the removal of a member of the Board.

The same supermajority voting requirements apply to resolutions in relation to transactions among corporations based on Switzerland's Federal Act on Mergers, Demergers, Transformations and the Transfer of Assets, which we refer to as the Merger Act, including a merger, demerger or conversion of a corporation (other than a cash-out or certain squeeze-out mergers, in which minority shareholders of the company being acquired may be compensated in a form other than through shares of the acquiring company, for instance, through cash or securities of a parent company of the acquiring company or of another company — in such a merger, an affirmative vote of 90% of the outstanding Registered Shares is required). Swiss law may also impose this supermajority voting requirement in connection with the sale of "all or substantially all of its assets" by us. For further information, see pages 13 – 15 of Exhibit IV ("Appraisal Rights and Compulsory Acquisitions" and "Anti-Takeover Provisions").

Duration, Dissolution, Rights upon Liquidation. The duration of the Company is unlimited. We may be dissolved at any time with the approval of shareholders holding two-thirds of the voting rights and a majority of the par value of the Registered Shares represented at a general meeting. Dissolution by court order is possible in the event of our bankruptcy, or for cause at the request of shareholders holding at least 10% of our share capital. Under Swiss law, any surplus arising out of liquidation, after the settlement of all claims of all creditors, will be distributed to shareholders in proportion to the paid-up par value of Registered Shares held, subject to Swiss withholding tax requirements.

Redemptive and Conversion Provisions. Registered Shares do not have any preemptive rights, are not subject to redemption and do not have the benefit of any sinking fund.

Preferential Subscription Rights and Advance Subscription Rights. Under the Swiss Code the prior approval of a general meeting of shareholders is required to authorize, for later issuance, the issuance of Registered Shares, or rights to subscribe for, or convert into, Registered Shares (which rights may be connected to debt instruments or other obligations). In addition, the existing shareholders will generally have preferential subscription rights in relation to such Registered Shares for authorized share capital and conditional share capital or advance subscription rights in relation to such rights for conditional share capital in proportion to the respective par values of their holdings. For further information, see Exhibit IV.

1.7 Transferability

The Registered Shares are registered under the Exchange Act and are freely transferable. EACH HOLDER OF THE REGISTERED SHARES ASSUMES THE RISK OF ANY MARKET FLUCTUATIONS IN THE PRICE OF THE REGISTERED SHARES.

1.8 Registration Number

Weatherford is recorded in the Commercial Register of the Canton of Zug with the registration number CH-170.3032 888-3.

1.9 Applicable Takeover Rules

Weatherford is subject to Swiss anti-takeover provisions. For further information regarding these rules, see pages 13 – 15 of Exhibit IV ("(Appraisal Rights and Compulsory Acquisitions" and "Anti-Takeover Provisions"). Since Weatherford's Registered Shares are listed on the NYSE, the Company is also subject to Section 14(d) of the Exchange Act, which applies to all tender offers for Exchange Act registered equity securities made by parties other than the target (or affiliates of the target), so long as upon consummation of the tender offer the bidder would beneficially own more than five percent of the class of securities subject to the offer, and the SEC rules promulgated thereunder.

Finally, once its Registered Shares are listed on Euronext, Weatherford will also be subject to Article 231-46 of the AMF General Regulation. Pursuant to this Article, which enters into effect on October 1, 2009, the parties to a takeover bid, the members of their board of directors, supervisory board or management board, individuals or legal entities holding, directly or indirectly, at least 5% of the shares or voting rights or at least 5% of the securities targeted by the takeover bid (other than the shares), and other individuals or legal entities acting in concert with them, are required to report to the AMF every day, after the trading session, all purchases or sales they have made in the securities subject to the offer, as well as any other transactions with the effect of transferring, immediately or in the future, title to such securities or voting rights. This same reporting obligation applies to individuals or legal entities that have acquired, directly or indirectly and after the filing of the draft offer document, a quantity of securities of the target company representing at least 1% of its equity or securities targeted by the takeover bid (other than the shares), for as long as they hold that quantity of securities. Moreover, pursuant to Article 231-1 of the AMF General Regulation, the AMF may apply its takeover rules, excepting those governing standing market offers, buyout offers with squeeze-outs, and squeeze-outs, to public offers for securities issued by companies such as Weatherford whose registered offices are not in the European Economic Area, where these securities are listed on Euronext.

1.10 Foreign Currency Exchange Rate Hedging, Etc.

Weatherford is subject to a variety of market risks, including risks related to foreign currency exchange rates. For a description of these market risks, please see page 17 (II. Market Risk Factors) in Chapter B above and pages 35 – 37 of Exhibit II.

1.11 Purpose of the Listing and Liquidity

In light of its recent corporate reorganization, Weatherford is attracting greater numbers of investors based outside of the United States, particularly in Europe. The Euronext listing is intended to promote additional liquidity for all investors and provide greater access to Weatherford's shares among European fund managers who may be required to invest in Euro-zone markets or currencies only.

At this time, Weatherford does not intend to enter into any agreement with a liquidity provider in connection with the listing of its Registered Shares on Euronext. However, Weatherford reserves the right to enter into such agreement in the future, subject to compliance with applicable legislation in France , the United States and Switzerland.

Until such time that an agreement is entered into with a liquidity provider (if ever), liquidity in the Registered Shares will result initially from execution on Euronext of sell orders in respect of Registered Shares currently traded on the NYSE and future trading in the Registered Shares on Euronext with settlement through Euroclear France.

1.12 Market Capitalization

Based on 737,085,102 outstanding Registered Shares as of September 17, 2009, and the closing price of the Registered Shares on the NYSE on September 25, 2009 ($20.61), Weatherford had a market capitalization of approximately $15,191,323,952, which, based on the exchange rate on September 25, 2009 ($1 = EUR 0.68), corresponds to approximately EUR 10,330,100,287.

Please find below information concerning the Common Share price performance and shareholder return performance:

Common Share Price Performance

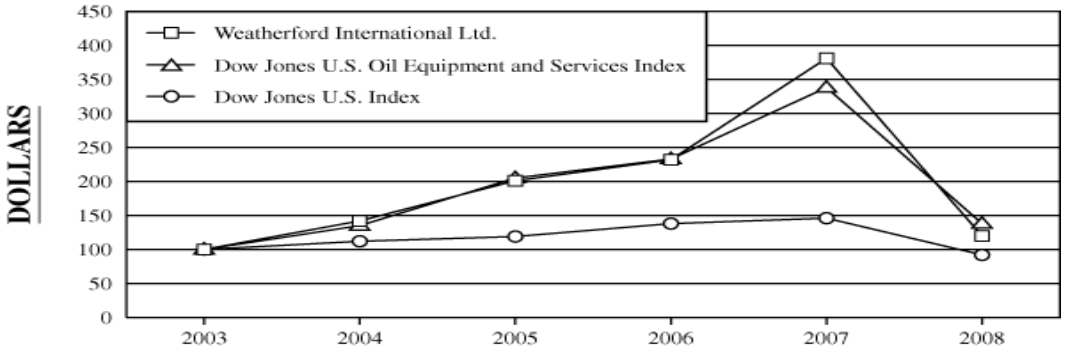
The following table sets forth, for the periods indicated, the range of high and low sales prices per common share as reported on the NYSE. The Board approved a two-for-one share split of its Registered Shares effected through a share dividend. Shareholders of record on May 9, 2008, were entitled to the dividend, which was distributed on May 23, 2008. All prices have been restated to reflect this stock split.

	Price	
	High	Low
Year ending December 31, 2008		
First Quarter	$ 36.82	$ 25.91
Second Quarter	49.98	34.96
Third Quarter	49.76	22.26
Fourth Quarter	24.69	7.75
Year ending December 31, 2007		
First Quarter	$ 23.51	$ 17.95
Second Quarter	29.52	22.52
Third Quarter	35.50	24.31
Fourth Quarter	36.11	28.18

Performance Graph

This graph compares the yearly cumulative return on our Registered Shares with the cumulative return on the Dow Jones U.S. Oil Equipment & Services Index and the Dow Jones U.S. Index for the last five years. The graph assumes the value of the investment in the Company's Registered Shares and each index was $100 on December 31, 2003. The stockholder return set forth below is not necessarily indicative of future performance.

Comparison of Five Year Total Return



II. STATEMENT OF CAPITALIZATION AND INDEBTEDNESS AS OF JUNE 30, 2009

The below tables are derived from Weatherford's unaudited condensed consolidated financial statements.

2.1 Capitalization and Indebtedness (in thousands of US Dollars)

Total Current debt	$	692,535
- Guaranteed		618,118
- Secured		-
- Unguaranteed / Unsecured		74,417
Total Non-Current debt (excluding current portion of long-term debt)	$	5,805,036
- Guaranteed		5,791,364
- Secured		-
- Unguaranteed / Unsecured		13,672
	$	
Shareholders' equity		
a. Share Capital and Capital in Excess of Par Value		4,811,150
- Share Capital		728,889
- Capital in Excess of Par Value		4,082,261
b. Legal Reserve		-
c. Total Other Reserves		3,938,300
- Treasury shares, net		(690,981)
- Retained earnings		4,730,868
- Accumulated other comprehensive loss		(101,587)
Total shareholders' equity	$	8,832,617
- Total Weatherford shareholders' equity		8,749,450
- Non-controlling interests		83,167

2.2 Net Indebtedness (in thousands of US Dollars)

A.+B.	Cash and cash equivalents	**$**	205,272
C.	Short-term investments		-
D.	**Liquidity** (A) + (B) + (C)	**$**	**205,272**
E.	**Current Financial Receivable**		**-**
F.	Current Bank debt	**$**	680,015
G.	Current portion of non-current debt		12,520
H.	Other current financial debt		**-**
I.	**Other Financial Debt** (F) + (G) + (H)	**$**	**692,535**
J.	**Net Current Financial Indebtedness** (I) – (E) – (D)	**$**	**487,263**
K.	Non-current Bank loans		-
L.	Bonds Issued		5,791,364
M.	Other non-current loans		13,672
N.	**Non-current Financial Indebtedness** (K) + (L) + (M)	**$**	**5,805,036**
O.	**Net Financial Indebtedness** (J) + (N)	**$**	**6,292,299**

For information relating to Weatherford's indirect and contingent indebtedness, the reader's attention is called to pages 16 – 18 (Note 15. Disputes and Litigation, Note 17. Commitments and Contingencies and Note 18. Subsequent Event) of Exhibit II.

III. DIRECTORS AND EXECUTIVE OFFICERS

3.1 Board of Directors as of May 7, 2009

Name	Age*	Director Since
Bernard J. Duroc-Danner	55	1988
Nicholas F. Brady	78	2004
David J. Butters	68	1984
William E. Macaulay	63	1998
Robert B. Millard	58	1989
Robert K. Moses, Jr.	68	1998
Robert A. Rayne	60	1987

* Age as of April 2, 2009.

3.2 Executive Officers as of July 21, 2009

Name	Age	Position
Bernard J. Duroc-Danner	55	Chairman of the Board, President and Chief Executive Officer
Andrew P. Becnel	41	Senior Vice President and Chief Financial Officer
Stuart E. Ferguson	43	Senior Vice President — Reservoir & Production and Chief Technology Officer
Keith R. Morley	58	Senior Vice President — Well Construction & Operations Support
M. Jessica Abarca	37	Vice President — Accounting and Chief Accounting Officer
M. David Colley	48	Vice President — Artificial Lift Global Business Unit
Peter T. Fontana	62	Vice President — Western Hemisphere
Joseph C. Henry	39	Vice President — Legal
Carel W. J. Hoyer	50	Vice President — Well Construction Services
James M. Hudgins	56	Vice President — Tax
William B. Jacobson	40	Vice President and Chief Compliance Officer

For at least the previous five years, none of the directors or executive officers of Weatherford has:

(a) been convicted in relation to fraudulent offenses;

(b) been associated with any bankruptcies, receiverships or liquidations when acting in their capacity of directors or executive officers of Weatherford; or

(c) been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

There are no family relationships among any of the executive officers and directors listed above.

IV. EMPLOYEES

The below chart sets forth historical information regarding the approximate number of Weatherford's employees (and employees of Weatherford's subsidiaries and affiliates) for each of the fiscal years ended December 31, 2008, 2007 and 2006:

	As of December 31		
	2008	**2007**	**2006**
North America	16,800	15,500	15,300
Middle East/North Africa/Asia	14,200	10,500	9,000
Europe/West Africa/FSU	9,000	6,300	3,900
Latin America	8,900	5,500	4,800
Total	**48,900**	**37,800**	**33,000**

V. ORGANIZATIONAL STRUCTURE

Weatherford is the parent company of the Weatherford group. Weatherford holds, directly or indirectly, the capital and voting rights of each of the subsidiaries and affiliates listed in Exhibit 21 to Weatherford's 10-K.

VI. WORKING CAPITAL STATEMENT

As of the date of this prospectus, Weatherford believes that its cash balances, cash generated from operations and availability under its committed borrowing facilities will be sufficient to meet its working capital needs (including debt service), capital expenditures and opportunistic business acquisitions for at least the next 12 months.

VII. TAX CONSEQUENCES

Set out below are the main French tax consequences likely to apply to French investors who will hold shares of Weatherford under French domestic law in force on September 9, 2009, and the Swiss-France income tax treaty signed September 9, 1966 (the "Swiss*French Tax Treaty"). The tax regime described below may be modified by subsequent laws or regulations, which should be followed by the investors with the help of their usual advisor.

Please note that the information set out below is only a summary of the applicable French tax regime. Each particular situation should be carefully analyzed by a tax advisor, especially regarding tax residence and the possible impact of citizenship.

7.1 Individual Investors who are French Tax Residents Holding Shares as a Private Investment

Pursuant to Article 15 of the Swiss-French Tax Treaty capital gains realized by individuals on sale of stock in Swiss companies are taxable in the country of residence of the individuals.

In accordance with Articles 150-0 A *et seq.* and 200 A of the French Tax Code (the "FTC"), capital gains realized upon the disposal of Registered Shares will be subject as from the first Euro to tax on income at a flat rate of 18% if the annual amount of the securities sold by all members of a single tax household

(other than the sale of securities on which tax is deferred) exceeds a threshold currently set at € 25,730 for income received in 2009. Subject to the same condition concerning the annual amount of disposals, capital gains will also be subject to the following social taxes, which are non-deductible from the income taxable basis:

- the *contribution sociale généralisée* of 8.2%, (Articles 1600-0C and 1600-0E of the FTC), collected according to the same procedures as income tax;

- the *prélèvement social* of 2% (Article 1600-0F *bis* of the FTC), collected according to the same procedures as income tax;

- the *contribution au remboursement de la dette sociale* of 0.5% (Article 1600-0L of the FTC), collected according to the same procedures as income tax;

- the *contribution additionnelle au prélèvement social* of 0.3% (Article 1649-0 A of the FTC); and

- the *contribution additionnelle au prélèvement social* of 1.1% (Law n° 2008-1249 dated December 1, 2008).

In accordance with Article 150-0D 11 of the FTC, capital losses realized upon the disposal of Registered Shares may be deducted only from capital gains on sales of the same nature in the same year or in the ten years following such disposal. This provision implies, in particular, that the amount of the disposals of securities by members of the same tax household during the year of the capital loss exceeded the threshold of € 25,730 for 2009 as above mentioned.

Shares of Registered Shares will be included in the basis for the French wealth tax.

7.2 French Tax Resident Shareholders that are Legal Entities and Subject to Corporate Tax

Pursuant to Article 13 of the Swiss-French Tax Treaty, as a general rule, capital gains and losses realized upon the disposal of Registered Shares will be included in the taxable income of companies taxable at the ordinary corporate tax rate of the 33 1/3%, as well as an additional contribution provided for under Article 235 *ter* ZC of the FTC, equal to 3.3% of the corporate income tax after a basis allowance that cannot exceed € 763,000 per twelve-month period, if applicable.

A specific tax treatment would apply in the case where Registered Shares would qualify as a controlling interest (*titres de participation*), held for at least two years from the date of the acquisition of Registered Shares.

Pursuant to Article 219-1 *a quinquies* of the FTC*,* the following shares constitute *titres de participation*: (i) shares qualifying as such under the accounting rules, (ii) shares acquired pursuant to a public offer of sale or exchange by the company that initiates it, or (iii) shares of a company that qualifies for the parent-subsidiary regime (the main criteria being the holding of at least 5% of the company's capital) and which are accounted as such, other than shares of predominantly real estate entities.

According to the provisions of Article 219-1 *a quinquies* of the FTC, net gains realized upon the disposal of such controlling interest (*titres de participation*) held for more than two years would qualify for the long-term capital gain regime under which capital gains are exempt from corporate income tax; nevertheless a 5% service charge (*quote part de frais et charges*) of the net capital gains will be taxed at the ordinary corporate tax rate of the 33 1/3%, as well as an additional contribution provided for under Article 235 *ter* ZC of the FTC amounting to 3.3% of the corporate income tax after a basis allowance which cannot exceed € 763,000 per twelve-month period, if applicable.

7.3 Other Shareholders who are French Tax Residents

Shareholders subject to a specific tax regime must determine which tax rules apply in their particular case in the event of capital gains or losses realized upon the disposal of Registered Shares.

7.4 Withholding Tax

Whether received in France or abroad, dividend payments (if any) made in respect of Registered Shares received by French tax residents must be included in the income taxable base, the computation being different between individuals and corporations subject to corporate tax. French tax resident individuals may elect for a withholding tax on the gross amount of dividends received prior to each payment of dividends. Dividends are also subject to social taxes in France.

In accordance with Article 11(2) of the Swiss-French Tax Treaty, dividend payments (if any) made on Registered Shares to a French shareholder, whether an individual or a legal entity, will generally be subject to a Swiss withholding tax at the rate of 15% in general cases or a total withholding tax exemption case in of dividends paid between parents and subsidiaries. The French taxpayer will be entitled to claim a credit for such Swiss withholding tax on the taxpayer's French tax return, if any.

7.5 Other Taxes and Duties

No French taxes of a documentary nature, such as capital tax, stamp or registration tax or duty, are payable by or on behalf of a holder of shares of Registered Shares by reason only of the purchase, ownership or disposal of such Common Stock, provided that no written agreement formalizing the transfer of Common Stock is executed in France.

VIII. DOCUMENTS ON DISPLAY

Our Internet address is www.weatherford.com. General information about us, including our Corporate Governance Policies and charters for the committees of our Board, can be found on our Web site. On our Web site we make available, free of charge, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we electronically file or furnish them to the SEC. The SEC maintains an internet site that contains our reports, proxy and information statements, and our other SEC filings. The address of that site is www.sec.gov. References to our website do not constitute incorporation by reference of the information contained on our website and such information is not part of this prospectus.

Copies of the above referenced information will also be made available, free of charge, by calling +41-41-729-4242 or upon written request to:

Weatherford International Ltd.
Investor Relations
4-6 Rue Jean-François Bartholoni
1204 Geneva, Switzerland

CROSS-REFERENCE LISTS

ANNEX I

MINIMUM DISCLOSURE REQUIREMENTS FOR THE SHARE REGISTRATION DOCUMENT (SCHEDULE)

(Page numbering refers to the page contained in the relevant document)

Item #	Item contents	Chapter/Exhibit	Page/Section
1.	**PERSONS RESPONSIBLE**		
1.1.	All persons responsible for the information given in the prospectus	Prospectus	6 (Company Representative for Prospectus)
		Exhibit I	Exhibits 31.1, 31.2, 32.1 and 32.2
		Exhibit II	Exhibits 31.1, 31.2, 32.1 and 32.2
1.2.	A declaration by those responsible for the prospectus	Prospectus	6 (Company Representative for Prospectus)
2.	**STATUTORY AUDITORS**		
2.1.	Names and addresses of the issuer's auditors	Exhibit I	41 – 42 (Report of Independent Registered Public Accounting Firm)
2.2.	If auditors have resigned, been removed or not been re-appointed during the period covered by the historical financial information, indicate details if material.	Not applicable	Not applicable
3.	**SELECTED FINANCIAL INFORMATION**		
3.1.	Selected historical financial information	Exhibit I	21 (Item 6. Selected Financial Data)
3.2.	Interim periods	Exhibit I	76 (19. Quarterly Financial Data (Unaudited))

Item #	Item contents	Chapter/Exhibit	Page/Section
		Exhibit II	18 – 24 (19. Condensed Consolidating Financial Statements)
4.	**RISK FACTORS**	Exhibit I	10 – 12 (Forward Looking Statements), 12 – 16 (Item 1A. Risk Factors), and 37 – 38 (Qualitative and Quantitative Disclosure About Market Risk)
		Exhibit II	35 – 37 (Qualitative and Quantitative Disclosure About Market Risk) and 37 (Part II, Item 1A. Risk Factors)
5.	**INFORMATION ABOUT THE ISSUER**		
5.1.	**History and Development of the Issuer**		
5.1.1.	the legal and commercial name of the issuer;	Exhibit II	Cover Page
		Exhibit IV	15 (Legal Name; Formation; Fiscal Year; Registered Office)
5.1.2	the place of registration of the issuer and its registration number;	Chapter C	22 (1.8 Registration Number)
		Exhibit II	Cover Page
		Exhibit IV	15 (Legal Name; Formation; Fiscal Year; Registered Office)
5.1.3	the date of incorporation and the length of life of the issuer, except where indefinite;	Exhibit II	6 (Paragraph beginning “In February 2009 ...”)

Item #	Item contents	Chapter/Exhibit	Page/Section
		Exhibit IV	4 – 5 (Item 8.01 Other Events), 15 (Legal Name; Formation; Fiscal Year; Registered Office) and 15 (Duration; Dissolution; Rights upon Liquidation)
5.1.4	the domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, as well as the address and telephone number;	Exhibit II	Cover Page
		Exhibit IV	15 (Legal Name; Formation; Fiscal Year; Registered Office)
5.1.5	Important events in the development of the issuer's business.	Chapter C	18 (1.1 Corporate Reorganization)
		Exhibit I	1 – 2 (Excerpts from Item 1. Business), 22 – 24 (Overview), 53 (2. Business Combinations), 53 (3. Equity Investment Acquisition) and 54 (4. Discontinued Operation)
		Exhibit II	17 – 18 (18. Subsequent Event)
		Exhibit IV	4 – 5 (Item 8.01 Other Events)
		Exhibit V	All pages
		Exhibit IX	1 (Item 1.01 Entry Into a Material Definitive Agreement)

Item #	Item contents	Chapter/Exhibit	Page/Section
		Exhibit X	1 (Item 1.01 Entry Into a Material Definitive Agreement)
5.2.	**<u>Investments</u>**		
5.2.1.	A description, (including the amount) of the issuer's principal investments for each financial year for the period covered by the historical financial information up to the date of the prospectus	Exhibit I	29 (Equity Investment Acquisition), 53 (2. Business Combinations and 3. Equity Investment Acquisitions) and 54 (Non-cash Activities)
		Exhibit II	7 (3. Equity Investment Acquisition) and 17 – 18 (18. Subsequent Event)
		Exhibit V	All pages
		Exhibit IX	1 (Item 1.01 Entry Into a Material Definitive Agreement)
		Exhibit X	1 (Item 1.01 Entry Into a Material Definitive Agreement)
5.2.2	A description of the issuer’s principal investments that are in progress	Exhibit I	23 – 24 (Excerpts from Outlook), 30 (Contractual Obligations) and 73 (17. Commitments)
		Exhibit II	31 (Cash Requirements)
5.2.3	Information concerning the issuer's principal future investments on which its management	Exhibit I	23 – 24 (Excerpts from Outlook),

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	bodies have already made firm commitments.		30 (Contractual Obligations) and 73 (17. Commitments)
		Exhibit II	31 (Cash Requirements)
6.	**BUSINESS OVERVIEW**		
6.1.	**Principal Activities**		
6.1.1	A description of, and key factors relating to, the nature of the issuer's operations and its principal activities; and	Exhibit I	1 – 12 (Excerpts from Item 1. Business) and 22 – 24 (Overview)
6.1.2	An indication of any significant new products and/or services that have been introduced	Exhibit I	9 (Research and Development and Patents)
6.2.	Principal Markets	Exhibit I	1 – 12 (Excerpts from Item 1. Business), 22 – 24 (Overview), 27 – 28 (Segment Results) and 73 – 75 (18. Segment Information)
		Exhibit II	14 – 15 (14. Segment Information) and 29 – 30 (Segment Results)
6.3.	Where the information given pursuant to items **6.1.** and **6.2.** has been influenced by exceptional factors, mention that fact.	Exhibit I	28 (Discontinued Operation), 29 (Equity Investment Acquisition) and 53 (2. Business Combination and 3.

Item #	Item contents	Chapter/Exhibit	Page/Section
			(Equity Investment Acquisition)
		Exhibit II	7 (3. Equity Investment Acquisition and 4. Discontinued Operations), 17 – 18 (18. Subsequent Events) and 25 – 26 (Overview)
		Exhibit V	All pages
		Exhibit IX	1 (Item 1.01 Entry Into a Material Definitive Agreement)
6.4.	The extent to which the issuer is dependent, on patents or licenses, industrial, commercial or financial contracts or new manufacturing processes.	Exhibit I	9 (Research and Development and Patents) and 10– 11 (Forward-Looking Statement beginning "Our long-term growth …")
		Exhibit II	33 (Forward-Looking Statement beginning "Our long-term growth …")
6.5.	Issuer's competitive position.	Exhibit I	8 – 9 (Competition)
7.	**ORGANIZATIONAL STRUCTURE**		
7.1.	Description of the group.	Chapter C	18 (1.1 Corporate Reorganization) and 26 (V. Organizational Structure)
		Exhibit I	1 – 12 (Excerpts from Item 1. Business) and 22 (General)

Item #	Item contents	Chapter/Exhibit	Page/Section
		Exhibit II	6 (1. General) and 25 (Overview)
		Exhibit V	All pages
		Exhibit IX	1 (Item 1.01 Entry into a Material Definitive Agreement)
7.2.	A list of the issuer's significant subsidiaries.	Exhibit I	Exhibit 21.1 (Weatherford International Ltd. List of Subsidiaries and Affiliates)
		Exhibit V	All pages
		Exhibit IX	1 (Item 1.01 Entry into a Material Definitive Agreement)
8.	**PROPERTY, PLANTS AND EQUIPMENT**		
8.1.	Information regarding any existing or planned material tangible fixed assets.	Exhibit I	17 – 18 (Item 2. Properties), 33 (Long-Lived Assets), 48 (Property, Plant and Equipment) and 49 Long-Lived Assets)
8.2.	Environmental issues that may affect the issuer's utilization of the tangible fixed assets.	Exhibit I	9 (Federal Regulation and Environmental Matters)
		Exhibit II	33 (Forward-Looking Statement beginning "Global political, economic …")
9.	**OPERATING AND FINANCIAL REVIEW**		
9.1.	Financial Condition	Exhibit I	22 – 29 (Item 7. Management's

Item #	Item contents	Chapter/Exhibit	Page/Section
			Discussion and Analysis of Financial Condition and Results of Operations, up to Liquidity and Capital Resources)
		Exhibit II	25 – 30 (Item 2. Management's Discussion and Analysis of Financial Conditions and Results of Operations, up to Liquidity and Capital Resources)
9.2.	**<u>Operating Results</u>**		
9.2.1.	Significant factors materially affecting the issuer's income from operations	Exhibit I	22 – 29 (Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, up to Liquidity and Capital Resources)
		Exhibit II	25 – 30 (Item 2. Management's Discussion and Analysis of Financial Conditions and Results of Operations, up to Liquidity and Capital Resources)
9.2.2	Material changes in net sales or revenues	Exhibit I	25 – 26 (Revenues) and 27 – 28 (Segment Results)
		Exhibit II	28 (Revenues) and 29 – 30 (Segment Results),
9.2.3.	Governmental, economic, fiscal, monetary or political policies or factors that have materially	Exhibit I	10 – 12 (Excerpts from Forward-

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	affected, or could materially affect, directly or indirectly, the issuer's operations.		Looking Statements), 12 – 15 (Excerpts from Item 1A. Risk Factors through "Change in tax laws could adversely impact our results.") and 72 – 73 (U.S. Government and Internal Investigations)
		Exhibit II	16 – 17 (U.S. Government and Internal Investigations) and 32 – 35 (Forward-Looking Statements)
10.	**CAPITAL RESOURCES**		
10.1.	Issuer's capital resources;	Exhibit I	29 – 32 (Liquidity and Capital Resources), 56 – 57 (9. Short-term Borrowings and Current Portion of Long-term Debt) and 57 – 59 (10. Long-term Debt)
		Exhibit II	8 – 9 (7. Short-term Borrowings and Current Portions of Long-term Debt), 9 – 10 (8. Financial Instruments and Fair Value Measures) and 30 – 32 (Liquidity and Capital Resources)

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10.2.	Narrative description of the issuer's cash flows;	Exhibit I	29 (Sources of Liquidity) , 29 – 30 (Cash Requirements) and 54 (5. Cash Flow Information)
		Exhibit II	30 – 31 (Sources of Liquidity)
10.3.	Information on the borrowing requirements and funding structure of the issuer.	Exhibit I	26 (Interest Expense, Net), 29 – 32 (Liquidity and Capital Resources), 56 – 57 (Excerpts from 9. Short-term Borrowings and Current Portion of Long-term Debt) and 57 – 59 (Excerpts from 10. Long-term Debt)
		Exhibit II	8 – 9 (Excerpts from 7. Short-term Borrowings and Current Portion of Long-term Debt) and 30 – 32 (Liquidity and Capital Resources)
		Exhibit IV	2 (Credit Facilities)
10.4.	Information regarding any restrictions on the use of capital resources.	Exhibit I	29 (Committed Borrowing Facilities), 29 (Cash Requirements), 30 (Contractual Obligations) and 57 – 59 (Excerpts

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			from 9. Short-term Borrowings and Current Portion of Long-term Debt)
		Exhibit II	8 – 9 (Excerpts from 7. Short-term Borrowings and Current Portion of Long-term Debt), 30 (Committed Borrowing Facilities) and 31 (Cash Requirements)
10.5.	Information regarding the anticipated sources of funds needed to fulfill commitments referred to in items **5.2.3.** and **8.1.**	Exhibit I	29 (Sources of Liquidity) and 46 (Consolidated Statements of Cash Flows)
		Exhibit II	4 (Condensed Consolidated Statements of Cash Flows) and 30 – 31 (Sources of Liquidity)
11.	**RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES**	Exhibit I	9 (Research and Development and Patents) and 10– 11 (Forward-Looking Statement beginning "Our long-term growth …")
		Exhibit II	33 (Forward-Looking Statement beginning "Our long-term growth …")
12.	**TREND INFORMATION**		
12.1.	Significant trends that affected production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the	Exhibit I	10 – 12 (Excerpts from Forward-Looking Statements)

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	prospectus.		and 23 – 24 (Outlook)
		Exhibit II	25 – 26 (Industry Trends), 26 (Outlook) and 33 – 35 (Excerpts from Forward-Looking Statements)
		Exhibit VII	Exhibit 99.1
12.2.	Trends, uncertainties or events that are likely to affect the issuer for at least the current financial year.	Exhibit I	10 – 12 (Excerpts from Forward-Looking Statements) and 23 – 24 (Outlook)
		Exhibit II	25 – 26 (Industry Trends), 26 (Outlook) and 33 – 35 (Excerpts from Forward-Looking Statements)
13.	**PROFIT FORECASTS OR ESTIMATES**	Not applicable	Not applicable
14.	**ADMINISTRATIVE, MANAGEMENT, SUPERVISORY BODIES AND SENIOR MANAGEMENT**		
14.1.	Names, business addresses and functions in the issuer of the following persons and an indication of the principal activities performed by them outside the issuer where these are significant with respect to that issuer: a) members of the administrative, management or supervisory bodies;	Exhibit III	4 – 5 (Director Biographies)
	b) partners with unlimited liability, in the case of a limited partnership with a share capital;	Not applicable	Not applicable
	c) founders, if the issuer has been established for fewer than five years; and	Not applicable	Not applicable

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	d) any senior manager who is relevant to establishing that the issuer has the appropriate expertise and experience for the management of the issuer's business.	Exhibit III	18 – 19 (Executive Officers)
		Exhibit VI	All pages
		Exhibit VIII	All pages
	The nature of any family relationship between any of those persons.	Chapter C	25 – 26 (3.2 Executive Officers as of July 21, 2009)
	In the case of each member of the administrative, management or supervisory bodies of the issuer and each person mentioned in points (b) and (d) of the first subparagraph, details of that person's relevant management expertise and experience and the following information: (a) the nature of all companies and partnerships of which such person has been a member of the administrative, management and supervisory bodies or partner at any time in the previous five years, indicating whether or not the individual is still a member of the administrative, management or supervisory bodies or partner. It is not necessary to list all the subsidiaries of an issuer of which the person is also a member of the administrative, management or supervisory bodies or partner. It is not necessary to list all the subsidiaries of an issuer of which the person is also a member of the administrative, management or supervisory bodies.	Exhibit III	4 – 5 (Director Biographies) and 18 – 19 (Executive Officers)
		Exhibit VI	All pages
	(b) any convictions in relation to fraudulent offences for at least the previous five years; (c) details of any bankruptcies, receiverships or liquidations with which a person described in (a) and (d) of the first subparagraph who was acting in the capacity of any of the positions set out in (a) and (d) of the first subparagraph was associated for at least the previous five years; (d) details of any official public incrimination and/or sanctions of such person by statutory or regulatory authorities (including designated professional bodies) and whether such person has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.	Chapter C	25 – 26 (3.2 Executive Officers as of July 21, 2009)

Item #	Item contents	Chapter/Exhibit	Page/Section
	If there is no such information to be disclosed, a statement to that effect is to be made.		
14.2.	Administrative, management, and supervisory bodies and senior management conflicts of interests.	Exhibit III	12 (Director Independence), 19 (Related Person Transactions), 29 (Employment Agreements) and 32 – 37 (Potential Payments Upon Termination or Change in Control)
		Exhibit VI	All pages
		Exhibit VIII	All pages
15.	**REMUNERATION AND BENEFITS**		
15.1.	The amount of remuneration paid to the members of the administrative, management, supervisory and senior management bodies or to the general managers of the issuer.	Exhibit III	9 – 12 (Board Compensation) and 19 – 32 (Executive Compensation through Summary Compensation Table)
15.2.	The total amounts set aside or accrued by the issuer or its subsidiaries to provide pension, retirement or similar benefits to the above persons.	Exhibit III	25 – 27 (Retirement Plans), 27 – 28 (Deferred Compensation Plans), 39 (Pension Benefits) and 40 – 41 (Nonqualified Deferred Compensation)
16.	**Board Practices**		
16.1.	Date of expiration of the current term of office, if applicable, and the period during which the person has served in that office.	Exhibit III	4 (Re-Election of Directors)

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16.2.	Information about members of the administrative, management or supervisory bodies' service contracts with the issuer or any of its subsidiaries providing for benefits upon termination of employment.	Exhibit III	29 (Employment Agreements) and 32 – 37 (Potential Payments Upon Termination or Change in Control)
16.3.	Information about the issuer's audit committee and remuneration committee, including the names of committee members and a summary of the conditions of their term.	Exhibit III	6 (Audit Committee), 6 – 7 (Compensation Committee) and 8 (Audit Committee Report)
16.4.	Compliance with corporate governance regime(s).	Exhibit I	Exhibits 31.1, 31.2, 32.1 and 32.2
		Exhibit II	Exhibits 31.1, 31.2, 32.1 and 32.2
		Exhibit III	7 – 8 (Corporate Governance and Nominating Committee)
17.	**EMPLOYEES**		
17.1.	Number of employees.	Chapter C	26 (IV. Employees)
		Exhibit I	10 (Employees)
17.2.	Shareholdings and stock options with respect to each person referred to in points (a) and (d) of the first subparagraph of item 14.1.	Exhibit III	11 – 12 (Director Compensation), 16 – 17 (Shares Owned by Directors and Executive Officers), 32 (Grants of Plan-Based Awards in 2008) and 38 – 39 (Outstanding Equity Awards at December 13, 2008 through Option

Item #	Item contents	Chapter/Exhibit	Page/Section
			Exercises and Restricted Shares\Units Vested in 2008)
17.3	Description of any arrangements for involving the employees in the capital of the issuer.	Exhibit I	61 – 64 (13. Share-Based Compensation Plans) and 87 – 88 (Item 12(d). Securities Authorized for Issuance Under Equity Compensation Plans)
		Exhibit II	12. (12. Share-Based Compensation)
18.	**Major Shareholders**		
18.1.	Name of any stockholders who are not members of administrative and/or management bodies.	Exhibit III	17 (Shares Owned by Certain Beneficial Holders)
18.2.	Whether the issuer's major shareholders have different voting rights.	Chapter C	20 – 21 (Voting Rights)
		Exhibit X	Exhibit 3.1, 13 (Article 17. Voting Rights)
18.3.	Information on the persons directly or indirectly controlling the issuer.	Not applicable	Not applicable
18.4.	Agreement known to the issuer that may result in a change in control of the issuer.	Not applicable	Not applicable
19.	**RELATED PARTY TRANSACTIONS**	Exhibit III	12 (Director Independence), 19 (Related Person Transactions) and 30 (Compensation Committee Interlocks and Insider Participation)

Item #	Item contents	Chapter/Exhibit	Page/Section
20.	**FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES**		
20.1.	Historical Financial Information Consolidated balance sheets of Weatherford as of December 31, 2008 and 2007, the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2008, and the related financial statement schedule.	Exhibit I	43 (Consolidated Balance Sheets), 44 (Consolidated Statements of Income), 45 (Consolidated Statements of Shareholders' Equity), 46 (Consolidated Statements of Cash Flow), 47 – 85 (Notes to Consolidated Financial Statements) and 94 (Financial Statement Schedule)
	Consolidated balance sheets of Weatherford as of December 31, 2007 and 2006, the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2007, and the related financial statement schedule.	Exhibit XII	2 (Consolidated Balance Sheets), 3 (Consolidated Statements of Income), 4 (Consolidated Statements of Shareholders' Equity), 5 (Consolidated Statements of Cash Flows), 6 – 46 (Notes to Consolidated Financial Statements) and 47 (Financial Statement

Item #	Item contents	Chapter/Exhibit	Page/Section
			Schedule)
20.2.	Pro forma financial information	Not applicable	Not applicable
20.3.	Financial statements Consolidated balance sheets of Weatherford as of December 31, 2008 and 2007, the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2008, and the related financial statement schedule.	Exhibit I	43 (Consolidated Balance Sheets), 44 (Consolidated Statements of Income), 45 (Consolidated Statements of Shareholders' Equity) and 46 (Consolidated Statements of Cash Flow), 47 – 85 (Notes to Consolidated Financial Statements) and 94 (Financial Statement Schedule)
	Consolidated balance sheets of Weatherford as of December 31, 2007 and 2006, the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2007, and the related financial statement schedule.	Exhibit XII	2 (Consolidated Balance Sheets), 3 (Consolidated Statements of Income), 4 (Consolidated Statements of Shareholders' Equity), 5 (Consolidated Statements of Cash Flows), 6 – 46 (Notes to Consolidated Financial Statements) and 47 (Financial Statement

Item #	Item contents	Chapter/Exhibit	Page/Section
			Schedule)
20.4.	**Auditing of historical annual financial information**		
20.4.1.	Statement that the historical financial information has been audited. Report of Independent Registered Public Accounting Firm on consolidated balance sheets of Weatherford as of December 31, 2008 and 2007, the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2008, and the related financial statement schedule.	Exhibit I	42 (Report of Independent Registered Public Accounting Firm)
	Report of Independent Registered Public Accounting Firm on consolidated balance sheets of Weatherford as of December 31, 2007 and 2006, the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2007, and the related financial statement schedule.	Exhibit XII	1 (Report of Independent Registered Public Accounting Firm)
20.4.2.	Indication of other information in the prospectus which has been audited by the auditors.	Exhibit I	40 (Management's Report on Internal Control over Financial Reporting) and 41 (Report of Independent Registered Public Accounting Firm)
20.4.3.	Unaudited financial data in prospectus.	Exhibit II	2 – 24 (Item 1. Financial Statements)
20.5.	**Age of latest financial information**		
20.5.1.	The last year of audited financial information	Exhibit I	42 (Report of Independent Registered Public Accounting Firm)
20.6.	**Interim and other financial information**		
20.6.1.	Quarterly or half yearly financial information since the date of the last audited financial statements.	Exhibit II	2 – 24 (Item 1. Financial

Item #	Item contents	Chapter/Exhibit	Page/Section
			Statements)
20.6.2.	Interim financial information	Not applicable	Not applicable
20.7.	**<u>Dividend policy</u>**	Chapter C	19 – 20 (Dividend Rights)
		Exhibit IV	8 – 9 (Dividends)
20.7.1.	The amount of the dividend per share for each financial year for the period covered by the historical financial information	Exhibit I	21 (Item 6. Selected Financial Data) and 52 (Earnings per Share)
20.8.	Legal and arbitration proceedings	Exhibit I	9 (Federal Regulations and Environmental Matters), 11 (Forward-Looking Statements beginning "U.S. Government and internal investigations…"), 13 (Risk factor beginning "We are involved in several governmental and internal investigations…"), 18 (Item 3. Legal Proceedings) and 72 – 73 (Disputes, Litigation and Contingencies)
		Exhibit II	16 – 17 (Note 15. Disputes and Litigation), 17 (Note 17 – Commitments and Contingencies) and 34 (Forward looking statement beginning "U.S. Government and internal

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			investigations…")
20.9.	Significant change in the issuer's financial or trading position	Not applicable	Not applicable
21.	**ADDITIONAL INFORMATION**		
21.1.	**Share Capital**		
21.1.1.	The amount of issued capital	Exhibit X	1 (Item 5.03 Amendment to Articles of Association) and Exhibit 3.1, 2 (Article 4 Share Capital)
21.1.2.	Shares not representing capital	Not applicable	Not applicable
21.1.3.	Shares in the issuer held by the issuer or subsidiaries.	Exhibit I	19 (Excerpt from Item 5. Market for Registrant's Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities), 43 (Treasury Shares, Net) and 61 (Share Repurchase Program)
		Exhibit II	2 (Treasury Shares, Net)
		Exhibit IV	9 (Repurchases of Registered Shares)
21.1.4.	The amount of any convertible securities, exchangeable securities or securities with warrants, with an indication of the conditions governing and the procedures for conversion, exchange or subscription.	Exhibit I	61 (Warrant)
		Exhibit IV	1 – 2 (Warrant Assignment)
21.1.5.	Information about and terms of any acquisition rights and or obligations over authorized but unissued capital or an undertaking to increase the capital.	Chapter C	18 – 19 (Excerpts from 1.1 Corporate Reorganization and 1.2 Type and the Class of the

Item #	Item contents	Chapter/Exhibit	Page/Section
			Securities Being Offered, Including the Security Identification Code)
		Exhibit I	61 (Warrant)
		Exhibit II	17 – 18 (18. Subsequent Event)
		Exhibit IV	1 – 2 (Warrant Assignment)
		Exhibit V	All pages
21.1.6.	Information about any capital of any member of the group which is under option or agreed conditionally or unconditionally to be put under option.	Exhibit I	61 – 64 (13. Share-Based Compensation Plans) and 87 – 88 (Item 12(d). Securities Authorized for Issuance Under Equity Compensation Plans)
		Exhibit II	12. (12. Share-Based Compensation)
		Exhibit III	11 – 12 (Director Compensation), 16 – 17 (Shares Owned by Directors and Executive Officers), 32 (Grants of Plan-Based Awards in 2008) and 38 – 39 (Outstanding Equity Awards at December 13, 2008 through Option Exercises and Restricted Shares\Units Vested

Item #	Item contents	Chapter/Exhibit	Page/Section
			in 2008)
21.1.7.	A history of share capital for the period covered by the historical financial information.	Exhibit I	45 (Consolidated Statements of Shareholders' Equity)
21.2.	**Memorandum and Articles of Association**		
21.2.1.	Issuer's objects and purposes.	Exhibit IV	15 (Corporate Purpose)
		Exhibit X	1 – 2 (Exhibit 3.1, Article 2 Purpose)
		Exhibit XI	1 (Excerpt from Section 1.02 Group Companies)
21.2.2	A summary of any provisions of the issuer's articles of association, statutes, charter or bylaws with respect to the members of the administrative, management and supervisory bodies.	Exhibit X	Exhibit 3.1, 16 – 21 (B. Board of Directors)
		Exhibit XI	1 – 6 (Article 2 Corporate Organization, Article 3 The Board, Article 4 Chairman and Vice-Chairman, Article 5 Board Committees, Article 6 Chief Executive Officer, Article 7 Officers and Section 9.01 Signatory Power)
21.2.3.	A description of the rights, preferences and restrictions attaching to each class of the existing shares.	Chapter C	19 – 21 (1.6 Rights Attached to the Securities)
		Exhibit IV	5 – 16 (Description of Share Capital of Weatherford-Switzerland)
21.2.4.	What action is necessary to change the rights of holders of the shares.	Chapter C	20 – 21 (Voting Rights)
		Exhibit IV	11 – 12 (Voting)

Item #	Item contents	Chapter/Exhibit	Page/Section
		Exhibit X	Exhibit 3.1, 13 (Article 17. Voting Rights) and Exhibit 3.1, 15 – 16 (Article 20. Special Vote)
21.2.5.	Conditions governing the manner in which annual general meetings and extraordinary general meetings of shareholders are called.	Chapter C	20 – 21 (Voting Rights)
		Exhibit IV	9 – 11 (General Meetings of Shareholders) and 12 – 13 (Quorum for General Meetings)
		Exhibit X	9 – 11 (Exhibit 3.1, Article 11. Annual General Meeting; Article 12. Extraordinary General Meetings; Article 13. Notice of Shareholders' Meeting)
21.2.6.	Provisions of the issuer's articles of association, statutes, charter or bylaws that would have an effect of delaying, deferring or preventing a change in control of the issuer.	Exhibit IV	14 – 15 (Anti-Takeover Provisions)
21.2.7.	An indication of the articles of association, statutes, charter or bylaw provisions, if any, governing the ownership threshold above which shareholder ownership must be disclosed.	Not applicable	Not applicable
21.2.8.	A description of the conditions imposed by the memorandum and articles of association statutes, charter or bylaw governing changes in the capital, where such conditions are more stringent than is required by law.	Not applicable	Not applicable
22.	**MATERIAL CONTRACTS**		
		Exhibit I	10 (Employees), 30 – 32 (Contractual Obligations), 32 (Off Balance

Item #	Item contents	Chapter/Exhibit	Page/Section
			Sheet Arrangements), 53 (2. Business Combinations), 53 (3. Equity Investment Acquisition), 56 – 57 (9. Short-term Borrowings and Current Portion of Long-term Debt) and 73 (17. Commitments)
		Exhibit II	7 (Excerpts from 2. Business Combinations), 7 (3. Equity Investment Acquisition), 8 - 9 (7. Short-term Borrowings and Current Portion of Long-term Debt), 17 – 18 (18. Subsequent Event), 30 (Committed Borrowing Facilities), 32 (Off Balance Sheet Arrangements) and 32 (Letters of Credit)
		Exhibit IV	1 – 3 (Item 1.01 Entry Into a Material Definitive Agreement)
		Exhibit V	All pages
		Exhibit IX	1 (Item 1.01 Entry into a Material

Item #	Item contents	Chapter/Exhibit	Page/Section
			Definitive Agreement)
		Exhibit X	1 (Item 1.01 Entry into a Material Definitive Agreement)
23.	**THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST**		
23.1.	Where a statement or report attributed to a person as an expert is included in the Registration Document, provide such person's name, business address, qualifications and material interest if any in the issuer.	Not applicable	Not applicable
23.2.	Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced.	Not applicable	Not applicable
24.	**DOCUMENTS ON DISPLAY**	Chapter C	28 (VIII. Documents on Display)
25.	**INFORMATION ON HOLDINGS**	Exhibit I	29 (Equity Investment Acquisition), 53 (Excerpts from 2. Business Combinations), 53 (Equity Investment Acquisition) and Exhibit 21.1 (Weatherford International Ltd. List of Subsidiaries and Affiliates)
		Exhibit II	6 (1. General), 7 (3. Equity Investment Acquisition) and 17 – 18 (18. Subsequent Event)

Item #	Item contents	Chapter/Exhibit	Page/Section
		Exhibit V	All pages
		Exhibit IX	1 (Item 1.01 Entry Into a Material Definitive Agreement)

ANNEX III

MINIMUM DISCLOSURE REQUIREMENTS FOR THE SHARE SECURITIES NOTE (SCHEDULE)

(Page numbering refers to the page contained in the relevant documents)

Item #	Item contents	Chapter/Exhibit	Page/Section
1.	**PERSONS RESPONSIBLE**		
1.1.	All persons responsible for the information given in the prospectus.	Prospectus	6 (Company Representative for Prospectus)
		Exhibit I	Exhibits 31.1, 31.2, 32.1 and 32.2
		Exhibit II	Exhibits 31.1, 31.2, 32.1 and 32.2
1.2.	A declaration by those responsible for the prospectus.	Prospectus	6 (Company Representative for Prospectus)
2.	**RISK FACTORS**	Exhibit I	10 – 12 (Forward Looking Statements), 12 – 16 (Item 1A. Risk Factors), and 37 – 38 (Qualitative and Quantitative Disclosure About Market Risk)
		Exhibit II	35 – 37 (Qualitative and Quantitative Disclosure About Market Risk) and 37 (Part II, Item 1A. Risk Factors)
3.	**KEY INFORMATION**		
3.1	Working capital statement	Chapter C	26 (VI. Working Capital Statement)

Item #	Item contents	Chapter/Exhibit	Page/Section
3.2	Capitalization and indebtedness	Chapter C	24 (II. Statement of Capitalization and Indebtedness as of June 30, 2009)
3.3	Interest of natural and legal persons involved in the issue/offer	Not applicable	Not applicable
3.4	Reasons for the offer and use of proceeds	Chapter A	10 (Use of Proceeds)
		Chapter C	22 – 23 (Excerpt from 1.11 Purpose of the Listing and Liquidity)
4.	**INFORMATION CONCERNING THE SECURITIES TO BE OFFERED/ ADMITTED TO TRADING**		
4.1	Type and the class of the securities being offered, including the security identification code.	Chapter C	18 – 19 (1.2 Type and the Class of the Securities Being Offered, Including the Security Identification Code)
4.2	Legislation under which the securities have been created.	Chapter C	19 (1.3 Legislation Under Which the Securities Have Been Created)
4.3	Form of securities, name and address of the entity in charge of keeping the records.	Chapter C	19 (1.4 Form of Securities, Name and Address of the Entity In Charge of Keeping the Records)
4.4	Currency of the securities issue.	Chapter C	19 (1.5 Currency of the Securities Issue)
4.5	Rights attached to the securities	Chapter C	19 – 21 (1.6 Rights Attached to the Securities)
4.6	Statement of the resolutions, authorizations and approvals by virtue of which the securities have been or will be created and/or issued.	Not applicable	Not applicable
4.7	Expected issue date of the securities.	Not applicable	Not applicable

Item #	Item contents	Chapter/Exhibit	Page/Section
4.8	Description of any restrictions on the free transferability of the securities.	Chapter C	22 (1.7 Transferability)
4.9	Mandatory takeover bids and/or squeeze-out and sell-out rules in relation to the securities.	Chapter C	22 (1.9 Applicable Takeover Rules)
		Exhibit IV	13 – 14 (Appraisal Rights and Compulsory Acquisitions) and 14 – 15 (Anti-Takeover Provisions)
4.10	An indication of public takeover bids by third parties in respect of the issuer's equity, which have occurred during the last financial year and the current financial year.	Not applicable	Not applicable
4.11	Information on taxes on the income from the securities withheld at source	Chapter C	26 – 28 (VII. Tax Consequences)
5.	**TERMS AND CONDITIONS OF THE OFFER**		
5.1	**Conditions, offer statistics, expected timetable and action required to apply for the offer**		
5.1.1	Conditions to which the offer is subject.	Not applicable	Not applicable
5.1.2	Total amount of the issue/offer.	Not applicable	Not applicable
5.1.3	Time period during which the offer will be open and description of the application process.	Not applicable	Not applicable
5.1.4	Circumstances under which the offer may be revoked or suspended and whether revocation can occur after dealing has begun.	Not applicable	Not applicable
5.1.5	Possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants.	Not applicable	Not applicable
5.1.6	Minimum and/or maximum amount of application.	Not applicable	Not applicable
5.1.7	Period during which an application may be withdrawn.	Not applicable	Not applicable
5.1.8	Method and time limits for paying up the securities and for delivery of the securities.	Not applicable	Not applicable

Item #	Item contents	Chapter/Exhibit	Page/Section
5.1.9	Manner and date in which results of the offer are to be made public.	Not applicable	Not applicable
5.1.10	Procedure for the exercise of any right of pre-emption.	Not applicable	Not applicable
5.2	**Plan of distribution and allotment**		
5.2.1.	The various categories of potential investors to which the securities are offered.	Not applicable	Not applicable
5.2.2.	Indication of whether major shareholders or members of the issuer's management, supervisory or administrative bodies intended to subscribe in the offer, or whether any person intends to subscribe for more than five per cent of the offer.	Not applicable	Not applicable
5.2.3.	Pre-allotment Disclosure:		
a)	The division into tranches of the offer;	Not applicable	Not applicable
b)	The conditions under which the claw-back may be used;	Not applicable	Not applicable
c)	The allotment method or methods to be used for the retail and issuer’s employee tranche;	Not applicable	Not applicable
d)	Pre-determined preferential treatment to be accorded to certain classes of investors or certain affinity groups.	Not applicable	Not applicable
e)	Whether the treatment of subscriptions or bids to subscribe in the allotment may be determined on the basis of which firm they are made through or by;	Not applicable	Not applicable
f)	A target minimum individual allotment if any within the retail tranche;	Not applicable	Not applicable
g)	The conditions for the closing of the offer as well as the date on which the offer may be closed at the earliest;	Not applicable	Not applicable
h)	Whether or not multiple subscriptions are admitted.	Not applicable	Not applicable
5.2.4.	Process for notification to applicants of the amount allotted.	Not applicable	Not applicable
5.2.5.	Over-allotment and 'green shoe':		

Item #	Item contents	Chapter/Exhibit	Page/Section
a)	The existence and size of any over-allotment facility and/or 'green shoe'.	Not applicable	Not applicable
b)	The existence period of the over-allotment facility and/or 'green shoe'.	Not applicable	Not applicable
c)	Any conditions for the use of the over-allotment facility or exercise of the 'green shoe'.	Not applicable	Not applicable
5.3	**Pricing**		
5.3.1.	An indication of the price at which the securities will be offered.	Not applicable	Not applicable
5.3.2.	Process for the disclosure of the offer price.	Not applicable	Not applicable
5.3.3.	If the issuer's equity holders have pre-emptive purchase rights and this right is restricted or withdrawn.	Not applicable	Not applicable
5.3.4	Where there is or could be a material disparity between the public offer price and the effective cash cost to members of the administrative, management or supervisory bodies or senior management, or affiliated persons, of securities acquired by them in transactions during the past year.	Not applicable	Not applicable
5.4.	**Placing and Underwriting**		
5.4.1	Name and address of the co-coordinator(s) of the global offer.	Not applicable	Not applicable
5.4.2	Name and address of any paying agents and depository agents in each country.	Chapter C	19 (1.4 Form of Securities, Name and Address of the Entity In Charge of Keeping the Records)
5.4.3.	Name and address of the entities agreeing to underwrite the issue on a firm commitment basis.	Not applicable	Not applicable
5.4.4.	When the underwriting agreement has been or will be reached.	Not applicable	Not applicable
6.	**ADMISSION TO TRADING AND DEALING ARRANGEMENTS**		
6.1	Whether the securities offered are or will be the object of an application for admission to trading.	Chapter C	18 – 19 (1.2 Type and the Class of the

Item #	Item contents	Chapter/Exhibit	Page/Section
			Securities Being Offered, Including the Security Identification Code)
6.2	Regulated markets or equivalent markets on which securities of the same class of the securities to be offered or admitted to trading are already admitted to trading.	Chapter C	18 – 19 (1.2 Type and the Class of the Securities Being Offered, Including the Security Identification Code)
6.3	Simultaneous private placement.	Not applicable	Not applicable
6.4	Details of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity.	Not applicable	Not applicable
6.5	**Stabilization**		
6.5.1.	The fact that stabilization may be undertaken, that there is no assurance that it will be undertaken and that it may be stopped at any time,	Not applicable	Not applicable
6.5.2.	The beginning and the end of the period during which stabilization may occur,	Not applicable	Not applicable
6.5.3.	Identity of the stabilization manager	Not applicable	Not applicable
6.5.4.	The fact that stabilization transactions may result in a market price that is higher than would otherwise prevail.	Not applicable	Not applicable
7.	**SELLING SECURITIES HOLDERS**		
7.1.	Name and business address of the person or entity offering to sell the securities.	Not applicable	Not applicable
7.2.	The number and class of securities being offered by each of the selling security holders.	Not applicable	Not applicable
7.3.	Lock-up agreements	Not applicable	Not applicable
8.	**EXPENSE OF THE ISSUE/OFFER**		
8.1.	The total net proceeds and an estimate of the total expenses of the issue/offer.	Not applicable	Not applicable
9.	**DILUTION**		

Item #	Item contents	Chapter/Exhibit	Page/Section
9.1.	The amount and percentage of immediate dilution resulting from the offer.	Not applicable	Not applicable
9.2.	In the case of a subscription offer to existing equity holders, the amount and percentage of immediate dilution if they do not subscribe to the new offer.	Not applicable	Not applicable
10.	**ADDITIONAL INFORMATION**		
10.1.	If advisors connected with an issue are mentioned in the Securities Note, a statement of the capacity in which the advisors have acted.	Not applicable	Not applicable
10.2.	An indication of other information in the Securities Note which has been audited or reviewed by statutory auditors.	Not applicable	Not applicable
10.3.	Where a statement or report attributed to a person as an expert is included in the Securities Note, provide such persons' name, business address, qualifications and material interest if any in the issuer.	Not applicable	Not applicable
10.4.	Where information has been sourced from a third party.	Not applicable	Not applicable

EXHIBITS

EXHIBIT I

ANNUAL REPORT ON FORM 10-K FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008, FILED BY WEATHERFORD INTERNATIONAL LTD. WITH THE SEC ON FEBRUARY 24, 2009

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

Form 10-K

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2008

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number 1-31339

WEATHERFORD INTERNATIONAL LTD.

(Exact name of registrant as specified in its charter)

Bermuda	**98-0371344**
(State or other jurisdiction of incorporation or organization)	*(IRS Employer Identification No.)*
515 Post Oak Boulevard Houston, Texas	**77027-3415**
(Address of principal executive offices)	*(Zip Code)*

Registrant's telephone number, including area code: (713) 693-4000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Shares, $1.00 Par Value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☑ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☑

Note — Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Exchange Act from their obligations under those Sections.

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer ☑ Accelerated Filer ☐ Non-Accelerated Filer ☐ Smaller reporting company ☐
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☑

The aggregate market value of the voting stock held by nonaffiliates of the registrant as of June 30, 2008 was approximately $28 billion based upon the closing price on the New York Stock Exchange as of such date.

Indicate the number of shares outstanding of each of the registrant's classes of common shares, as of the latest practicable date:

Title of Class	Outstanding at February 20, 2009
Common Shares, $1.00 Par Value	697,825,884

DOCUMENTS INCORPORATED BY REFERENCE

Certain information called for by Items 10, 11, 12, 13 and 14 of Part III will be included in an amendment to this Annual Report on Form 10-K or incorporated by reference from the registrant's definitive proxy statement for the annual meeting to be held on May 7, 2009.

PART I

Item 1. *Business*

Weatherford International Ltd. (NYSE:WFT) is one of the world's leading providers of equipment and services used in the drilling, evaluation, completion, production and intervention of oil and natural gas wells. We were originally incorporated in Delaware in 1972, and as a result of our corporate reorganization in 2002, are now incorporated in Bermuda. Many of our businesses, including those of Weatherford Enterra, have been operating for more than 50 years. We anticipate that, during the first quarter of 2009, we will complete a transaction in which Weatherford International Ltd., the Bermuda exempted company ("Weatherford-Bermuda"), will become a wholly-owned subsidiary of Weatherford International Ltd., a Swiss joint-stock company ("Weatherford-Switzerland"), and holders of our common shares will receive one registered share of Weatherford-Switzerland for each common share of Weatherford-Bermuda that they hold.

When referring to Weatherford and using phrases such as "we" and "us," our intent is to refer to Weatherford International Ltd. and its subsidiaries as a whole or on a regional basis, depending on the context in which the statements are made.

We operate in approximately 100 countries, which are located in nearly all of the oil and natural gas producing regions in the world. Our operational performance is segmented and reviewed on a geographic basis, and we report the following regions as reporting segments: (1) North America, (2) Latin America, (3) Europe/West Africa/the Commonwealth of Independent States ("CIS") and (4) Middle East/North Africa/Asia.

Our growth strategy has included a mix of organic product and service development, the acquisition of key technologies, products and services and several notable divestitures. One of our most substantial acquisitions was in August 2005, when we acquired Precision Energy Services and Precision Drilling International. Precision Energy Services broadened our wireline and directional capabilities and strengthened our controlled pressure drilling and testing product lines. Precision Drilling International added land rigs to our portfolio, primarily in the Eastern Hemisphere.

Our divestitures include the April 2000 spin-off of our Drilling Products Division to our shareholders through a distribution of the stock of our Grant Prideco, Inc. subsidiary. In February 2001, we completed the merger of essentially all of our Compression Services division into a subsidiary of Universal Compression Holdings, Inc. in exchange for 13.75 million shares of Universal common stock. During 2004 and 2005, we sold our interest in Universal Compression Holdings, Inc. In 2005, we sold our non-core Gas Services International compression fabrication business. In 2008, we finalized the divestiture of our oil and gas development and production business.

Our principal executive offices are located at 515 Post Oak Boulevard, Houston, Texas 77027 and our telephone number at that location is (713) 693-4000. We anticipate relocating our principal executive offices to Switzerland in the first quarter of 2009. However, certain corporate functions, including our U.S. Investor Relations department, will remain at the foregoing address and telephone number. Our Internet address is www.weatherford.com. General information about us, including our Corporate Governance Policies and charters for the committees of our board of directors, can be found on our Web site. On our Web site we make available, free of charge, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we electronically file or furnish them to the SEC. The public may read and copy any materials we have filed with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Room 1580, Washington, DC 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. The SEC maintains an internet site that contains our reports, proxy and information statements, and our other SEC filings. The address of that site is www.sec.gov.

The following is a summary of our business strategies and the markets we serve. We have also included a description of our products and services offered and our competitors. Segment financial information appears in "Item 8. Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 18."

Strategy

Our primary objective is to provide our shareholders with above-average returns on their investment through income growth and asset appreciation.

Principal components of our strategy include:

- Continuously improving the efficiency, productivity and quality of our products and services and their respective delivery in order to grow revenues and operating margins in all of our geographic markets at a rate exceeding underlying market activity;
- Through a commitment to innovation and invention, developing and commercializing new products and services capable of meeting evolving needs of our customers; and
- Further extending our global infrastructure in scope and scale at a level consistent with meeting customer demand for our products and services in an efficient manner.

Markets

We are a leading provider of equipment and services to the oil and natural gas exploration and production industry. Demand for our industry's services and products depends upon the number of oil and natural gas wells being drilled, the depth and drilling conditions of wells, the number of well completions and the level of workover activity worldwide.

During the mid-1980s, the drilling industry contracted sharply, correcting a condition of significant overcapacity that existed in the supply of oilfield service and equipment. For the past 20 years, global rig count has cycled up and down with factors such as world economic and political trends that influence supply and demand for energy, the price of oil and natural gas and the level of exploration and drilling for those commodities.

As a result of the maturity of the world's oil and natural gas reservoirs, accelerating production decline rates and the focus on complex deepwater prospects, technology has become increasingly critical to the marketplace. Clients continue to seek, test and prove production-enabling technologies at an increasing rate. Technology is an important aspect of our products and services, as it helps us provide our clients with more efficient tools to find and produce oil and natural gas. We have invested a substantial amount of our time and resources in building our technology offerings. We believe our products and services enable our clients to reduce their costs of drilling and production and/or increase production rates. Furthermore, these offerings afford us additional opportunities to sell our traditional core products and services to our clients.

Product Offerings

Our product offerings can be grouped into ten service lines: 1) artificial lift systems; 2) drilling services; 3) well construction; 4) drilling tools; 5) completion systems; 6) wireline and evaluation services; 7) re-entry and fishing; 8) stimulation and chemicals; 9) integrated drilling; and 10) pipeline and specialty services. The following discussion provides an overview of our various product offerings. With the exception of integrated drilling, our product line offerings are provided in all of our regional segments. Our integrated drilling product line is primarily offered outside of North America.

Artificial Lift Systems

Artificial lift systems are installed in oil wells and, to a lesser extent, natural gas wells that do not have sufficient reservoir pressure to raise the produced hydrocarbon to the surface. These systems supplement the natural reservoir pressures to produce oil or natural gas from the well. There are six principal types of artificial lift technologies used in the industry. With the exception of our electrical submersible pumps business, which we sold to an equity investment partner in January 2008, we are able to provide all forms of lift, including progressing cavity pumps, reciprocating rod lift systems, gas lift systems, hydraulic lift systems, plunger lift systems and hybrid lift systems. We also offer wellhead systems and production optimization.

Progressing Cavity Pumps — A progressing cavity pump (PCP) is a downhole pump driven by an above-ground electric motor system connected to it by a coupled rod or continuous rod string. These pumps are designed to work in wells of depths up to 12,000 feet with production between 10 and 4,500 barrels of oil per day. PCPs are particularly useful in heavy-oil-producing basins around the world.

Reciprocating Rod Lift Systems — A reciprocating rod lift system is an artificial lift pumping system that uses an above-ground mechanical unit connected to a sucker rod and a downhole pump. It uses an up-and-down suction process to lift the oil from the reservoir. Reciprocating rod lift is used primarily for the production of oil from wells of depths up to 14,000 feet and production rates from 20 to 6,000 barrels per day.

Gas Lift Systems — Gas lift is a form of artificial lift that uses natural gas to lift oil in a producing reservoir to the surface. The process of gas lift involves the injection of natural gas into the well through an above-ground injection system and a series of downhole mandrels and gas lift valves in the production tubing string. The injected gas acts as the lifting agent for the oil. Gas lift systems are used primarily for offshore wells (including deepwater and ultra-deepwater) and for wells that have a high component of gas in the produced fluid or have a gas supply near the well. Gas lift systems are designed to operate at depths up to 18,000 feet with volumes up to 50,000 barrels of oil per day.

Hydraulic Lift Systems — A hydraulic lift oil pumping system uses an above-ground surface power unit to operate a downhole hydraulic pump (jet or piston) to lift oil from the reservoir. These systems are designed for wells of depths up to 17,000 feet and volumes up to 20,000 barrels per day. Hydraulic pumps are well suited for wells with high volumes and low solids.

Plunger Lift Systems — Plunger lift is the only artificial lift method that requires no assistance from outside energy sources. The typical system consists of a plunger (or piston), top and bottom bumper springs, a lubricator and a surface controller. As the plunger travels to the surface, it creates a solid interface between the lifted gas below and produced fluid above to maximize lift energy. Plunger lift is a low-cost, easily maintained method of lift. It is particularly useful for dewatering gas wells and increasing production from wells with emulsion problems. Plunger lift also keeps wells free of paraffin and other tubing deposits and can be used to produce a well to depletion at depths of 19,000 feet and volumes up to 200 barrels per day.

Hybrid Lift Systems — We offer a variety of hybrid artificial lift systems which are engineered for special applications and may incorporate two or more of the artificial lift methods described above.

Wellhead Systems — We offer a line of conventional wellhead equipment and valves manufactured to the latest API industry specifications and client requirements, including conventional surface wellheads through 20,000 psi; gate valves from 2,000 to 20,000 psi; complete wellhead systems (drill-through, multi-bowl, unitized and mud-line); and all the accessories and aftermarket services to go with them.

Production Optimization — Production optimization is the process of monitoring oil and natural gas fields, and interpreting the resulting data to inform production and reservoir management decisions. The ultimate goal is to assist operators in making better decisions that maximize profits through improved optimized well production and maximized reservoir recovery. The major benefits of production optimization are increased production with decreased operating costs resulting in increased bottom-line profits for producers.

Weatherford offers products for optimizing at the well, reservoir and field level. Both hardware and software are combined into solutions that fit the customer's specific needs for optimizing production.

Well Optimization — For wellsite intelligence, we offer specific controllers for each type of artificial lift. These controllers contain computers with specific logic to control the well in response to changes in the reservoir, artificial-lift equipment or well completion. The desktop software provides advanced analytical tools that allow the operator to make changes by controlling the well directly or by changing the parameters that the controller is using to operate the well. In 2007, we enhanced our plunger lift controller and added a new variable speed drive for progressing cavity pumps (PCP), rod pumping, and electric submersible pumps (ESP).

Flow Measurement — Our Production Optimization group develops metering and software solutions to supply real-time production information to the operator, allowing accurate production measurements as a part of individual well and field optimization.

Field Optimization — We provide tools for optimizing workflow. These software tools assist the operator in tracking the operations needed for optimal field management. Tasks such as chemical injection, well workovers and injection allocation of injection gas can easily generate unnecessary expenses by inefficient prioritization of tasks, poor recordkeeping and lack of analysis of the effectiveness of the total field operations. The combination of our experienced consultants and advanced software tools help the operator optimize operations for entire fields.

Drilling Services

These capabilities include directional drilling, Controlled Pressure Drilling® (CPD®) & Well Testing, drilling-with-casing (DwC™) and drilling-with-liner (DwL™) systems and surface logging systems.

Directional drilling involves the personnel, equipment and engineering required to control the direction of a wellbore. Directional drilling allows drilling of multiple wells from a single offshore platform or a land-based pad site. It also allows drilling of horizontal wells and penetration of multiple reservoir pay zones from a single wellbore. We supply a range of specialized, patented equipment for directional drilling, including:

- *Measurement while drilling (MWD) and logging while drilling (LWD)* — MWD and LWD measure, respectively, wellbore trajectory and formation properties, in real time, while the well is being drilled.
- *Rotary steerable systems (RSS)* — These systems allow control of wellbore trajectory while drilling at the surface with continuous rotation of the drillstring. They are crucial for enabling long, step-out, directional wells and for reducing completion-running complications resulting from abrupt hole-angle changes caused by conventional drilling methods.
- *Directional drilling services* — These services include surveying, design and operational support for directional and horizontal drilling; products include drilling motors and other associated equipment.

Our directional drilling capabilities are supported by our engineering facility in Houston, which houses qualified engineers, scientists and technicians, all focused on developing technologies for the MWD/LWD and directional drilling markets, both land based and offshore.

Controlled Pressure Drilling® (CPD®) — Weatherford's CPD offerings are provided through three techniques: 1) Managed Pressure Drilling, 2) Underbalanced Drilling and 3) Air Drilling.

- *Managed Pressure Drilling (MPD)* — This technique provides an advanced form of primary well control, using a closed, pressurized fluid system that more precisely controls the wellbore pressure profile than mud weight adjustments alone. The main objective of MPD is to optimize drilling processes by decreasing non-productive time and mitigating drilling hazards.
- *Underbalanced Drilling (UBD)* — This technique is used in development, exploration and mature field applications to minimize formation damage and maximize productivity. UBD is drilling with bottomhole pressure that is maintained below reservoir pressure to intentionally invite fluid influx. This technique permits the reservoir to flow while drilling takes place, thereby improving well productivity by protecting the formation from damage by the drilling fluids.
- *Air Drilling* — This technique applies reduced density fluid systems to drill sub-hydrostatically. Air drilling is used primarily in hard rock applications to reduce drilling costs by increasing the rate of penetration.

A full range of downhole equipment, such as high temperature motors, wireline steering tools, drillpipe, air rotary hammer drills, casing exit systems, downhole deployment valves and downhole data acquisition equipment, make our product offerings unique.

Well Testing — Well testing uses specialized equipment and procedures to obtain essential information about oil and gas wells after the drilling process has been completed. Typical information derived may include reservoir performance, reservoir pressure, formation permeability, formation porosity and formation fluid composition.

A related application is our separation business, which supplies personnel and equipment on a wellsite to recover a mixture of solids, liquids and gases from oil and gas wells. These services are used during drilling, after stimulation or after re-completion to clean up wells. The operator requires that a well be properly cleaned before

undertaking a well test to ensure that the true deliverability of the well is attained and that debris and spent stimulation chemicals do not ultimately flow to the process plant.

Drilling-with-casing and drilling-with-liner systems — These systems allow operators to simultaneously drill and case oil and natural gas wells. Our *DwC* and *DwL* techniques eliminate downhole complexity, reducing expensive rig modifications and the number of trips downhole. Consequently, drilling hazards are mitigated, well construction is simplified, and productivity can be improved when drilling through the reservoir.

Surface Logging Systems — Often referred to as mud logging, this is a well-site service that uses fluid and gas samples along with drilling cuttings to evaluate the geology and geo chemistry of the formation as it is being drilled. The derived data and interpretation is used to help geologists and drillers ensure that the well is placed in the most productive formation to maximize ultimate well productivity.

Well Construction

This grouping includes the primary services and products required to construct a well and spans tubular running services, cementation tools, liner systems, solid tubular expandable technologies and aluminum alloy tubular products.

Tubular Running Services — These services consist of a wide variety of tubular connection and installation services for the drilling, completion and workover of an oil or natural gas well. We provide tubular handling, preparation, inspection and wellsite installation services from a single source. We offer a suite of products and services for improving rig floor operations by reducing personnel exposure, increasing operational efficiency and improving safety. We also specialize in critical-service installations where operating conditions, such as downhole environments and/or metallurgical characteristics, call for specific handling technology.

Cementation Tools — Cementing operations comprise one of the most expensive phases of well completion. We produce specialized equipment that allows operators to centralize the casing throughout the wellbore and control the displacement of cement and other fluids. Our cementing engineers also analyze complex wells and provide recommendations to help optimize cementing results.

Liner Systems — Liner hangers allow suspension of strings of casing within a wellbore without the need to extend the casing to the surface. Most directional wells include one or more liners to optimize casing programs. We offer both drilling and production liner hangers. Drilling liners are used to isolate areas within the well during drilling operations. Production liners are used in the producing area of the well to support the wellbore and to isolate various sections of the well.

Solid Tubular Expandable Technologies — Proprietary expandable tools are being developed for downhole solid tubular applications in well remediation, well completion and well construction. Our solid tubular expandable products include the MetalSkin® line and the HydraSkin™ System, *MetalSkin* systems are used for well cladding to shut off zones, retro-fit corroded sections of casing and strengthen existing casing. *MetalSkin* open-hole clad systems are used for controlling drilling hazards such as unwanted fluid loss or influx and as slim-bore drilling liners. Slim-bore and, ultimately, monobore liner systems are designed to allow significant cost reductions by reducing consumables for drilling and completion of wells, allowing use of smaller rigs and reducing cuttings removal needs. The benefits are derived because of the potential of expandable technologies to significantly reduce or eliminate the reverse-telescoping architecture inherent in traditional well construction. The *HydraSkin* system is a hydraulic bottom-up expansion system that can be used for increased diameter efficiency in either planned or contingency operations.

Aluminum Alloy Tubular Products — We design and manufacture aluminum alloy (AA) tubular goods for drilling, production and completion. Unique physical and mechanical properties of aluminum alloys provide a number of benefits, especially superior corrosion resistance in various aggressive environments and enhanced strength-to-weight ratio, resulting in better drilling performance. Products range from *Aluminum Alloy Drill Pipe,* which is used in most drilling applications, but especially recommended for ultra deep and extended reach wells and rigs with limited load capacity, to drillpipe risers designed for drilling, production and completion operations. These large diameter products possess high strength and significant corrosion resistance properties essential in aggressive environments, such as deepwater wells.

Drilling Tools

We design and manufacture patented tools, including our drilling jars, rotating control devices and other pressure-control equipment used in drilling oil and natural gas wells. We also offer a broad selection of in-house or third-party manufactured equipment for the drilling, completion and workover of oil and natural gas wells. We offer these proprietary and nonproprietary drilling tools to our clients — primarily operators and drilling contractors — on a rental basis, allowing the clients to use unique equipment to improve drilling efficiency without the cost of holding that equipment in inventory.

Our drilling tools include the following:

- Drillpipe and related drillstem tools, drill collars, heavyweight pipe and drilling jars;
- Downhole tools;
- Pressure-control equipment such as blowout preventers, high-pressure valves, accumulators, adapters and choke-and-kill manifolds; and
- Tubular handling equipment such as elevators, spiders, slips, tongs and kelly spinners.

Completion Systems

We offer our clients a comprehensive line of completion tools and sand screens. These products and services include the following:

Completion Tools — These tools are incorporated into the tubing string used to transport hydrocarbons from the reservoir to the surface. We offer a wide range of devices for enhancing the safety and functionality of the production string, including permanent and retrievable packer systems, subsurface safety systems, flow controls and tool string, specialized downhole isolation valves and associated servicing equipment. Over the past decade, we have evolved our portfolio from one of basic cased-hole commodity products to one that focuses more heavily on premium offerings for deepwater and high-pressure/high-temperature environments.

Sand Screens — Sand production often results in premature failure of artificial-lift and other downhole and surface equipment and can obstruct the flow of oil and natural gas. To remedy this issue, we provide two different sand screen approaches: conventional and expandable.

- *Conventional sand screens* — These products are used in the fluid-solid separation processes and have a variety of product applications. Our primary application of well screens is for the control of sand in unconsolidated formations. We offer premium, pre-pack and wire-wrap sand screens. We also offer a FloReg™ line of inflow control devices that balance horizontal wellbore production, ultimately maximizing reservoir drainage. We also operate the water well and industrial screen business of Johnson Screens. Served markets include water well, petrochemical, wastewater treatment and surface water intake, mining and general industrial applications.
- *Expandable Sand Screens (ESS)* — Our ESS® systems are proprietary step-change sand-control devices that reduce cost and improve production. An ESS system consists of three layers, including slotted base pipe, filtration screens and an outer protective shroud. The system can be expanded using a fixed cone and/or compliantly using our proprietary axial and rotary expansion system. This system aids productivity because it stabilizes the wellbore, prevents sand migration and has a larger inner diameter. ESS technology can replace complex gravel-packing techniques in many sand-control situations.

Reservoir Optimization — Our intelligent completion technology (ICT) uses downhole optical and electronic sensing to allow operators to remotely monitor the downhole pressure, temperature, flow rate, phase fraction and seismic activity of each well and the surrounding reservoir. This advanced monitoring capability allows the operator to monitor the reaction of the reservoir to the production of the well. Combining this monitoring with multiple-zone downhole flow control allows field pressure management and shutoff of unwanted flows of water or gas.

Wireline and Evaluation Services

Wireline and evaluation services, in concert with surface logging systems and LWD, form a data acquisition and interpretation capability that enables clients with an integrated approach to formation evaluation and reservoir characterization. Open-hole wireline services and logging while drilling compliment laboratory-derived analysis of core and reservoir fluid samples. When combined with geosciences consulting, this integrated capability provides the data and interpretation to reduce reservoir uncertainty and ultimately optimize production and maximize recovery.

Wireline services — Wireline services measure the physical properties of underground formations to help determine the location and potential deliverability of oil and gas from a reservoir. Wireline services are provided from surface logging units, which lower tools and sensors into the wellbore mainly on a single or multiple conductor wireline.

The provision of wireline and associated interpretation services is divided into four categories: open hole wireline, geoscience services, cased hole wireline and slickline services:

- *Open Hole Wireline* — This service helps locate oil and gas by measuring certain characteristics of geological formations and providing permanent records called "logs." Open hole logging can be performed at different intervals during the well drilling process or immediately after a well is drilled. The logging data provides a valuable benchmark to which future well management decisions may be referenced. The open hole sensors are used to determine well lithology and the presence of hydrocarbons. Formation characteristics such as resistivity, density and porosity are measured using electrical, nuclear, acoustic, magnetic and mechanical technologies.

  The formation characteristics are then used to characterize the reservoir and describe it in terms of porosity, permeability, oil, gas or water content and an estimation of productivity. Wireline services can relay this information from the wellsite on a real-time basis via a secure satellite transmission network and secure Internet connection to the client's office for faster evaluation and decision making.

- *Geoscience Services* — This capability, consisting of geologists, geophysicists, and drilling, completion, production and reservoir engineers, serves as the interpretive bridge across diverse data sources to support client efforts to maximize their oil and gas assets using for the life of the well — from well planning through drilling, evaluation, completion, production, intervention and, finally, abandonment.

  Major computing centers in Calgary and Houston, along with branches in Europe, the Middle East, Latin America and Asia Pacific, use the latest technology to deliver data to our clients — from real-time (LWD) "geosteering" for critical well placement decisions to ongoing reservoir monitoring with permanent "intelligent completion" sensors. We provide advanced reservoir solutions by incorporating open hole, cased hole and production data.

- *Cased Hole Wireline* — This service is performed at various times throughout the life of the well and includes perforating, completion logging, production logging and casing integrity services. Perforating creates the flow path between the reservoir and the wellbore. Production logging can be performed throughout the life of the well to measure temperature, fluid type, flow rate, pressure and other reservoir characteristics. In addition, cased hole services may involve wellbore diagnostics and remediation, which could include the positioning and installation of various plugs and packers to maintain production or repair well problems, and casing inspection for internal or external abnormalities in the casing string.

- *Slickline Services* — This service uses a solid steel or braided nonconductor line, in place of a single or multiple conductor braided line used in electric logging, to run downhole memory tools, manipulate downhole production devices and provide fishing services primarily in producing wells.

Integrated Evaluation Services — These services help clients plan the development of new and existing oil and gas production fields. Specifically, a global network of laboratories provide support in terms of fluid and reservoir characterization, specialized core and fluid testing, enhanced oil recovery, rock strength and characterization, sour richness and maturity, sorption properties assessment and reservoir flow studies.

Re-entry and Fishing

Our re-entry, fishing and thru-tubing services help clients repair wells that have mechanical problems or that need work to prolong production of oil and natural gas reserves.

Re-entry Services — Our re-entry services include casing exit services and advanced multilateral systems. Conventional and advanced casing exit systems allow sidetrack and lateral drilling solutions for clients who either cannot proceed down the original well track or want to drill lateral wells from the main or parent wellbore.

Fishing Services — Fishing services are provided through teams of experienced fishing tool supervisors and a comprehensive line of fishing and milling tools. Our teams provide conventional fishing services, such as removing wellbore obstructions, including stuck or dropped equipment, tools, drillstring components and other debris, that have been lost downhole unintentionally during the drilling, completion or workover of new and old wells. Specialty fishing tools required in these activities include fishing jars, milling tools, casing cutters, overshots and spears. Our Fishing Services business unit also provides well patches and extensive plug-and-abandonment products.

Thru-tubing Services — Thru-tubing services are used in well re-entry activity to allow operators to perform complex drilling, completion and cementing activities from existing wellbores without removing existing production systems. We provide a full range of thru-tubing services and products, including drilling motors, casing exits, fishing and milling, zonal isolation packers and other well remediation services.

Stimulation and Chemicals

We offer our clients advanced chemical technology and services for safer and more effective production enhancement. These products and services include the following:

Fracturing Technologies — Hydraulic reservoir fracturing is a stimulation method routinely performed on oil and natural gas wells in low-permeability reservoirs to increase productivity and oil and gas recovery.

Production Chemical Systems — Our Engineered Chemistry® business combines proprietary chemical solutions with internally developed oilfield equipment technologies. Our high-performance chemistry solutions include: customized chemical solutions for production, refining, completion, water treatment and other industrial processes; a total service package (product selection, application and optimization); and precise formulations and multi-functional chemical formulations that include the only formulas certified for capillary injection.

Capillary Injection Technology and Services — Capillary technology maximizes well production while protecting tubular goods. With systems installed in live wells in just three to four hours, reservoir production is not interrupted. Our systems operate at depths of 22,000 feet.

Integrated Drilling

The majority of our land drilling rigs are located outside of North America. We also have the ability to offer project management services to our clients, in which we provide a number of products and services needed to drill and complete a well, including the rig.

Pipeline and Specialty Services

We provide a range of services used throughout the life cycle of pipelines and process facilities, onshore and offshore. Our pipeline group can meet all the requirements of the pipeline, process, industrial and energy markets worldwide. We also can provide any service (or package of services) carried out on permanently installed client equipment that involves inspecting, cleaning, drying, testing, improving production, running or establishing integrity from the wellhead out.

Competition

We provide our products and services worldwide, and compete in a variety of distinct segments with a number of competitors. Our principal competitors include Baker Hughes, BJ Services, Halliburton, Schlumberger and

Smith International. We also compete with various other regional suppliers that provide a limited range of equipment and services tailored for local markets. Competition is based on a number of factors, including performance, safety, quality, reliability, service, price, response time and, in some cases, breadth of products.

Other Business Data

Raw Materials

We purchase a wide variety of raw materials as well as parts and components made by other manufacturers and suppliers for use in our manufacturing. Many of the products sold by us are manufactured by other parties. We are not dependent on any single source of supply for any of our raw materials or purchased components.

Customers

Our principal customers consist of major and independent oil and natural gas producing companies. During 2008, 2007 and 2006, there was no individual customer who accounted for more than 10% of consolidated revenues.

Research and Development and Patents

We maintain world-class technology and training centers throughout the world. Our 34 research, development and engineering facilities are focused on improving existing products and services and developing new technologies to meet customer demands for improved drilling performance and enhanced reservoir productivity. Our expenditures for research and development totaled $193 million in 2008, $169 million in 2007 and $149 million in 2006.

As many areas of our business rely on patents and proprietary technology, we have followed a policy of seeking patent protection both inside and outside the U.S. for products and methods that appear to have commercial significance. In the U.S., we currently have 1,182 patents issued and over 413 pending. We have 2,104 patents issued in international jurisdictions and over 1,310 pending. We amortize patents over the years expected to be benefited, ranging from 3 to 20 years.

Although in the aggregate our patents are important to the manufacturing and marketing of many of our products, we do not believe that the loss of any one of our patents would have a material adverse effect on our business.

Seasonality

Weather and natural phenomena can temporarily affect level of demand for our products and services. Spring months in Canada and winter months in the North Sea tend to negatively affect operations. In the summers of 2005 and 2008, the Gulf of Mexico suffered an unusually high number of hurricanes that adversely impacted our operations. The widespread geographical locations of our operations serve to mitigate the impact of the seasonal nature of our business.

Federal Regulation and Environmental Matters

Our operations are subject to federal, state and local laws and regulations relating to the energy industry in general and the environment in particular.

In January 2003, a subsidiary of Precision Energy Services was notified by the U.S. Environmental Protection Agency (“EPA”) that it was a potentially responsible party to the Gulf Nuclear Superfund Sites in Odessa, Tavenor and Webster, Texas. Based upon the information provided, it appears we will be classified as a de minimus party. Over the last three years, we have also been named as de minimus potentially responsible party in several other state and federal governmental superfund sites and have settled all of these matters for an aggregate of approximately $50,000. In February 2008, we paid a civil penalty of $208,000 to the Federal Aviation Administration to settle a complaint regarding the improper labeling of hazardous materials (lithium batteries) that were to be shipped aboard a commercial airliner.

Our 2008 expenditures to comply with environmental laws and regulations were not material, and we currently expect the cost of compliance with environmental laws and regulations for 2009 also will not be material.

Employees

At December 31, 2008, we employed approximately 50,000 employees. Certain of our operations are subject to union contracts. These contracts cover approximately two percent of our employees. We believe that our relationship with our employees is generally satisfactory.

Forward-Looking Statements

This report, as well as other filings made by us with the Securities and Exchange Commission ("SEC"), and our releases issued to the public contain various statements relating to future results, including certain projections and business trends. We believe these statements constitute "Forward-Looking Statements" as defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "estimate," "intend," "strategy," "plan," "may," "should," "will," "would," "will be," "will continue," "will likely result," and similar expressions, although not all forward-looking statements contain these identifying words.

From time to time, we update the various factors we consider in making our forward-looking statements and the assumptions we use in those statements. However, we undertake no obligation to publicly update or revise any forward-looking events or circumstances that may arise after the date of this report. The following sets forth the various assumptions we use in our forward-looking statements, as well as risks and uncertainties relating to those statements. Certain of the risks and uncertainties may cause actual results to be materially different from projected results contained in forward-looking statements in this report and in our other disclosures. These risks and uncertainties include, but are not limited to, the following:

- *Global political, economic and market conditions could affect projected results.* Our operating results and the forward-looking information we provide are based on our current assumptions about oil and natural gas supply and demand, oil and natural gas prices, rig count and other market trends. Our assumptions on these matters are in turn based on currently available information, which is subject to change. The oil and natural gas industry is extremely volatile and subject to change based on political and economic factors outside our control. Worldwide drilling activity, as measured by average worldwide rig counts, increased in each year from 2002 to 2008. However, activity began declining in the fourth quarter of 2008, particularly in North America. The current global economic climate has resulted in lower demand and lower prices for oil and natural gas, which has reduced drilling and production activity and may therefore affect our future revenues and income. We cannot accurately predict how much lower commodity prices and drilling activity may go, or when they may recover. Worldwide drilling activity and global demand for oil and natural gas may also be affected by changes in governmental policies, laws and regulations related to environmental or energy security matters, including those addressing alternative energy sources and the risks of global climate change. We have assumed global demand will be down slightly in 2009 compared to 2008. In 2009, worldwide demand may be significantly weaker than we have assumed.

- *Our ability to manage our workforce could affect our projected results.* In a climate of decreasing demand, we are faced with managing our workforce levels to control costs without impairing our ability to provide service to our customers. Our forward-looking statements assume we will be able to do so.

- *Increases in the prices and availability of our raw materials could affect our results of operations.* We use large amounts of raw materials for manufacturing our products. The price of these raw materials has a significant impact on our cost of producing products for sale or producing fixed assets used in our business. We have assumed that the prices of our raw materials will remain within a manageable range and will be readily available. If we are unable to obtain necessary raw materials or if we are unable to minimize the impact of increased raw material costs or to realize the benefit of cost decreases in a timely fashion through our supply chain initiatives or pricing, our margins and results of operations could be adversely affected.

- *Our long-term growth depends upon technological innovation and commercialization.* Our ability to deliver our long-term growth strategy depends in part on the commercialization of new technology. A central aspect of our growth strategy is to improve our products and services through innovation, to obtain technologically advanced products through internal research and development and/or acquisitions, to protect

proprietary technology from unauthorized use and to expand the markets for new technology by leveraging our worldwide infrastructure. The key to our success will be our ability to commercialize the technology that we have acquired and demonstrate the enhanced value our technology brings to our customers' operations. Our major technological advances include, but are not limited to, those related to controlled pressure drilling and testing systems, expandable solid tubulars, expandable sand screens and intelligent well completion. Our forward-looking statements have assumed successful commercialization of, and above-average growth from, these new products and services, as well as legal protection of our intellectual property rights.

- *Nonrealization of expected benefits from our 2002 corporate reincorporation could affect our projected results.* We currently are incorporated in Bermuda and we operate through our various subsidiaries in numerous countries throughout the world including the United States. We anticipate that, during the first quarter of 2009, we will complete a transaction in which our parent Bermuda company will become a wholly-owned subsidiary of Weatherford International Ltd., a Swiss joint-stock company, and holders of our common shares will receive one registered share of the Swiss company in exchange for each of our common shares that they hold. Consequently, we are or may become subject to changes in tax laws, treaties or regulations or the interpretation or enforcement thereof in the U.S., Bermuda, Switzerland or jurisdictions in which we or any of our subsidiaries operates or is resident. Our income tax expense is based upon our interpretation of the tax laws in effect in various countries at the time that the expense was incurred. If the U.S. Internal Revenue Service or other taxing authorities do not agree with our assessment of the effects of such laws, treaties and regulations, this could have a material adverse effect on us including the imposition of a higher effective tax rate on our worldwide earnings or a reclassification of the tax impact of our significant corporate restructuring transactions.

- *Nonrealization of expected benefits from our acquisitions could affect our projected results.* We expect to gain certain business, financial and strategic advantages as a result of business acquisitions we undertake, including synergies and operating efficiencies. Our forward-looking statements assume that we will successfully integrate our business acquisitions and realize the benefits of that. An inability to realize expected strategic advantages as a result of any acquisition would negatively affect the anticipated benefits of the acquisition.

- *The cyclical nature of or a prolonged downturn in our industry could affect the carrying value of our goodwill.* As of December 31, 2008, we had approximately $3.5 billion of goodwill. Our estimates of the value of our goodwill could be reduced in the future as a result of various factors, including market factors, some of which are beyond our control. Our forward-looking statements do not assume any future goodwill impairment. Any reduction in the fair value of our businesses may result in an impairment charge and therefore adversely affect our results.

- *Currency fluctuations could have a material adverse financial impact on our business.* A material change in currency rates in our markets could affect our future results as well as affect the carrying values of our assets. World currencies have been subject to much volatility. Our forward-looking statements assume no material impact from future changes in currency exchange rates.

- *Adverse weather conditions in certain regions could adversely affect our operations.* In the summers of 2005 and 2008, the Gulf of Mexico suffered several significant hurricanes. These hurricanes and associated hurricane threats reduced the number of days on which we and our customers could operate, which resulted in lower revenues than we otherwise would have achieved. In parts of 2006, and particularly in the second quarters of 2007 and 2008, climatic conditions in Canada were not as favorable to drilling as we anticipated, which limited our potential results in that region. Similarly, unfavorable weather in Russia and in the North Sea could reduce our operations and revenues from that area during the relevant period. Our forward-looking statements assume weather patterns in our primary areas of operations will be conducive to our operations.

- *U.S. Government and internal investigations could affect our results of operations.* We are currently involved in government and internal investigations involving various of our operations. These investigations are ongoing, and we cannot anticipate the timing, outcome or possible impact of these investigations, financial or otherwise. The governmental agencies involved in these investigations have a broad range of civil and criminal penalties they may seek to impose against corporations and individuals for violations of

trading sanctions laws, the Foreign Corrupt Practices Act and other federal statutes including, but not limited to, injunctive relief, disgorgement, fines, penalties and modifications to business practices and compliance programs. In recent years, these agencies and authorities have entered into agreements with, and obtained a range of penalties against, several public corporations and individuals in similar investigations, under which civil and criminal penalties were imposed, including in some cases fines and other penalties and sanctions in the tens and hundreds of millions of dollars. Under trading sanctions laws, the Department of Justice ("DOJ") may also seek to impose modifications to business practices, including immediate cessation of all business activities in specific countries or other limitations that decrease our business, and modifications to compliance programs, which may increase compliance costs. Any injunctive relief, disgorgement, fines, penalties, sanctions or imposed modifications to business practices resulting from these investigations could adversely affect our results of operations. Additionally, during 2008, we incurred $56 million for costs in connection with our exit from sanctioned countries and $47 million for legal and professional fees incurred in connection with complying with and conducting these on-going investigations. We will have additional charges related to these matters in future periods, which costs may include labor claims, contractual claims, penalties assessed by customers, and costs, fines, taxes and penalties assessed by the local governments, but we cannot quantify those charges or be certain of the timing of them.

- *Political disturbances, war, or terrorist attacks and changes in global trade policies could adversely impact our operations.* We have assumed there will be no material political disturbances or terrorist attacks and there will be no material changes in global trade policies. Any further military action undertaken by the U.S. or other countries or political disturbances in the countries in which we conduct business could adversely affect our results of operations.

- *Current turmoil in the credit markets may reduce our access to capital or reduce the availability of financial risk-mitigation tools*. In recent quarters, the worldwide credit markets have experienced almost unprecedented turmoil and uncertainty. Our forward-looking statements assume that the financial institutions that have committed to extend us credit will honor their commitments under our credit facilities. If one or more of those institutions becomes unwilling or unable to honor its commitments, our access to liquidity could be impaired and our cost of capital to fund growth could further increase. We use interest-rate and foreign-exchange swap transactions with financial institutions to mitigate certain interest-rate and foreign-exchange risks associated with our capital structure and our business. Our forward-looking statements assume that those tools will continue to be available to us. However, the failure of any swap counter party to honor a swap agreement could reduce the availability of these financial risk-mitigation tools or could result in the loss of expected financial benefits. In response to credit market conditions and the global economic and business environment, we have undertaken measures to reduce our use of capital going forward. Our forward-looking statements assume that we will operate with lower capital expenditures in 2009 than in 2008. However, as the business climate changes and if attractive opportunities for organic or acquisitive growth become available, we may spend capital selectively above the amounts we have budgeted.

Finally, our future results will depend upon various other risks and uncertainties, including, but not limited to, those detailed in our other filings with the SEC. For additional information regarding risks and uncertainties, see our other filings with the SEC under the Securities Exchange Act of 1934, as amended, and the Securities Act of 1933, as amended, available free of charge at the SEC's website at www.sec.gov.

Item 1A. *Risk Factors*

An investment in our common shares involves various risks. When considering an investment in our company, you should consider carefully all of the risk factors described below, the matters discussed on the foregoing pages under "Business-Forward-Looking Statements", as well as other information included and incorporated by reference in this report.

We have significant operations that would be adversely impacted in the event of war, political disruption, civil disturbance, economic and legal sanctions or changes in global trade policies.

Like most multinational oilfield service companies, we have operations in certain international areas, including parts of the Middle East, North and West Africa, Latin America, the Asia Pacific region and the Commonwealth of Independent States, that are subject to risks of war, political disruption, civil disturbance, economic and legal sanctions (such as restrictions against countries that the U.S. government may deem to sponsor terrorism) and changes in global trade policies. Our operations may be restricted or prohibited in any country in which the foregoing risks occur.

In particular, the occurrence of any of these risks could result in the following events, which in turn, could materially and adversely impact our results of operations:

- disruption of oil and natural gas exploration and production activities;
- restriction of the movement and exchange of funds;
- inhibition of our ability to collect receivables;
- enactment of additional or stricter U.S. government or international sanctions; and
- limitation of our access to markets for periods of time.

We are involved in several governmental and internal investigations, which are costly to conduct, have resulted in a loss of revenue and may result in substantial financial penalties.

We are currently involved in government and internal investigations involving various of our operations. We participated in the United Nations oil-for-food program governing sales of goods and services into Iraq. The SEC has subpoenaed certain documents in connection with an investigation into our participation in the oil-for-food program. The U.S. Department of Justice is also conducting an investigation of our participation in the oil-for-food program. We are cooperating fully with these investigations. We have retained legal counsel, reporting to our audit committee, to investigate this matter. These investigations are ongoing, and we cannot anticipate the timing, outcome or possible impact of these investigations, financial or otherwise.

The U.S. Department of Commerce, Bureau of Industry & Security and the U.S. Department of Justice are investigating allegations of improper sales of products and services by us and our subsidiaries in sanctioned countries. We are cooperating fully with this investigation. We have retained legal counsel, reporting to our audit committee, to investigate this matter. This investigation is ongoing, and we cannot anticipate the timing, outcome or possible impact of the investigation, financial or otherwise.

In light of this investigation and of the current U.S. and foreign policy environment and the inherent uncertainties surrounding these countries, we decided in September 2007 to direct our foreign subsidiaries to discontinue doing business in countries that are subject to U.S. economic and trade sanctions, including Cuba, Iran, Sudan and Syria. Effective September 2007, we ceased entering into any new contracts relating to these countries and began an orderly discontinuation and winding down of our existing business in these sanctioned countries. Effective March 31, 2008, we completed our withdrawal from these countries.

With the assistance of outside counsel and in connection with U.S. government investigations and subpoenas, we are conducting investigations regarding the embezzlement of approximately $175,000 at a European subsidiary and the possible improper use of these funds, including possible payments to government officials in Europe, during the period from 2000 to 2004, and the Company's compliance with the Foreign Corrupt Practices Act and other laws worldwide. As part of these investigations, we have also uncovered potential violations of U.S. law in connection with a joint venture in Angola. These investigations are ongoing, and we cannot anticipate the timing, outcome or possible impact, if any, of the investigations, financial or otherwise. We have informed the SEC and the DOJ of these investigations, and the results of the investigations are being provided to the SEC and DOJ.

The DOJ, the SEC and other agencies and authorities have a broad range of civil and criminal penalties they may seek to impose against corporations and individuals for violations of trading sanctions laws, the Foreign

Corrupt Practices Act and other federal statutes including, but not limited to, injunctive relief, disgorgement, fines, penalties and modifications to business practices and compliance programs. In recent years, these agencies and authorities have entered into agreements with, and obtained a range of penalties against, several public corporations and individuals in similar investigations, under which civil and criminal penalties were imposed, including in some cases fines and other penalties and sanctions in the tens and hundreds of millions of dollars. Under trading sanctions laws, the DOJ may also seek to impose modifications to business practices, including immediate cessation of all business activities in specific countries or other limitations that decrease our business, and modifications to compliance programs, which may increase compliance costs. In addition, our activities in sanctioned countries, such as Sudan and Iran, could result in certain investors, such as government sponsored pension funds, divesting or not investing in our common shares. Based on available information, we cannot predict what, if any, actions the DOJ, SEC or other authorities may take in our situation or the effect any such actions may have on our consolidated financial position or results of operations. To the extent we violated U.S. export regulations, fines and other penalties may be imposed. Because these matters are now pending before the indicated agencies, there can be no assurance that actual fines or penalties, if any, will not have a material adverse affect on our business, financial condition, liquidity or results of operations.

During 2008, we incurred $56 million for costs incurred in connection with our exit from sanctioned countries and $47 million in legal and professional fees incurred in connection with complying and conducting with these on-going investigations. We will have additional charges related to these matters in future periods, which costs may include labor claims, contractual claims, penalties assessed by customers, and costs, fines, taxes and penalties assessed by the local governments, but we cannot quantify those charges or be certain of the timing of them.

Our significant operations in foreign countries expose us to currency fluctuation risks.

A portion of our net assets are located outside the U.S. and are carried on our books in local currencies. Changes in those currencies in relation to the U.S. dollar result in translation adjustments, which are reflected as accumulated other comprehensive income in the shareholders' equity section in our Consolidated Balance Sheets. We recognize remeasurement and transactional gains and losses on currencies in our Consolidated Statements of Income, which may adversely impact our results of operations. We enter into foreign currency forward contracts and other derivative instruments as an effort to reduce our exposure to currency fluctuations; however, there can be no assurance that these hedging activities will be effective in reducing or eliminating foreign currency risks.

In certain foreign countries, a component of our cost structure is denominated in a different currency than our revenues. In those cases, currency fluctuations could adversely impact our operating margins.

Uninsured claims and litigation could adversely impact our results.

In the ordinary course of business, we become the subject of various claims and litigation. We maintain insurance to cover many of our potential losses and we are subject to various self-retentions and deductibles with respect to our insurance. Although we are subject to various ongoing items of litigation, we do not believe any of our current items of litigation will result in any material uninsured losses to us. However, it is possible an unexpected judgment could be rendered against us in cases in which we could be uninsured and beyond the amounts we currently have reserved or anticipate incurring.

We currently carry a variety of insurance for our operations. We are partially self-insured for certain claims in amounts we believe to be customary and reasonable. Although we believe we maintain insurance coverage adequate for the risks of our business, our insurance may not be sufficient to cover any particular loss, or our insurance may not cover all losses. For example, while we maintain product liability insurance, this type of insurance is limited in coverage and it is possible an adverse claim could arise in excess of our coverage. Finally, insurance rates have in the past been subject to wide fluctuation, and in the current global economic environment could increase significantly in the near future. Changes in coverage, insurance markets and our industry may result in further increases in our cost and higher deductibles and retentions.

We are also subject to various federal, state and local laws and regulations relating to the energy industry in general and the environment in particular. Environmental laws have in recent years become more stringent and have generally sought to impose greater liability on a larger number of potentially responsible parties. While we are not

currently aware of any situation involving an environmental claim that would be likely to have a material adverse effect on our business, it is always possible that an environmental claim with respect to one or more of our current businesses or a business or property that one of our predecessors owned or used could arise and could involve material expenditures.

Customer credit risks could result in losses.

The concentration of our customers in the energy industry may impact our overall exposure to credit risk as customers may be similarly affected by prolonged changes in economic and industry conditions. Those countries that rely heavily upon income from hydrocarbon exports will be hit particularly hard given the drop in oil prices. Further, laws in some jurisdictions in which we operate could make collection difficult or time consuming. We perform ongoing credit evaluations of our customers and do not generally require collateral in support of our trade receivables. While we maintain reserves for potential credit losses, we cannot assure such reserves will be sufficient to meet write-offs of uncollectible receivables or that our losses from such receivables will be consistent with our expectations.

The capital financing necessary to fund growth may not be available to us at economic rates.

Recent turmoil in the credit markets and the potential impact on liquidity of major financial institutions may have an adverse effect on our ability to fund growth opportunities through borrowings, under either existing or newly created instruments in the public or private markets on terms we believe to be reasonable.

A terrorist attack could have a material and adverse effect on our business.

The terrorist attacks that took place in the U.S. on September 11, 2001 and the subsequent ongoing war on terror have created many global economic and political uncertainties. The potential for future terrorist attacks, the national and international responses to terrorist attacks, and other acts of war or hostility have created many economic and political uncertainties that could adversely affect our businesses.

Changes in tax laws could adversely impact our results.

On June 26, 2002, the stockholders and Board of Directors of Weatherford International, Inc. (“Weatherford-Delaware”) approved our corporate reorganization, and Weatherford International Ltd. (“Weatherford-Bermuda”), a newly formed Bermuda company, became the parent holding company of Weatherford International, Inc. We anticipate that, during the first quarter of 2009, we will complete a transaction in which Weatherford Bermuda company will become a wholly-owned subsidiary of Weatherford International Ltd., a Swiss joint-stock company (“Weatherford-Switzerland”), and holders of our common shares will receive one registered share of Weatherford Switzerland for each common share of Weatherford Bermuda that they hold. We refer to this transaction as the “redomestication.” The realization of the tax benefit of this reorganization could be impacted by changes in tax laws, tax treaties or tax regulations or the interpretation or enforcement thereof or differing interpretation or enforcement of applicable law by the U.S. Internal Revenue Service or other taxing jurisdictions. The inability to realize this benefit could have a material impact on our financial statements.

The anticipated benefits of moving our principal executive offices to Switzerland may not be realized, and difficulties in connection with moving our principal executive offices could have an adverse effect on us.

In connection with the redomestication, we plan to relocate our principal executive offices from Houston, Texas to Zug, Switzerland with a branch office in Geneva, Switzerland. We expect that most of our executive officers, including our Chief Executive Officer, and other key decision makers will relocate to Switzerland. We may face significant challenges in relocating our executive offices to a different country, including difficulties in retaining and attracting officers, key personnel and other employees and challenges in maintaining principal executive offices in a country different from the country where other employees, including corporate support staff, are located. Employees may be uncertain about their future roles within our organization pending or following the completion of the redomestication. Management may also be required to devote substantial time to the

redomestication and related matters, which could otherwise be devoted to focusing on ongoing business operations and other initiatives and opportunities. In addition, we may not realize the benefits we anticipate from the redomestication, including the benefit of moving to a location that is more centrally located within our area of worldwide operations. Any such difficulties could have an adverse effect on our business, results of operations or financial condition.

The rights of our shareholders will be governed by Swiss law and documents following the redomestication.

After the redomestication, the rights of our shareholders will be governed by Swiss law and Weatherford-Switzerland's articles of association and organizational regulations (the latter being analogous to bye-laws). The rights of shareholders under Swiss law may differ from the rights of shareholders of companies incorporated in other jurisdictions. For example, directors of Weatherford-Switzerland may be removed by shareholders with or without cause, but such removal requires the vote of shareholders holding at least 66⅔% of the voting rights and the absolute majority of the par value of the registered shares represented at the meeting as well as a quorum of at least two-thirds of the registered shares recorded in the share register.

We intend to hold future shareholder meetings in Switzerland, and our required quorum for those meetings may be lower.

We intend to hold future shareholders meetings, beginning with our 2009 annual meeting, in Switzerland, which may make attendance in person more difficult for some investors. For shareholders meetings for Weatherford-Switzerland for the transaction of any business other than removal of a director or certain other specified resolutions, a quorum comprises at least one-third of the registered shares recorded in the share register and entitled to vote (and at least two-thirds of the registered shares recorded in the share register and entitled to vote for the removal of directors and certain other specified resolutions).

The market for the Weatherford-Switzerland shares may differ from the market for the Weatherford-Bermuda shares, and Weatherford-Switzerland's shares may be removed as a component of certain index-based or other funds.

Following the redomestication, the shares of Weatherford-Switzerland will be listed on the NYSE under the symbol "WFT," the same symbol under which the Weatherford-Bermuda common shares are currently listed. The market price, trading volume or volatility of the Weatherford-Switzerland shares could be different than those of the Weatherford-Bermuda shares.

Weatherford-Bermuda's common shares were a component of the Standard & Poor's 500 Index and other indices before the redomestication. S&P has considered Weatherford-Bermuda and a number of other "offshore registered companies" domestic companies for purposes of inclusion in the S&P 500. On February 13, 2009, S&P announced that it would remove our shares as a component of the S&P 500. Similar issues could arise with respect to whether our shares will continue to be included as a component in other indices or funds that may impose a variety of qualifications that could be affected by the redomestication. Some institutional investors and funds that track the performance of the S&P 500 or such other indices likely will sell their shares in Weatherford and may decrease future investment in our shares, which could adversely affect the price of our shares. Any such adverse impact on the price of our shares could be magnified by the current heightened volatility in the financial markets.

Item 1B. ***Unresolved Staff Comments***

None.

Item 2. ***Properties***

Our operations are conducted in approximately 100 countries and we have manufacturing facilities and sales, service and distribution locations throughout the world. The following table describes the material facilities we owned or leased as of December 31, 2008:

Location	Facility Size (Sq. Ft.)	Property Size (Acres)	Owned/ Leased	Principal Services and Products Offered or Manufactured
North America:				
Pearland, Texas	335,360	60.64	Owned	Fishing, drilling equipment
Schriever, Louisiana	310,520	31.83	Owned	Cementation mfg. plant, well construction services
New Brighton, Minnesota	211,600	25.75	Owned	Water well and industrial screens
Nisku, Alberta, Canada	207,400	15.40	Owned	Reciprocating rod lift
Houston, Texas	173,000	18.19	Owned	Research and development
Houma, Louisiana	170,000	13.00	Owned	Cementing products
Nisku, Alberta, Canada	150,201	24.06	Owned	Drilling equipment, fishing, wireline, controlled pressure drilling and testing services
Houston, Texas	138,950	14.00	Owned	Sand screens
Woodward, Oklahoma	118,000	49.58	Leased	Reciprocating rod and hydraulic lift
Houston, Texas	115,649	6.88	Owned	Cased hole and flow control
Huntsville, Texas	112,648	20.00	Owned	Liner hangers
Kingwood, Texas	112,449	10.47	Leased	Control Systems
Houston, Texas	109,451	—	Leased	Operations center
Edmonton, Alberta, Canada	108,797	11.34	Owned	Reciprocating rod lift, progressing cavity pumps
Greenville, Texas	108,300	26.43	Owned	Reciprocating rod lift
Broussard, Louisiana	101,434	9.01	Owned	Tubular running
Latin America:				
Neuquen, Argentina	107,639	3.70	Leased	Well installation services, downhole and controlled pressure drilling and testing services, fishing, cementing, drilling equipment
Sao Leopoldo, Brazil	103,490	9.46	Owned	Progressing cavity pumps
Europe/West Africa/CIS:				
Aberdeen, Scotland	148,379	8.67	Leased	Expandable slotted tubulars
Alberton, South Africa	123,237	5.40	Owned	Conventional screen technologies
Stavanger, Norway	113,182	4.66	Leased	Downhole services, well installation services, drilling equipment, thru tubing, cementing, fishing, re-entry, well intervention, completion systems
Medias, Sibiu, Romania	110,194	3.76	Owned	Wireline services
Ploiesti, Prahova, Romania	103,113	7.97	Owned	Wireline services

Location	Facility Size (Sq. Ft.)	Property Size (Acres)	Owned/ Leased	Principal Services and Products Offered or Manufactured
Middle East/North Africa/Asia:				
Deyang, China	264,175	20.82	Owned	Pump jacks and wellhead
Hassi Messaoud, Algeria	226,849	40.20	Owned	Fishing, liner hangers, controlled pressure drilling and testing services
Singapore, Singapore	160,170	2.33	Leased	Fishing, re-entry and decommissioning drilling tools and services, production operations and systems
Awjila, Libya	165,980	27.67	Leased	Warehouse and service
Batanm Riau, Indonesia	126,584	—	Leased	Storage yard
Egypt, Maadi, Cairo	122,708	2.81	Leased	Machine shop, pipe yard, repair center and warehouse
Corporate:				
Houston, Texas	254,224	—	Leased	Corporate offices

Item 3. ***Legal Proceedings***

In the ordinary course of business, we become the subject of various claims and litigation. We maintain insurance to cover many of our potential losses, and we are subject to various self-retention limits and deductibles with respect to our insurance.

See "Item 1. Business — Other Business Data — Federal Regulation and Environmental Matters", which is incorporated by reference into this item.

See "Item 1A. Risk Factors — We are involved in several governmental and internal investigations, which are costly to conduct, have resulted in a loss of revenue and may result in substantial financial penalties", which is incorporated by reference into this item.

Although we are subject to various ongoing items of litigation, we do not believe any of the items of litigation to which we are currently subject will result in any material uninsured losses to us. It is possible, however, an unexpected judgment could be rendered against us in the cases in which we are involved that could be uninsured and beyond the amounts we currently have reserved.

Item 4. ***Submission of Matters to a Vote of Security Holders***

No matters were submitted to a vote of shareholders of the Company during the fourth quarter of the year ended December 31, 2008.

PART II

Item 5. ***Market for Registrant's Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities***

Our common shares are traded on the New York Stock Exchange under the symbol "WFT." As of February 20, 2009, there were 2,811 shareholders of record. Additionally, there were 72 stockholders of Weatherford International, Inc. as of the same date who had not yet exchanged their shares. The following table sets forth, for the periods indicated, the range of high and low sales prices per common share as reported on the New York Stock Exchange. During 2008, our Board of Directors approved a two-for-one split of our common shares. All prices have been restated to reflect this stock split.

	Price	
	High	Low
Year ending December 31, 2008		
First Quarter	$36.82	$25.91
Second Quarter	49.98	34.96
Third Quarter	49.76	22.26
Fourth Quarter	24.69	7.75
Year ending December 31, 2007		
First Quarter	$23.51	$17.95
Second Quarter	29.52	22.52
Third Quarter	35.50	24.31
Fourth Quarter	36.11	28.18

On February 20, 2009, the closing sales price of our common shares as reported by the New York Stock Exchange was $10.01 per share. We have not declared or paid cash dividends on our common shares since 1984.

On October 1, 2008 we sold 959,264 of our common shares and on November 25, 2008 we sold 5,646,772 of our common shares, both in connection with acquisitions. These shares were sold to the shareholders of the acquired companies as consideration for the shares of the acquired companies. These sales of our common shares were exempt from registration under the Securities Act of 1933 pursuant to Section 4(2) of that act and pursuant to Regulation D and Regulation S promulgated under that act as a non-public sale to accredited investors and/or to non-U.S. persons outside the United States.

In December 2005, our Board of Directors approved a share repurchase program under which we can spend up to $1 billion to repurchase outstanding common shares. Future purchases of our shares can be made in the open market or privately negotiated transactions, at the discretion of management and as market conditions warrant. As of December 31, 2008, we have $205 million available under this authorization to repurchase shares. During the quarter ended December 31, 2008, no shares were repurchased.

In addition, under our restricted share plan, employees may elect to have us withhold common shares to satisfy minimum statutory federal, state and local tax withholding obligations arising on the vesting of restricted stock awards and exercise of options. When we withhold these shares, we are required to remit to the appropriate taxing authorities the market price of the shares withheld, which could be deemed a purchase of the common shares by us on the date of withholding.

During the quarter ended December 31, 2008, we withheld common shares to satisfy these tax withholding obligations as follows:

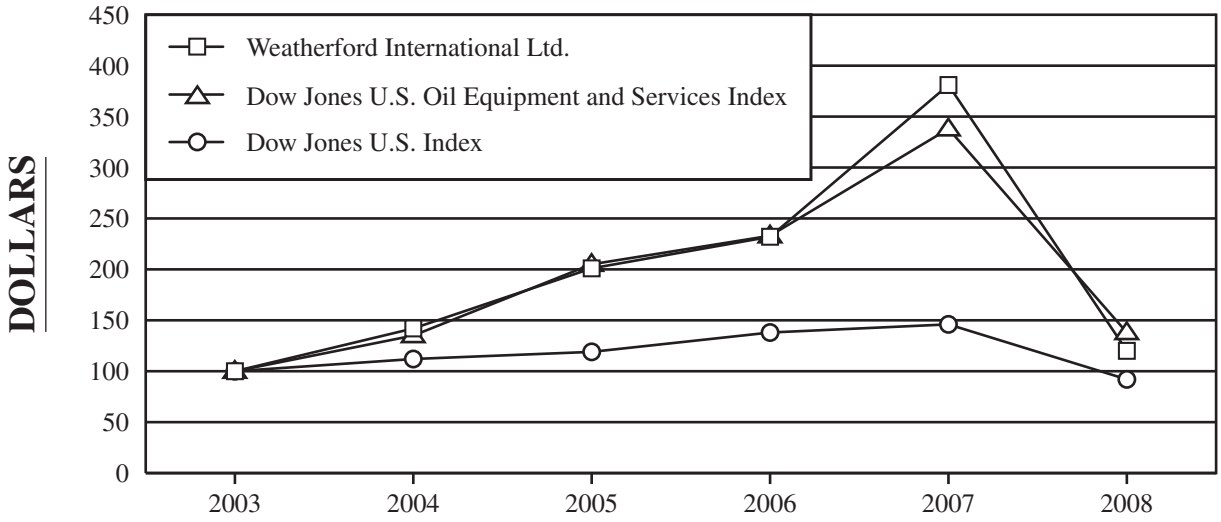
Period	No. of Shares	Average Price
October 1-October 31, 2008	9,959	$20.00
November 1-November 30, 2008	8,997	14.21
December 1-December 31, 2008	9,184	9.60

Information concerning securities authorized for issuance under equity compensation plans is set forth in Part III of this report under "Item 12(d). Security Authorized for Issuance Under Equity Compensation Plans," which is incorporated by reference into this Item.

Performance Graph

This graph compares the yearly cumulative return on our common shares with the cumulative return on the Dow Jones U.S. Oil Equipment & Services Index and the Dow Jones U.S. Index for the last five years. The graph assumes the value of the investment in the Company's common shares and each index was $100 on December 31, 2003. The stockholder return set forth below is not necessarily indicative of future performance. The following graph and related information shall not be deemed "soliciting material" or to be "filed" with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that Weatherford specifically incorporates it by reference into such filing.

Comparison of Five Year Total Return



Item 6. ***Selected Financial Data***

The following table sets forth certain selected historical consolidated financial data and should be read in conjunction with "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Item 8. Financial Statements and Supplementary Data", both contained in this report. The following information may not be indicative of our future operating results. The information presented has been restated to reflect our 2008 two-for-one stock split.

	Year Ended December 31,				
	2008	2007	2006	2005(a)	2004(b)
	(In thousands, except per share amount)				
Statements of Operations Data:					
Revenues	$ 9,600,564	$ 7,832,062	$ 6,578,928	$4,333,227	$3,131,774
Operating Income	1,978,549	1,624,336	1,354,687	570,598	402,995
Income From Continuing Operations	1,366,831	1,091,975	906,106	470,095	337,969
Basic Earnings Per Share From Continuing Operations	2.00	1.61	1.31	0.78	0.63
Diluted Earnings Per Share From Continuing Operations	1.96	1.57	1.28	0.74	0.59
Balance Sheet Data:					
Total Assets	$16,476,513	$13,190,957	$10,139,248	$8,580,304	$5,543,482
Long-term Debt	4,564,255	3,066,335	1,564,600	632,071	1,404,431
Shareholders' Equity	8,285,648	7,406,719	6,174,799	5,666,817	3,313,389
Cash Dividends Per Share	—	—	—	—	—

(a) In August 2005, we acquired Precision Energy Services and Precision Drilling International for $943 million in cash and 104 million Weatherford common shares. In connection with the acquisition we recorded exit and restructuring charges of $114 million, $79 million, net of tax. In December 2005, we recorded a $115 million gain on the sale of our remaining shares of Universal common stock with no related income tax impact.

(b) In 2004, we recorded a $78 million gain on the sale of Universal common stock. There was no income tax impact related to the sale.

Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

Our Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") begins with an executive overview which, provides a general description of our company today, a synopsis of industry market trends, insight into management's perspective of the opportunities and challenges we face and our outlook for 2009. Next, we analyze the results of our operations for the last three years, including the trends in our business. Then we review our cash flows and liquidity, capital resources and contractual commitments. We conclude with an overview of our critical accounting judgments and estimates and a summary of recently issued accounting pronouncements.

The following discussion should be read in conjunction with our Consolidated Financial Statements and Notes thereto included in "Item 8. Financial Statements and Supplementary Data." Our discussion includes various forward-looking statements about our markets, the demand for our products and services and our future results. These statements are based on certain assumptions we consider reasonable. For information about these assumptions, you should refer to the section entitled "Item 1. Business — Forward-Looking Statements."

Overview

General

We provide equipment and services used for drilling, completion and production of oil and natural gas wells throughout the world. We conduct operations in approximately 100 countries and have service and sales locations in nearly all of the oil and natural gas producing regions in the world. Our offerings include drilling services, well construction services, wireline services, fishing and intervention services, completion systems and all forms of artificial lift.

Our operational performance is segmented and reviewed on a geographic basis and we report the following regions as separate, distinct reporting segments (1) North America, (2) Latin America, (3) Europe/West Africa/CIS and (4) Middle East/North Africa/Asia.

Industry Trends

Changes in the current price and expected future prices of oil and natural gas influence the level of energy industry spending. Changes in expenditures result in an increased or decreased demand for our products and services. Rig count is an indicator of the level of spending for the exploration for and production of oil and natural gas reserves.

The following chart sets forth certain statistics that reflect historical market conditions:

	WTI Oil(1)	Henry Hub Gas(2)	North American Rig Count(3)	International Rig Count(3)
2008	$44.60	$5.62	2,143	1,175
2007	95.98	7.48	2,171	1,122
2006	61.05	6.30	2,178	1,029

(1) Price per barrel as of December 31 — *Source:* Thomson Reuters

(2) Price per MM/BTU as of December 31 — *Source:* Thomson Reuters

(3) Average rig count for December — *Source:* Baker Hughes Rig Count and other third-party data

Oil prices decreased during 2008, ranging from a low of $33.87 per barrel in December to a high of $145.29 per barrel early in July. Natural gas prices also decreased, ranging from a low of $5.29 MM/BTU near the end of December to a high of $13.58 MM/BTU in early July. In the fourth quarter of 2008, oil and natural gas prices experienced significant declines due to the recent economic downturn reaching $44.60 per barrel and $5.62 MM/BTU as of December 31, 2008. Factors influencing oil and natural gas prices during the period include hydrocarbon inventory levels, realized and expected economic growth, realized and expected levels of hydrocarbon demand, levels of spare production capacity within the Organization of Petroleum Exporting Countries ("OPEC"), weather and geopolitical uncertainty.

According to a recent study by Barclays Capital, 2008 international exploration and production expenditures are estimated to have increased 33% over 2007 levels while expenditures in North America are estimated to have increased 23% over the same period. Exploration and production expenditures during 2009 are anticipated to decrease 12%, with the North America market driving a significant portion of this decrease. The decrease is in response to the significant decline in commodity prices, constrained cash flow and tight credit markets.

Opportunities and Challenges

The nature of our industry offers many opportunities and challenges. The cyclicality of the energy industry impacts the demand for our products and services. Certain of our products and services, such as our drilling and evaluation services, well installation services and well completion services, depend on the level of exploration and development activity and the completion phase of the well life cycle. Other products and services, such as our production optimization and artificial lift systems, are dependent on production activity. We have created a long-term strategy aimed at growing our businesses, servicing our customers, and most importantly, creating value for our shareholders. The success of our long-term strategy will be determined by our ability to manage effectively any industry cyclicality, respond to industry demands and successfully maximize the benefits from our acquisitions.

Outlook

We believe the long-term outlook for our businesses is favorable. We believe that decline rates, a measure of the fall in production from a well over time, are accelerating. We also believe that there has been, and will continue to be, a deterioration in the quality of incremental hydrocarbon formations that our customers develop and that these formations will require more of our products and services than higher quality formations. As decline rates accelerate and reservoir productivity complexities increase, our clients will face growing challenges securing desired rates of production growth. The acceleration of decline rates and the increasing complexity of the reservoirs increase our customers' requirements for technologies that improve productivity and efficiency and for our products and services. These phenomena provide us with a positive outlook over the longer term.

Looking into 2009, the near-term outlook is more difficult to assess given the dramatically weakened picture of the global economy stemming from a severe dislocation in credit markets and money flows around the world. Climate, natural gas storage levels and commodity prices, as well as expectations for the U.S. economy, will dictate the level of oilfield service activity in North America for 2009. While these factors are difficult to predict with any certainty over short periods of time, we anticipate a significant pull back in North American average rig activity compared to 2008 levels principally due to existing natural gas storage levels, lower natural gas prices and a dampened prognosis for the U.S. economy. We believe we are prepared for this decline and intend to adjust our cost structure in North America to be more in-line with the near-term activity prognosis.

We also expect international rig activity to decrease in 2009 as compared to 2008. However, we anticipate the decrease to be less severe than North America given that international spending is driven by major and national oil companies, which take a longer-term view and therefore respond less quickly to short-term changes in commodity prices.

We expect all of our growth in 2009 will come out of the international markets. While it is difficult to predict exact growth rates given the current fluid economic conditions and volatility, we expect our international markets combined growth rate for 2009 to be in the double digits. We expect North Africa, Middle East, China and Central Europe to show the largest year-on-year growth in the Eastern Hemisphere. In Latin America, we anticipate our larger growth improvements stemming from Brazil and Mexico.

Pricing. During 2008, overall pricing trended upwards, concurrently with raw material and labor cost inflation. Pricing in the U.S. and Canada is showing weakness with rigs, tubulars and stimulation showing the strongest pressures. With a pull back in activity in North America, we would expect pricing in general to come under pressure, with the magnitude dependant upon the extent to which activity declines. In the international markets, pricing is softening where and when contractual terms come to renewal time. Requests by clients to renegotiate existing contracts are yielding more modest price erosion with significant differences between international regions.

Overall, the level of improvements for our businesses for 2009 will continue to depend heavily on our ability to further penetrate existing markets with our younger technologies and to successfully introduce these technologies to new markets. The recruitment, training and retention of personnel will also be a critical factor in growing our businesses. The continued strength of the industry will be highly dependent on many external factors, such as world economic and political conditions, member country quota compliance within OPEC and weather conditions. The extreme volatility of our markets makes predictions regarding future results difficult.

Results of Operations

The following charts contain selected financial data comparing our consolidated and segment results from operations for 2008, 2007 and 2006. The information presented has been restated to reflect our 2008 two-for-one stock split.

	Year Ended December 31,		
	2008	2007	2006
	(In thousands, except percentages and per share data)		
Revenues:			
North America	$4,460,147	$3,937,456	$3,672,630
Middle East/North Africa/Asia	2,391,520	1,823,769	1,352,758
Europe/West Africa/CIS	1,539,190	1,188,519	827,343
Latin America	1,209,707	882,318	726,197
	9,600,564	7,832,062	6,578,928
Operating Income (Expense):			
North America	1,125,199	1,013,088	1,040,647
Middle East/North Africa/Asia	561,012	416,263	279,953
Europe/West Africa/CIS	382,772	293,846	171,798
Latin America	277,094	203,211	133,027
Research and Development	(192,659)	(169,317)	(149,429)
Corporate	(135,012)	(101,968)	(95,106)
Exit and Restructuring	(39,857)	(30,787)	(26,203)
	1,978,549	1,624,336	1,354,687
Interest Expense, Net	(243,679)	(171,281)	(102,560)
Other, Net	(44,956)	(8,569)	(13,218)
Effective Tax Rate	17.1%	23.0%	25.9%
Income from Continuing Operations per Diluted Share	$ 1.96	$ 1.57	$ 1.28
Loss from Discontinued Operation per Diluted Share	(0.02)	(0.03)	(0.02)
Net Income per Diluted Share	1.94	1.54	1.26
Depreciation and Amortization	731,808	606,226	482,948

Revenues

The following chart contains consolidated revenues by product line for 2008, 2007 and 2006

	Year Ended December 31,		
	2008	2007	2006
Artificial Lift Systems	17%	18%	18%
Drilling Services	16	15	15
Well Construction	15	16	15
Drilling Tools	11	12	12
Completion Systems	10	10	10
Wireline	8	8	10
Re-entry & Fishing	7	8	8
Stimulation & Chemicals	7	6	6
Integrated Drilling	6	5	5
Pipeline & Specialty Services	3	2	1
Total	100%	100%	100%

Consolidated revenues increased $1,769 million, or 23%, in 2008 as compared to 2007. Our businesses continued to benefit from increasing market activity and share gains during 2008. Approximately 70% of our revenue growth was derived from outside of North America. International revenues increased $1,246 million, or 32%, in 2008 as compared to 2007, which outpaced the 8% increase in average international rig count over the comparable period and is consistent with international growth trends we experienced in the prior year. Revenues from our drilling services, well construction, artificial lift systems and integrated drilling product lines were strong contributors to the year-over-year increase.

Consolidated revenues increased $1,253 million, or 19%, in 2007 as compared to 2006. Approximately 79% of our revenue growth was derived from outside of North America. International revenues increased $988 million, or 34%, in 2007 as compared to 2006. This increase outpaced the 8% increase in average international rig count over the comparable period. Revenues from our drilling services, well construction and artificial lift product lines were strong contributors to the year-over-year increase.

Operating Income

Consolidated operating income increased $354 million, or 22%, in 2008 as compared to 2007. Our operating segments contributed $420 million of incremental operating income during 2008 as compared to 2007. This incremental gain was partially offset by an increase in corporate and research and development expenditures of $57 million over 2007 and an increase in exit and restructuring costs of $9 million. The increase in corporate and research and development expenses was primarily attributable to higher employee compensation costs.

Consolidated operating income for 2007 increased $270 million, or 20%, as compared to 2006. The increase was primarily the result of a $301 million increase in operating income from our segments during 2007 as compared to 2006, which was partially offset by an increase in corporate and research and development expenditures of $27 million over 2006.

We incurred exit and restructuring charges during 2008 of $40 million, which was comprised of $56 million for costs incurred in connection with our withdrawal from sanctioned countries, $47 million incurred in connection with our on-going investigations by the U.S. government and $18 million for severance costs incurred associated with restructuring activities. These charges were partially offset by an $81 million gain recognized in the second quarter of 2008 as a result of selling our 50% interest in a subsidiary we control to Qatar Petroleum for cash consideration of $113 million.

During 2007, we incurred exit and restructuring charges of $31 million which was comprised of $17 million in severance charges associated with restructuring activities and $14 million for legal and professional fees incurred in connection with our on-going investigations by the U.S. government. During 2006, we incurred exit and restructuring charges of $26 million, primarily due to severance charges related to restructuring activities.

Interest Expense, Net

Interest expense increased $72 million, or 42%, in 2008 compared to 2007. The increase in interest expense was primarily attributable to an overall increase in our long-term debt balance during the periods. We issued $1.5 billion in senior notes in June 2007 and an additional $1.5 billion of senior notes in March 2008. This increase was partially offset by lower weighted average short-term borrowing rates during 2008 as compared to 2007. The incremental borrowings added during the current year were used to fund capital expenditures and to fund our current year acquisitions.

Interest expense increased $69 million, or 67%, in 2007 as compared to 2006. The increase in interest expense was primarily attributable to an overall increase in our long-term debt combined with higher effective interest rates associated with the long-term debt. We issued $0.6 billion in senior notes in August 2006 and an additional $1.5 billion of senior notes in June 2007. The incremental borrowings added during 2007 were used to fund capital expenditures, to fund acquisitions and to fund our acquisition of shares under our share repurchase program.

Other Expense, Net

Other expense, net increased $36 million, from $9 million in 2007 to $45 million in 2008. The increase was almost entirely attributable to foreign currency exchange losses incurred as the result of the weakening of foreign currencies against the U.S. dollar, particularly in the latter half of 2008.

Income Taxes

Our effective tax rates were 17.1% in 2008, 23.0% in 2007 and 25.9% in 2006. The decrease in our effective tax rate during 2008 and 2007 as compared to 2007 and 2006, respectively, was due to benefits realized from the refinement of our international tax structure and changes in our geographic earnings mix.

During 2008, we recorded a benefit of approximately $100 million related to foreign taxes paid that will be used to reduce our future United States tax liability.

Segment Results

North America

North America revenues increased $523 million, or 13%, in 2008 as compared to 2007 and outpaced a 7% increase in rig count over the comparable period. Revenues grew across all product lines, with artificial lift systems, drilling services and stimulation & chemicals product lines being the strongest contributors to the year-over-year increase.

Operating income increased $112 million, or 11%, from $1,013 million in 2007 to $1,125 million in 2008. Operating margins declined slightly to 25% in 2008 compared to 26% in 2007.

North America revenues increased $265 million, or 7%, in 2007 as compared to 2006. The increase in North America revenues was entirely attributable to the U.S. where the average rig count increased 7% over the same period. Our Canadian revenues decreased approximately 15% in 2007 as compared to 2006, which reflected the deterioration in drilling activity in the region. Canadian rig count over the comparable period decreased 27%. Revenues from our artificial lift, well construction, stimulation & chemicals and drilling services product lines were the strongest contributors to the year-over-year increase.

Operating income decreased $28 million, or 3%, from $1,041 million in 2006 to $1,013 million in 2007. Operating margins were 26% in 2007 compared to 28% in 2006. The decline in operating income and margin was the result of the adverse conditions experienced in the Canadian market during 2007, particularly in our services businesses which typically contribute higher margins.

Middle East/North Africa/Asia

Revenues in our Middle East/North Africa/Asia segment increased $568 million, or 31%, in 2008 as compared to 2007. This region contributed approximately 32% of our total revenue growth for 2008 and exceeded the average rig count increase of 6% for this region over the comparable period. Revenues from our drilling services and integrated drilling product lines were among the strongest contributors to the year-over-year increase.

Operating income increased $145 million, or 35%, from $416 million in 2007 to $561 million in 2008. Operating margins were 23% in both 2008 and 2007.

Revenues in our Middle East/North Africa/Asia segment increased $471 million, or 35%, in 2007 as compared to 2006. This region contributed approximately 38% of our total revenue growth for 2007 and exceeded the average rig count increase of 9% for this region over the comparable period. Revenues from our drilling services, re-entry & fishing and well construction product lines were among the strongest contributors to the year-over-year increase.

Operating income increased $136 million, or 49%, from $280 million in 2006 to $416 million in 2007. Operating margins were 23% in 2007 compared to 21% in 2006. The increase in operating income and margins was due to the incremental revenues generated during the current period to cover our fixed cost base.

Europe/West Africa/CIS

Revenues in our Europe/West Africa/CIS segment increased $351 million, or 30%, in 2008 as compared to 2007. The region contributed approximately 20% of our total revenue growth for 2008 and exceeded the 20% increase in average rig count in the region over the comparable period. Revenues from our well construction and drilling services product lines were the strongest contributors to the year-over-year increase.

Operating income increased $89 million, or 30%, from $294 million in 2007 to $383 million in 2008. Operating margins were 25% in both 2008 and 2007.

Revenues in our Europe/West Africa/CIS segment increased $361 million, or 44%, in 2007 as compared to 2006. The region contributed approximately 29% of our total revenue growth for 2007 and exceeded the 1% increase in average rig count in the region over the comparable period. Revenues from our well construction, drilling services and completion systems product lines were the strongest contributors to the year-over-year increase.

Operating income increased $122 million, or 71%, from $172 million in 2006 to $294 million in 2007. Operating margins were 25% in 2007 compared to 21% in 2006. This year-over-year improvement in operating income and margins was primarily the result of higher revenues during the current year absorbing the region's fixed cost base. In addition, 2007 operating results includes our share in earnings from our equity investment in a Russian joint venture acquired in June 2007.

Latin America

Revenues in our Latin America segment increased $327 million, or 37%, in 2008 as compared to 2007. The region contributed approximately 19% of our total revenue growth for 2008 and outpaced the 8% increase in Latin American rig count over the comparable period. Revenues from our drilling services, completion systems, artificial lift systems and integrated drilling service lines were the strongest contributors to the year-over-year increase.

Operating income increased $74 million, or 36%, from $203 million in 2007 to $277 million in 2008. Operating margins were 23% in both 2008 and 2007.

Revenues in our Latin America segment increased $156 million, or 21%, in 2007 as compared to 2006. This increase outpaced the 10% increase in Latin American rig count over the comparable period. Revenues from our artificial lift, drilling tools and drilling services service lines were the strongest contributors to the year-over-year increase.

Operating income increased $70 million, or 53%, from $133 million in 2006 to $203 million in 2007. Operating margins were 23% in 2007 compared to 18% in 2006. The increase in operating income and margins was primarily attributable to the incremental revenues generated during the current year to cover our fixed cost base.

Discontinued Operation

Our discontinued operation consists of our oil and gas development and production company. We had losses from our discontinued operation, net of taxes, of $13 million, $21 million and $10 million for the years ended 2008, 2007 and 2006, respectively.

In June 2007, we approved a plan to sell our oil and gas development and production business. We finalized the divestiture of the business in June 2008. The 2008 loss includes charges of approximately $21 million associated with a settlement of a legal dispute regarding the business. These charges were partially offset by an $11 million gain, net of taxes, recognized upon the finalization of the divestiture. The 2007 loss includes approximately $17 million, net of tax, for asset impairment charges related to write-downs of the operation's U.S. properties. In addition, the we completed the sale of the operation's international properties in November 2007 and recorded a gain of approximately $5 million, net of tax, in connection with the sale.

Equity Investment Acquisition

We acquired a 33% ownership interest in Premier Business Solutions ("PBS") in June 2007 for approximately $330 million. PBS conducts business in Russia and is the world's largest electric submersible pump manufacturer by volume. In January 2008, we sold our electrical submersible pumps product line to PBS and received a combination of cash and an additional equity investment in PBS in consideration of the sale. This transaction increased our ownership percentage to approximately 40%.

Liquidity and Capital Resources

Sources of Liquidity

Our sources of liquidity include current cash and cash equivalent balances, cash generated from operations, and committed availabilities under bank lines of credit. We also historically have accessed banks for short-term loans from uncommitted borrowing arrangements and the capital markets with debt, equity and convertible offerings. We maintain a shelf registration statement covering the future issuance of various types of debt and equity securities.

Committed Borrowing Facilities

We maintain a $1.5 billion revolving credit agreement with a syndicate of banks. In March 2008, we entered into an additional $250 million revolving credit facility. These facilities allow for a combination of borrowings, support for our commercial paper program and issuances of letters of credit and both mature in May 2011. In October 2008, we entered into an additional $550 million in revolving credit facilities. These facilities allow for a combination of borrowings and issuances of letter of credits and mature in October 2009. The weighted average interest rate on outstanding borrowings of these facilities at December 31, 2008, was 0.9%.

Our committed borrowing facilities require us to maintain a debt-to-capitalization ratio of less than 60% and contains other covenants and representations customary for an investment-grade commercial credit. Our debt-to-capitalization ratio was 41% at December 31, 2008, which is in compliance with these covenants. The following is a recap of our availability under our committed borrowing facilities at December 31, 2008 (in millions):

Facilities	$2,300
Less uses of facility:	
Amount drawn	1,068
Commercial paper	128
Letters of credit	53
Availability	$1,051

Commercial Paper

We have a $1.5 billion commercial paper program under which we may from time to time issue short-term, unsecured notes. Our commercial paper issuances are supported by our committed borrowing facilities. The weighted average interest rate related to outstanding commercial paper issuances at December 31, 2008 was 1.3%.

Cash Requirements

During 2009, we anticipate our cash requirements will include working capital needs and capital expenditures and may include opportunistic business acquisitions. We anticipate funding these requirements from cash generated from operations and, if necessary, from availability under our committed borrowing facilities.

Capital expenditures during the year ended December 31, 2008 were approximately $2.3 billion, net of proceeds from tools lost down hole. We project our capital expenditures for 2009 will be approximately $1.2 billion. We are projecting lower capital expenditures for the coming year as we adjust our spending to reflect slower growth in the current downward cycle of our industry.

From time to time we acquire businesses or technologies or enter into joint ventures to increase our range of products and services, expand our geographic scope or otherwise enhance to our businesses. During the year ended December 31, 2008, we used approximately $800 million in cash for business and technology acquisitions. Consideration for 2008 acquisitions also included the issuance of approximately eight million shares valued at approximately $130 million. From time to time we also divest of businesses when we believe they are no longer core to our long-term growth strategy or when combining those businesses with a joint venture partner presents a strategic opportunity to us. In 2008, we generated $297 million in cash on sales of businesses, including the sale of a 50% interest in a subsidiary we control to Qatar Petroleum, the sale of our electrical submersible pumps business to a joint venture in which we hold an equity interest and divestiture of non-core businesses.

In December 2005, our Board of Directors approved a share repurchase program under which we can spend up to $1.0 billion to repurchase outstanding common shares. We may from time to time repurchase our common shares depending upon the price of our common shares, our liquidity and other considerations. As of December 31, 2008, we have $205 million remaining availability under this share repurchase program. During the year ended December 31, 2008, no shares were repurchased.

Contractual Obligations

The following summarizes our contractual obligations and contingent commitments by period. The obligations we pay in future periods may vary from those reflected here due to certain assumptions including the duration of our obligations and anticipated actions by third parties.

	Payments Due by Period				
Obligations and Commitments	**2009**	**2010 and 2011**	**2012 and 2013**	**Thereafter**	**Total**
			(In millions)		
Short-term debt	$1,240	$ —	$ —	$ —	$ 1,240
Long-term debt(a)	11	359	1,352	2,852	4,574
Interest on long-term debt	279	555	433	2,505	3,772
Noncancellable operating leases	111	84	42	115	352
Purchase obligations	327	1	—	—	328
Total contractual obligations	$1,968	$999	$1,827	$5,472	$10,266

(a) Amounts represent the expected cash payments for our total debt and do not include any unamortized discounts or deferred gains on terminated interest rate swap agreements.

Due to the uncertainty with respect to the timing of future cash flows associated with our unrecognized tax benefits at December 31, 2008, we are unable to make reasonably reliable estimates of the period of cash settlement with the respective taxing authorities. Therefore, unrecognized tax benefits, including interest and penalties of $59 million have been excluded from the contractual obligations table above.

We have defined benefit pension plans covering certain of our U.S. and international employees that provide various pension benefits. During 2008, we contributed $15 million towards those plans, and for 2009, we anticipate funding approximately $10 million through cash flows from operating activities.

Senior Notes

In January 2009, we completed a $1.25 billion long-term debt offering comprised of (i) $1 billion of 9.625% Senior Notes due in 2019 (“9.625% Senior Notes”) and (ii) $250 million of 9.875% Senior Notes due in 2039 (“9.875% Senior Notes”). Net proceeds of $1.23 billion were used to repay short-term borrowings and for general corporate purposes. Interest on the notes is due semi-annually on March 1 and September 1 of each year. As the interest rates on the 9.625% Senior Notes and 9.875% Senior Notes are higher than the rates of the short-term borrowings that we repaid, we anticipate that our interest expense in 2009 will be significantly higher than in 2008.

In March 2008, we completed a $1.5 billion long-term debt offering comprised of (i) $500 million of 5.15% Senior Notes due in 2013 (“5.15% Senior Notes”), (ii) $500 million of 6.00% Senior Notes due 2018

("6.00% Senior Notes") and (iii) $500 million of 7.00% Senior Notes due 2038 ("7.00% Senior Notes"). Net proceeds of $1.47 billion were used to repay short-term borrowings and for general corporate purposes, including capital expenditures and business acquisitions. Interest on these notes is due semi-annually on March 15 and September 15 of each year.

In June 2007, we completed a $1.5 billion long-term debt offering comprised of (i) $600 million of 5.95% senior notes due 2012 ("5.95% Senior Notes"), (ii) $600 million of 6.35% senior notes due 2017 ("6.35% Senior Notes") and (iii) $300 million of 6.80% senior notes due 2037 ("6.80% Senior Notes"). Net proceeds of approximately $1.49 billion were used to repay outstanding borrowings on our commercial paper program and for general corporate purposes. Interest on these notes are due payable semi-annually on June 15 and December 15 of each year.

In August 2006, we completed an offering of $600 million senior notes at a coupon rate of 6.50% ("6.50% Senior Notes") with a maturity in August 2036. Net proceeds of approximately $590 million were used to partially repay outstanding borrowings on our commercial paper program. Interest on the notes is payable semi-annually in arrears on February 1 and August 1 of each year.

In May 2006, the stated maturity date, we repaid in full the outstanding $200 million of 7.25% Senior Notes plus all accrued interest.

In February 2006, we completed an offering of $350 million of 5.50% senior notes due 2016 ("5.50% Senior Notes"). Interest on the notes is payable semi-annually in arrears on February 15 and August 15 of each year. Net proceeds from the offering were approximately $345 million and were used to reduce borrowings on our commercial paper program.

Interest Rate Swaps

Upon completion of the long-term debt offering in March 2008, the Company entered into interest rate swap agreements on an aggregate notional amount of $500 million against its 5.15% Senior Notes. These agreements were terminated in December 2008. As a result of these terminations, we received cash proceeds, net of accrued interest, of $12 million. The gain associated with this interest rate swap termination has been deferred and will be amortized over the remaining term of the 5.15% Senior Notes. As of December 31, 2008 and 2007, we had net unamortized gains of $21 million and $12 million, respectively, associated with our interest rate swap terminations.

Other Derivative Instruments

As of December 31, 2008 and 2007, we had several foreign currency forward contracts with notional amounts aggregating $503 million and $682 million, respectively, which were entered into to hedge exposure to currency fluctuations in various foreign currencies, including, but not limited to, the British pound sterling, the Canadian dollar, the euro and the Norwegian krone. The total estimated fair value of these contracts at December 31, 2008 resulted in a liability of approximately $2 million and at December 31, 2007 resulted in an asset of approximately $2 million. These derivative instruments were not designated as hedges and the changes in fair value of the contracts are recorded each period in current earnings.

In addition, after the closing of the acquisition of Precision Energy Services and Precision Drilling International, we entered into a series of cross-currency swaps between the U.S. dollar and Canadian dollar to hedge certain exposures to the Canadian dollar created as a result of the acquisition. At December 31, 2008 and 2007, we had notional amounts outstanding of $280 million and $364 million, respectively. The total estimated fair value of these contracts at December 31, 2008 and 2007 resulted in an asset of $1 million and a liability of $74 million, respectively. These derivative instruments were not designated as hedges and the changes in fair value of the contracts are recorded each period in current earnings.

Warrant

On February 28, 2002, we issued Shell Technology Ventures Inc. a warrant to purchase up to 12.9 million common shares at a price of $15.00 per share. Effective July 12, 2006, this agreement was amended and restated to reflect, among other things, changes in our capital structure. The warrant remains exercisable until February 28,

2012 and is subject to adjustment for changes in our capital structure or the issuance of dividends in cash, securities or property. Upon exercise by the holder, settlement may occur through physical delivery, net share settlement, net cash settlement or a combination of those methods. The net cash settlement option upon exercise is at our sole discretion. In addition, the amended and restated warrant no longer contains a conversion feature, which previously allowed the warrant holder to convert the warrant into common shares. The amendment did not affect the accounting or classification of the warrant.

Off Balance Sheet Arrangements

Guarantees

The following obligations of Weatherford International, Inc. ("Issuer") were guaranteed by Weatherford International Ltd. ("Parent") as of December 31, 2008: (i) the 6.625% Senior Notes, (ii) the 5.95% Senior Notes, (iii) the 6.35% Senior Notes, and (iv) the 6.80% Senior Notes.

The following obligations of the Parent were guaranteed by the Issuer as of December 31, 2008: (i) the revolving credit facilities, (ii) the 4.95% Senior Notes, (iii) the 5.50% Senior Notes, (iv) the 6.50% Senior Notes, (v) the 5.15% Senior Notes, (vi) the 6.00% Senior Notes, (vii) the 7.00% Senior Notes and (viii) issuances of notes under the commercial paper program.

Letters of Credit

We execute letters of credit in the normal course of business. While these obligations are not normally called, these obligations could be called by the beneficiaries at any time before the expiration date should we breach certain contractual or payment obligations. As of December 31, 2008, we had $273 million of letters of credit and bid and performance bonds outstanding, consisting of $220 million outstanding under various uncommitted credit facilities and $53 million letters of credit outstanding under our committed facilities. If the beneficiaries called these letters of credit, the called amount would become an on-balance sheet liability, and our available liquidity would be reduced by the amount called.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operation is based upon our consolidated financial statements. We prepare these financial statements in conformity with U.S. generally accepted accounting principles. As such, we are required to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. We base our estimates on historical experience, available information and various other assumptions we believe to be reasonable under the circumstances. On an on-going basis, we evaluate our estimates; however, actual results may differ from these estimates under different assumptions or conditions. The accounting policies we believe require management's most difficult, subjective or complex judgments and are the most critical to our reporting of results of operations and financial position are as follows:

Business Combinations and Goodwill and Indefinite-Lived Intangible Assets

Goodwill and intangible assets acquired in connection with business combinations represent the excess of consideration over the fair value of tangible net assets acquired. Certain assumptions and estimates are employed in determining the fair value of assets acquired, the fair value of liabilities assumed, as well as in determining the allocation of goodwill to the appropriate reporting unit.

We perform an impairment test for goodwill and indefinite-lived intangible assets annually as of October 1, or earlier if indicators of potential impairment exist. In addition, we updated our goodwill impairment test in December 2008 as a result of a decline in our share price experienced during the fourth quarter. Our goodwill impairment test involves a comparison of the fair value of each of our reporting units with their carrying value. Our reporting units are based on our regional structure and consist of the United States, Canada, Latin America, Europe, West Africa, Russia/CIS, Middle East/North Africa and Asia Pacific. Our impairment test for indefinite-lived intangible assets involves the comparison of the fair value of the intangible asset and its carrying value. The fair value is determined using discounted cash flows using a discount rate adjusted for the credit risk of the regional reporting unit tested. Certain estimates and judgments are required in the application of these fair value models.

The discounted cash flow analysis consists of estimating the future cash flows that are directly associated with each of our reporting units. These cash flows are inherently subjective and require significant estimates based upon historical experience and future expectations such as budgets and industry projections. We have determined no impairment exists; however, if for any reason the fair value of our goodwill or that of any of our reporting units or the fair value of our intangible assets with indefinite lives declines below the carrying value in the future, we may incur charges for the impairment. The amount of the impairment, if any, is then determined based on an allocation of the reporting unit fair values to individual assets and liabilities.

Long-Lived Assets

Long-lived assets, which includes property, plant and equipment and definite-lived intangibles, comprise a significant amount of our assets. In accounting for long-lived assets, we must make estimates about the expected useful lives of the assets and the potential for impairment based on the fair value of the assets and the cash flows they are expected to generate. The value of the long-lived assets is then amortized over its expected useful life. A change in the estimated useful lives of our long-lived assets would have an impact on our results of operations. We estimate the useful lives of our long-lived asset groups as follows:

	Useful Lives
Buildings and leasehold improvements	5-40 years or lease term
Rental and service equipment	2-20 years
Machinery and other	2-12 years
Intangible assets	2-20 years

In estimating the useful lives of our property, plant and equipment, we rely primarily on our actual experience with the same or similar assets. The useful lives of our intangible assets are determined by the years over which we expect the assets to generate a benefit based on legal, contractual or regulatory terms.

Long-lived assets to be held and used by us are reviewed to determine whether any events or changes in circumstances indicate that we may not be able to recover the carrying amount of the asset. Factors that might indicate a potential impairment may include, but are not limited to, significant decreases in the market value of the long-lived asset, a significant change in the long-lived asset's physical condition, the introduction of competing technologies, legal challenges, a change in industry conditions or a reduction in cash flows associated with the use of the long-lived asset. If these or other factors exist that indicate the carrying amount of the asset may not be recoverable, we determine whether an impairment has occurred through the use of an undiscounted cash flow analysis. The undiscounted cash flow analysis consists of estimating the future cash flows that are directly associated with and expected to arise from the use and eventual disposition of the asset over its remaining useful life. These cash flows are inherently subjective and require significant estimates based upon historical experience and future expectations such as budgets and internal projections. If the undiscounted cash flows do not exceed the carrying value of the long-lived asset, an impairment has occurred, and we recognize a loss for the difference between the carrying amount and the estimated fair value of the asset. The fair value of the asset is measured using market prices, or in the absence of market prices, is based on an estimate of discounted cash flows. Cash flows are generally discounted at an interest rate commensurate with our weighted average cost of capital for a similar asset.

Employee Share-Based Compensation

Statement of Financial Accounting Standards ("SFAS") No. 123 (Revised 2004) *Share-Based Payment* ("SFAS No. 123R") addresses the accounting for all share-based payment awards, including shares issued under employee stock purchase plans, stock options, restricted stock and stock appreciation rights. Under SFAS No. 123R, companies account for share-based compensation transactions using a fair-value method and recognize the expense in the consolidated statement of income.

The fair value of options is estimated using the Black-Scholes option pricing model. Key assumptions in the Black-Scholes option pricing model, some of which are based on subjective expectations, are subject to change. A change in one or more of these assumptions would impact the expense associated with future grants. These key assumptions include the volatility of our common shares, the risk-free interest rate and the expected life of options.

We used the following weighted average assumptions in the Black-Scholes option pricing model for determining the fair value of our 2006 and 2007 stock option grants. There were no stock options granted in 2008.

	Year Ended December 31,	
	2007	2006
Expected volatility	31.0%	36.2%
Expected dividends	—	—
Expected term (in years)	5.0	5.0
Risk-free rate	4.5%	4.7%

We calculated the expected volatility of options granted in 2007 using a blended rate based upon implied volatility calculated on actively traded options on our common shares and upon the historical volatility of our common shares. We calculated the expected volatility for options granted in 2006 by measuring the volatility of our historical stock price for a period equal to the expected life of the option and ending at the time the option was granted. We determined the risk-free interest rate based upon the interest rate on a U.S. Treasury Bill with a term equal to the expected life of the option at the time the option was granted. In estimating the expected lives of our stock options, we have relied primarily on our actual experience with our previous stock option grants. The expected life is less than the term of the option as option holders, in our experience, exercise or forfeit the options during the term of the option.

Pension and Other Postretirement Benefits

Statement No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statements No. 87, 88, 106, and 132(R)* ("SFAS No. 158") requires recognition of the overfunded or underfunded status of an entity's defined benefit or postretirement plan as an asset or liability in the financial statements, requires the measurement of defined benefit or postretirement plan assets and obligations as of the end of the employer's fiscal year, and requires recognition of the previously deferred portion of defined benefit or postretirement plans in other comprehensive income.

Amounts recognized in the financial statements must be determined on an actuarial basis. Two of the more critical assumptions in the actuarial calculations are the discount rate for determining the current value of plan benefits and the expected rate of return on plan assets. Discount rates are based on the yields of government bonds or high quality corporate bonds in the respective country or economic market. The expected long-term rates of return on plan assets are based on a combination of historical experience and anticipated future returns in each of the asset categories. As we have both domestic and international plans, the assumptions, though the same in nature, are based on varying factors specific to each particular country or economic environment. Changes in any of the assumptions used could impact our projected benefit obligations and benefit costs as well as other pension and postretirement benefit calculations.

Due to the significance of the discount rates and expected long-term rates of return, the following sensitivity analysis demonstrates the effect that a 50 basis point change in those assumptions will have on annual pension expense:

	Increase (Decrease) of Annual Pension Expense	
	50 Basis Point Increase	50 Basis Point Decrease
	(In millions)	
Discount rate	$(1.4)	$1.4
Expected long-term rate of return	(0.4)	0.4

Percentage of Completion

Revenue from long-term contracts, primarily for our integrated project management services, is reported on the percentage-of-completion method of accounting. This method of accounting requires us to calculate contract

profit to be recognized in each reporting period for each contract based upon our projections of future outcomes, which include:

- estimates of the total cost to complete the project;
- estimates of project schedule and completion date;
- estimates of the extent of progress toward completion; and
- amounts of any change orders or claims included in revenue.

Measurements of progress are generally output based related to physical progress. At the outset of each contract, we prepare a detailed analysis of our estimated cost to complete the project. Risks related to service delivery, usage, productivity, and other factors are considered in the estimation process. Our personnel periodically evaluate the estimated costs, claims, change orders, and percentage of completion at the contract level. The recording of profits and losses on long-term contracts requires an estimate of the total profit or loss over the life of each contract. This estimate requires consideration of total contract value, change orders, and claims, less costs incurred and estimated costs to complete. There are many factors that impact future costs, including but not limited to weather, inflation, labor and community disruptions, timely availability of materials, productivity, and other factors as outlined in our "Risk Factors." Anticipated losses on contracts are recorded in full in the period in which they become evident. Profits are recorded based upon the total estimated contract profit times the current percentage complete for the contract. At least quarterly, significant contracts are reviewed in detail by senior management.

Income Taxes

We provide for income taxes in accordance with SFAS No. 109, *Accounting for Income Taxes.* This standard takes into account the differences between the financial statement treatment and tax treatment of certain transactions. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of a change in tax rates is recognized as income or expense in the period that includes the enactment date. Our effective tax rates for 2008, 2007 and 2006 were 17.1%, 23.0% and 25.9%, respectively.

Effective January 1, 2007, we adopted the provisions of Financial Accounting Standards Board ("FASB") Interpretation No. 48, *Accounting for Uncertainty in Income Taxes — an interpretation of FASB Statement No. 109* ("FIN No. 48"). FIN No. 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements and prescribes a recognition threshold and measurement attributes of income tax positions taken or expected to be taken on a tax return. Under FIN No. 48, the impact of an uncertain tax position taken or expected to be taken on an income tax return must be recognized in the financial statements at the largest amount that is more-likely-than-not to be sustained upon examination by the relevant taxing authority.

We operate in approximately 100 countries through various legal entities. As a result, we are subject to numerous domestic and foreign tax jurisdictions and tax agreements and treaties among the various taxing authorities. Our operations in these jurisdictions are taxed on various bases: income before taxes, deemed profits (which is generally determined using a percentage of revenues rather than profits) and withholding taxes based on revenue. The calculation of our tax liabilities involves consideration of uncertainties in the application and interpretation of complex tax regulations in a multitude of jurisdictions across our global operations. We recognize potential liabilities and record tax liabilities for anticipated tax audit issues in the U.S. and other tax jurisdictions based on our estimate of whether, and the extent to which, additional taxes will be due. The tax liabilities are reflected net of realized tax loss carryforwards. We adjust these reserves upon specific events; however, due to the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is different from our current estimate of the tax liabilities. If our estimate of tax liabilities proves to be less than the ultimate assessment, an additional charge to expense would result. If payment of these amounts ultimately proves to be less than the recorded amounts, the reversal of the liabilities would result in tax benefits being recognized in the period when the contingency has been resolved and the liabilities are no longer necessary. If the tax liabilities relate to tax uncertainties existing at the date of the acquisition of a business, the adjustment of such tax liabilities will result in

an adjustment to the goodwill recorded at the date of acquisition. Changes in tax laws, regulations, agreements and treaties, foreign currency exchange restrictions or our level of operations or profitability in each taxing jurisdiction could have an impact upon the amount of income taxes that we provide during any given year.

Valuation Allowance for Deferred Tax Assets

We record a valuation allowance to reduce the carrying value of our deferred tax assets when it is more likely than not that a portion or all of the deferred tax assets will expire before realization of the benefit or that future deductibility is not probable. The ultimate realization of the deferred tax assets depends on the ability to generate sufficient taxable income of the appropriate character and in the related jurisdiction in the future. In evaluating our ability to recover our deferred tax assets, we consider all reasonably available positive and negative evidence, including our past operating results, the existence of cumulative losses in the most recent years and our forecast of future taxable income. In estimating future taxable income, we develop assumptions, including the amount of future state, federal and international pretax operating income, the reversal of temporary differences and the implementation of feasible and prudent tax planning strategies. These assumptions require significant judgment.

We have identified various domestic and international tax planning strategies that we would implement, if necessary, to enable the realization of our deferred tax assets; however, when the likelihood of the realization of existing deferred tax assets changes, adjustments to the valuation allowance are charged to our income tax provision in the period in which the determination is made.

As of December 31, 2008, our net deferred tax assets were $133 million before a related valuation allowance of $69 million. As of December 31, 2007, our net deferred tax assets were $66 million before a related valuation allowance of $62 million.

For a more comprehensive list of our accounting policies, see "Item 8. Financial Statements and Supplementary Data — Notes to Consolidated Financial Statements — Note 1."

New Accounting Pronouncements

In September 2006, the FASB issued Statement No. 157, *Fair Value Measurements* ("SFAS No. 157"), which defines fair value, established a framework for measuring fair value under generally accepted accounting principles ("GAAP") and expands disclosures about fair value measurements. SFAS No. 157 applies to other accounting pronouncements that require or permit fair value measurements. Effective January 1, 2008, we adopted SFAS No. 157 as it relates to financial assets and financial liabilities. In February 2008, the FASB issued FASB Staff Position No. FAS 157-2, *Effective Date of FASB Statement No. 157,* which delayed the effective date of SFAS No. 157 for all nonfinancial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value in the financial statements on at least an annual basis, until January 1, 2009 for calendar year-end entities. Accordingly, we will defer the adoption of SFAS No. 157 for is nonfinancial assets and nonfinancial liabilities until January 1, 2009.

In December 2007, the FASB issued SFAS No. 141 (revised 2007), *Business Combinations* ("SFAS No. 141R"). SFAS No. 141R establishes principles and requirements for how a company recognizes assets acquired, liabilities assumed, contractual contingencies and contingent consideration measured at fair value at the acquisition date. The Statement also establishes disclosure requirements which will enable users to evaluate the nature and financial effect of the business combination. SFAS No. 141R is effective for business combinations completed in fiscal years beginning after December 15, 2008.

In December 2007, the FASB issued SFAS No. 160 *Noncontrolling Interests in Consolidated Financial Statements — an amendment of ARB No. 51* ("SFAS No. 160"). SFAS No. 160 establishes accounting and reporting standards for ownership interests in subsidiaries held by parties other than the parent, the amount of consolidated net income attributable to the parent and to the noncontrolling interest, changes in a parent's ownership interest and the valuation of retained noncontrolling equity investments when a subsidiary is deconsolidated. The Statement also establishes reporting requirements that provide sufficient disclosures that clearly identify and distinguish between the interest of the parent and the interest of the noncontrolling owners. SFAS No. 160 is effective for fiscal years beginning after December 15, 2008.

In March 2008, the FASB issued Statement No. 161, *Disclosures about Derivative Instruments and Hedging Activities* ("SFAS No. 161"). SFAS No. 161 requires enhanced disclosures about an entity's derivative and hedging activity. Entities are required to provide enhanced disclosures about how and why they use derivative instruments, how derivative instruments and related hedged items are accounted for under SFAS No. 133 and how derivative instruments and related hedged items affect an entity's financial position, financial performance and cash flows. This statement is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008.

Item 7A. *Quantitative and Qualitative Disclosure About Market Risk*

We are currently exposed to market risk from changes in foreign currency and changes in interest rates. From time to time, we may enter into derivative financial instrument transactions to manage or reduce our market risk, but we do not enter into derivative transactions for speculative purposes. A discussion of our market risk exposure in these financial instruments follows.

Foreign Currency Exchange Rates

We operate in virtually every oil and natural gas exploration and production region in the world. In some parts of the world, such as the Middle East and Southeast Asia, the currency of our primary economic environment is the U.S. dollar. We use this as our functional currency. In other parts of the world, we conduct our business in currencies other than the U.S. dollar and the functional currency is the applicable local currency. In those countries in which we operate in the local currency, the effects of foreign currency fluctuations are largely mitigated because local expenses of such foreign operations are also generally denominated in the same currency.

Assets and liabilities of which the functional currency is the local currency are translated into U.S. dollars using the exchange rates in effect at the balance sheet date, resulting in translation adjustments that are reflected as Accumulated Other Comprehensive Income in the shareholders' equity section on our Consolidated Balance Sheets. A portion of our net assets are impacted by changes in foreign currencies in relation to the U.S. dollar. We recorded a $683 million adjustment to decrease our equity account for the year ended December 31, 2008 to reflect the net impact of the strengthening of the U.S. dollar against various foreign currencies.

As of December 31, 2008 and 2007, we had several foreign currency forward contracts with notional amounts aggregating $503 million and $682 million, respectively, which were entered into to hedge exposure to currency fluctuations in various foreign currencies, including, but not limited to, the British pound sterling, the Canadian dollar, the euro and the Norwegian krone. The total estimated fair value of these contracts at December 31, 2008 resulted in a liability of approximately $2 million and at December 31, 2007, resulted in an asset of approximately $2 million. These derivative instruments were not designated as hedges and the changes in fair value of the contracts are recorded each period in current earnings.

In addition, after the closing of the acquisition of Precision Energy Services and Precision Drilling International, we entered into a series of cross-currency swaps between the U.S. dollar and Canadian dollar to hedge certain exposures to the Canadian dollar created as a result of the acquisition. At December 31, 2008 and 2007, we had notional amounts outstanding of $280 million and $364 million, respectively. The estimated fair value of these contracts at December 31, 2008 and 2007 resulted in an asset of $1 million and a liability of $74 million, respectively. These derivative instruments were not designated as hedges and the changes in fair value of the contracts are recorded each period in current earnings.

Interest Rates

We are subject to interest rate risk on our long-term fixed-interest rate debt and variable-interest rate borrowings. Variable rate debt, where the interest rate fluctuates periodically, exposes us to short-term changes in market interest rates. Fixed rate debt, where the interest rate is fixed over the life of the instrument, exposes us to

changes in market interest rates reflected in the fair value of the debt and to the risk that we may need to refinance maturing debt with new debt at a higher rate. All other things being equal, the fair value of our fixed rate debt will increase or decrease as interest rates change.

Our long-term borrowings that were outstanding at December 31, 2008 subject to interest rate risk consist of the following:

	December 31,			
	2008		2007	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(In millions)			
6.625% Senior Notes due 2011	$354	$330	$356	$369
5.95% Senior Notes due 2012	599	585	599	618
5.15% Senior Notes due 2012	511	463	—	—
4.95% Senior Notes due 2013	254	213	255	245
5.50% Senior Notes due 2016	349	306	349	338
6.35% Senior Notes due 2017	600	513	600	624
6.00% Senior Notes due 2018	498	456	—	—
6.50% Senior Notes due 2036	596	495	596	598
6.80% Senior Notes due 2037	298	227	298	313
7.00% Senior Notes due 2038	498	394	—	—

We have various other long-term debt instruments of $24 million at December 31, 2008, but believe the impact of changes in interest rates in the near term will not be material to these instruments. Short-term borrowings of $1.2 billion at December 31, 2008 approximate fair value.

As it relates to our variable rate debt, if market interest rates average 1% more in 2009 than the rates as of December 31, 2008, interest expense for 2009 would increase by $13 million. This amount was determined by calculating the effect of the hypothetical interest rate on our variable rate debt. This sensitivity analysis assumes there are no changes in our financial structure.

Interest Rate Swaps and Derivatives

We manage our debt portfolio to achieve an overall desired position of fixed and floating rates and may employ interest rate swaps as a tool to achieve that goal. The major risks from interest rate derivatives include changes in the interest rates affecting the fair value of such instruments, potential increases in interest expense due to market increases in floating interest rates and the creditworthiness of the counterparties in such transactions. The counterparties to our interest rate swaps are multinational commercial banks. In light of recent events in the global credit markets and the potential impact of these events on the liquidity of the banking industry, we continue to monitor the creditworthiness of our counterparties.

We use interest rate swaps to take advantage of available short-term interest rates. Amounts received upon termination of the swaps represent the fair value of the agreements at the time of termination and are recorded as an adjustment to the carrying value of the related debt. These amounts are being amortized as a reduction to interest expense over the remaining term of the debt.

Upon completion of the long-term debt offering in March 2008, we entered into interest rate swap agreements on an aggregate notional amount of $500 million against our 5.15% Senior Notes. These agreements were terminated in December 2008. As a result of these terminations, we received cash proceeds, net of accrued interest, of $12 million. The gain associated with this interest rate swap termination has been deferred and will be amortized over the remaining term of the 5.15% Senior Notes.

As of December 31, 2008 and 2007, we had net unamortized gains of $21 million and $12 million, respectively, associated with interest rate swap terminations. Our interest expense was reduced by $3 million and $2 million for the years ended December 31, 2008 and 2007, respectively.

Item 8. ***Financial Statements and Supplementary Data***

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MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in the Securities Exchange Act of 1934 Rule 13a-15(f). The Company's internal controls were designed to provide reasonable assurance as to the reliability of our financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2008. In making its assessment, management has utilized the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control-Integrated Framework*. Based on this assessment, management concluded that as of December 31, 2008 the Company's internal control over financial reporting is effective.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2008, has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report which appears herein.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of
Weatherford International Ltd. and subsidiaries

We have audited Weatherford International Ltd.'s internal control over financial reporting as of December 31, 2008, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Weatherford International Ltd.'s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Weatherford International Ltd. and subsidiaries maintained, in all material respects, effective internal control over financial reporting as of December 31, 2008 based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Weatherford International Ltd. and subsidiaries as of December 31, 2008 and 2007, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2008, and our report dated February 24, 2009 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Houston, Texas
February 24, 2009

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of
Weatherford International Ltd. and subsidiaries

We have audited the accompanying consolidated balance sheets of Weatherford International Ltd. and subsidiaries as of December 31, 2008 and 2007, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2008. Our audits also included the financial statement schedule listed in the Index at Item 15. These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Weatherford International Ltd. and subsidiaries at December 31, 2008 and 2007, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2008, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

As discussed in Note 1 to the consolidated financial statements, effective January 1, 2007, the Company adopted FASB Interpretations — FIN 48: *Accounting for Uncertainty in Income Taxes an Interpretation of FASB Statement No. 109* and, as discussed in Note 15, effective December 31, 2006 the Company adopted Statement of Financial Accounting Standards No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statements No. 87, 88, 106, and 132(R).*

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Weatherford International Ltd.'s internal control over financial reporting as of December 31, 2008, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 24, 2009 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Houston, Texas
February 24, 2009

WEATHERFORD INTERNATIONAL LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	December 31, 2008	December 31, 2007
	(In thousands, except par value)	
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 238,398	$ 170,714
Accounts Receivable, Net of Allowance for Uncollectible Accounts of $16,425 in 2008 and $13,760 in 2007	2,442,848	1,961,854
Inventories	2,088,342	1,607,684
Current Deferred Tax Assets	270,252	165,508
Other Current Assets	530,442	566,009
	5,570,282	4,471,769
Property, Plant and Equipment, at Cost:		
Land, Buildings and Leasehold Improvements	756,416	557,081
Rental and Service Equipment	6,246,278	4,497,113
Machinery and Other	1,610,474	1,499,713
	8,613,168	6,553,907
Less: Accumulated Depreciation	2,690,996	2,400,062
	5,922,172	4,153,845
Goodwill	3,530,915	3,358,490
Other Intangible Assets, Net	701,483	596,999
Equity Investments	515,770	368,618
Other Assets	235,891	241,236
	$16,476,513	$13,190,957
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Short-term Borrowings and Current Portion of Long-term Debt	$ 1,255,947	$ 774,220
Accounts Payable	886,104	612,775
Accrued Salaries and Benefits	257,016	239,870
Income Taxes Payable	82,489	97,482
Other Current Liabilities	540,537	478,018
	3,022,093	2,202,365
Long-term Debt	4,564,255	3,066,335
Deferred Tax Liabilities	228,576	197,494
Other Liabilities	295,540	284,717
	8,110,464	5,750,911
Minority Interest in Consolidated Subsidiaries	80,401	33,327
Shareholders' Equity:		
Common Shares, $1 Par Value, Authorized 1,000,000 Shares, Issued 728,689 and 727,204 Shares, Respectively	728,689	727,204
Capital in Excess of Par Value	4,059,112	3,995,747
Treasury Shares, Net	(759,477)	(924,202)
Retained Earnings	4,524,085	3,170,182
Accumulated Other Comprehensive Income (Loss)	(266,761)	437,788
	8,285,648	7,406,719
	$16,476,513	$13,190,957

The accompanying notes are an integral part of these consolidated financial statements.

WEATHERFORD INTERNATIONAL LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

	Year Ended December 31,		
	2008	2007	2006
	(In thousands, except per share amounts)		
Revenues:			
Products	$3,564,636	$2,983,427	$2,490,059
Services	6,035,928	4,848,635	4,088,869
	9,600,564	7,832,062	6,578,928
Costs and Expenses:			
Cost of Products	2,555,965	2,087,296	1,731,373
Cost of Services	3,686,495	2,970,314	2,481,460
Research and Development	192,659	169,317	149,429
Selling, General and Administrative Attributable to Segments	1,081,165	850,359	746,386
Corporate General and Administrative	187,075	130,440	115,593
Gain on Sale of Subsidiary	(81,344)	—	—
	7,622,015	6,207,726	5,224,241
Operating Income	1,978,549	1,624,336	1,354,687
Other Income (Expense):			
Interest Expense, Net	(243,679)	(171,281)	(102,560)
Other, Net	(44,956)	(8,569)	(13,218)
Income from Continuing Operations Before Income Taxes and Minority Interest	1,689,914	1,444,486	1,238,909
Provision for Income Taxes	(288,811)	(332,760)	(321,473)
Income from Continuing Operations Before Minority Interest	1,401,103	1,111,726	917,436
Minority Interest, Net of Taxes	(34,272)	(19,751)	(11,330)
Income from Continuing Operations	1,366,831	1,091,975	906,106
Loss from Discontinued Operation, Net of Taxes	(12,928)	(21,369)	(9,737)
Net Income	$1,353,903	$1,070,606	$ 896,369
Basic Earnings Per Share:			
Income from Continuing Operations	$ 2.00	$ 1.61	$ 1.31
Loss from Discontinued Operation	(0.02)	(0.03)	(0.02)
Net Income	$ 1.98	$ 1.58	$ 1.29
Diluted Earnings Per Share:			
Income from Continuing Operations	$ 1.96	$ 1.57	$ 1.28
Loss from Discontinued Operation	(0.02)	(0.03)	(0.02)
Net Income	$ 1.94	$ 1.54	$ 1.26
Weighted Average Shares Outstanding:			
Basic	682,704	677,032	692,246
Diluted	698,178	695,516	709,664

The accompanying notes are an integral part of these consolidated financial statements.

WEATHERFORD INTERNATIONAL LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	Common Shares $1 Par	Capital In Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Shares			Total Shareholders' Equity
					Shares	Share Value	Deferred Compensation	
	(In thousands, except par value)							
Balance at December 31, 2005	$717,946	$3,805,392	$1,202,938	$ 92,652	(23,718)	$(170,035)	$17,924	$5,666,817
Comprehensive Income:								
Net Income	—	—	896,369	—	—	—	—	896,369
Foreign Currency Translation Adjustment	—	—	—	45,445	—	—	—	45,445
Pension Liability Adjustment, Net of Tax	—	—	—	3,292	—	—	—	3,292
Unrealized Gain on Derivative Instruments, Net of Tax	—	—	—	4,693	—	—	—	4,693
Other, Net of Tax	—	—	—	134	—	—	—	134
Comprehensive Income	—	—	896,369	53,564	—	—	—	949,933
Adjustment to Initially Apply FASB Statement No. 158, Net of Tax	—	—	—	(27,063)	—	—	—	(27,063)
Divestiture of Subsidiary Shares	—	5,336	—	—	—	—	—	5,336
Purchase of Treasury Shares	—	—	—	—	(25,050)	(548,575)	—	(548,575)
Equity Awards Granted, Vested and Exercised	5,896	84,139	—	—	4,226	18,176	—	108,211
Excess Tax Benefit of Share-Based Compensation Plans	—	14,121	—	—	—	—	—	14,121
Other	—	4,625	—	—	278	1,535	(141)	6,019
Balance at December 31, 2006	723,842	3,913,613	2,099,307	119,153	(44,264)	(698,899)	17,783	6,174,799
Comprehensive Income:								
Net Income	—	—	1,070,606	—	—	—	—	1,070,606
Foreign Currency Translation Adjustment	—	—	—	334,217	—	—	—	334,217
Defined Benefit Pension Plans, Net of Tax	—	—	—	(15,736)	—	—	—	(15,736)
Other, Net of Tax	—	—	—	154	—	—	—	154
Comprehensive Income	—	—	1,070,606	318,635	—	—	—	1,389,241
Purchase of Treasury Shares	—	—	—	—	(10,224)	(246,190)	—	(246,190)
Equity Awards Granted, Vested and Exercised	3,362	52,031	—	—	5,502	2,733	—	58,126
Excess Tax Benefit of Share-Based Compensation Plans	—	28,895	—	—	—	—	—	28,895
Adoption of FIN No. 48	—	—	269	—	—	—	—	269
Other	—	1,208	—	—	(32)	(2,886)	3,257	1,579
Balance at December 31, 2007	727,204	3,995,747	3,170,182	437,788	(49,018)	(945,242)	21,040	7,406,719
Comprehensive Income:								
Net Income	—	—	1,353,903	—	—	—	—	1,353,903
Foreign Currency Translation Adjustment	—	—	—	(682,669)	—	—	—	(682,669)
Deferred Loss on Derivative Instruments	—	—	—	(12,576)	—	—	—	(12,576)
Defined Benefit Pension Plans, Net of Tax	—	—	—	(9,788)	—	—	—	(9,788)
Other, Net of Tax	—	—	—	484	—	—	—	484
Comprehensive Income	—	—	1,353,903	(704,549)	—	—	—	649,354
Shares Issued in Acquisition	—	(38,683)	—	—	7,709	168,817	—	130,134
Equity Awards Granted, Vested and Exercised	1,433	102,019	—	—	924	(2,331)	—	101,121
Excess Tax Benefit of Share-Based Compensation Plans	—	10,032	—	—	—	—	—	10,032
Other	52	(10,003)	—	—	18	(4,104)	2,343	(11,712)
Balance at December 31, 2008	$728,689	$4,059,112	$4,524,085	$(266,761)	(40,367)	$(782,860)	$23,383	$8,285,648

The accompanying notes are an integral part of these consolidated financial statements.

WEATHERFORD INTERNATIONAL LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
	2008	2007	2006
		(In thousands)	
Cash Flows From Operating Activities:			
Net Income	$ 1,353,903	$ 1,070,606	$ 896,369
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Operating Activities:			
Depreciation and Amortization	731,808	606,226	482,948
Gain on Sale of Assets and Businesses, Net	(110,326)	(41,185)	(42,232)
Loss from Discontinued Operation	12,928	21,369	9,737
Employee Stock-Based Compensation Expense	101,416	64,901	62,739
Excess Tax Benefits from Share-Based Compensation	(10,032)	(28,895)	(14,121)
Minority Interest	34,272	19,751	11,330
Deferred Income Tax Provision (Benefit)	(41,442)	28,873	48,413
Other, Net	(12,587)	4,608	5,760
Change in Operating Assets and Liabilities, Net of Effect of Businesses Acquired:			
Accounts Receivable	(461,239)	(296,120)	(299,335)
Inventories	(581,981)	(417,305)	(338,323)
Other Current Assets	(168,140)	(45,794)	(66,561)
Accounts Payable	230,596	74,815	27,018
Accrued Current Liabilities	62,715	(108,362)	255,009
Other, Net	(31,104)	(70,833)	55,155
Net Cash Provided by Operating Activities-Continuing Operations	1,110,787	882,655	1,093,906
Net Cash Used by Operating Activities-Discontinued Operation	(6,219)	(10,149)	(6,887)
Net Cash Provided by Operating Activities	1,104,568	872,506	1,087,019
Cash Flows from Investing Activities:			
Acquisitions of Businesses, Net of Cash Acquired	(798,530)	(275,149)	(194,314)
Capital Expenditures for Property, Plant and Equipment for Continuing Operations	(2,484,163)	(1,635,041)	(1,051,100)
Acquisition of Intellectual Property	(24,079)	(23,035)	(31,201)
(Purchase) Sale of Equity Investments in Unconsolidated Affiliates	(11,568)	(335,220)	14,240
Proceeds from Sale of Assets and Businesses, Net	297,285	84,476	39,860
Other Investing Activities	—	(38,500)	—
Net Cash Used by Investing Activities-Continuing Operations	(3,021,055)	(2,222,469)	(1,222,515)
Net Cash Used by Investing Activities-Discontinued Operation	11,000	(10,579)	(19,984)
Net Cash Used by Investing Activities	(3,010,055)	(2,233,048)	(1,242,499)
Cash Flows From Financing Activities:			
Borrowings of (Repayments on) Short-term Debt, Net	477,821	117,865	(109,490)
Borrowings of Long-term Debt	1,498,874	1,488,934	947,820
Repayments on Long-term Debt	(20,541)	(18,171)	(215,805)
Purchase of Treasury Shares	—	(246,190)	(548,575)
Proceeds from Exercise of Stock Options	9,942	34,192	55,438
Excess Tax Benefits from Share-Based Compensation	10,032	28,895	14,121
Other Financing Activities, Net	1,403	(3,896)	1,603
Net Cash Provided by Financing Activities-Continuing Operations	1,977,531	1,401,629	145,112
Net Cash Provided by Financing Activities-Discontinued Operation	—	—	—
Net Cash Provided by Financing Activities	1,977,531	1,401,629	145,112
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(4,360)	3,340	2,410
Net Increase (Decrease) in Cash and Cash Equivalents	67,684	44,427	(7,958)
Cash and Cash Equivalents at Beginning of Year	170,714	126,287	134,245
Cash and Cash Equivalents at End of Year	$ 238,398	$ 170,714	$ 126,287

The accompanying notes are an integral part of these consolidated financial statements.

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Basis of Presentation

Principles of Consolidation

The consolidated financial statements include the accounts of Weatherford International Ltd. (a Bermuda exempted company) ("Weatherford Limited"), all majority-owned subsidiaries and all joint ventures for which we control or variable interest entities for which the Company has determined they are the primary beneficiary (collectively, "the Company"). Investments in affiliates in which the Company exercises significant influence over operating and financial policies are accounted for on the equity method. All material intercompany accounts and transactions have been eliminated in consolidation. Beginning in 2008, the Company's Qatar operations are conducted through a variable interest entity, in which the Company believes it is the primary beneficiary. Accordingly, the Company consolidates this entity and reflects a minority interest.

Nature of Operations

The Company is one of the largest global providers of innovative mechanical solutions, technology and services for the drilling and production sectors of the oil and natural gas industry.

Reclassifications

Certain reclassifications have been made to our fixed asset and minority interest classifications to conform prior year financial information to the current period presentation.

Discontinued Operation

In June 2007, the Company's management approved a plan to sell its oil and gas development and production business. The business was historically included in the Company's North America and Europe/West Africa/CIS segments. The results of operations, financial position and cash flows of the business have been reflected in the consolidated financial statements and notes as a discontinued operation for all periods presented. The assets and liabilities held for sale were included in Other Current Assets and Other Current Liabilities, respectively, in the Consolidated Balance Sheets at December 31, 2007. The Company finalized the divestiture of the business in 2008.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period and disclosure of contingent liabilities. On an ongoing basis, the Company evaluates its estimates, including those related to uncollectible accounts receivable, lower of cost or market value of inventories, equity investments, intangible assets and goodwill, property, plant and equipment, income taxes, percentage-of-completion accounting for long-term contracts, self-insurance, pension and postretirement benefit plans and contingent liabilities. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities not readily apparent from other sources. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Accounts Receivable and Allowance for Uncollectible Accounts

Accounts receivable are stated at the historical carrying amount net of allowances for uncollectible accounts. The Company establishes an allowance for uncollectible accounts based on specific customer collection issues the Company has identified. Uncollectible accounts receivable are written off when a settlement is reached for an amount less than the outstanding historical balance or when the Company has determined the balance will not be collected.

Major Customers and Credit Risk

Substantially all of the Company's customers are engaged in the energy industry. This concentration of customers may impact the Company's overall exposure to credit risk, either positively or negatively, in that customers may be similarly affected by changes in economic and industry conditions. The Company performs ongoing credit evaluations of its customers and does not generally require collateral in support of its trade receivables. The Company maintains reserves for potential credit losses, and actual losses have historically been within the Company's expectations. International sales also present various risks, including risks of war, civil disturbances and governmental activities that may limit or disrupt markets, restrict the movement of funds, result in the deprivation of contract rights or the taking of property without fair consideration. Most of the Company's international sales, however, are to large international or national companies. In 2008, 2007 and 2006, there was no individual customer who accounted for more than 10% of consolidated revenues.

Inventories

The Company values inventories at lower of cost or market using either the first-in, first-out ("FIFO") or average cost methods. Cost represents third-party invoice or production cost. Production cost includes material, labor and manufacturing overhead.

Property, Plant and Equipment

Property, plant and equipment, both owned and under capital lease, is carried at cost less accumulated depreciation. The carrying value of fixed assets is based on estimates and judgments relative to capitalized costs, useful lives and salvage value where applicable. Maintenance and repairs are expensed as incurred. Expenditures for renewals, replacements and betterments are capitalized. Depreciation on fixed assets, including those under capital leases, is computed using the straight-line method over the estimated useful lives after allowing for salvage value, where applicable. Depreciation expense for the years ended December 31, 2008, 2007 and 2006 was $669 million, $553 million and $433 million, respectively. The estimated useful lives of the major classes of property, plant and equipment are as follows:

	Estimated Useful Lives
Buildings and leasehold improvements	5-40 years or lease term
Rental and service equipment	2-20 years
Machinery and other	2-12 years

Rig assets are classified in Rental and Service Equipment on the Consolidated Balance Sheets. From time to time, the Company may review the estimated remaining useful lives of its drilling rigs and may extend the useful life when events and circumstances, such as upgrades or refurbishment activities, indicate the drilling rig can operate beyond its original useful life. All estimated useful lives are evaluated and established based upon appraisal concurrent with acquisition. No changes in the estimated useful lives have occurred since acquisition date.

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Long-Lived Assets

Long-lived assets, excluding goodwill and indefinite-lived intangibles, to be held and used by the Company are reviewed to determine whether any events or changes in circumstances indicate the carrying amount of the asset may not be recoverable. Factors that might indicate a potential impairment may include, but are not limited to, significant decreases in the market value of the long-lived asset, a significant change in the long-lived asset's physical condition, a change in industry conditions or a reduction in cash flows associated with the use of the long-lived asset. If these or other factors indicate the carrying amount of the asset may not be recoverable, the Company determines whether an impairment has occurred through the use of an undiscounted cash flow analysis of the asset at the lowest level for which identifiable cash flows exist. If an impairment has occurred, the Company recognizes a loss for the difference between the carrying amount and the fair value of the asset. The fair value of the asset is measured using market prices or, in the absence of market prices, is based on an estimate of discounted cash flows. Cash flows are generally discounted at an interest rate commensurate with our weighted average cost of capital for a similar asset. Assets are classified as held for sale when the Company has a plan for disposal of certain assets and those assets meet the held for sale criteria of Statement of Financial Accounting Standards ("SFAS") No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets* ("SFAS No. 144").

Goodwill and Indefinite-Lived Intangible Assets

The Company tests for the impairment of goodwill and other intangible assets with indefinite lives on at least an annual basis. The Company's goodwill impairment test involves a comparison of the fair value of each of the Company's reporting units with its carrying amount. The Company's indefinite-lived asset impairment test involves a comparison of the fair value of the intangible asset and its carrying value. Fair value is estimated using discounted cash flows using a discount rate adjusted for the credit risk of the regional reporting unit tested. If the fair value is less than the carrying value, the asset is considered impaired. The amount of the impairment, if any, is then determined based on an allocation of the reporting unit fair values to individual assets and liabilities.

Intangible Assets

The Company's intangible assets, excluding goodwill, are acquired technology licenses, patents, customer relationships and other identifiable intangible assets. Intangible assets are amortized on a straight-line basis over their estimated economic lives generally ranging from 2 to 20 years except for intangible assets with indefinite lives. As many areas of the Company's business rely on patents and proprietary technology, it has followed a policy of seeking patent protection both inside and outside the U.S. for products and methods that appear to have commercial significance. The Company capitalizes patent defense costs when it determines that a successful defense is probable.

Pension and Postretirement Benefit Plans

The Company has defined benefit pension and other postretirement benefit plans covering certain of its employees. Costs of the plan are charged to income and consist of several components, known collectively as net periodic pension cost, which are based on various actuarial assumptions regarding future experience of the plans. Amounts recorded for these defined benefit plans reflect estimates related to future interest rates, investment rates of return, employee turnover and wage increases. The Company reviews all assumptions and estimates on an ongoing basis. As of December 31, 2008 and 2007, the Company has recognized the overfunded or underfunded status of its plans as an asset or liability in the Consolidated Balance Sheets.

Research and Development Expenditures

Research and development expenditures are expensed as incurred.

Environmental Expenditures

Environmental expenditures that relate to the remediation of an existing condition caused by past operation and that do not contribute to future revenues are expensed. Liabilities for these expenditures are recorded when it is probable that obligations have been incurred and costs can be reasonably estimated. Estimates are based on available facts and technology, enacted laws and regulations and the Company's prior experience in remediation of contaminated sites.

Insurance

The Company is self-insured up to certain retention limits for general liability, vehicle liability, group medical and for workers' compensation claims for certain of its employees. The amounts in excess of the self-insured levels are fully insured, up to a limit. Self-insurance accruals are based on claims filed and an estimate for significant claims incurred but not reported.

Derivative Financial Instruments

The Company accounts for all derivative instruments under SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended ("SFAS No. 133"). This standard requires that every derivative instrument be recorded at fair value in the balance sheet as either an asset or a liability. Changes in the fair value of derivatives are recorded each period in current earnings or other comprehensive income, depending on whether the derivative is designated as part of a hedge relationship, and if so, the type of hedge transaction. Any gain or loss associated with the termination of a swap is deferred and amortized over the remaining debt term.

Foreign Currency

Results of operations for foreign subsidiaries with functional currencies other than the U.S. dollar are translated using average exchange rates during the period. Assets and liabilities of these foreign subsidiaries are translated using the exchange rates in effect at the balance sheet dates, and the resulting translation adjustments are included as Accumulated Other Comprehensive Income, a component of shareholders' equity.

For non-U.S. subsidiaries where the functional currency is the U.S. dollar, inventories, property, plant and equipment and other non-monetary assets, together with their related elements of expense, are translated at historical rates of exchange. All other assets and liabilities are translated at current exchange rates. All other revenues and expenses are translated at average exchange rates. Translation gains and losses for these subsidiaries are recognized in the Company's results of operations during the period incurred. The gain or loss related to individual foreign currency transactions are reflected in results of operations when incurred.

Employee Share-Based Compensation

The Company accounts for all share-based payment awards, including shares issued under employee stock purchase plans, stock options, restricted stock and stock appreciation rights under SFAS No. 123 (Revised 2004) *Share-Based Payment* ("SFAS No. 123R"). Under SFAS No. 123R, the fair value of employee stock-based awards granted is measured at the grant date and is recognized as an expense over the service period, which is usually the vesting period.

SFAS No. 123R requires the cash outflows resulting from the tax benefits from the tax deductions in excess of compensation cost recognized for share based payment awards to be classified as financing cash flows. Had the Company not adopted SFAS No. 123R, the excess tax benefits would have been classified as an operating cash inflow.

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Accounting for Income Taxes

Income taxes have been provided based upon the tax laws and rates in the countries in which operations are conducted and income is earned. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. A valuation allowance for deferred tax assets is recorded when it is more likely than not that some or all of the benefit from the deferred tax asset will not be realized.

The Company adopted the provisions of Financial Accounting Standards Board ("FASB") Interpretation No. 48, *Accounting for Uncertainty in Income Taxes — an interpretation of FASB Statement No. 109* ("FIN No. 48") in 2007. FIN No. 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements and prescribes a recognition threshold and measurement attributes of income tax positions taken or expected to be taken on a tax return. Under FIN No. 48, the impact of an uncertain tax position taken or expected to be taken on an income tax return must be recognized in the financial statements at the largest amount that is more-likely-than-not to be sustained upon examination by the relevant taxing authority.

Revenue Recognition

Revenue is recognized when all of the following criteria have been met: a) evidence of an arrangement exists, b) delivery to and acceptance by the customer has occurred, c) the price to the customer is fixed and determinable and d) collectibility is reasonably assured.

Both contract drilling and pipeline service revenue is contractual by nature and both are day-rate based contracts. The Company recognizes revenue for these contracts based on the criteria outlined above which is consistent with our other product offerings.

From time to time, the Company may receive revenues for preparation and mobilization of equipment and personnel. In connection with new drilling contracts, revenues earned and incremental costs incurred directly related to preparation and mobilization are deferred and recognized over the primary contract term of the project using the straight-line method. Costs of relocating equipment without contracts to more promising market areas are expensed as incurred. Demobilization fees received are recognized, along with any related expenses, upon completion of contracts.

The Company incurs rebillable expenses including shipping and handling, third-party inspection and repairs, and custom and duties. The Company recognizes the revenue associated with these rebillable expenses as Products Revenues and all related costs as Cost of Products in the accompanying Consolidated Statements of Income.

Percentage of Completion — Revenue from long-term contracts, primarily for the Company's integrated project management services, is reported on the percentage-of-completion method of accounting. This method of accounting requires the Company to calculate contract profit to be recognized in each reporting period for each contract based upon its projections of future outcomes, which include:

- estimates of the total cost to complete the project;
- estimates of project schedule and completion date;
- estimates of the extent of progress toward completion; and
- amounts of any change orders or claims included in revenue.

Measurements of progress are generally output based related to physical progress. At the outset of each contract, the Company prepares a detailed analysis of its estimated cost to complete the project. Risks related to service delivery, usage, productivity, and other factors are considered in the estimation process. The Company's personnel periodically evaluate the estimated costs, claims, change orders, and percentage of completion at the contract level. The recording of profits and losses on long-term contracts requires an estimate of the

total profit or loss over the life of each contract. This estimate requires consideration of total contract value, change orders, and claims, less costs incurred and estimated costs to complete. Anticipated losses on contracts are recorded in full in the period in which they become evident. Profits are recorded based upon the total estimated contract profit times the current percentage complete for the contract.

Earnings per Share

The basic earning per share for all periods presented equals net income divided by the weighted average number of the Company's common shares, $1.00 par value ("Common Share") outstanding during the period. Diluted earning per share is computed by dividing net income, as adjusted for the assumed conversion of dilutive debentures, by the weighted average number of Common Shares outstanding during the period as adjusted for the dilutive effect of the Company's stock option and restricted share plans and warrant. The diluted earnings per share calculation excludes 6 million potential shares for the year ended December 31, 2008, due to their antidilutive effect. Antidilutive potential shares were not significant for the years ended December 31, 2007 and 2006.

The Company's Board of Directors approved a two-for-one share split of its Common Shares effected through a share dividend. Shareholders of record on May 9, 2008 were entitled to the dividend, which was distributed on May 23, 2008. All share and option amounts included in the accompanying consolidated financial statements and related notes reflect the effect of the share split.

The following reconciles basic and diluted weighted average number of shares outstanding:

	Year Ended December 31,		
	2008	2007	2006
		(In thousands)	
Basic weighted average shares outstanding	682,704	677,032	692,246
Dilutive effect of:			
Warrant	5,720	5,570	4,410
Stock option and restricted share plans	9,754	12,914	13,008
Diluted weighted average shares outstanding	698,178	695,516	709,664

New Accounting Pronouncements

In December 2007, the FASB issued SFAS No. 141 (revised 2007), *Business Combinations* ("SFAS No. 141R"). SFAS No. 141R establishes principles and requirements for how a company recognizes assets acquired, liabilities assumed, contractual contingencies and contingent consideration measured at fair value at the acquisition date. The Statement also establishes disclosure requirements which will enable users to evaluate the nature and financial effect of the business combination. SFAS No. 141R is effective for business combinations completed in fiscal years beginning after December 15, 2008.

In December 2007, the FASB issued SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements — an amendment of ARB No. 51* ("SFAS No. 160"). SFAS No. 160 establishes accounting and reporting standards for ownership interests in subsidiaries held by parties other than the parent, the amount of consolidated net income attributable to the parent and to the noncontrolling interest, changes in a parent's ownership interest and the valuation of retained noncontrolling equity investments when a subsidiary is deconsolidated. The Statement also establishes reporting requirements that provide sufficient disclosures that clearly identify and distinguish between the interest of the parent and the interest of the noncontrolling owners. SFAS No. 160 is effective for fiscal years beginning after December 15, 2008

In March 2008, the FASB issued Statement No. 161, *Disclosures about Derivative Instruments and Hedging Activities* ("SFAS No. 161"). SFAS No. 161 requires enhanced disclosures about an entity's derivative and hedging activity. Entities are required to provide enhanced disclosures about how and why they use derivative instruments,

how derivative instruments and related hedged items are accounted for under SFAS No. 133 and how derivative instruments and related hedged items affect an entity's financial position, financial performance and cash flows. This statement is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008.

2. Business Combinations

The Company has acquired businesses critical to its long-term growth strategy. Results of operations for acquisitions are included in the accompanying Consolidated Statements of Income from the date of acquisition. The balances included in the Consolidated Balance Sheets related to acquisitions consummated in the preceding twelve months are based on preliminary information and are subject to change when final asset valuations are obtained and the potential for liabilities has been evaluated. Acquisitions are accounted for using the purchase method of accounting and the purchase price is allocated to the net assets acquired based upon their estimated fair values at the date of acquisition. The excess of the purchase price over the net assets was recorded as goodwill. Final valuations of assets and liabilities are obtained and recorded within one year from the date of the acquisition.

In November 2008, the Company acquired a group of affiliated companies in Latin America, which provide project management services, drilling fluids, contract drilling and environmental services in Latin America. Consideration for the transaction totaled approximately $160 million, which was comprised of approximately six million shares valued at approximately $65 million, non-cash consideration of approximately $75 million and cash of approximately $20 million. An additional $65 million in cash consideration for this acquisition is contingent on the occurrence of future events and circumstances and will be recorded by the Company when and if these events occur. The total purchase price was allocated based upon preliminary, estimated fair values which are subject to change once final valuations of the assets and liabilities are completed.

In August 2008, the Company acquired International Logging, Inc. ("ILI"), a provider of surface logging and formation and evaluation and drilling related services for approximately $400 million. The total purchase price was allocated to ILI's net tangible and identifiable intangible assets based on their preliminary, estimated fair values. The Company allocated approximately $140 million of the purchase price to intangible assets (See Note 8). The excess of the purchase price over the net assets was recorded as goodwill.

In association with a prior acquisition, the Company identified pre-acquisition contingencies related to duties and taxes associated with the importation of certain equipment assets to foreign jurisdictions. At December 31, 2008, the Company has a liability of approximately $9 million for this matter. If the Company used the high end of the range, the aggregate potential liability would be approximately $10 million higher.

The Company also acquired various other businesses during the years ended December 31, 2008, 2007 and 2006 for cash consideration of approximately $380 million, $253 million and $187 million, respectively. In addition, other 2008 acquisitions included the issuance of approximately two million shares valued at approximately $65 million.

3. Equity Investment Acquisition

The Company acquired a 33% ownership interest in Premier Business Solutions ("PBS") in June 2007 for approximately $330 million. PBS conducts business in Russia and is the world's largest electric submersible pump manufacturer by volume. In January 2008, the Company sold its electrical submersible pumps ("ESP") product line to PBS and received a combination of cash and an additional equity investment in PBS in consideration of the sale. This transaction increased the Company's ownership percentage to approximately 40%. The Company's investment in PBS is included in Equity Investments in the accompanying Condensed Consolidated Balance Sheets at December 31, 2008 and 2007. The assets and liabilities of the ESP product line were classified as held for sale at December 31, 2007 and included in Other Current Assets and Other Current Liabilities in the Condensed Consolidated Balance Sheet.

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

4. Discontinued Operation

In June 2007, the Company's management approved a plan to sell its oil and gas development and production business. The Company finalized the divestiture of the business in June 2008. The results of operations, financial position and cash flows of the business have been reflected in the condensed consolidated financial statements and notes as a discontinued operation for all periods presented.

Operating results of the oil and gas development and production business were as follows:

	Year Ended December 31,		
	2008	2007	2006
		(In thousands)	
Revenues	$ 556	$ 2,299	$ —
Loss Before Income Taxes	$25,811	$30,303	$14,686
Benefit for Income Taxes	12,883	8,934	4,949
Loss from Discontinued Operation, Net of Taxes	$12,928	$21,369	$ 9,737

The 2008 loss includes charges of approximately $21 million associated with a settlement of a legal dispute regarding the business. These charges were partially offset by an $11 million gain, net of taxes, recognized upon the finalization of the divestiture. The 2007 loss includes approximately $17 million, net of tax, for asset impairment charges related to write-downs of the operation's U.S. properties. In addition, the Company completed the sale of the operation's international properties in November 2007 and recorded a gain of approximately $5 million, net of tax, in connection with the sale.

5. Cash Flow Information

Gain on Sales of Assets and Businesses, Net

Gain on sales of assets and businesses, net for the year ended December 31, 2008 of $110 million includes a $19 million write-off of fixed assets resulting from the Company's exit from sanctioned countries, an $81 million gain recognized in connection with the sale of a 50% interest in a subsidiary the Company controls to Qatar Petroleum and $48 million in gains related to the Company's divestiture of other assets and businesses.

Non-cash Activities

The Company issued approximately eight million shares valued at approximately $130 million in connection with acquisitions during the year ended December 31, 2008. There were no shares issued in connection with acquisitions during 2007 or 2006.

During the year ended December 31, 2008, there were non-cash investing activities of approximately $75 million related to the Company's consideration for an acquisition. During the years ended December 31, 2007 and 2006, there were non-cash investing activities of $20 million and $64 million, respectively, related to the notes receivable received in exchange for the Company's business and asset sales.

Supplemental Cash Flow Information

Cash paid for interest and income taxes, net of refunds, was as follows:

	Year Ended December 31,		
	2008	2007	2006
		(In thousands)	
Interest paid, net of capitalized interest	$233,468	$184,093	$ 93,288
Income taxes paid, net of refunds	271,418	372,025	147,973

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

6. Inventories

Inventories by category were as follows:

	December 31,	
	2008	2007
	(In thousands)	
Raw materials, components and supplies	$ 430,352	$ 373,383
Work in process	152,864	118,407
Finished goods	1,505,126	1,115,894
	$2,088,342	$1,607,684

Work in process and finished goods inventories include the cost of materials, labor and plant overhead.

7. Goodwill

Goodwill is evaluated for impairment on at least an annual basis. The Company performs its annual goodwill impairment test as of October 1. In addition, the Company updated its goodwill impairment test in December 2008 as a result of the decline in its Common Share price during the fourth quarter of 2008. The Company's 2008 impairment tests indicated goodwill was not impaired. The Company will continue to test its goodwill annually as of October 1 unless events occur or circumstances change between annual tests that would more likely than not reduce the fair value of a reporting unit below its carrying amount.

The Company's operating segments consist of the following reporting units:

- North America — (i) United States and (ii) Canada
- Latin America
- Europe/West Africa/CIS — (i) Europe, (ii) West Africa and (iii) Russia/CIS
- Middle East/North Africa/Asia — (i) Middle East/North Africa and (ii) Asia Pacific

The changes in the carrying amount of goodwill for the two years ended December 31, 2008 were as follows:

	North America	Middle East/ North Africa/ Asia	Europe/ West Africa/ CIS	Latin America	Total
			(In thousands)		
As of December 31, 2006	$1,759,086	$595,310	$ 499,686	$146,507	$3,000,589
Acquisitions	33,497	3,131	161,840	1,087	199,555
Disposals	(19,626)	—	(5,523)	—	(25,149)
Purchase price and other adjustments	(153)	374	1,060	4,494	5,775
Foreign currency translation	145,607	6,006	21,370	4,737	177,720
As of December 31, 2007	1,918,411	604,821	678,433	156,825	3,358,490
Acquisitions	86,037	99,456	169,941	155,098	510,532
Disposals	(4,380)	—	(1,435)	(27)	(5,842)
Purchase price and other adjustments	5,299	(15,847)	5,950	7,766	3,168
Foreign currency translation	(191,657)	(12,872)	(117,959)	(12,945)	(335,433)
As of December 31, 2008	$1,813,710	$675,558	$ 734,930	$306,717	$3,530,915

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

8. Other Intangible Assets, Net

The components of intangible assets were as follows:

	December 31, 2008			December 31, 2007		
	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
	(In thousands)					
Acquired technology	$377,393	$ (67,281)	$310,112	$344,765	$ (52,769)	$291,996
Licenses	243,741	(87,624)	156,117	238,153	(75,414)	162,739
Patents	172,754	(58,410)	114,344	134,217	(50,644)	83,573
Customer relationships and contracts	98,428	(19,614)	78,814	51,837	(13,044)	38,793
Other	78,024	(35,928)	42,096	55,334	(35,436)	19,898
	$970,340	$(268,857)	$701,483	$824,306	$(227,307)	$596,999

Intangibles obtained through acquisitions are initially recorded at estimated fair value based on preliminary information. Final evaluations are obtained within one year from the date of acquisition. During 2008, the Company allocated value to the intangible assets acquired in the acquisition of ILI based on a valuation performed by a third party. The Company allocated approximately $100 million to acquired technology and approximately $40 million to customer relationships. The acquired technology and customer relationships are being amortized over estimated useful lives of 3-15 years.

The Company has trademarks that are considered to have indefinite lives as the Company has the ability and intent to renew indefinitely. These trademarks had a carrying value of $16 million and $11 million as of December 31, 2008 and December 31, 2007, respectively, and are included in the Other caption in the table above.

Amortization expense was $63 million, $54 million and $50 million for the years ended December 31, 2008, 2007 and 2006, respectively. Future estimated amortization expense for the carrying amount of intangible assets as of December 31, 2008 is expected to be as follows (in thousands):

2009	$71,993
2010	70,626
2011	68,808
2012	67,265
2013	65,966

9. Short-term Borrowings and Current Portion of Long-term Debt

	December 31,	
	2008	2007
	(In thousands)	
Revolving credit facility	$1,068,000	$491,000
Commercial paper program	127,884	191,621
Other short-term bank loans	44,205	80,025
Total short-term borrowings	1,240,089	762,646
Current portion of long-term debt	15,858	11,574
Short-term borrowings and current portion of long-term debt	$1,255,947	$774,220
Weighted average interest rate on short-term borrowings outstanding at end of year	1.07%	5.39%

The Company maintains a $1.5 billion revolving credit agreement with a syndicate of banks. In March 2008, the Company entered into an additional $250 million revolving credit facility. These lending facilities allow for a combination of borrowings, support of the Company's commercial paper program and issuances of letters of credit and both mature in May 2011. In October 2008, the Company entered into an additional $550 million in revolving credit facilities. These facilities allow for a combination of borrowings and issuances of letters of credit and mature in October 2009. The weighted average interest rate on outstanding borrowings of these facilities at December 31, 2008 was 0.9%. There were $53 million in outstanding letters of credit under these facilities at December 31, 2008.

These borrowing facilities require the Company to maintain a debt-to-capitalization ratio of less than 60% and contain other covenants and representations customary for an investment-grade commercial credit. The Company was in compliance with these covenants at December 31, 2008.

The Company has a $1.5 billion commercial paper program under which it may from time to time issue short-term unsecured notes. The commercial paper program is supported by the Company's revolving credit facilities. The weighted average interest rate related to outstanding commercial paper issuances at December 31, 2008 was 1.3%.

The Company has short-term borrowings with various domestic and international institutions pursuant to uncommitted facilities. At December 31, 2008, the Company had $44 million in short-term borrowings under these arrangements with a weighted average interest rate of 4.2%. In addition, the Company had $220 million of letters of credit and bid and performance bonds under these uncommitted facilities.

The Company's short-term borrowings approximate their fair value as of December 31, 2008 and 2007.

10. Long-term Debt

	December 31,	
	2008	2007
	(In thousands)	
6.625% Senior Notes due 2011	$ 354,286	$ 355,619
5.95% Senior Notes due 2012	599,153	598,940
5.15% Senior Notes due 2013	510,833	—
4.95% Senior Notes due 2013	253,959	254,681
5.50% Senior Notes due 2016	348,859	348,732
6.35% Senior Notes due 2017	599,576	599,539
6.00% Senior Notes due 2018	497,512	—
6.50% Senior Notes due 2036	595,824	595,772
6.80% Senior Notes due 2037	298,171	298,150
7.00% Senior Notes due 2038	498,318	—
Foreign bank and other debt denominated in foreign currencies	16,046	18,098
Capital lease obligations	6,012	8,378
Other	1,564	—
	4,580,113	3,077,909
Less amounts due in one year	15,858	11,574
Long-term debt	$4,564,255	$3,066,335

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The following is a summary of scheduled long-term debt maturities by year (in thousands):

2009	$ 15,858
2010	10,806
2011	358,256
2012	605,009
2013	750,533
Thereafter	2,839,651
	$4,580,113

In March 2008, the Company completed a $1.5 billion long-term debt offering comprised of (i) $500 million of 5.15% Senior Notes due in 2013 ("5.15% Senior Notes"), (ii) $500 million of 6.00% Senior Notes due 2018 ("6.00% Senior Notes") and (iii) $500 million of 7.00% Senior Notes due 2038 ("7.00% Senior Notes"). Interest on these notes is due semi-annually on March 15 and September 15 of each year. The estimated fair value at December 31, 2008 of the 5.15% Senior Notes, the 6.00% Senior Notes, and the 7.00% Senior Notes was $463 million, $456 million and $394 million, respectively.

In June 2007, the Company completed a $1.5 billion long-term debt offering comprised of (i) $600 million of 5.95% senior notes due 2012 ("5.95% Senior Notes"), (ii) $600 million of 6.35% senior notes due 2017 ("6.35% Senior Notes") and (iii) $300 million of 6.80% senior notes due 2037 ("6.80% Senior Notes"). Interest on these notes are due payable semi-annually on June 15 and December 15 of each year. The estimated fair value at December 31, 2008 of the 5.95% Senior Notes, the 6.35% Senior Notes and the 6.80% Senior Notes was $585 million, $513 million and $227 million, respectively.

In August 2006, the Company completed an offering of $600 million senior notes at a coupon rate of 6.50% ("6.50% Senior Notes") with a maturity in August 2036. The interest on the notes is payable semi-annually in arrears on February 1 and August 1 of each year. The estimated fair value of the 6.50% Senior Notes was $495 million as of December 31, 2008.

In February 2006, the Company completed an offering of $350 million senior notes at a coupon rate of 5.50% ("5.50% Senior Notes") with a maturity in February 2016. The interest on the notes is payable semi-annually in arrears on February 15 and August 15 of each year. As evidenced by market transactions, the estimated fair value of the 5.50% Senior Notes was $306 million as of December 31, 2008.

In October 2003, the Company completed a public offering of $250 million of 4.95% Senior Notes due 2013 ("4.95% Senior Notes"). The interest on the notes is payable semi-annually in arrears on April 15 and October 15 of each year. The estimated fair value of the 4.95% Senior Notes was $213 million as of December 31, 2008.

In November 2001, the Company completed a private placement of $350 million of 6.625% Senior Notes due 2011 ("6.625% Senior Notes"). The interest on the notes is payable semi-annually in arrears on May 15 and November 15 of each year. The estimated fair value of the 6.625% Senior Notes was $330 million as of December 31, 2008.

The following is a recap of the annualized effective rates on the Company's long-term debt. The effective rate is determined after giving consideration to all derivative activity and amortization of original issue discount (See Note 11).

	Year Ended December 31,	
	2008	2007
6.625% Senior Notes due 2011	6.2%	6.3%
5.95% Senior Notes due 2012	6.0%	6.0%
4.95% Senior Notes due 2013	4.8%	4.8%
5.15% Senior Notes due 2013	5.1%	—
5.50% Senior Notes due 2016	5.5%	5.5%
6.35% Senior Notes due 2017	6.4%	6.4%
6.00% Senior Notes due 2018	6.0%	—
6.50% Senior Notes due 2036	6.5%	6.5%
6.80% Senior Notes due 2037	6.8%	6.8%
7.00% Senior Notes due 2038	7.1%	—

11. Derivative Instruments

Interest Rate Swaps

The Company uses interest rate swaps to help mitigate exposures related to short-term interest rates. Amounts received upon termination of the swaps represent the fair value of the agreements at the time of termination and are recorded as an adjustment to the carrying value of the related debt. These amounts are being amortized as a reduction to interest expense over the remaining term of the debt.

Upon completion of the long-term debt offering in March 2008, the Company entered into interest rate swap agreements on an aggregate notional amount of $500 million against its 5.15% Senior Notes. These agreements were terminated in December 2008. As a result of these terminations, the Company received cash proceeds, net of accrued interest, of $12 million. The gain associated with these interest rate swap terminations has been deferred and will be amortized over the remaining term of the 5.15% Senior Notes. As of December 31, 2008 and 2007, the Company had net unamortized gains of $21 million and $12 million, respectively, associated with interest rate swap terminations.

Cash Flow Hedges

In March 2008, the Company entered into interest rate derivative instruments for a notional amount of $500 million to hedge projected exposures to interest rates in anticipation of the 7.00% Senior Notes issued in March 2008. Those hedges were terminated at the time of the issuance. The Company paid a cash settlement of $13 million at termination, and the loss on these hedges is being amortized to interest expense over the life of the 7.00% Senior Notes.

Other Derivative Instruments

As of December 31, 2008 and 2007, we had several foreign currency forward contracts with notional amounts aggregating $503 million and $682 million, respectively, which were entered into to hedge exposure to currency fluctuations in various foreign currencies, including, but not limited to, the British pound sterling, the Canadian dollar, the euro and the Norwegian krone. The total estimated fair value of these contracts at December 31, 2008 resulted in a liability of approximately $2 million and at December 31, 2007, resulted in an asset of approximately

$2 million. These derivative instruments were not designated as hedges and the changes in fair value of the contracts are recorded each period in current earnings.

In addition, after the closing of the acquisition of Precision Energy Services and Precision Drilling International, the Company entered into a series of cross-currency swaps between the U.S. dollar and Canadian dollar to hedge certain exposures to the Canadian dollar created as a result of the acquisition. At December 31, 2008 and 2007, the Company had notional amounts outstanding of $280 million and $364 million, respectively. The total estimated fair value of these contracts at December 31, 2008 and 2007 resulted in an asset of $1 million and a liability of $74 million, respectively. These derivative instruments were not designated as hedges and the changes in fair value of the contracts are recorded each period in current earnings.

Effective January 1, 2008, the Company adopted SFAS No. 159. SFAS No. 159 *The Fair Value Option for Financial Assets and Financial Liabilities* ("SFAS No. 159") permits entities to choose to measure many financial instruments and certain other assets and liabilities at fair value on an instrument-by-instrument basis (the fair value option) with changes in fair value reported in earnings. The Company already recorded derivative contracts and hedging activities at fair value in accordance with SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended. The adoption of SFAS No. 159 had no impact on the financial statements as the Company did not elect the fair value option for any other financial instruments or certain other assets and liabilities.

Effective January 1, 2008, the Company adopted SFAS No. 157, as it relates to financial assets and financial liabilities. In February 2008, the FASB issued FASB Staff Position No. FAS 157-2, *Effective Date of FASB Statement No. 157,* which delayed the effective date of SFAS No. 157 for all nonfinancial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value in the financial statements on at least an annual basis, until January 1, 2009 for calendar year-end entities. Accordingly, the Company will defer the adoption of SFAS No. 157 for its nonfinancial assets and nonfinancial liabilities until January 1, 2009.

SFAS No. 157 defines fair value, establishes a framework for measuring fair value under generally accepted accounting principals and expands disclosures about fair value measurements. The provisions of this standard apply to other accounting pronouncements that require or permit fair value measurements. The adoption of SFAS No. 157, as it relates to financial assets, had no impact on the Company's consolidated financial position, results of operations and cash flows. The Company is currently evaluating the potential impact of SFAS No. 157, as it relates to nonfinancial assets and nonfinancial liabilities, on its consolidated financial position, results of operations and cash flows.

SFAS No. 157 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. SFAS No. 157 establishes a fair value hierarchy that distinguishes between market participant assumptions developed based on market data obtained from independent sources (observable inputs) and an entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). The fair value hierarchy consists of three broad levels, which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under SFAS No. 157 are described below:

Level 1— Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2— Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates); and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3— Inputs that are both significant to the fair value measurement and unobservable.

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

In accordance with SFAS No. 157, the following table presents the Company's assets and liabilities that are measured and recognized at fair value on a recurring basis classified under the appropriate level of the fair value hierarchy as of December 31, 2008:

	December 31, 2008			
	Level 1	Level 2	Level 3	Total
	(In thousands)			
Assets:				
Derivative contracts	$—	$1,455	$—	$1,455
Liabilities:				
Derivative contracts	—	2,233	—	2,233

12. Shareholders' Equity

Authorized Shares

The Company is authorized to issue 1,000,000,000 Common Shares and 10,000,000 undesignated preferred shares, $1.00 par value. As of December 31, 2008, no preferred shares have been issued.

Share Repurchase Program

In December 2005, the Company's Board of Directors approved a share repurchase program under which the Company can spend up to $1 billion to repurchase Company's outstanding Common Shares. Pursuant to this program, the Company purchased approximately 10 million and 25 million Common Shares during the years ended December 31, 2007 and 2006, at an average price per share of $24.08 and $21.90, respectively. No shares were repurchased during the year ended December 31, 2008. As of December 31, 2008, the Company had $205 million available under this authorization to repurchase shares.

Warrant

On February 28, 2002, the Company issued Shell Technology Ventures Inc. a warrant to purchase up to 12.9 million Common Shares at a price of $15.00 per share. Effective July 12, 2006, this agreement was amended and restated to reflect, among other things, changes in the Company's capital structure. The warrant remains exercisable until February 28, 2012 and is subject to adjustment for changes in the Company's capital structure or the issuance of dividends in cash, securities or property. Upon exercise by the holder, settlement may occur through physical delivery, net share settlement, net cash settlement or a combination thereof. The net cash settlement option upon exercise is at the sole discretion of the Company. In addition, the amended and restated warrant no longer contains a conversion feature, which previously allowed the warrant holder to convert the warrant into Common Shares. The amendment did not affect the accounting or classification of the warrant.

13. Share-Based Compensation Plans

Incentive Plan

In May 2006, shareholders voted to approve the Weatherford International Ltd. 2006 Omnibus Incentive Plan ("Omnibus Plan") previously adopted by the Board of Directors in February 2006. The Omnibus Plan provides for awards of options, stock appreciation rights, restricted share awards ("RSA"), restricted share units ("RSU"), performance share awards, performance unit awards, other share-based awards and cash-based awards to any employee or non-employee director of the Company or any of its affiliates. All future issuances of share-based awards will be made from the Omnibus Plan. The provisions of each award will vary based on the type of award granted and will be specified by the Compensation Committee of the Board of Directors. Those awards, such as options and SARs, that are based on a specific contractual term will be granted with a term not to exceed ten years. The terms of the issuances to date under the Omnibus Plan are consistent with awards previously granted. Under the

Omnibus Plan, there are 20 million Common Shares available for grant. As of December 31, 2008, approximately eight million shares were available for grant under the plan. To date, only options, restricted shares and restricted share units have been granted under the Omnibus Plan.

The options granted under the Omnibus Plan are granted with an exercise price equal to or greater than the fair market value of the Common Shares at the time the option is granted. The Company values and recognizes the options and restricted shares and restricted share units similar to the awards previously granted under the Company's other share-based payment plans.

Stock Option Plans

The Company has a number of stock option plans pursuant to which directors, officers and key employees have been granted options to purchase Common Shares at the fair market value on the date of grant.

The Company has in effect a 1991 Employee Stock Option Plan ("1991 ESO Plan"), a 1992 Employee Stock Option Plan ("1992 ESO Plan") and a 1998 Employee Stock Option Plan ("1998 ESO Plan"). Stock options generally vest after one to four years following the date of grant and expire after ten to fourteen years from the date of grant. Subsequent to the approval of the Company's Omnibus Plan in May 2006, future grants under these plans have been suspended.

Restricted Share Plan

The Restricted Share Plan provides for the granting of RSAs or RSUs, the vesting of which is subject to conditions and limitations established at the time of the grant. Upon the grant of an RSA, the participant has the rights of a shareholder, including but not limited to the right to vote such shares and the right to receive any dividends paid on such shares. Recipients of RSU awards will not have the rights of a shareholder of the Company until such date as the Common Shares are issued or transferred to the recipient. Key employees, directors and persons providing material services to the Company may be eligible for participation in the Restricted Share Plan. Subsequent to the approval of the Company's Omnibus Plan in May 2006, future RSA and RSU grants under this plan have been suspended.

RSAs and RSUs vest based on continued employment, and vesting generally occurs over a two to five-year period, with an equal amount of the restricted shares vesting on each anniversary of the grant date or with 50% of the shares vesting after two years and the remaining portion vesting in the fourth year.

The fair value of RSAs and RSUs is determined based on the closing price of the Company's shares on the grant date. The total fair value, less assumed forfeitures, is amortized to expense on a straight-line basis over the vesting period.

Executive Deferred Compensation Plan

Under the Company's Executive Deferred Compensation Stock Ownership Plan (the "EDC Plan"), a portion of the compensation for certain key employees of the Company, including officers and employee directors, can be deferred for payment after retirement or termination of employment. The Company has established a grantor trust to fund the benefits under the EDC Plan. The funds provided to such trust are invested by a trustee independent of the Company in Common Shares, which are purchased by the trustee on the open market. The assets of the trust are available to satisfy the claims of all general creditors of the Company in the event of bankruptcy or insolvency. Accordingly, the Common Shares held by the trust and the liability of the Company under the EDC Plan are included in the accompanying Consolidated Balance Sheets as Treasury Shares, Net. Effective December 31, 2008, the Company suspended the EDC Plan. While the plan is suspended, no new participants may join the plan and no further deferrals of compensation or matching contributions will be made under the plan unless and until the Company's Board of Directors determines otherwise.

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Share-Based Compensation Expense and Activity

The Company recognized the following employee share-based compensation expense during the years ended December 31, 2008, 2007 and 2006:

	Year Ended December 31,		
	2008	2007	2006
		(In thousands)	
Share-based compensation	$101,416	$64,901	$62,739
Related tax benefit	35,496	22,715	21,959

The Company uses the Black-Scholes option pricing model to determine the fair value of options award on the date of grant. The estimated fair value of the options is amortized to expense on a straight-line basis over their vesting period. The specific assumptions used in determining the fair values for option grants during the years ended 2007 and 2006 are discussed in more detail below and are noted in the following table. There were no stock options granted in 2008.

The expected volatility of options granted in 2007 was determined using a blended rate based upon implied volatility calculated on actively traded options on the Company's common shares and upon the historical volatility of its common shares. The expected volatility of options granted in 2006 and 2005 was based upon the historical volatility of the Company's common stock. The risk-free interest rate is determined based upon the interest rate on a U.S. Treasury Bill with a term equal to the expected life of the option at the time the option was granted. In estimating the expected lives of the stock options, the Company has relied primarily on actual experience with previous stock option grants. The expected life is less than the term of the option as option holders, in our experience, exercise or forfeit the options during the term of the option.

	Year Ended December 31,	
	2007	2006
Expected volatility	31.0%	36.2%
Expected dividends	—	—
Expected term (in years)	5.0	5.0
Risk-free rate	4.5%	4.7%

A summary of option activity under the stock option plans as of December 31, 2008, and changes during the year then ended is presented below:

Options	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
			(In years)	(In thousands)
Outstanding at January 1, 2008	15,555,208	$ 8.08		
Granted	—	—		
Exercised	(1,487,939)	6.71		
Forfeited	(72,000)	25.34		
Outstanding at December 31, 2008	13,995,269	8.14	5.91	$49,559
Vested or Expected to Vest at December 31, 2008	13,995,269	8.14	5.91	49,559
Exercisable at December 31, 2008	13,118,969	7.32	5.81	49,559

The weighted-average grant date fair value of options granted during the years ended December 31, 2007 and 2006 was $7.16 and $8.78, respectively. There were no options granted during 2008. The intrinsic value of options exercised during 2008, 2007 and 2006 was $46 million, $110 million and $146 million, respectively. As of December 31, 2008, there was $4 million of total unrecognized compensation cost related to the Company's unvested stock options and that cost is expected to be recognized over a weighted-average period of 2 years.

A summary of the status of the Company's non-vested RSAs and RSUs issued under its Restricted Share Plan and Omnibus Plan as of December 31, 2008 and changes during the year then ended, is presented below:

	RSA	Weighted-Average Grant Date Fair Value	RSU	Weighted-Average Grant Date Fair Value
Non-Vested at January 1, 2008	4,994,854	$19.52	3,696,900	$21.25
Granted	3,619,970	32.95	3,493,204	32.13
Vested	(788,327)	14.94	(453,282)	17.61
Forfeited	(447,649)	24.86	(623,948)	22.86
Non-Vested at December 31, 2008	7,378,848	26.16	6,112,874	27.40

The weighted-average grant date fair value of RSAs and RSUs granted during the years ended 2008, 2007 and 2006 was $32.55, $25.42 and $21.82, respectively. The total fair value of RSAs and RSUs vested during the years ended 2008, 2007 and 2006 was $40 million, $156 million and $47 million, respectively. As of December 31, 2008, there was $247 million of total unrecognized compensation cost related to non-vested RSAs and RSUs, which is expected to be recognized over a weighted-average period of 2 years.

14. Retirement and Employee Benefit Plans

The Company has defined contribution plans covering certain employees. Contribution expenses related to these plans totaled $32 million, $29 million and $22 million in 2008, 2007 and 2006, respectively.

The Company has defined benefit pension and other post-retirement benefit plans covering certain U.S. and international employees. Plan benefits are generally based on factors such as age, compensation levels and years of service. The Company has a SERP which provides pension benefits to certain executives upon retirement. This plan is a nonqualified, unfunded retirement plan and in order to meet its future benefit obligations under the SERP, the Company maintains life insurance policies on the lives of the participants. These policies are not included as plan assets nor in the funded status amounts in the table below. The Company is the sole owner and beneficiary of such policies.

Effective December 31, 2006, the Company adopted Statement No. 158, *Employer's Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statements No. 87, 88, 106, and 132(R)* ("SFAS No. 158"), which requires recognition of the overfunded or underfunded status of an entity's defined benefit or postretirement plan as an asset or liability in the financial statements, requires the measurement of defined benefit or postretirement plan assets and obligations as of the end of the employer's fiscal year, and requires recognition of the previously deferred portion of defined benefit or postretirement plans in other comprehensive income.

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The changes in benefit obligations were as follows:

	Year Ended December 31,			
	2008		2007	
	United States	International	United States	International
	(In thousands)			
Benefit obligation at beginning of year	$115,585	$189,193	$ 94,307	$153,940
Service cost	2,879	13,557	2,642	11,308
Interest cost	6,017	9,905	5,391	8,189
Plan participants' contributions	—	3,547	—	3,436
Business combinations	—	—	—	2,483
Amendments	—	(553)	2,901	152
Curtailments	—	—	(2,010)	—
Settlements	(12,001)	(2,116)	(8,606)	(42)
Actuarial (gain)/loss	10,691	(22,099)	21,887	7,606
Currency fluctuations	—	(43,060)	—	7,325
Benefits paid	(1,249)	(4,966)	(927)	(5,204)
Benefit obligation at end of year	$121,922	$143,408	$115,585	$189,193

The changes in plan assets were as follows:

	Year Ended December 31,			
	2008		2007	
	United States	International	United States	International
	(In thousands)			
Fair value of plan assets at beginning of year	$ 10,518	$142,919	$ 12,023	$120,447
Actual return on plan assets	(2,816)	(23,760)	821	7,079
Employer contribution	535	14,408	1,079	11,371
Plan participants' contributions	—	3,547	—	3,436
Business combinations	—	—	—	1,338
Settlements	—	(1,984)	(2,478)	(42)
Currency fluctuations	—	(34,123)	—	4,054
Benefits paid	(1,141)	(4,414)	(927)	(4,764)
Fair value of plan assets at end of year	7,096	96,593	10,518	142,919
Funded status	$(114,826)	$ (46,815)	$(105,067)	$ (46,274)

The amounts recognized in the Consolidated Balance Sheets were as follows:

	Year Ended December 31,			
	2008		2007	
	United States	International	United States	International
	(In thousands)			
Noncurrent assets	$ —	$ —	$ —	$ 136
Current liabilities	(8,671)	(494)	(12,075)	—
Noncurrent liabilities	(106,155)	(46,321)	(92,992)	(46,410)

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Amounts in accumulated other comprehensive income that have not yet been recognized as components of net periodic benefit cost were as follows:

	Year Ended December 31,			
	2008		2007	
	United States	International	United States	International
	(In thousands)			
Net loss	$57,888	$20,796	$53,177	$16,297
Net prior service costs (credit)	15,358	(755)	17,191	(1,271)
Net transition asset	—	(20)	—	(25)
Total accumulated other comprehensive income	$73,246	$20,021	$70,368	$15,001

The accumulated benefit obligation for defined benefit pension plans was $79 million and $84 million at December 31, 2008 and 2007, respectively, for the U.S. plans and $129 million and $173 million at December 31, 2008 and 2007, respectively, for the international plans.

The projected benefit obligation, accumulated benefit obligation, and fair value of plan assets for the pension plans with projected benefit obligations in excess of plan assets or accumulated benefit obligations in excess of plan assets as of December 31, 2008 and 2007 were as follows:

	2008		2007	
	United States	International	United States	International
	(In thousands)			
Plans with projected benefit obligation in excess of plan assets:				
Projected benefit obligation	$121,922	$143,156	$115,585	$185,963
Fair value of plan assets	7,096	96,162	10,518	139,281
Plans with accumulated benefit obligation in excess of plan assets:				
Accumulated benefit obligation	78,727	128,474	84,034	151,352
Fair value of plan assets	7,096	96,162	10,518	117,816

The components of net periodic benefit cost during the years ended December 31, 2008, 2007 and 2006 were as follows:

	2008		2007		2006	
	United States	International	United States	International	United States	International
	(In thousands)					
Service cost	$ 2,879	$13,557	$ 2,642	$11,308	$ 2,301	$ 9,694
Interest cost	6,017	9,905	5,391	8,189	4,154	6,575
Expected return on plan assets	(687)	(8,700)	(744)	(8,003)	(765)	(6,126)
Amortization of transition asset	—	(4)	—	(4)	—	(4)
Amortization of prior service cost (credit)	1,833	(47)	2,108	(87)	2,234	(104)
Settlements/curtailments	5,621	(126)	1,548	4	6,848	—
Amortization of net loss	3,862	319	4,224	208	1,807	549
Net periodic benefit cost	$19,525	$14,904	$15,169	$11,615	$16,579	$10,584

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Other changes in plan assets and benefit obligations recognized in other comprehensive income during the years ended December 31, 2008 and 2007 were as follows:

	2008		2007	
	United States	International	United States	International
	(In thousands)			
New Activity:				
Net loss for the year	$14,194	$10,747	$19,799	$8,525
Net prior service cost for the year	—	90	2,901	152
Reclassification Adjustments:				
Net loss	(9,483)	(193)	(3,891)	(212)
Prior service credit (cost)	(1,833)	47	(3,989)	87
Transition asset	—	4	—	4
Total other comprehensive income:	$ 2,878	$10,695	$14,820	$8,556

Amounts in accumulated other comprehensive income expected to be recognized as components of net periodic benefit cost in 2009 are as follows:

	United States	International
	(In thousands)	
Net loss	$4,312	$602
Prior service costs (credit)	1,833	(40)
Transition asset	—	(4)

Prior service costs are amortized using an alternative straight-line method over the average remaining service period of employees expected to receive plan benefits.

Assumed long-term rates of return on plan assets, discount rates and rates of compensation increases vary for the different plans according to the local economic conditions.

The weighted average assumption rates used for benefit obligations were as follows:

	Year Ended December 31,	
	2008	2007
Discount rate:		
United States plans	5.75 - 6.25%	5.00 - 6.00%
International plans	2.10 - 6.00	1.94 - 8.10
Rate of compensation increase:		
United States plans	8.00	8.00
International plans	2.00 - 5.15	2.00 - 6.50

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The weighted average assumption rates used for net periodic benefit costs were as follows:

	Year Ended December 31,		
	2008	2007	2006
Discount rate:			
United States plans	5.75 - 6.00%	5.00 - 5.50%	5.00 - 5.50%
International plans	1.94 - 5.60	1.90 - 6.60	2.00 - 5.80
Expected return on plan assets:			
United States plans	7.00	5.00 - 7.00	5.00 - 7.00
International plans	4.20 - 7.34	4.00 - 6.82	4.00 - 7.50
Rate of compensation increase:			
United States plans	8.00	8.00	6.00
International plans	2.00 - 4.77	2.00 - 6.50	2.00 - 6.08

In determining the overall expected long-term rate of return for plan assets, the Company takes into consideration the historical experience as well as future expectations of the asset mix involved. As different investments yield different returns, each asset category must be reviewed individually and then weighted for significance in relation to the total portfolio.

The weighted average asset allocations at December 31, 2008 and 2007, by asset category were as follows:

	2008		2007	
	United States	International	United States	International
Equity	58%	62%	59%	73%
Debt securities	42	23	40	18
Other	—	15	1	9
Total	100%	100%	100%	100%

In the U.S., the Company's investment strategy includes a balanced approach with target allocation percentages of 60% equity investments and 40% fixed income investments. For the international plans, the assets are invested primarily in equity investments as they are expected to provide a higher long-term rate of return. The Company's pension investment strategy worldwide prohibits a direct investment in its own stock.

In 2009, the Company expects to contribute less than $1 million in the U.S. and $10 million internationally to its pension and other postretirement benefit plans. In addition, the following benefit payments, which reflect expected future service and anticipated settlements, as appropriate, are expected to be paid (in thousands):

	United States	International
2009	$ 9,736	$ 2,407
2010	9,102	1,559
2011	9,338	3,253
2012	9,159	2,854
2013	12,388	3,183
2014 - 2018	70,712	31,331

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

15. Income Taxes

The components of Income from Continuing Operations Before Income Taxes and Minority Interest were as follows:

	Year Ended December 31,		
	2008	2007	2006
		(In thousands)	
Domestic	$ 533,942	$ 512,275	$ 536,440
Foreign	1,155,972	932,211	702,469
	$1,689,914	$1,444,486	$1,238,909

The Company's income tax benefit (provision) from continuing operations consisted of the following:

	Year Ended December 31,		
	2008	2007	2006
		(In thousands)	
Current:			
U.S. federal and state income taxes	$ (96,549)	$(132,182)	$ (82,177)
Foreign	(233,704)	(171,705)	(190,883)
Total current	(330,253)	(303,887)	(273,060)
Deferred:			
U.S. federal	37,045	(47,990)	(78,819)
Foreign	4,397	19,117	30,406
Total deferred	41,442	(28,873)	(48,413)
	$(288,811)	$(332,760)	$(321,473)

The difference between the tax (provision) benefit at the statutory federal income tax rate and the tax (provision) benefit attributable to Income from Continuing Operations Before Income Taxes and Minority Interest for the three years ended December 31, 2008 is analyzed below:

	Year Ended December 31,		
	2008	2007	2006
		(In thousands)	
Statutory federal income tax rate	$(591,470)	$(505,571)	$(433,618)
Effect of state income tax, net and alternative minimum tax	(11,177)	(8,957)	(1,910)
Effect of domestic non-deductible expenses	(2,510)	(5,295)	2,397
Change in valuation allowance	(4,574)	(6,662)	(8,395)
Effect of foreign income tax, net	332,332	204,470	99,291
Change in income tax reserve	(9,302)	(5,425)	7,500
Other	(2,110)	(5,320)	13,262
	$(288,811)	$(332,760)	$(321,473)

During 2008, the Company recorded a benefit of approximately $100 million related to foreign taxes paid that will be used to reduce its future United States tax liability. This adjustment is presented in effect of foreign income tax, net.

During 2006, the Company recorded a benefit of $26 million related to the favorable settlement of certain foreign income tax exposures. This adjustment is presented in effect of foreign income tax, net.

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

During 2006, the Company completed an analysis of book and tax basis differences in its major tax paying jurisdictions and, as a result, recorded a tax benefit of $13 million, of which, $5 million is presented in effect of foreign income tax, net and $8 million is presented in other. In addition, during 2006, the Company recorded $11 million of benefits related to certain prior year foreign income tax returns. This adjustment is presented in effect of foreign income tax, net. The Company recorded a $20 million benefit related to its prior year domestic income tax returns during 2006. Of this benefit, $15 million is presented in effect of foreign income tax, net and $5 million is presented in other. The Company assessed these adjustments and concluded that these adjustments were immaterial, individually and in the aggregate, to the Company's prior years' results of operations.

Deferred tax assets and liabilities are recognized for the estimated future tax effects of temporary differences between the tax basis of an asset or liability and its reported amount in the financial statements. The measurement of deferred tax assets and liabilities is based on enacted tax laws and rates currently in effect in each of the jurisdictions in which the Company has operations.

Deferred tax assets and liabilities are classified as current or non-current according to the classification of the related asset or liability for financial reporting. The components of the net deferred tax asset (liability) attributable to continuing operations were as follows:

	December 31,	
	2008	2007
	(In thousands)	
Deferred tax assets:		
Domestic and foreign operating losses	$ 118,519	$ 109,898
Accrued liabilities and reserves	180,476	173,855
Tax credits	127,331	34,343
Other differences between financial and tax basis	76,519	63,626
Differences between financial and tax basis inventory	32,596	51,590
Valuation allowance	(68,853)	(61,626)
Total deferred tax assets	466,588	371,686
Deferred tax liabilities:		
Property, plant and equipment	(180,852)	(156,073)
Goodwill and other intangibles	(188,883)	(181,626)
Unremitted foreign earnings	(1,046)	(18,787)
Other differences between financial and tax basis	(31,201)	(10,555)
Total deferred tax liabilities	(401,982)	(367,041)
Net deferred tax assets	$ 64,606	$ 4,645

The overall increase in the valuation allowance in 2008 is primarily attributable to the establishment of a valuation allowance against net operating losses ("NOLs") in various jurisdictions. Management's assessment is that the character and nature of future taxable income may not allow the Company to realize the tax benefits of the NOLs and tax credits within the allowable carryforward period. Therefore, an appropriate valuation allowance has been made.

The Company has provided additional taxes for the anticipated repatriation of earnings of its foreign subsidiaries where Management has determined that the foreign subsidiaries earnings are not indefinitely reinvested. For foreign subsidiaries whose earnings are indefinitely reinvested, no provision for U.S. federal and state income taxes has been provided. If the earnings were not indefinitely reinvested, the estimated tax benefit would be approximately $57 million after application of available foreign tax credits.

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

At December 31, 2008, the Company had approximately $392 million of NOLs, $71 million of which were generated by certain domestic subsidiaries prior to their acquisition by the Company. The use of these acquired domestic NOLs is subject to limitations imposed by the Internal Revenue Code and is also restricted to the taxable income of the subsidiaries generating these losses. Loss carryforwards, if not utilized, will expire at various dates from 2008 through 2028.

At December 31, 2008, the Company had approximately $113 million of foreign tax credits available to offset future payments of federal income taxes. The foreign tax credits expire in varying amounts through 2018.

The Company adopted the provisions of FIN No. 48 on January 1, 2007. The total amount of unrecognized tax benefits as of the date of adoption was $34 million. As a result of the implementation of FIN No. 48, the Company recognized a $1.1 million increase in the liability for unrecognized tax benefits accounted for as a $0.3 million increase to retained earnings (cumulative effect) and a $1.4 million increase to goodwill.

A tabular reconciliation of the total amounts of unrecognized tax benefits at the beginning and end of the period is as follows (in thousands):

Balance at January 1, 2008	$37,805
Additions as a result of tax positions taken during a prior period	8,904
Reductions as a result of tax positions taken during a prior period	(71)
Additions as a result of tax positions taken during the current period	1,391
Reductions relating to settlements with taxing authorities	(2,767)
Reductions as a result of a lapse of the applicable statute of limitations	—
Balance at December 31, 2008	$45,262

Included in the balance of unrecognized benefits at December 31, 2008, are $38 million of tax benefits that, if recognized in future periods, would impact the Company's effective tax rate. Also included in the balance of unrecognized tax benefits at December 31, 2008 are $7 million of tax benefits that, if recognized, would result in a decrease to goodwill in purchase business combinations.

To the extent penalties and interest would be assessed on any underpayment of income tax, such amounts have been accrued and classified as a component of income tax expense in the financial statements. This is an accounting policy election made by the Company that is a continuation of the Company's historical policy and will continue to be consistently applied in the future. The Company recognized $2 million of expense relating to interest for the period ended December 31, 2008. The Company's expense recognized relating to penalties for the period ended December 31, 2008 was immaterial. As of December 31, 2008, the Company has accrued $11 million of interest and $3 million of penalties related to unrecognized tax benefits.

The Company is subject to income tax in many of the approximately 100 countries where it operates including major operations in the United States, the United Kingdom, and Canada. Many of the Company's subsidiaries are open to examination in the United Kingdom and Canada dating from 1997 and 1998, respectively through December 31, 2008. The Company is open to examination in the United States for tax years ended December 31, 2004 through December 31, 2007.

The Company does not anticipate a significant change in the balance of unrecognized tax benefits within the next 12 months.

16. Disputes, Litigation and Contingencies

U.S. Government and Internal Investigations

We are currently involved in government and internal investigations involving various of our operations. We participated in the United Nations oil-for-food program governing sales of goods and services into Iraq. The SEC has subpoenaed certain documents in connection with an investigation into our participation in the oil-for-food program. The U.S. Department of Justice is also conducting an investigation of our participation in the oil-for-food program. We are cooperating fully with these investigations. We have retained legal counsel, reporting to our audit committee, to investigate this matter. These investigations are ongoing, and we cannot anticipate the timing, outcome or possible impact of these investigations, financial or otherwise.

The U.S. Department of Commerce, Bureau of Industry & Security and the U.S. Department of Justice are investigating allegations of improper sales of products and services by us and our subsidiaries in sanctioned countries. We are cooperating fully with this investigation. We have retained legal counsel, reporting to our audit committee, to investigate this matter. This investigation is ongoing, and we cannot anticipate the timing, outcome or possible impact of the investigation, financial or otherwise.

In light of this investigation and of the current U.S. and foreign policy environment and the inherent uncertainties surrounding these countries, we decided in September 2007 to direct our foreign subsidiaries to discontinue doing business in countries that are subject to U.S. economic and trade sanctions, including Cuba, Iran, Sudan and Syria. Effective September 2007, we ceased entering into any new contracts relating to these countries and began an orderly discontinuation and winding down of our existing business in these sanctioned countries. Effective March 31, 2008, we completed our withdrawal from these countries.

With the assistance of outside counsel and in connection with U.S. government investigations and subpoenas, we are conducting investigations regarding the embezzlement of approximately $175,000 at a European subsidiary and the possible improper use of these funds, including possible payments to government officials in Europe, during the period from 2000 to 2004, and the Company's compliance with the Foreign Corrupt Practices Act and other laws worldwide. As part of these investigations, we have also uncovered potential violations of U.S. law in connection with a joint venture in Angola. These investigations are ongoing, and we cannot anticipate the timing, outcome or possible impact, if any, of the investigations, financial or otherwise. We have informed the SEC and the DOJ of these investigations, and the results of the investigations are being provided to the SEC and DOJ.

The DOJ, the SEC and other agencies and authorities have a broad range of civil and criminal penalties they may seek to impose against corporations and individuals for violations of trading sanctions laws, the Foreign Corrupt Practices Act and other federal statutes including, but not limited to, injunctive relief, disgorgement, fines, penalties and modifications to business practices and compliance programs. In recent years, these agencies and authorities have entered into agreements with, and obtained a range of penalties against, several public corporations and individuals in similar investigations, under which civil and criminal penalties were imposed, including in some cases fines and other penalties and sanctions in the tens and hundreds of millions of dollars. Under trading sanctions laws, the DOJ may also seek to impose modifications to business practices, including immediate cessation of all business activities in specific countries or other limitations that decrease our business, and modifications to compliance programs, which may increase compliance costs. In addition, our activities in sanctioned countries, such as Sudan and Iran, could result in certain investors, such as government sponsored pension funds, divesting or not investing in our common shares. Based on available information, we cannot predict what, if any, actions the DOJ, SEC or other authorities may take in our situation or the effect any such actions may have on our consolidated financial position or results of operations. To the extent we violated U.S. export regulations, fines and other penalties may be imposed. Because these matters are now pending before the indicated agencies, there can be no assurance that actual fines or penalties, if any, will not have a material adverse affect on our business, financial condition, liquidity or results of operations.

During 2008, we incurred $56 million for costs incurred in connection with our exit from sanctioned countries and $47 million in legal and professional fees incurred in connection with complying and conducting with these on-going investigations. We will have additional charges related to these matters in future periods, which costs may include labor claims, contractual claims, penalties assessed by customers, and costs, fines, taxes and penalties assessed by the local governments, but we cannot quantify those charges or be certain of the timing of them.

Other Litigation and Disputes

The Company is aware of various disputes and potential claims and is a party in various litigation involving claims against the Company, some of which are covered by insurance. Based on facts currently known, the Company believes that the ultimate liability, if any, which may result from known claims, disputes and pending litigation, would not have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

17. Commitments

Operating Leases

The Company is committed under various operating lease agreements primarily related to office space and equipment. Generally, these leases include renewal provisions and rental payments, which may be adjusted for taxes, insurance and maintenance related to the property. Future minimum rental commitments under noncancelable operating leases are as follows (in thousands):

2009	$111,107
2010	48,780
2011	35,580
2012	23,862
2013	17,890
Thereafter	115,040
	$352,259

Total rent expense incurred under operating leases was approximately $188 million, $130 million and $90 million for the years ended December 31, 2008, 2007 and 2006, respectively.

18. Segment Information

Reporting Segments

The Company realigned its financial reporting segments during 2007 and now reports the following regions as separate, distinct reporting segments: (1) North America, (2) Latin America, (3) Europe/West Africa/CIS and (4) Middle East/North Africa/Asia.

Financial information by segment for each of the three years ended December 31, 2008 is summarized below. Revenues are attributable to countries based on the ultimate destination of the sale of products or performance of services. The total assets and capital expenditures for the years ended December 31, 2008, 2007 and 2006 do not include the assets or activity of the Company's discontinued operation. The accounting policies of the segments are the same as those described in the summary of significant accounting policies.

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

	Year Ended December 31, 2008				
	Net Operating Revenues	Income from Operations	Depreciation and Amortization	Capital Expenditures	Total Assets at December 31, 2008
			(In thousands)		
North America	$4,460,147	$1,125,199	$310,054	$ 602,876	$ 6,541,697
Middle East/North Africa/Asia	2,391,520	561,012	196,443	1,123,751	4,320,875
Europe/West Africa/CIS	1,539,190	382,772	119,957	393,532	2,641,687
Latin America	1,209,707	277,094	93,942	312,382	2,010,313
	9,600,564	2,346,077	720,396	2,432,541	15,514,572
Corporate and Research and Development	—	(327,671)	11,412	51,622	961,941
Other(a)	—	(39,857)	—	—	—
Total	$9,600,564	$1,978,549	$731,808	$2,484,163	$16,476,513

	Year Ended December 31, 2007				
	Net Operating Revenues	Income from Operations	Depreciation and Amortization	Capital Expenditures	Total Assets at December 31, 2007
			(In thousands)		
North America	$3,937,456	$1,013,088	$277,222	$ 722,277	$ 6,265,186
Middle East/North Africa/Asia	1,823,769	416,263	158,321	446,215	3,027,456
Europe/West Africa/CIS	1,188,519	293,846	86,768	230,990	2,005,391
Latin America	882,318	203,211	74,089	198,321	1,209,846
	7,832,062	1,926,408	596,400	1,597,803	12,507,879
Corporate and Research and Development	—	(271,285)	9,826	37,238	656,876
Other(b)	—	(30,787)	—	—	—
Total	$7,832,062	$1,624,336	$606,226	$1,635,041	$13,164,755

	Year Ended December 31, 2006				
	Net Operating Revenues	Income from Operations	Depreciation and Amortization	Capital Expenditures	Total Assets at December 31, 2006
			(In thousands)		
North America	$3,672,630	$1,040,647	$223,895	$ 525,248	$ 5,290,389
Middle East/North Africa/Asia	1,352,758	279,953	117,599	304,553	2,330,911
Europe/West Africa/CIS	827,343	171,798	65,540	102,259	1,272,906
Latin America	726,197	133,027	64,864	85,393	959,141
	6,578,928	1,625,425	471,898	1,017,453	9,853,347
Corporate and Research and Development	—	(244,535)	11,050	33,647	252,408
Other(c)	—	(26,203)	—	—	—
Total	$6,578,928	$1,354,687	$482,948	$1,051,100	$10,105,755

(a) The year ended December 31, 2008 is comprised of $56 million for costs incurred in connection with the Company's withdrawal from sanctioned countries, $47 million in legal and professional fees incurred in connection with the Company's on-going investigations by the U.S. government and $18 million for severance

costs incurred for restructuring activities. These charges were partially offset by an $81 million gain recognized as a result of the Company selling its 50% interest in a subsidiary it controlled to Qatar Petroleum for cash consideration of $113 million.

(b) The year ended December 31, 2007 is comprised of $17 million in severance charges associated with restructuring activities and $14 million in legal and professional fees incurred in connection with the Company's on-going investigations by the U.S. government.

(c) The year ended December 31, 2006 includes charges of $26 million, which are primarily due to severance charges incurred in connection with restructuring activities.

Products and Services

The Company is a diversified international energy service and manufacturing company that provides a variety of services and equipment to the exploration, production and transmission sectors of the oil and natural gas industry. The Company operates in virtually every oil and natural gas exploration and production region in the world. The composition of the Company's consolidated revenues by product line is as follows:

	Year Ended December 31,		
	2008	2007	2006
Artificial Lift Systems	17%	18%	18%
Drilling Services	16	15	15
Well Construction	15	16	15
Drilling Tools	11	12	12
Completion Systems	10	10	10
Wireline	8	8	10
Re-entry & Fishing	7	8	8
Stimulation & Chemicals	7	6	6
Integrated Drilling	6	5	5
Pipeline & Specialty Services	3	2	1
Total	100%	100%	100%

Geographic Areas

Financial information by geographic area for each of the three years ended December 31, 2008, is summarized below. Long-lived assets are long-term assets excluding deferred tax assets of $36 million, $46 million and $34 million at December 31, 2008, 2007 and 2006, respectively.

	Revenues from Unaffiliated Customers			Long-Lived Assets		
	2008	2007	2006	2008	2007	2006
	(In thousands)					
United States	$3,392,945	$2,955,108	$2,512,840	$ 4,156,196	$3,612,886	$2,925,719
Canada	1,067,202	982,348	1,159,790	1,039,899	1,259,620	1,290,986
Other Countries	5,140,417	3,894,606	2,906,298	5,674,493	3,800,718	2,496,787
	$9,600,564	$7,832,062	$6,578,928	$10,870,588	$8,673,224	$6,713,492

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

19. Quarterly Financial Data (Unaudited)

	Quarter				
	First	Second	Third	Fourth	Total
	(In thousands, except per share amounts)				
2008					
Revenues	$2,195,892	$2,229,250	$2,540,796	$2,634,626	$9,600,564
Gross Profit	746,214	775,096	899,873	936,923	3,358,106
Income from Continuing Operations	284,069	364,044	370,600	348,118	1,366,831
Gain (Loss) from Discontinued Operation, Net of Tax	(19,868)	6,940	—	—	(12,928)
Net Income	264,201	370,984	370,600	348,118	1,353,903
Basic Earnings Per Share:					
Continuing Operations	$ 0.42	$ 0.53	$ 0.54	$ 0.51	$ 2.00
Discontinued Operation	(0.03)	0.01	—	—	(0.02)
Net Income	$ 0.39	$ 0.54	$ 0.54	$ 0.51	$ 1.98
Diluted Earnings Per Share:					
Continuing Operations	$ 0.41	$ 0.52	$ 0.53	$ 0.50	$ 1.96
Discontinued Operation	(0.03)	0.01	—	—	(0.02)
Net Income	$ 0.38	$ 0.53	$ 0.53	$ 0.50	$ 1.94
2007					
Revenues	$1,852,285	$1,815,945	$1,971,991	$2,191,841	$7,832,062
Gross Profit	687,929	623,477	698,744	764,302	2,774,452
Income from Continuing Operations	283,819	176,480	294,924	336,752	1,091,975
Loss from Discontinued Operation, Net of Tax	(2,247)	(11,170)	(2,211)	(5,741)	(21,369)
Net Income	281,572	165,310	292,713	331,011	1,070,606
Basic Earnings Per Share:					
Continuing Operations	$ 0.42	$ 0.26	$ 0.44	$ 0.50	$ 1.61
Discontinued Operation	—	(0.02)	(0.01)	(0.01)	(0.03)
Net Income	$ 0.42	$ 0.24	$ 0.43	$ 0.49	$ 1.58
Diluted Earnings Per Share:					
Continuing Operations	$ 0.41	$ 0.25	$ 0.42	$ 0.48	$ 1.57
Discontinued Operation	—	(0.01)	—	(0.01)	(0.03)
Net Income	$ 0.41	$ 0.24	$ 0.42	$ 0.47	$ 1.54

20. Subsequent Events

In January 2009, the Company completed a $1.25 billion long-term debt offering comprised of (i) $1 billion of 9.625% Senior Notes due in 2019 ("9.625% Senior Notes") and (ii) $250 million of 9.875% Senior Notes due in 2039 ("9.875% Senior Notes"). Net proceeds of $1.23 billion were used to repay short-term borrowings with maturities of less than one month and for general corporate purposes. Interest on these notes is due semi-annually on March 1 and September 1 of each year.

The Company anticipates that, during the first quarter of 2009, it will complete a transaction in which Weatherford Limited will become a wholly-owned subsidiary of Weatherford International Ltd., a Swiss joint-stock company ("Weatherford-Switzerland"), and holders of its common shares will receive one registered share of Weatherford Switzerland for each common share of Weatherford Limited that they hold.

21. Consolidating Financial Statements

The following obligations of Weatherford International, Inc. ("Issuer") were guaranteed by Weatherford International Ltd. ("Parent") as of December 31, 2008 and 2007: (i) the 6.625% Senior Notes, (ii) the 5.95% Senior Notes, (iii) the 6.35% Senior Notes and (iv) the 6.80% Senior Notes.

The following obligations of the Parent were guaranteed by the Issuer at December 31, 2008: (i) the revolving credit facilities, (ii) the 4.95% Senior Notes, (iii) the 5.50% Senior Notes, (iv) the 6.50% Senior Notes, (v) the 5.15% Senior Notes, (vi) the 6.00% Senior Notes, (vii) the 7.00% Senior Notes and (viii) issuances of notes under the commercial paper program.

As a result of these guarantee arrangements, the Company is required to present the following condensed consolidating financial information. The accompanying guarantor financial information is presented on the equity method of accounting for all periods presented. Under this method, investments in subsidiaries are recorded at cost and adjusted for the Company's share in the subsidiaries' cumulative results of operations, capital contributions and distributions and other changes in equity. Elimination entries relate primarily to the elimination of investments in subsidiaries and associated intercompany balances and transactions. Certain prior year amounts have been reclassified to conform to the current year presentation.

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Condensed Consolidating Balance Sheet
December 31, 2008
(In thousands)

	Parent	Issuer	Other Subsidiaries	Eliminations	Consolidation
ASSETS					
Current Assets:					
Cash and Cash Equivalents	$ 24	$ 50	$ 238,324	$ —	$ 238,398
Other Current Assets	11,547	90,626	5,229,711	—	5,331,884
	11,571	90,676	5,468,035	—	5,570,282
Equity Investments in Affiliates	14,335,661	6,231,144	12,611,943	(33,178,748)	—
Shares Held in Parent	—	133,519	625,958	(759,477)	—
Intercompany Receivables, Net	1,289,507	906,534	—	(2,196,041)	—
Other Assets	59,325	184,869	10,662,037	—	10,906,231
	$15,696,064	$7,546,742	$29,367,973	$(36,134,266)	$16,476,513
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities:					
Short-term Borrowings and Current Portion of Long-term Debt	$ 781,443	$ 1,758	$ 472,746	$ —	$ 1,255,947
Accounts Payable and Other Current Liabilities	59,534	39,764	1,666,848	—	1,766,146
	840,977	41,522	2,139,594	—	3,022,093
Long-term Debt	2,701,747	1,849,428	13,080	—	4,564,255
Intercompany Payables, Net	—	—	2,196,041	(2,196,041)	—
Other Long-term Liabilities	110,627	2,502	410,987	—	524,116
	3,653,351	1,893,452	4,759,702	(2,196,041)	8,110,464
Minority Interest in Consolidated Subsidiaries	—	—	80,401	—	80,401
Shareholders' Equity	12,042,713	5,653,290	24,527,870	(33,938,225)	8,285,648
	$15,696,064	$7,546,742	$29,367,973	$(36,134,266)	$16,476,513

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Condensed Consolidating Balance Sheet
December 31, 2007
(In thousands)

	Parent	Issuer	Other Subsidiaries	Eliminations	Consolidation
ASSETS					
Current Assets:					
Cash and Cash Equivalents	$ 228	$ 1,489	$ 168,997	$ —	$ 170,714
Other Current Assets	13,591	2,537	4,284,927	—	4,301,055
	13,819	4,026	4,453,924	—	4,471,769
Equity Investments in Affiliates	12,008,907	4,696,938	13,600,365	(30,306,210)	—
Shares Held in Parent	—	129,428	794,774	(924,202)	—
Intercompany Receivables, Net	(127,594)	1,233,846	—	(1,106,252)	—
Other Assets	52,031	34,186	8,632,971	—	8,719,188
	$11,947,163	$6,098,424	$27,482,034	$(32,336,664)	$13,190,957
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities:					
Short-term Borrowings and Current Portion of Long-term Debt	$ 582,389	$ 24,854	$ 166,977	$ —	$ 774,220
Accounts Payable and Other Current Liabilities	47,574	7,959	1,372,612	—	1,428,145
	629,963	32,813	1,539,589	—	2,202,365
Long-term Debt	1,198,418	1,850,594	17,323	—	3,066,335
Intercompany Payables, Net	—	—	1,106,252	(1,106,252)	—
Other Long-term Liabilities	91,392	22,556	368,263	—	482,211
	1,919,773	1,905,963	3,031,427	(1,106,252)	5,750,911
Minority Interest In Consolidated Subsidiaries	—	—	33,327	—	33,327
Shareholders' Equity	10,027,390	4,192,461	24,417,280	(31,230,412)	7,406,719
	$11,947,163	$6,098,424	$27,482,034	$(32,336,664)	$13,190,957

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Condensed Consolidating Statement of Operations
Year Ended December 31, 2008
(In thousands)

	Parent	Issuer	Other Subsidiaries	Eliminations	Consolidation
Revenues	$ —	$ —	$ 9,600,564	$ —	$ 9,600,564
Costs and Expenses	(35,899)	(1,684)	(7,584,432)	—	(7,622,015)
Operating Income (Loss)	(35,899)	(1,684)	2,016,132	—	1,978,549
Other Income (Expense):					
Interest Expense, Net	(127,684)	(115,721)	(274)	—	(243,679)
Intercompany Charges, Net	128,198	—	(128,198)	—	—
Equity in Subsidiary Income	1,393,964	1,478,574	—	(2,872,538)	—
Other, Net	(6,676)	(1,783)	(36,497)	—	(44,956)
Income (Loss) from Continuing Operations Before Income Taxes and Minority Interest	1,351,903	1,359,386	1,851,163	(2,872,538)	1,689,914
Provision for Income Taxes	—	34,578	(323,389)	—	(288,811)
Income (Loss) from Continuing Operations Before Minority Interest	1,351,903	1,393,964	1,527,774	(2,872,538)	1,401,103
Minority Interest, Net of Taxes	—	—	(34,272)	—	(34,272)
Income (Loss) from Continuing Operations	1,351,903	1,393,964	1,493,502	(2,872,538)	1,366,831
Income (Loss) from Discontinued Operation, Net of Taxes	2,000	—	(14,928)	—	(12,928)
Net Income (Loss)	$1,353,903	$1,393,964	$ 1,478,574	$(2,872,538)	$ 1,353,903

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Condensed Consolidating Statement of Operations
Year Ended December 31, 2007
(In thousands)

	Parent	Issuer	Other Subsidiaries	Eliminations	Consolidation
Revenues	$ —	$ —	$ 7,832,062	$ —	$ 7,832,062
Costs and Expenses	(15,400)	(3,641)	(6,188,685)	—	(6,207,726)
Operating Income (Loss)	(15,400)	(3,641)	1,643,377	—	1,624,336
Other Income (Expense):					
Interest Expense, Net	(95,568)	(73,428)	(2,285)	—	(171,281)
Intercompany Charges, Net	(100,538)	206,371	(105,833)	—	—
Equity in Subsidiary Income	1,262,288	1,177,140	—	(2,439,428)	—
Other, Net	7,709	1,101	(17,379)	—	(8,569)
Income (Loss) from Continuing Operations Before Income Taxes and Minority Interest	1,058,491	1,307,543	1,517,880	(2,439,428)	1,444,486
Provision for Income Taxes	—	(45,255)	(287,505)	—	(332,760)
Income (Loss) from Continuing Operations Before Minority Interest	1,058,491	1,262,288	1,230,375	(2,439,428)	1,111,726
Minority Interest, Net of Taxes	—	—	(19,751)	—	(19,751)
Income (Loss) from Continuing Operations	1,058,491	1,262,288	1,210,624	(2,439,428)	1,091,975
Loss from Discontinued Operation, Net of Taxes	12,115	—	(33,484)	—	(21,369)
Net Income (Loss)	$1,070,606	$1,262,288	$ 1,177,140	$(2,439,428)	$ 1,070,606

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Condensed Consolidating Statement of Operations
Year Ended December 31, 2006
(In thousands)

	Parent	Issuer	Other Subsidiaries	Eliminations	Consolidation
Revenues	$ —	$ —	$ 6,578,928	$ —	$ 6,578,928
Costs and Expenses	(16,872)	(1,013)	(5,206,356)	—	(5,224,241)
Operating Income (Loss)	(16,872)	(1,013)	1,372,572	—	1,354,687
Other Income (Expense):					
Interest Expense, Net	(74,669)	(26,337)	(1,554)	—	(102,560)
Intercompany Charges, Net	(42,732)	67,923	(25,191)	—	—
Equity in Subsidiary Income	1,030,970	1,006,190	—	(2,037,160)	—
Other, Net	(325)	(864)	(12,029)	—	(13,218)
Income (Loss) from Continuing Operations Before Income Taxes and Minority Interest	896,372	1,045,899	1,333,798	(2,037,160)	1,238,909
Provision for Income Taxes	(3)	(14,929)	(306,541)	—	(321,473)
Income (Loss) from Continuing Operations Before Minority Interest	896,369	1,030,970	1,027,257	(2,037,160)	917,436
Minority Interest, Net of Taxes	—	—	(11,330)	—	(11,330)
Income (Loss) from Continuing Operations	896,369	1,030,970	1,015,927	(2,037,160)	906,106
Loss from Discontinued Operation, Net of Taxes	—	—	(9,737)	—	(9,737)
Net Income (Loss)	$ 896,369	$1,030,970	$ 1,006,190	$(2,037,160)	$ 896,369

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Condensed Consolidating Statement of Cash Flows
Year Ended December 31, 2008
(In thousands)

	Parent	Issuer	Other Subsidiaries	Eliminations	Consolidation
Cash Flows from Operating Activities:					
Net Income (Loss)	$ 1,353,903	$ 1,393,964	$ 1,478,574	$(2,872,538)	$ 1,353,903
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Charges from Parent or Subsidiary	(128,198)	—	128,198	—	—
(Gain) Loss from Discontinued Operations	(2,000)	—	14,928	—	12,928
Equity in (Earnings) Loss of Affiliates	(1,393,964)	(1,478,574)	—	2,872,538	—
Deferred Income Tax Provision (Benefit)	—	(15,687)	(25,755)	—	(41,442)
Other Adjustments	(21,284)	(120,321)	(72,997)	—	(214,602)
Net Cash Provided (Used) by Operating Activities — Continuing Operations	(191,543)	(220,618)	1,522,948	—	1,110,787
Net Cash Used by Operating Activities — Discontinued Operations	—	—	(6,219)	—	(6,219)
Net Cash Provided (Used) by Operating Activities	(191,543)	(220,618)	1,516,729	—	1,104,568
Cash Flows from Investing Activities:					
Acquisitions of Businesses, Net of Cash Acquired	—	—	(798,530)	—	(798,530)
Capital Expenditures for Property, Plant and Equipment	—	—	(2,484,163)	—	(2,484,163)
Acquisition of Intellectual Property	—	—	(24,079)	—	(24,079)
Purchase of Equity Investment in Unconsolidated Affiliate	—	—	(11,568)	—	(11,568)
Proceeds from Sale of Assets and Businesses, Net	—	—	297,285	—	297,285
Capital Contribution to Subsidiary	(350,966)	(5,050)	—	356,016	—
Net Cash Provided (Used) by Investing Activities — Continuing Operations	(350,966)	(5,050)	(3,021,055)	356,016	(3,021,055)
Net Cash Provided by Investing Activities — Discontinued Operations	11,000	—	—	—	11,000
Net Cash Provided (Used) by Investing Activities	(339,966)	(5,050)	(3,021,055)	356,016	(3,010,055)
Cash Flows from Financing Activities:					
Borrowings of (Repayments on) Short-term Debt, Net	199,054	(23,096)	301,863	—	477,821
Borrowings of (Repayments on) Long-term Debt, Net	1,483,931	(1,166)	(4,432)	—	1,478,333
Proceeds from Exercise of Stock Options	—	9,942	—	—	9,942
Borrowings (Repayments) Between Subsidiaries, Net	(1,151,147)	226,581	924,566	—	—
Proceeds from Capital Contribution	—	—	356,016	(356,016)	—
Other, Net	(533)	11,968	—	—	11,435
Net Cash Provided (Used) by Financing Activities — Continuing Operations	531,305	224,229	1,578,013	(356,016)	1,977,531
Net Cash Provided (Used) by Financing Activities — Discontinued Operations	—	—	—	—	—
Net Cash Provided (Used) by Financing Activities	531,305	224,229	1,578,013	(356,016)	1,977,531
Effect of Exchange Changes on Cash and Cash Equivalents	—	—	(4,360)	—	(4,360)
Net Decrease in Cash and Cash Equivalents	(204)	(1,439)	69,327	—	67,684
Cash and Cash Equivalents at Beginning of Year	228	1,489	168,997	—	170,714
Cash and Cash Equivalents at End of Year	$ 24	$ 50	$ 238,324	$ —	$ 238,398

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Condensed Consolidating Statement of Cash Flows
Year Ended December 31, 2007
(In thousands)

	Parent	Issuer	Other Subsidiaries	Eliminations	Consolidation
Cash Flows from Operating Activities:					
Net Income (Loss)	$ 1,070,606	$ 1,262,288	$ 1,177,140	$(2,439,428)	$ 1,070,606
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Charges from Parent or Subsidiary	100,538	(206,371)	105,833	—	—
(Income) Loss from Discontinued Operation	(12,115)	—	33,484	—	21,369
Equity in (Earnings) Loss of Affiliates	(1,262,288)	(1,177,140)	—	2,439,428	—
Deferred Income Tax Provision (Benefit)	—	(16,788)	45,661	—	28,873
Other Adjustments	413,899	(115,003)	(537,089)	—	(238,193)
Net Cash Provided (Used) by Operating Activities — Continuing Operations	310,640	(253,014)	825,029	—	882,655
Net Cash Used by Operating Activities — Discontinued Operation	—	—	(10,149)	—	(10,149)
Net Cash Provided (Used) by Operating Activities	310,640	(253,014)	814,880	—	872,506
Cash Flows from Investing Activities:					
Acquisitions of Businesses, Net of Cash Acquired	—	—	(275,149)	—	(275,149)
Purchase of Equity Investments in Unconsolidated Affiliates	—	—	(335,220)	—	(335,220)
Capital Expenditures for Property, Plant and Equipment	—	—	(1,635,041)	—	(1,635,041)
Acquisition of Intellectual Property	—	—	(23,035)	—	(23,035)
Proceeds from Sale of Assets and Businesses, Net	—	—	84,476	—	84,476
Capital Contribution to Subsidiary	(736,748)	(36,147)	—	772,895	—
Distribution of Earnings from Subsidiary	—	(1,486,365)	1,486,365	—	—
Other Investing Activities	—	—	(38,500)	—	(38,500)
Net Cash Provided (Used) by Investing Activities — Continuing Operations	(736,748)	(1,522,512)	(736,104)	772,895	(2,222,469)
Net Cash Used by Investing Activities — Discontinued Operation	—	—	(10,579)	—	(10,579)
Net Cash Provided (Used) by Investing Activities	(736,748)	(1,522,512)	(746,683)	772,895	(2,233,048)
Cash Flows from Financing Activities:					
Borrowings of (Repayments on) Short-term Debt, Net	(299,187)	16,361	400,691	—	117,865
Borrowings of (Repayments on) Long-term Debt, Net	—	1,485,497	(14,734)	—	1,470,763
Borrowings (Repayments) Between Subsidiaries, Net	725,488	213,695	(939,183)	—	—
Purchase of Treasury Shares	—	—	(246,190)	—	(246,190)
Proceeds from Exercise of Stock Options	—	34,192	—	—	34,192
Proceeds from Capital Contribution	—	—	772,895	(772,895)	—
Other, Net	—	24,999	—	—	24,999
Net Cash Provided (Used) by Financing Activities — Continuing Operations	426,301	1,774,744	(26,521)	(772,895)	1,401,629
Net Cash Provided by Financing Activities — Discontinued Operation	—	—	—	—	—
Net Cash Provided (Used) by Financing Activities	426,301	1,774,744	(26,521)	(772,895)	1,401,629
Effect of Exchange Rate Changes on Cash and Cash Equivalents	—	—	3,340	—	3,340
Net Increase (Decrease) in Cash and Cash Equivalents	193	(782)	45,016	—	44,427
Cash and Cash Equivalents at Beginning of Year	35	2,271	123,981	—	126,287
Cash and Cash Equivalents at End of Year	$ 228	$ 1,489	$ 168,997	$ —	$ 170,714

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Condensed Consolidating Statement of Cash Flows
Year Ended December 31, 2006
(In thousands)

	Parent	Issuer	Other Subsidiaries	Eliminations	Consolidation
Cash Flows from Operating Activities:					
Net Income (Loss)	$ 896,369	$ 1,030,970	$ 1,006,190	$(2,037,160)	$ 896,369
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Loss from Discontinued Operation	—	—	9,737	—	9,737
Equity in (Earnings) Loss of Affiliates	(1,030,970)	(1,006,190)	—	2,037,160	—
Charges from Parent or Subsidiary	42,732	(67,923)	25,191	—	—
Deferred Income Tax Provision (Benefit)	—	(22,662)	71,075	—	48,413
Other Adjustments	95,020	22,774	21,593	—	139,387
Net Cash Provided (Used) by Operating Activities — Continuing Operation	3,151	(43,031)	1,133,786	—	1,093,906
Net Cash Used by Operating Activities — Discontinued Operation	—	—	(6,887)	—	(6,887)
Net Cash Provided (Used) by Operating Activities	3,151	(43,031)	1,126,899	—	1,087,019
Cash Flows from Investing Activities:					
Acquisitions of Businesses, Net of Cash Acquired	—	—	(194,314)	—	(194,314)
Capital Expenditures for Property, Plant and Equipment	—	—	(1,051,100)	—	(1,051,100)
Acquisition of Intellectual Property	—	—	(31,201)	—	(31,201)
Proceeds from Sale of Assets and Business, Net	—	—	39,860	—	39,860
Capital Contribution to Subsidiary	(942,765)	(23,015)	—	965,780	—
Other, Net	—	—	14,240	—	14,240
Net Cash Provided (Used) by Investing Activities — Continuing Operations	(942,765)	(23,015)	(1,222,515)	965,780	(1,222,515)
Net Cash Used by Investing Activities — Discontinued Operation	—	—	(19,984)	—	(19,984)
Net Cash Provided (Used) by Investing Activities	(942,765)	(23,015)	(1,242,499)	965,780	(1,242,499)
Cash Flows from Financing Activities:					
Borrowings of (Repayments on) Short-term Debt, Net	(226,119)	4,954	111,675	—	(109,490)
Borrowings of (Repayments on) Long-term Debt, Net	944,216	(200,860)	(11,341)	—	732,015
Purchase of Treasury Shares	—	—	(548,575)	—	(548,575)
Proceeds from Exercise of Stock Options	—	55,438	—	—	55,438
Borrowings (Repayments) Between Subsidiaries, Net	221,479	189,838	(411,317)	—	—
Proceeds from Capital Contribution	—	—	965,780	(965,780)	—
Other, Net	(51)	15,775	—	—	15,724
Net Cash Provided (Used) by Financing Activities — Continuing Operations	939,525	65,145	106,222	(965,780)	145,112
Net Cash Provided by Financing Activities — Discontinued Operation	—	—	—	—	—
Net Cash Provided (Used) by Financing Activities	939,525	65,145	106,222	(965,780)	145,112
Effect of Exchange Rate Changes on Cash and Cash Equivalents	—	—	2,410	—	2,410
Net Decrease in Cash and Cash Equivalents	(89)	(901)	(6,968)	—	(7,958)
Cash and Cash Equivalents at Beginning of Year	124	3,172	130,949	—	134,245
Cash and Cash Equivalents at End of Year	$ 35	$ 2,271	$ 123,981	$ —	$ 126,287

Item 9. ***Changes in and Disagreement with Accountants on Accounting and Financial Disclosure***

None.

Item 9A. ***Controls and Procedures***

Evaluation of disclosure controls and procedures.

At the end of the period covered by this Annual Report on Form 10-K, the Company carried out an evaluation, under the supervision and with the participation of management, including the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), of the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15 (e) and 15d-15 (e) under the Exchange Act). Based upon that evaluation, the Company's CEO and CFO have concluded the Company's disclosure controls and procedures are effective as of the end of the period covered by this report to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and that information relating to the Company (including its consolidated subsidiaries) required to be disclosed is accumulated and communicated to management, including the CEO and CFO, to allow timely decisions regarding required disclosure.

Changes in internal controls.

The Company's management, including the CEO and CFO, identified no change in the Company's internal control over financial reporting that occurred during the Company's fiscal quarter ended December 31, 2008, that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

Internal controls over financial reporting.

Management's report on our internal controls over financial reporting can be found in Item 8 of this report.

Item 9B. ***Other Information***

None

PART III

Item 10. ***Directors, Executive Officers and Corporate Governance***

Pursuant to General Instructions G(3), information on directors and executive officers of the Registrant will be filed in an amendment to this Annual Report on Form 10-K or incorporated by reference from the Company's Definitive Proxy Statement for the annual meeting to be held on May 7, 2009.

Our board of directors has adopted a code of ethics entitled "Code of Conduct," which applies to all our employees, officers and directors and has also adopted a separate "Supplemental Code of Business Conduct" for our senior officers. Copies of these codes can also be found at www.weatherford.com.

Item 11. ***Executive Compensation***

Pursuant to General Instructions G(3), information on executive compensation will be filed in an amendment to this Annual Report on Form 10-K or incorporated by reference from the Company's Definitive Proxy Statement for the annual meeting to be held on May 7, 2009.

Item 12(a). ***Security Ownership of Certain Beneficial Owners.***

Pursuant to General Instructions G(3), information on security ownership of certain beneficial owners will be filed in an amendment to this Annual Report on Form 10-K or incorporated by reference from the Company's Definitive Proxy Statement for the annual meeting to be held on May 7, 2009.

Item 12(b). ***Security Ownership of Management.***

Pursuant to General Instructions G(3), information on security ownership of management will be filed in an amendment to this Annual Report on Form 10-K or incorporated by reference from the Company's Definitive Proxy Statement for the annual meeting to be held on May 7, 2009.

Item 12(d). ***Securities Authorized for Issuance Under Equity Compensation Plans.***

The following table provides information as of December 31, 2008 about the number of shares to be issued upon vesting or exercise of equity awards including options, restricted shares, warrants and deferred stock units as well as the number of shares remaining available for issuance under our equity compensation plans.

	Number of Shares to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Shares Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Shares Reflected in the First Column)
	(In thousands, except share prices)		
Plan Category:			
Equity compensation plans approved by shareholders	10,855	$29.43	8,462
Equity compensation plans not approved by shareholders(a)	29,837	11.82	—
Total	40,692	16.51	8,462

(a) The Weatherford International, Inc. 1998 Employee Stock Option Plan, as amended (the "Plan"), is administered by the Compensation Committee of the Board of Directors. The Plan provides for the grant of nonqualified options to purchase Common Shares of Weatherford International Ltd to all of our employees or its affiliates, as determined by the Compensation Committee. The price at which shares may be purchased is based on the market price of the shares and cannot be less than the aggregate par value of the shares on the date the option was granted. Unless otherwise provided in an option agreement, no option may be exercised after one day less than 10 years from the date of vesting. Options generally become fully exercisable after three to four years from the date of grant, subject to earlier vesting in the event of the death, disability or retirement of the employee or in the event of a change of control of the Company. The Plan provided for the grant of options to purchase up to 88,000,000 shares. As of December 31, 2008, there were options to purchase an aggregate of 9,812,985 Common Shares outstanding under this Plan, all of which are vested. Subsequent to the shareholder approval of the Company's Omnibus Plan in May 2006, awards are no longer granted under the Plan.

On September 8, 1998, July 5, 2000, and September 26, 2001, we granted to each of our directors other than Mr. Duroc-Danner options to purchase 374,528, 240,000 and 240,000 Common Shares, respectively, at a purchase price per share equal to $2.90, $9.19 and $5.94, respectively, which was the fair market value of our Common Shares as of the day we granted the options. The options were issued under agreements between us and the directors. Each option is exercisable for a period of ten years from the date which it becomes fully exercisable. The options granted on September 8, 1998 and July 5, 2000 became fully exercisable three years from the date of grant, and the options granted on September 26, 2001 became fully exercisable four years from the date of grant, in each case subject to earlier vesting in the event of the death, disability or retirement of the optionee or warrantholder or a change of control of Weatherford. Under these agreements, there were options to purchase an aggregate of 3,105,984 Common Shares outstanding as of December 31, 2008, all of which are fully vested.

Under our Non-Employee Director Deferred Compensation Plan (the "DDC Plan"), each non-employee director may elect to defer up to 7.5% of any fees paid by the Company. The deferred fees are converted into non-monetary units representing Common Shares that could have been purchased with the deferred fees based on the market price of the Common Shares on the last day of the month in which fees were deferred. If a non-employee director elects to defer at least 5% of his fees, we will make an additional contribution to the

director's account equal to the sum of (1) 7.5% of the director's fees plus (2) the amount of fees deferred by the director. The non-employee directors are fully vested at all times. Our directors may generally determine when distributions will be made from the plan, but in any event all benefits under the DDC Plan will be distributed no later than January 1, 2017. The amount of the distribution will be a number of Common Shares equal to the number of units at the time of distribution. Distributions are made in Common Shares. As of December 31, 2008, there were 121,226 deferred units outstanding under this plan. Effective December 31, 2008, we suspended the DDC Plan. While the plan is suspended, no new participants may join the plan and no further deferrals of fees or matching contributions will be made under the plan unless and until our Board of Directors determines otherwise.

We established our Foreign Executive Deferred Compensation Stock Ownership Plan for key foreign employees. Under our Foreign Executive Deferred Compensation Stock Ownership Plan ("FEDC Plan"), we contribute 15% of each participant's total salary, bonus and commission compensation each year. The Company's contributions vest over a five-year period on the basis of 20% per year for each year of service. Under the FEDC Plan, our contributions are converted into non-monetary units equal to the number of Common Shares that could have been purchased with the amounts contributed based on the average closing price of the Common Shares for each day of the month in which contributions are made. Distributions are made under the FEDC Plan after a participant retires, becomes disabled or dies or after his employment is terminated, but in any event all benefits under the FEDC Plan will be distributed no later than January 1, 2017. Distributions under the FEDC Plan are made in a number of Common Shares equal to the number of units allocated to the participant's account at the time of distribution. As of December 31, 2008, there were 154,828 deferred units outstanding under this plan.

On February 28, 2002, the Company issued to Shell Technology Ventures Inc. a warrant to purchase up to 12,928,856 Common Shares at a price of $15.00 per share. The warrant has a nine-year exercisable life beginning one year after the issue date. The warrant holder may exercise the warrant and settlement may occur through physical delivery, net share settlement, net cash settlement or a combination thereof. The net cash settlement option upon exercise is at our sole discretion.

In 2003, our Board of Directors approved a restricted share plan that allows for the grant of up to 15,340,000 of our Common Shares to our key employees and directors. Restricted shares are subject to forfeiture restrictions that generally lapse after a specified period from the date of grant and are subject to earlier vesting in the event of death, retirement or a change in control. As of December 31, 2008, there were 12,763,285 shares granted under this plan, of which 9,049,859 shares are vested. Subsequent to the shareholder approval of our Omnibus Plan in May 2006, awards are no longer made under this plan.

Item 13. ***Certain Relationships and Related Transactions, and Director Independence***

Pursuant to General Instruction G(3), information on certain relationships and related transactions will be filed in an amendment to this Annual Report on Form 10-K or incorporated by reference from the Company's Definitive Proxy Statement for the annual meeting to be held on May 7, 2009.

Item 14. ***Principal Accountant Fees and Services***

Pursuant to General Instruction G(3), information on principal accountant fees and services will be filed in an amendment to this Annual Report on Form 10-K or incorporated by reference from the Company's Definitive Proxy Statement for the annual meeting to be held on May 7, 2009.

PART IV

Item 15. ***Exhibits, Financial Statement Schedules***

(a) The following documents are filed as part of this report or incorporated by reference:

1. The consolidated financial statements of the Company listed on page 39 of this report.

2. The financial statement schedule on page 94 of this report.

3. The exhibits of the Company listed below under Item 15(b).

(b) *Exhibits*:

Exhibit Number	Description
[...]	

Exhibit Number	Description
[…]	

†21.1	Subsidiaries of Weatherford International Ltd.
[…]	
†31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
†31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
†32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
†32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

† Filed herewith.

As permitted by Item 601(b)(4)(iii)(A) of Regulation S-K, the Company has not filed with this Annual Report on Form 10-K certain instruments defining the rights of holders of long-term debt of the Company and its subsidiaries because the total amount of securities authorized under any of such instruments does not exceed 10% of the total assets of the Company and its subsidiaries on a consolidated basis. The Company agrees to furnish a copy of any of such instruments to the Securities and Exchange Commission upon request.

We agree to furnish to any requesting stockholder a copy of any of the above named exhibits upon the payment of our reasonable expenses of obtaining, duplicating and mailing the requested exhibits. All requests for copies of exhibits should be made in writing to our U.S. Investor Relations Department at 515 Post Oak Blvd., Houston, TX 77027.

(c) *Financial Statement Schedules*

1. Valuation and qualifying accounts and allowances.

SCHEDULE II
WEATHERFORD INTERNATIONAL LTD. AND SUBSIDIARIES

VALUATION AND QUALIFYING ACCOUNTS AND ALLOWANCES
FOR THE THREE YEARS ENDED DECEMBER 31, 2008

Description	Balance at Beginning of Period	Additions		Deductions	Balance at End of Period
		Charged to Costs and Expenses	Collections		
			(In thousands)		
Year Ended December 31, 2008:					
Allowance for uncollectible accounts receivable	$13,760	$5,970	$4,975	$(8,280)	$16,425
Year Ended December 31, 2007:					
Allowance for uncollectible accounts receivable	13,452	6,984	523	(7,199)	13,760
Year Ended December 31, 2006:					
Allowance for uncollectible accounts receivable	12,210	6,242	881	(5,881)	13,452

All other schedules are omitted because they are not required or because the information is included in the financial statements or the related notes.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Houston, State of Texas, on February 24, 2009.

WEATHERFORD INTERNATIONAL LTD.

By: /s/ Bernard J. Duroc-Danner
Bernard J. Duroc-Danner
President, Chief Executive Officer,
Chairman of the Board and Director
(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signatures	Title	Date
/s/ Bernard J. Duroc-Danner Bernard J. Duroc-Danner	President, Chief Executive Officer, Chairman of the Board and Director (Principal Executive Officer)	February 24, 2009
/s/ Andrew P. Becnel Andrew P. Becnel	Senior Vice President and Chief Financial Officer (Principal Financial Officer)	February 24, 2009
/s/ Jessica Abarca Jessica Abarca	Vice President — Accounting and Chief Accounting Officer (Principal Accounting Officer)	February 24, 2009
/s/ Nicholas F. Brady Nicholas F. Brady	Director	February 24, 2009
/s/ David J. Butters David J. Butters	Director	February 24, 2009
/s/ William E. Macaulay William E. Macaulay	Director	February 24, 2009
/s/ Robert B. Millard Robert B. Millard	Director	February 24, 2009
/s/ Robert K. Moses, Jr. Robert K. Moses, Jr.	Director	February 24, 2009
/s/ Robert A. Rayne Robert A. Rayne	Director	February 24, 2009

EXHIBIT 21.1

WEATHERFORD INTERNATIONAL LTD.
LIST OF SUBSIDIARIES AND AFFILIATES

NAME	JURISDICTION
315613 Alberta Ltd.	Canada (Alberta)
708621 Alberta Ltd.	Canada (Alberta)
721260 Alberta Ltd.	Canada (Alberta)
A-1 Bit & Tool Co., B.V.	Netherlands
ACS Laboratories (NZ) Ltd.	New Zealand
ACS Laboratories (Thailand) Ltd.	Thailand
ACS Laboratories Pty. Ltd.	Australia
Advanced Syngas Technologies	Canada (Alberta)
Advantage R&D, Inc.	U.S.A. (Delaware)
Air Drilling Services de Venezuela, C.A.	Venezuela
Al Shaheen Well Services Company	Qatar
Algerian Oilfield Services S.p.A.	Algeria
Alpine Oil Services (Cyprus) Ltd.	Cyprus
Alpine Oil Services Inc.	U.S.A. (North Dakota)
Alpine Oil Services International Ltd.	Barbados
Ampscot Overseas Petroleum Equipment Co., LLC	Oman
AO Kompaniya Geofizicheskiye Issledovaniya Skvazhin	Kazakhstan
Applied Petroleum Technology (UK) Ltd.	U.K.
Applied Petroleum Technology A.S.	Norway
Aquatronic Limited	U.K. (Scotland)
Artex Bolivia S.A.	Bolivia
Artex S.A.	Argentina
Astec Developments Limited	U.K. (Scotland)
Atlas-GIP, S.A.	Romania
Auslog Pty. Ltd.	Australia
Australian Logging Services Pty. Ltd.	Australia
Australian Technical Solutions Pty. Ltd.	Australia
B. D. Kendle Engineering Limited	U.K. (England)
Bakke Oil Tools AS	Norway
Bakke Technology AS	Norway
BBL Downhole Tools Limited	U.K. (Scotland)
BEI, SAS	France
BFG Investments Ltd.	British Virgin Islands
Borets International Ltd.	British Virgin Islands
Brit Bit Limited	U.K. (Scotland)
Calumet Petroleum Services, S.A.	Venezuela
Canam Equipment Holdings, S.A. de C.V.	Mexico
Cardium International Limited	Hong Kong
Cardium Investments (Barbados) Limited	Barbados

NAME	JURISDICTION
Cardium Tool International Limited	Barbados
Case Services, Inc.	U.S.A. (Texas)
Chemserv Products Inc.	Canada (Alberta)
Chengdu Minjiang Weatherford Petroleum Machinery Manufacture Co., Ltd.	China
CJSC “Aquatic”	Russia
CJSC “Aquatic-Samara”	Russia
CJSC “Neftemashvnedrenie”	Russia
CJSC Neftegazkomplektservice	Russia
Cleanmex Oil & Gas, S.A. de C.V.	Mexico
Clearwater International, L.L.C.	U.S.A. (Delaware)
Colombia Petroleum Services Corp.	U.S.A. (Delaware)
Columbia Oilfield Supply, Inc.	U.S.A. (Delaware)
Communication Rentals Limited	U.K. (Scotland)
Compañia Constructora Perforadora y de Estudios Geos, S.A. de C.V.	Mexico
Contra-Shear Separation Technologies Limited	New Zealand
CRC-Evans Automatic Welding, Inc.	U.S.A. (Texas)
CRC-Evans Holland B.V.	Netherlands
CRC-Evans Pipeline International (UK) Limited	U.K. (England)
CRC-Evans Services Limited	U.K. (England)
Crocker Data Processing Pty. Ltd.	Australia
CTC-Empresa Tecnica e Comercial de Equipamentos Ltda.	Brazil
D.L. Research Ltd.	Canada (Alberta)
Dailey de Venezuela, S.A.	Venezuela
Dailey IDS Limited	U.K. (Scotland)
Dailey International Sales Corporation	U.S.A. (Delaware)
Datalog Acquisition Cayman	Cayman Islands
Datalog Acquisition Corp.	U.S.A. (Delaware)
Datalog de Mexico S.A. de C.V.	Mexico
Datalog de Venezuela SA	Venezuela
Datalog Ecuador S.A.	Ecador
Datalog Services de Petroleo do Brazil Ltda.	Brazil
Desert Asset Holdings Inc.	British Virgin Islands
Desert Rig Operations, Inc.	Cayman Islands
Design Engineering Limited	U.K. (Scotland)
Directional Wireline Engineering Services (Nigeria) Limited	Nigeria
Discovery Logging Inc.	U.S.A. (Texas)
Dongying Shengli-Highland Company Ltd.	China
Downhole Technology Limited	U.K. (Scotland)
Drilling Research & Development Corporation	U.S.A. (Texas)
DSK, Inc.	U.S.A. (Colorado)
e^2 Tech Limited	U.K. (England)
Eastern ACS Labs Private Ltd.	India
Edinburgh Petroleum Equipment Limited	U.K. (Scotland)
Edinburgh Petroleum Services Americas Incorporated	U.S.A. (Texas)
Edinburgh Petroleum Services de Mexico S.A. de C.V.	Mexico

NAME	JURISDICTION
Edinburgh Petroleum Services de Venezuela, C.A.	Venezuela
Edinburgh Petroleum Services Limited	U.K. (Scotland)
EMI-ElettroMagnetica Ispezioni Italia S.r.l.	Italy
Emirates Link Reslab (El Reslab LLC) Limited Liability Company	U.A.E. (Abu Dhabi)
Energy Ventures (Cyprus) Ltd.	Cyprus
Energy Ventures Far East Limited	Hong Kong
Enterra (U.K.) Limited	U.K. (England)
Enterra International Limited	U.K. (England)
Enterra Oilfield Rentals Limited	Hong Kong
Enterra Patco Oilfield Products, Inc.	U.S.A. (Texas)
Enterra Rental and Fishing Company	U.S.A. (Delaware)
eProduction Solutions U.K. Ltd.	U.K. (Scotland)
eProduction Solutions, Inc.	U.S.A (Texas)
EPS Resources S.A. de C.V.	Mexico
European Material Inspection (EMI) B.V.	Netherlands
EVI (Barbados), SRL	Barbados
EVI de Venezuela, S.A.	Venezuela
EVI Weatherford, Inc.	U.S.A. (Delaware)
Expio Limited	U.K. (Scotland)
Fattah Limited Liability Company	Azerbaijan
Fishing Services Limited	U.K. (Scotland)
Fleet Cementers, Inc.	U.S.A. (Texas)
Foserco S.A.	Romania
G & E Consultants Ltd.	U.S.A. (Nevada)
Gabas Omni Petroleum Services Ltd.	Saudi Arabia
General Pipe Service Bolivia S.R.L.	Bolivia
Global Air Drilling Services Ltd.	Canada (Alberta)
Helix Equipment Leasing Limited	British Virgin Islands
High Pressure Integrity, Inc.	U.S.A. (Louisiana)
Houston Well Screen Asia Pte. Ltd.	Singapore
Houston Well Screen Company	U.S.A. (Texas)
Huellas Oilfield Equipment & Services, Inc.	U.S.A. (Delaware)
Hunter Road I GP, LLC	U.S.A. (Texas)
Hunter Road I, LP	U.S.A. (Texas)
Hunter Road II GP, LLC	U.S.A. (Texas)
Hunter Road II, LP	U.S.A. (Texas)
Hunter Road Medical Plaza Management, L.L.C.	U.S.A. (Texas)
Hunter Road Medical Plaza, L.P.	U.S.A. (Texas)
Hycal Energy Research Laboratories Ltd.	Canada (Alberta)
ICR Poliuretanos y Gomas S.A.	Chile
IL Services Sdn. Bhd.	Malaysia
ILI Acquisition Corp.	U.S.A. (Delaware)
ILI Artic Limited	Canada (Northwestern Territories)
ILI Technology Limited	U.K.
Independent Integrated Services Limited	U.K. (Scotland)

NAME	JURISDICTION
Industrial Weatherford International de Chile S.A.	Chile
Integridad Mexicana del Norte, S. de R.L. de C.V.	Mexico
International Drilling & Integrated Services Ltd.	British Virgin Islands
International Logging (NZ), Inc.	U.S.A. (Nevada)
International Logging Canada Ltd.	Canada (New Brunswick)
International Logging do Brasil Ltda.	Brazil
International Logging Inc.	U.S.A. (California)
International Logging Japan, Inc.	U.S.A. (Nevada)
International Logging Mediterranean Services Ltd.	Cyprus
International Logging Netherlands B.V.	Netherlands
International Logging Oilfield Data Services Ltd.	Nigeria
International Logging Orogenics Sdn. Bhd.	Malaysia
International Logging Overseas Ltd.	Cayman Islands
International Logging S.A.	U.S.A. (Nevada)
International Logging Services Pte. Ltd.	Singapore
International Logging Technology Ltd.	U.K.
International Nitrogen Services L.L.C.	U.S.A. (Delaware)
International Petroleum Equipment Limited	U.K. (Scotland)
International Petroleum Equipment Norge A/S	Norway
International Petroleum Services, Inc.	U.S.A. (Delaware)
Iron Derrickman Ltd.	Canada (Calgary)
J.D. Investments Bonaire N.V.	Netherlands Antilles
Johnson Filtration Systems SAS	France
Johnson Screens (Australia) Pty Ltd.	Australia
Johnson Screens (India) Limited	India
Johnson Screens Japan Limited	Japan
Johnson Screens Ltda.	Brazil
Johnson Screens, Inc.	U.S.A. (Delaware)
Keltic Oil Tools Limited	U.K. (Scotland)
Kenting Drilling APS	Denmark
Key International Drilling Company Limited	Bermuda
Kobe International Ltd.	Bahamas
Kopp International Pipeline Services and Partners L.L.C.	Oman
Land Drilling Asset Holdings Inc.	British Virgin Islands
Linkbird Limited	Cyprus
LLC “Precision Energy Services”	Russia
LLC “Weatherford”	Russia
LLL “Techinformservice”	Russia
LLL“WFT Technologies”	Russia
McAllister Petroleum Services (Cyprus) Limited	Cyprus
MCC Chemicals (Middle East) FZC	U.A.E. (Hamriyah FZ)
McMurry-Macco (UK) Limited	U.K. (England)
Meyer & Associates, S.A. de C.V.	Mexico
Mid-Europe Supply Limited	U.K. (Scotland)
Morrison McLean Associates Limited	U.K. (Scotland)

NAME	JURISDICTION
Multi Operational Service Tankers Inc. (Panama)	Panama
Nahuelco S.A.	Argentina
Nahuelco S.A.	Chile
Offshore Rentals Deutschland GmbH	Germany
Offshore Rentals Limited	U.K. (Scotland)
Oil and Gas Equipment Sales, Inc.	U.S.A. (Texas)
Oil Field Rental Holdings Limited	U.K. (England)
Oilfield Machine Shop and Inspection Services Company	Algeria
OilPatch Enterprises Internacional, S.A. de C.V.	Mexico
Oilwell Production Services Limited	U.K. (Scotland)
Omni Laboratories de Venezuela, C.A.	Venezuela
Omni Laboratories do Brasil Limitada	Brazil
Omni Laboratories of Canada, Inc.	Canada (Nova Scotia)
Omni Laboratories of Trinidad Limited	Trinidad and Tobago
Omni Laboratories, Inc.	U.S.A. (Texas)
Orwell Group De Venezuela C.A.	Venezuela
Orwell Group Limited	U.K. (Scotland)
P.D. Drilling Holdings Inc.	Barbados
P.D. Technical Services Inc.	Barbados
PD Chicontepec, S. de R.L. de C.V.	Mexico
PD Global Employment Corporation	Canada (Alberta)
PD Holdings (USA) L.P.	U.S.A. (Delaware)
PD Holdings Mexicana S. de R.L. de C.V.	Mexico
PD International Leasing Inc.	Barbados
PD International Services Inc.	Canada (Alberta)
PD International, LLC	U.S.A. (Texas)
PD Mexicana, S. de R.L. de C.V.	Mexico
PD Oilfield Services Mexicana, S. de R.L. de C.V.	Mexico
PD Technical Services Mexicana, S. de R.L. de C.V.	Mexico
Petco Fishing & Rental Tools (UK) Limited	U.K. (Scotland)
Petroline Wellsystems Limited	U.K. (Scotland)
Pipetest Service Sp.Zo.o	Poland
Polar Completions (U.S.) Inc.	U.S.A. (Delaware)
Powell Engineering Company Limited	U.K. (England)
Powerflo Rentals (Dubai) LLC	U.A.E.
Powerflo Rentals Limited	U.K. (Scotland)
Powerflo Rentals Norge A/S	Norway
Powerflo Systems Limited	U.K. (Scotland)
PowerGEN Rentals Limited	U.K. (Scotland)
Precision do Brasil Servicos de Energia Ltda.	Brazil
Precision Drilling (Cyprus) Limited	Cyprus
Precision Drilling (Egypt) LLC	Egypt
Precision Drilling de Venezuela Caracas, C.A.	Venezuela
Precision Drilling de Venezuela, C.A.	Venezuela
Precision Drilling GP, Inc.	U.S.A. (Delaware)

NAME	JURISDICTION
Precision Drilling Holdings, Inc.	U.S.A. (Delaware)
Precision Drilling International B.V.	Netherlands
Precision Drilling LP, Inc.	U.S.A. (Delaware)
Precision Drilling Services (Australia) Pty. Ltd.	Australia
Precision Drilling Services (Malaysia) Sdn. Bhd.	Malaysia
Precision Drilling Services (Netherlands) B.V.	Netherlands
Precision Drilling Services (Thailand) Ltd.	Thailand
Precision Drilling Services (UK) Ltd.	U.K. (England)
Precision Drilling Services Algeria EURL	Algeria
Precision Drilling Services Argentina S.A.	Argentina
Precision Drilling Services M.E. W.L.L.	U.A.E. (Abu Dhabi)
Precision Drilling Services Saudi Arabia Company Limited	Saudi Arabia
Precision Drilling Technology Services Group (USA) Inc.	U.S.A. (Delaware)
Precision Energy International Ltd.	Canada (Alberta)
Precision Energy Services (Australia) Pty. Limited	Australia
Precision Energy Services (Barbados) Ltd.	Barbados
Precision Energy Services (BVI) Ltd.	British Virgin Islands
Precision Energy Services (Cyprus) Limited	Cyprus
Precision Energy Services (New Zealand) Limited	New Zealand
Precision Energy Services (Singapore) Pte. Ltd.	Singapore
Precision Energy Services Colombia Ltd.	Canada (Alberta)
Precision Energy Services Saudi Arabia Ltd.	Saudi Arabia
Precision Energy Services ULC	Canada (Alberta)
Precision Energy Services, Inc.	U.S.A. (Delaware)
Precision Holdings (UK) Limited	U.K. (England)
Precision Middle East Holding Ltd.	British Virgin Islands
Precision Oilfield Services, LLP	U.S.A. (Texas)
Precision Pacific Holding (BVI) Ltd.	British Virgin Islands
Precision USA Holdings, Inc.	U.S.A. (Delaware)
Premier Drilling de Mexico S. de R.L. de C.V.	Mexico
Project Management Services, S. de R.L. de C.V.	Mexico
PT Hawes Utama Indonesia	Indonesia
PT International Logging Indonesia	Indonesia
PT. Precision Energy Services (Indonesia)	Indonesia
PT. Weatherford Indonesia	Indonesia
PT. Wira Insani	Indonesia
Pump Rentals (International) Limited	U.K. (Scotland)
Pyrosul International Inc.	Canada (Alberta)
Quality Commissioning Limited	U.K. (Scotland)
Quality Machining Services Limited	U.K. (Scotland)
R.S.T. Projects Limited	U.K. (Scotland)
Reeves Oilfield Services Ltd.	U.K. (England)
Reeves Wireline Investments Limited	U.K. (England)
Reeves Wireline Services Limited	U.K. (England)
Reeves Wireline Services Limited u. Co. GmbH	Germany

NAME	JURISDICTION
Reeves Wireline Technologies Limited	U.K. (England)
ResLab Integration AS	Norway
ResLab Malta Ltd.	Malta
ResLab North Africa Ltd.	Malta
ResLab Reservoir Laboratories & Company LLC	Oman
ResLab Reservoir Laboratories A.S.	Norway
ResLab Trinidad & Tobago S.A. de C.V.	Trinidad
ResLab UK Ltd.	United Kingdom
Richdear Holdings Limited	Cyprus
Rig Transport International (BVI) Ltd.	British Virgin Islands
Russell Oil Exploration Limited	U.K. (England)
Screenex Manufacturing (Proprietary) Limited	South Africa
Secure Drilling Holding Ltd.	Bermuda
Secure Drilling Holdings L.L.C.	Delaware
Secure Drilling International, L.P.	Bermuda
Secure Drilling, L.P.	Delaware
Servicios Avanzados de Perforacion, S. de R.L. de C.V.	Mexico
Servicios Petroleros Equipat S.A.	Argentina
SETAC S.A.	Chile
Seven Energy (Hong Kong) Limited	Hong Kong
Seven Energy LLC	U.S.A. (Delaware)
Sicom AS	Norway
Signa Engineering Corp.	U.S.A. (Texas)
Smart Stabilizer Systems Limited	U.K. (England)
Solintec Serviços de Petróleo Ltda.	Brazil
Specialty Testing & Consulting Ltd.	Canada (Alberta)
SPT-Synergic Petroleum Technologies S.A.	Argentina
Stealth Oil & Gas, Inc.	U.S.A. (Delaware)
Subsurface Technology AS	Norway
Sunbreeze Limited	Cyprus
Sunita Hydrocolloids Private Ltd.	India
Swelltech Operations Limited	U.K.
Swelltech Limited	U.K.
Synergic Petroleum Technologies S.A.	Argentina
Tank Rentals Limited	U.K. (Scotland)
Tech 21 Engineering Solutions Limited	U.K. (Scotland)
Tech Line Oil Tools, Inc.	U.S.A. (Delaware)
Techcorp Industries International, Inc.	Barbados
Teco Maskinering AS	Norway
Teress Properties Limited Liability Company	Azerbaijan
Tooke Rockies Inc.	U.S.A. (Wyoming)
TUBAFOR MAROC S.A.R.L.	Morocco
TubeFuse Applications LLC	U.S.A. (Delaware)
TubeFuse Technologies Limited	U.K. (England & Wales)
Tubetek Sdn. Bhd.	Brunei

NAME	JURISDICTION
UnaChem Ltd.	British Virgin Islands
United Precision Drilling Company W.L.L.	Kuwait
Valkyrie Commissioning Services, Inc.	U.S.A. (Texas)
Van der Horst U.S.A., Inc.	U.S.A. (Delaware)
Visean Information Services Inc.	U.S.A. (Texas)
Visean Information Services Pty Ltd	Australia
V-Tech A.S.	Norway
V-Tech Services AS	Norway
Warrior Well Services, Inc.	U.S.A. (Illinois)
Weatherford (B) Sdn. Bhd.	Brunei
Weatherford (China) Energy Services Co., Ltd.	China
Weatherford (Cyprus) Limited	Cyprus
Weatherford (G.B.) LLP	U.K. (Scotland)
Weatherford (Malaysia) Sdn. Bhd.	Malaysia Jt. Venture
Weatherford (Nova Scotia) ULC	Canada (Nova Scotia)
Weatherford (Sichuan) Petrochemical Equipment Co., Ltd.	China
Weatherford Aarbakke AS	Norway
Weatherford Abu Dhabi, Ltd.	Cayman Islands
Weatherford Acquisition L.L.C.	U.S.A. (Delaware)
Weatherford Al-Rushaid Co. Ltd.	Saudi Arabia
Weatherford Angola Services (BVI) Ltd.	British Virgin Islands
Weatherford Angola Wellscreen Applications Ltd.	British Virgin Islands
Weatherford Angola, Limitada	Angola
Weatherford Artificial Lift Systems Canada Ltd.	Canada (Alberta)
Weatherford Artificial Lift Systems, Inc.	U.S.A. (Delaware)
Weatherford Asia Pacific Pte. Ltd.	Singapore
Weatherford Australia Holding Pty. Limited	Australia
Weatherford Australia Pty. Limited	Australia
Weatherford Azerbaijan Holdings (BVI) Ltd.	British Virgin Islands
Weatherford Bermuda Holdings Ltd.	Bermuda
Weatherford Bin Hamoodah L.L.C.	U.A.E. (Abu Dhabi)
Weatherford Canada Ltd.	Canada (Alberta)
Weatherford Canada Partnership	Canada (Alberta)
Weatherford Capital Management Services Limited Liability Company	Hungary
Weatherford Chisholm Trail Holding, LLC	U.S.A. (Texas)
Weatherford Colombia Ltd.	British Virgin Islands
Weatherford Completion Systems (UK) Limited	U.K. (Scotland)
Weatherford Completion Systems de Venezuela, S.A.	Venezuela
Weatherford de Mexico S.A. de C.V.	Mexico
Weatherford del Peru S.R.L.	Peru
Weatherford Deutsche Holding (Canada) ULC	Canada (Alberta)
Weatherford DIS Manufacturing (UK) Limited	U.K. (Scotland)
Weatherford Drilling and Production Services (India) Private Limited	India
Weatherford Drilling International (Australia) Pty. Ltd.	Australia
Weatherford Drilling International (BVI) Ltd.	British Virgin Islands

NAME	JURISDICTION
Weatherford Drilling International (Oman) LLC	Oman
Weatherford Drilling International Bahrain W.L.L.	Bahrain
Weatherford Drilling International Holdings (BVI) Ltd.	British Virgin Islands
Weatherford East Europe Service GmbH	Germany
Weatherford Ecuador S.A.	Ecuador
Weatherford Energy Services GmbH	Germany
Weatherford Energy Services Hungary Limited Liability Company	Hungary
Weatherford Energy Services S. de R.L. de C.V.	Mexico
Weatherford Equipment (Cyprus) Limited	Cyprus
Weatherford Eurasia B.V.	Netherlands
Weatherford Eurasia Limited	U.K. (England)
Weatherford Financing (Cyprus) Limited	Cyprus
Weatherford Financing (Luxembourg) S.a.r.l.	Luxembourg
Weatherford France SAS	France
Weatherford Global Products Limited	Cyprus
Weatherford Holding (Gibraltar) Limited	Gibraltar
Weatherford Holding (Ireland) Company	Ireland
Weatherford Holding (Luxembourg) S.a.r.l.	Luxembourg
Weatherford Holding B.V.	Netherlands
Weatherford Holding GmbH	Germany
Weatherford Holding Middle East Ltd.	British Virgin Islands
Weatherford Holdings (Belgium) BVBA	Belgium
Weatherford Holdings (BVI) Ltd.	British Virgin Islands
Weatherford Holdings (Cyprus) Limited	Cyprus
Weatherford Holdings (Rus) LLC	Russia
Weatherford Holdings (Singapore) Pte. Ltd.	Singapore
Weatherford Holdings Mexico, S. de R.L. de C.V.	Mexico
Weatherford Holdings U.K. Ltd.	U.K. (Scotland)
Weatherford Hong Kong Holdings Limited	Hong Kong
Weatherford IDS USA, Inc.	U.S.A. (Delaware)
Weatherford Industria e Comercio Ltda.	Brazil
Weatherford Industrial Valves, L.L.C.	U.S.A. (Louisiana)
Weatherford International de Argentina S.A.	Argentina
Weatherford International Eastern Europe SRL	Romania
Weatherford International Holdings Pty. Ltd.	Australia
Weatherford International Ltd.	Switzerland
Weatherford International, Inc.	U.S.A. (Delaware)
Weatherford Investment (Gibraltar) Limited	Gibraltar
Weatherford Investment (Luxembourg) S.a.r.l.	Luxembourg
Weatherford Investments Holding B.V.	Netherlands
Weatherford Kazakhstan Limited Liability Partnership	Kazakhstan
Weatherford Kopp GmbH	Germany
Weatherford KSP Company Limited	Thailand
Weatherford Landslide Holdings, Inc.	U.S.A. (Delaware)
Weatherford Latin America, Inc.	Panama

NAME	JURISDICTION
Weatherford Latin America, S.A.	Venezuela
Weatherford Limited Partner, L.L.C.	U.S.A. (Delaware)
Weatherford Liquidity Management Hungary Limited Liability Company	Hungary
Weatherford Luxembourg S.a.r.l.	Luxembourg
Weatherford Management, Inc.	U.S.A. (Delaware)
Weatherford Mauritius Holdings Ltd.	Mauritius
Weatherford ME Holdings Ltd.	British Virgin Islands
Weatherford Mediterranea S.p.A.	Italy
Weatherford New Zealand Limited	New Zealand
Weatherford Nigeria Limited	Nigeria
Weatherford Norge A/S	Norway
Weatherford North Atlantic Limited	Gibraltar
Weatherford O.R. Limited	U.K. (Scotland)
Weatherford Oil Tool GesmbH	Austria
Weatherford Oil Tool GmbH	Germany
Weatherford Oil Tool Middle East Limited	British Virgin Islands
Weatherford Oil Tool Nederland B.V.	Netherlands
Weatherford Oilfield Equipment (Tianjin) Limited	China
Weatherford Operations LLC	Uzbekistan
Weatherford Overseas Products, Ltd.	Cayman Islands
Weatherford Overseas Services, Ltd.	Cayman Islands
Weatherford Pipeline Services España, S.L.	Spain
Weatherford Product & Leasing (BVI) Limited	British Virgin Islands
Weatherford Saudi Arabia Ltd.	Saudi Arabia
Weatherford Services and Rentals Ltd.	British Virgin Islands
Weatherford Services, Ltd.	Bermuda
Weatherford Services, S.A.	Panama
Weatherford Solutions Sdn. Bhd.	Malaysia
Weatherford South America, Inc.	Panama
Weatherford Specialty Services de Mexico S.A. de C.V.	Mexico
Weatherford Specialty Services, Inc.	U.S.A. (Texas)
Weatherford Syngas Investments Ltd.	Canada (Alberta)
Weatherford Technical Services Limited	British Virgin Islands
Weatherford Trinidad Limited	Trinidad
Weatherford Tubefuse B.V.	Netherlands
Weatherford U.K. Limited	U.K. (England)
Weatherford U.S. Holdings, L.L.C.	U.S.A. (Delaware)
Weatherford U.S. Investment, LLC	U.S.A. (Delaware)
Weatherford U.S., L.P.	U.S.A. (Louisiana)
Weatherford Ukraine LLC	Ukraine
Weatherford Unidades de Bombeio Ltda.	Brazil
Weatherford Vietnam LLC	Vietnam
Weatherford Well Screen Ireland Limited	Ireland
Weatherford Switzerland Trading and Development GmbH	Switzerland
Weatherford/Lamb, Inc.	U.S.A. (Delaware)

NAME	JURISDICTION
Wedge Wire Industria e Comercio de Filtros Ltda.	Brazil
WellCat Services International, LLC	U.S.A. (Texas)
Wellserv Limited	U.K. (Scotland)
WESP	Algeria
West Coast International Oilfield Rentals, B.V.	Netherlands
WEUS Holding, Inc.	U.S.A. (Delaware)
WFO S.A. de C.V.	Mexico
WI Products & Equipment, Inc.	Cayman Islands
WII Rental Company	U.S.A. (Delaware)
Wira Fishing Tools Sdn. Bhd.	Malaysia
WPA S.A. de C.V.	Mexico
WUS Holding, L.L.C.	U.S.A. (Delaware)
Zibo Hongyang Weatherford Oilfield Equipment Co. Ltd.	China
Zimec Ltda.	Brazil
Zonebrook Limited	Cyprus
Zonecrest Limited	Cyprus

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Bernard J. Duroc-Danner, certify that:

1. I have reviewed this annual report on Form 10-K of Weatherford International Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a — 15(f) and 15d - 15 (f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 24, 2009

/s/ Bernard J. Duroc-Danner
Bernard J. Duroc-Danner
Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Andrew P. Becnel, certify that:

1. I have reviewed this annual report on Form 10-K of Weatherford International Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a — 15(f) and 15d - 15 (f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 24, 2009

/s/ Andrew P. Becnel
Andrew P. Becnel
Senior Vice President and Chief Financial
Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Weatherford International Ltd. (the "Company") for the period ended December 31, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Bernard J. Duroc-Danner, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13 (a) or 15 (d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Bernard J. Duroc-Danner

Name: Bernard J. Duroc-Danner

Title: Chief Executive Officer

Date: February 24, 2009

A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

The certification the registrant furnishes in this exhibit is not deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. Registration Statements or other documents filed with the Securities and Exchange Commission shall not incorporate this exhibit by reference, except as otherwise expressly stated in such filing.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Weatherford International Ltd. (the "Company") for the period ended December 31, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Andrew P. Becnel, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13 (a) or 15 (d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Andrew P. Becnel

Name: Andrew P. Becnel

Title: Senior Vice President and Chief Financial Officer

Date: February 24, 2009

A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

The certification the registrant furnishes in this exhibit is not deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. Registration Statements or other documents filed with the Securities and Exchange Commission shall not incorporate this exhibit by reference, except as otherwise expressly stated in such filing.

EXHIBIT II

QUARTERLY REPORT ON FORM 10-Q FOR THE QUARTER ENDED JUNE 30, 2009, FILED BY WEATHERFORD INTERNATIONAL LTD. WITH THE SEC ON AUGUST 3, 2009

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10−Q

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended June 30, 2009

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

WEATHERFORD INTERNATIONAL LTD.

(Exact name of registrant as specified in its charter)

001−34258
(Commission file number)

Switzerland	**98−0606750**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
4−6 Rue Jean−Francois Bartholoni, 1204 Geneva, Switzerland	**Not Applicable**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: +41−22.816.15.00
Alpenstrasse 15, 6300 Zug, Switzerland
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S−T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non−accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b−2 of the Exchange Act. (Check one):

Large accelerated filer ☑	Accelerated filer ☐	Non−accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller Reporting Company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b−2 of the Exchange Act).
Yes ☐ No ☑

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:
As of July 30, 2009, there were 727,702,595 shares of Weatherford registered shares, 1.16 Swiss francs par value per share, outstanding.

EXHIBIT II - QUARTERLY REPORT ON FORM 10-Q

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PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

WEATHERFORD INTERNATIONAL LTD. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except par value)

	June 30, 2009 (unaudited)	December 31, 2008
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 205,272	$ 238,398
Accounts Receivable, Net of Allowance for Uncollectible Accounts of $21,373 and $16,425, Respectively	2,189,769	2,442,848
Inventories	2,259,904	2,088,342
Current Deferred Tax Assets	250,579	270,252
Other Current Assets	728,704	530,442
Total Current Assets	5,634,228	5,570,282
Property, Plant and Equipment, Net of Accumulated Depreciation of $3,030,799 and $2,690,996, Respectively	6,533,003	5,922,172
Goodwill	3,643,511	3,530,915
Other Intangible Assets, Net of Accumulated Amortization of $311,144 and $268,857, Respectively	697,489	701,483
Equity Investments	488,820	515,770
Other Assets	368,608	235,891
Total Assets	$ 17,365,659	$ 16,476,513
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Short−term Borrowings and Current Portion of Long−term Debt	$ 692,535	$ 1,255,947
Accounts Payable	844,953	886,104
Other Current Liabilities	702,983	880,042
Total Current Liabilities	2,240,471	3,022,093
Long−term Debt	5,805,036	4,564,255
Other Liabilities	487,535	524,116
Total Liabilities	8,533,042	8,110,464
Shareholders' Equity:		
Shares, CHF 1.16 Par Value, Authorized 1,093,303 Shares, Conditionally Authorized 364,434 Shares, Issued 728,889 Shares at June 30, 2009, Common Shares, $1 Par Value, Authorized 1,000,000 Shares, Issued 728,689 Shares at December 31, 2008	728,889	728,689
Capital in Excess of Par Value	4,082,261	4,059,112
Treasury Shares, Net	(690,981)	(759,477)
Retained Earnings	4,730,868	4,524,085
Accumulated Other Comprehensive Loss	(101,587)	(266,761)
Weatherford Shareholders' Equity	8,749,450	8,285,648
Noncontrolling Interests	83,167	80,401
Total Shareholders' Equity	8,832,617	8,366,049
Total Liabilities and Shareholders' Equity	$ 17,365,659	$ 16,476,513

The accompanying notes are an integral part of these condensed consolidated financial statements.

WEATHERFORD INTERNATIONAL LTD. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)
(In thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
Revenues:				
Products	$ 650,553	$ 834,443	$1,393,453	$1,663,626
Services	1,344,279	1,394,807	2,857,520	2,761,516
	1,994,832	2,229,250	4,250,973	4,425,142
Costs and Expenses:				
Cost of Products	525,180	621,836	1,094,236	1,220,626
Cost of Services	917,662	832,318	1,883,126	1,683,206
Research and Development	46,113	44,430	95,134	87,069
Selling, General and Administrative Attributable to Segments	296,625	268,798	605,369	509,665
Corporate General and Administrative	55,887	46,288	109,018	93,462
Gain on Sale of Subsidiary	—	(81,344)	—	(81,344)
Operating Income	153,365	496,924	464,090	912,458
Other Expense:				
Interest Expense, Net	(93,498)	(62,399)	(184,561)	(115,202)
Other, Net	(3,871)	(5,282)	(17,410)	(4,783)
Income from Continuing Operations Before Income Taxes	55,996	429,243	262,119	792,473
Provision for Income Taxes	(5,441)	(57,875)	(37,904)	(131,500)
Income from Continuing Operations, Net of Taxes	50,555	371,368	224,215	660,973
Gain (Loss) from Discontinued Operation, Net of Taxes	—	6,940	—	(12,928)
Net Income	50,555	378,308	224,215	648,045
Net Income Attributable to Noncontrolling Interests	(8,574)	(7,324)	(17,432)	(12,860)
Net Income Attributable to Weatherford	$ 41,981	$ 370,984	$ 206,783	$ 635,185
Basic Earnings Per Share Attributable to Weatherford:				
Income from Continuing Operations	$ 0.06	$ 0.53	$ 0.30	$ 0.95
Gain (Loss) from Discontinued Operation	—	0.01	—	(0.02)
Net Income	$ 0.06	$ 0.54	$ 0.30	$ 0.93
Diluted Earnings Per Share Attributable to Weatherford:				
Income from Continuing Operations	$ 0.06	$ 0.52	$ 0.29	$ 0.93
Gain (Loss) from Discontinued Operation	—	0.01	—	(0.02)
Net Income	$ 0.06	$ 0.53	$ 0.29	$ 0.91
Amounts Attributable to Weatherford Registered Shareholders:				
Income from Continuing Operations, Net of Taxes	$ 41,981	$ 364,044	$ 206,783	$ 648,113
Gain (Loss) from Discontinued Operation, Net of taxes	—	6,940	—	(12,928)
Net Income	$ 41,981	$ 370,984	$ 206,783	$ 635,185
Weighted Average Shares Outstanding:				
Basic	700,424	681,870	699,375	681,030
Diluted	709,412	701,927	706,024	699,507

The accompanying notes are an integral part of these condensed consolidated financial statements.

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WEATHERFORD INTERNATIONAL LTD. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(In thousands)

	Six Months Ended June 30,	
	2009	**2008**
Cash Flows from Operating Activities:		
Net Income	$ 224,215	$ 648,045
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	415,087	340,998
Loss (Gain) on Sales of Assets and Businesses, Net	3,964	(85,815)
Loss from Discontinued Operation	—	12,928
Employee Share−Based Compensation Expense	55,046	48,134
Excess Tax (Benefits) Deficits from Share−Based Compensation	4,897	(15,194)
Deferred Income Tax Benefit	(61,770)	(12,248)
Other, Net	(3,673)	(12,478)
Change in Operating Assets and Liabilities, Net of Effect of Businesses Acquired		
Accounts Receivable	285,915	(115,277)
Inventories	(132,380)	(288,328)
Accounts Payable	(57,303)	45,041
Other	(434,085)	(178,370)
Net Cash Provided by Operating Activities — Continuing Operations	299,913	387,436
Net Cash Used by Operating Activities — Discontinued Operation	—	(6,219)
Net Cash Provided by Operating Activities	299,913	381,217
Cash Flows from Investing Activities:		
Acquisitions of Businesses, Net of Cash Acquired	(22,049)	(160,351)
Capital Expenditures for Property, Plant and Equipment	(970,384)	(1,144,530)
Acquisition of Intellectual Property	(16,456)	(6,436)
Acquisition of Equity Investments in Unconsolidated Affiliates	(26,509)	—
Proceeds from Sale of Assets and Businesses, Net	40,873	255,121
Net Cash Used by Investing Activities — Continuing Operations	(994,525)	(1,056,196)
Net Cash Provided by Investing Activities — Discontinued Operation	—	2,000
Net Cash Used by Investing Activities	(994,525)	(1,054,196)
Cash Flows from Financing Activities:		
Repayments on Short−term Debt, Net	(564,808)	(728,801)
Borrowings of Long−term Debt, Net	1,230,214	1,486,207
Excess Tax Benefits from Share−Based Compensation	(4,897)	15,194
Other Financing Activities, Net	977	(2,357)
Net Cash Provided by Financing Activities — Continuing Operations	661,486	770,243
Net Cash Provided by Financing Activities — Discontinued Operation	—	—
Net Cash Provided by Financing Activities	661,486	770,243
Net Increase (Decrease) in Cash and Cash Equivalents	(33,126)	97,264
Cash and Cash Equivalents at Beginning of Period	238,398	170,714
Cash and Cash Equivalents at End of Period	$ 205,272	$ 267,978
Supplemental Cash Flow Information:		
Interest Paid	$ 167,332	$ 110,515
Income Taxes Paid, Net of Refunds	258,482	148,123

The accompanying notes are an integral part of these condensed consolidated financial statements.

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WEATHERFORD INTERNATIONAL LTD. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)
(In thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
Net Income	$ 50,555	$378,308	$224,215	$648,045
Other Comprehensive Income:				
Deferred Loss on Derivative Instruments	—	—	—	(12,576)
Amortization of Pension Components	3,348	980	4,528	5,616
Foreign Currency Translation Adjustment	210,282	32,449	160,222	37,326
Other	152	147	303	187
Comprehensive Income	264,337	411,884	389,268	678,598
Comprehensive Income Attributable to Noncontrolling Interests	(8,574)	(7,324)	(17,311)	(12,860)
Comprehensive Income Attributable to Weatherford	$255,763	$404,560	$371,957	$665,738

The accompanying notes are an integral part of these condensed consolidated financial statements.

WEATHERFORD INTERNATIONAL LTD. AND SUBSIDIARIES
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1. General

The accompanying unaudited condensed consolidated financial statements of Weatherford International Ltd. and all majority−owned subsidiaries (the "Company") include all adjustments of a normal recurring nature which, in the opinion of management, are necessary to present fairly the Company's Condensed Consolidated Balance Sheet at June 30, 2009, Condensed Consolidated Statements of Income, Condensed Consolidated Statements of Comprehensive Income and Condensed Consolidated Statements of Cash Flows for the three and six months ended June 30, 2009 and 2008. Although the Company believes the disclosures in these financial statements are adequate to make the interim information presented not misleading, certain information relating to the Company's organization and footnote disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles have been condensed or omitted in this Form 10−Q pursuant to U.S. Securities and Exchange Commission ("SEC") rules and regulations. These financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2008 and the related notes included in the Company's Annual Report on Form 10−K. The results of operations for the three and six months ended June 30, 2009 are not necessarily indicative of the results expected for the full year.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period and disclosure of contingent liabilities. On an ongoing basis, the Company evaluates its estimates, including those related to uncollectible accounts receivable, lower of cost or market of inventories, equity investments, intangible assets and goodwill, property, plant and equipment, income taxes, percentage−of−completion accounting for long−term contracts, self−insurance, pension and post retirement benefit plans and contingent liabilities. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates.

In February 2009, Weatherford International Ltd., a Bermuda exempted company ("Weatherford Bermuda"), and Weatherford International Ltd., a Swiss joint stock corporation ("Weatherford Switzerland"), completed a share exchange transaction under the terms of a share exchange agreement, dated as of December 10, 2008, effected by way of a scheme of arrangement under Bermuda law, for purposes of changing the Company's place of incorporation from Bermuda to Switzerland (collectively, the "Transaction"). Pursuant to the Transaction, each common share, par value U.S. $1.00 per share, of Weatherford Bermuda was exchanged for one registered share, par value 1.16 Swiss francs ("CHF") per share, of Weatherford Switzerland. As a result of the Transaction, Weatherford Bermuda became a direct, wholly−owned subsidiary of Weatherford Switzerland.

Effective January 1, 2009, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 160, *Noncontrolling Interests in Consolidated Financial Statements — an amendment of ARB No. 51* ("SFAS No. 160"). SFAS No. 160 establishes accounting and reporting standards for ownership interests in subsidiaries held by parties other than the parent, the amount of consolidated net income attributable to the parent and to the noncontrolling interest, changes in a parent's ownership interest and the valuation of retained noncontrolling equity investments when a subsidiary is deconsolidated. The statement also establishes reporting requirements that provide sufficient disclosures that clearly identify and distinguish between the interest of the parent and the interest of the noncontrolling owners. This standard changed the accounting for and reporting of minority interest (now called noncontrolling interest) in the consolidated financial statements. Upon adoption, certain prior period amounts have been reclassified to conform to the current period financial statement presentation.

During the second quarter of 2009, the Company adopted SFAS No. 165, *Subsequent Events*, which establishes general standards of accounting for and disclosures of events that occur after the balance sheet date but before the financial statements are issued or are available to be issued. It requires the disclosure of the date through which an entity has evaluated subsequent events. The Company has evaluated subsequent events through August 3, 2009, the date of issuance of the condensed consolidated financial statements.

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2. Business Combinations

Effective January 1, 2009, the Company adopted SFAS No. 141(R), *Business Combination*, ("SFAS No. 141(R)"). SFAS No. 141(R) establishes principles and requirements for how a company recognizes assets acquired, liabilities assumed, contractual contingencies and contingent consideration measured at fair value at the acquisition date. The statement also establishes disclosure requirements which will enable users to evaluate the nature and financial effect of the business combination. Due to the fact that SFAS No. 141(R) is applicable to acquisitions completed after January 1, 2009 and the Company did not have any material business combinations during the first six months of 2009, the adoption of SFAS No. 141(R) did not have a material impact on the Company's condensed consolidated financial statements.

The Company has acquired businesses critical to its long−term growth strategy. Results of operations for acquisitions are included in the accompanying Condensed Consolidated Statements of Income from the date of acquisition. The balances included in the Condensed Consolidated Balance Sheets related to recent acquisitions are based on preliminary information and are subject to change when final asset valuations are obtained and the potential for liabilities has been evaluated. Acquisitions are accounted for using the purchase method of accounting and the purchase price is allocated to the net assets acquired based upon their estimated fair values at the date of acquisition.

During the six months ended June 30, 2009, the Company acquired businesses for cash consideration of $22 million and approximately three million common shares valued at $54 million.

3. Equity Investment Acquisition

The Company acquired a 33% ownership interest in Premier Business Solutions ("PBS") in June 2007 for approximately $330 million. PBS conducts business in Russia and is the world's largest electric submersible pump manufacturer by volume. In January 2008, the Company sold its electrical submersible pumps ("ESP") product line to PBS and received a combination of cash and an additional equity investment in PBS in consideration of the sale. This transaction increased the Company's ownership percentage to approximately 40%. The Company's investment in PBS is included in Equity Investments in the accompanying Condensed Consolidated Balance Sheets at June 30, 2009 and December 31, 2008.

4. Discontinued Operations

In 2007, the Company's management approved a plan to sell its oil and gas development and production business. The Company finalized the divestiture of the business in June 2008 and recorded an $11 million gain, net of taxes, during the three months ended June 30, 2008. This gain was partially offset by operating and legal expenses incurred during the period. Included in the loss for the six months ended June 30, 2008, is approximately $21 million, net of taxes, incurred in connection with the settlement of a legal dispute regarding the business.

5. Inventories

The components of inventory were as follows:

	June 30, 2009	December 31, 2008
	(In thousands)	
Raw materials, components and supplies	$ 358,045	$ 430,352
Work in process	134,433	152,864
Finished goods	1,767,426	1,505,126
	$ 2,259,904	$ 2,088,342

Work in process and finished goods inventories include the cost of materials, labor and plant overhead.

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6. Goodwill

Goodwill is evaluated for impairment on at least an annual basis. The Company performs its annual goodwill impairment test as of October 1. In addition, the Company updated its goodwill impairment test in December 2008 as a result of the decline in its common share price during the fourth quarter of 2008. The Company's 2008 impairment tests indicated goodwill was not impaired. The Company will continue to test its goodwill annually as of October 1 unless events occur or circumstances change between annual tests that would more likely than not reduce the fair value of a reporting unit below its carrying amount.

The changes in the carrying amount of goodwill for the six months ended June 30, 2009 were as follows:

	North America	Middle East/ North Africa/ Asia	Europe/ West Africa/ FSU	Latin America	Total
			(In thousands)		
As of December 31, 2008	$1,813,710	$ 675,558	$ 734,930	$306,717	$3,530,915
Acquisitions	1,857	5,571	3,302	1,857	12,587
Disposals	(5,097)	—	—	—	(5,097)
Purchase price and other adjustments	5,711	9,232	6,234	(762)	20,415
Foreign currency translation	45,019	8,624	27,424	3,624	84,691
As of June 30, 2009	$1,861,200	$ 698,985	$ 771,890	$311,436	$3,643,511

7. Short−term Borrowings and Current Portion of Long−term Debt

The components of short−term borrowings were as follows:

	June 30, 2009	December 31, 2008
	(In thousands)	
Revolving credit facilities	$542,500	$ 1,068,000
Commercial paper program	75,618	127,884
Other short−term bank loans	61,897	44,205
Total short−term borrowings	680,015	1,240,089
Current portion of long−term debt	12,520	15,858
Short−term borrowings and current portion of long−term debt	$692,535	$ 1,255,947

In January 2009, the Company completed a $1.25 billion long−term debt offering comprised of (i) $1 billion of 9.625% senior notes due in 2019 ("9.625% Senior Notes") and (ii) $250 million of 9.875% senior notes due in 2039 ("9.875% Senior Notes"). Net proceeds of $1.23 billion were used to repay short−term borrowings and for general corporate purposes. Interest on these notes is due semi−annually on March 1 and September 1 of each year.

The Company maintains various revolving credit facilities with syndicates of banks. These facilities allow for an aggregate availability of $2.3 billion, and can be used for a combination of borrowings, support of the Company's commercial paper program and issuances of letters of credit. Facilities with $550 million in availability will mature in October 2009 and the remaining facilities mature in May 2011. There were $74 million in outstanding letters of credit under these facilities at June 30, 2009.

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These borrowing facilities require the Company to maintain a debt−to−capitalization ratio of less than 60% and contain other covenants and representations customary for an investment−grade commercial credit. The Company was in compliance with these covenants at June 30, 2009.

The Company has a $1.5 billion commercial paper program under which it may from time to time issue short−term unsecured notes. The commercial paper program is supported by the Company's revolving credit facilities. The weighted average interest rate related to outstanding commercial paper issuances at June 30, 2009 was 0.5%.

The Company has short−term borrowings with various domestic and international institutions pursuant to uncommitted facilities. At June 30, 2009, the Company had $62 million in short−term borrowings outstanding under these arrangements with a weighted average interest rate of 4.9%. In addition, the Company had $192 million of letters of credit and bid and performance bonds outstanding under these uncommitted facilities.

The Company's short−term borrowings approximate their fair value at June 30, 2009 and December 31, 2008.

8. Financial Instruments and Fair Value Measures

Effective January 1, 2009, the Company adopted SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities* ("SFAS No. 161"). SFAS No. 161 requires enhanced disclosures about an entity's derivative and hedging activity. Entities are required to provide enhanced disclosures about how and why they use derivative instruments, how derivative instruments and related hedged items are accounted for under SFAS No. 133 and how derivative instruments and related hedged items affect an entity's financial position, financial performance and cash flows.

The Company is exposed to market risk from changes in foreign currency and changes in interest rates. From time to time, the Company may enter into derivative financial instrument transactions to manage or reduce its market risk, but does not enter into derivative transactions for speculative purposes. The Company manages its debt portfolio to achieve an overall desired position of fixed and floating rates and may employ interest rate swaps as a tool to achieve that goal. The major risks from interest rate derivatives include changes in the interest rates affecting the fair value of such instruments, potential increases in interest expense due to market increases in floating interest rates and the creditworthiness of the counterparties in such transactions. The counterparties to the Company's interest rate swaps are multinational commercial banks.

Interest Rate Swaps

In December 2008, the Company entered into an interest rate swap agreement on an aggregate notional amount of $150 million against one of its revolving credit facilities. This agreement matured in June 2009.

Upon completion of the long−term debt offering in March 2008, the Company entered into interest rate swap agreements on an aggregate notional amount of $500 million against its 5.15% senior notes due in 2013 ("5.15% Senior Notes"). These agreements were terminated in December 2008. As a result of these terminations, the Company received cash proceeds, net of accrued interest, of $12 million. The gain associated with this interest rate swap termination has been deferred and will be amortized to interest expense over the remaining term of the 5.15% Senior Notes.

Cash Flow Hedges

In March 2008, the Company entered into interest rate derivative instruments for a notional amount of $500 million to hedge projected exposures to interest rates in anticipation of the issuance of the 7.00% senior notes due in 2038 ("7.00% Senior Notes"). Those hedges were terminated in March 2008 at the time of the issuance. The Company paid a cash settlement of $13 million at termination, and the loss on these hedges is being amortized to interest expense over the life of the 7.00% Senior Notes.

Other Derivative Instruments

As of June 30, 2009, the Company had several foreign currency forward and option contracts with notional amounts aggregating $843 million, which were entered into to hedge exposure to currency fluctuations in various

foreign currencies, including, but not limited to, the British pound sterling, the Canadian dollar, the euro and the Norwegian kroner. The total estimated fair value of these contracts at June 30, 2009 resulted in a net liability of $17 million. These derivative instruments were not designated as hedges and the changes in fair value of the contracts are recorded each period in Other, net in the accompanying Condensed Consolidated Statements of Income.

In addition, after the closing of the acquisition of Precision Energy Services and Precision Drilling International, the Company entered into a series of cross−currency swaps between the U.S. dollar and Canadian dollar to hedge certain exposures to the Canadian dollar created as a result of the acquisition. At June 30, 2009, the Company had notional amounts outstanding of $168 million. The total estimated fair value of these contracts at June 30, 2009 resulted in a liability of $6 million. These derivative instruments were not designated as hedges and the changes in fair value of the contracts are recorded each period in the accompanying Condensed Consolidated Statements of Income.

Effective January 1, 2008, the Company adopted SFAS No. 157, *Fair Value Measurements*, ("SFAS No. 157") as it relates to financial assets and financial liabilities. In February 2008, the Financial Accounting Standards Board ("FASB") issued FASB Staff Position No. FAS 157−2, *Effective Date of FASB Statement No. 157*, which delayed the effective date of SFAS No. 157 for all nonfinancial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value in the financial statements on at least an annual basis, until January 1, 2009 for calendar year−end entities.

On January 1, 2009, the Company adopted without material impact on its condensed consolidated financial statements the provisions of SFAS No. 157 related to nonfinancial assets and nonfinancial liabilities not recognized or disclosed at fair value in the financial statements on a recurring basis, which include those measured at fair value in goodwill impairment testing, indefinite−lived intangible assets measured at fair value for impairment assessment, nonfinancial long−lived assets measured at fair value for impairment assessment and those initially measured at fair value in a business combination.

SFAS No. 157 defines fair value, establishes a framework for measuring fair value under generally accepted accounting principals and expands disclosures about fair value measurements. The provisions of this standard apply to other accounting pronouncements that require or permit fair value measurements. The adoption of SFAS No. 157 had no impact on the Company's consolidated financial position, results of operations and cash flows.

SFAS No. 157 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. SFAS No. 157 establishes a fair value hierarchy that distinguishes between market participant assumptions developed based on market data obtained from independent sources (observable inputs) and an entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). The fair value hierarchy consists of three broad levels, which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

In accordance with SFAS No. 157 and SFAS No. 161, the following table presents the Company's assets and liabilities (along with their balance sheet classification) that are measured and recognized at fair value on a recurring basis classified under the appropriate level of the fair value hierarchy as of June 30, 2009:

	June 30, 2009			
	Level 1	Level 2	Level 3	Total
		(In thousands)		
Other Current Assets:				
Foreign exchange contracts	$—	$19,624	$—	$19,624
Other Assets:				
Other investments	—	34,486	—	34,486
Other Current Liabilities:				
Foreign exchange contracts	—	36,598	—	36,598
Other Liabilities:				
Foreign exchange contracts	—	5,549	—	5,549

9. Income Taxes

The Company's effective tax rates were 9.7% and 14.5% for the three and six months ended June 30, 2009, respectively, and were 13.5% and 16.6% for the three and six months ended June 30, 2008, respectively. The decrease in the effective tax rate is due to the decrease in earnings in certain jurisdictions, largely in North America, and benefits realized from the refinement of the Company's international tax structure.

10. Shareholders' Equity

The following summarizes the Company's shareholders' equity activity for the period presented:

	Total Shareholders' Equity	Company Shareholders' Equity	Noncontrolling Interests in Consolidated Subsidiaries
		(In thousands)	
Balance at December 31, 2008	$ 8,366,049	$ 8,285,648	$ 80,401
Comprehensive Income:			
Net Income	224,215	206,783	17,432
Amortization of Pension Components	4,528	4,528	—
Foreign Currency Translation Adjustments	160,222	160,343	(121)
Other	303	303	—
Comprehensive Income	389,268	371,957	17,311
Transactions with Shareholders	91,845	91,845	—
Dividends paid to Noncontrolling Interests	(16,047)	—	(16,047)
Other	1,502	—	1,502
Balance at June 30, 2009	$ 8,832,617	$ 8,749,450	$ 83,167

11. Earnings Per Share

Basic earnings per share for all periods presented equals net income divided by the weighted average number of the Company's registered shares, par value CHF 1.16 ("Registered Shares") outstanding during the period. Diluted earnings per share is computed by dividing net income by the weighted average number of Registered Shares outstanding during the period, as adjusted for the dilutive effect of the Company's stock option and restricted share plans and warrant.

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Effective January 1, 2009, the Company implemented FASB Staff Position ("FSP") EITF 03−6−1, *Determining Whether Instruments Granted in Share−Based Payment Transactions Are Participating Securities*, ("FSP EITF 03−6−1"). FSP EITF 03−6−1 addresses whether instruments granted in share−based payment transactions are participating securities. Under the guidance of FSP EITF 03−6−1, unvested share−based payment awards that contain nonforfeitable rights to dividends or dividend equivalents, whether paid or unpaid, are participating securities and shall be included in the computation of earnings−per−share pursuant to the two−class method. Accordingly, the Company now includes its restricted share awards that contain the right to vote and receive dividends in the computation of both basic and diluted earnings per share. FSP EITF 03−6−1 has not been applied to prior periods as the impact is immaterial.

The Company's Board of Directors approved a two−for−one share split of its common shares effected through a share dividend. Shareholders of record on May 9, 2008 were entitled to the dividend, which was distributed on May 23, 2008. All share and option amounts included in the accompanying consolidated financial statements and related notes reflect the effect of the share split.

The following reconciles basic and diluted weighted average shares outstanding:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
	(In thousands)			
Basic weighted average shares outstanding	700,424	681,870	699,375	681,030
Dilutive effect of:				
Warrant	2,105	8,380	1,053	7,663
Stock option and restricted share plans	6,883	11,677	5,596	10,814
Diluted weighted average shares outstanding	709,412	701,927	706,024	699,507

The diluted earning per share calculation excludes four million potential shares for the three months ended June 30, 2009 and 11 million potential shares for the six months ended June 30, 2009, due to their antidilutive effect. Antidilutive potential shares were not significant for the three and six months ended June 30, 2008.

12. Share−Based Compensation

The Company recognized the following employee share−based compensation expense during the three and six months ended June 30, 2009 and 2008:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
	(In thousands)			
Share−based compensation	$28,617	$24,660	$55,046	$48,134
Related tax benefit	10,016	8,631	19,266	16,847

During the six months ended June 30, 2009, the Company granted six million restricted share awards and units at a weighted average grant date fair value of $13.17 per share.

As of June 30, 2009, there was $268 million of total unrecognized compensation cost related to the Company's unvested stock options and restricted share grants. This cost is expected to be recognized over a weighted−average period of two years.

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13. Retirement and Employee Benefit Plans

The Company has defined benefit pension and other post−retirement benefit plans covering certain employees. The components of net periodic benefit cost for the three and six months ended June 30, 2009 and 2008 were as follows:

	Three Months Ended June 30,			
	2009		2008	
	United States	International	United States	International
	(In thousands)			
Service cost	$ 906	$ 1,681	$ 720	$ 3,555
Interest cost	2,079	1,654	1,511	2,659
Expected return on plan assets	(166)	(979)	(179)	(2,320)
Amortization of transition obligation	—	—	—	(1)
Amortization of prior service cost (credit)	1,535	(12)	458	(20)
Amortization of loss	2,209	235	964	107
Curtailment/settlement loss	1,063	—	—	—
Net periodic benefit cost	$ 7,626	$ 2,579	$ 3,474	$ 3,980

	Six Months Ended June 30,			
	2009		2008	
	United States	International	United States	International
	(In thousands)			
Service cost	$ 1,781	$ 3,285	$ 1,440	$ 7,043
Interest cost	3,785	3,250	3,022	5,269
Expected return on plan assets	(331)	(1,933)	(358)	(4,626)
Amortization of transition obligation	—	(1)	—	(2)
Amortization of prior service cost (credit)	1,993	(23)	916	(40)
Amortization of loss	3,234	463	1,928	208
Curtailment/settlement loss	1,063	—	5,621	—
Net periodic benefit cost	$ 11,525	$ 5,041	$ 12,569	$ 7,852

The Company previously disclosed in its financial statements for the year ended December 31, 2008, that it expected to contribute approximately $10 million to its pension and other postretirement benefit plans during 2009. Due to the amendment of one of our foreign plans, the Company currently anticipates total 2009 contributions for the defined benefit plans to approximate $7 million. As of June 30, 2009, the Company has contributed approximately $4 million to these plans.

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14. Segment Information

Financial information by segment is summarized below. Revenues are attributable to countries based on the ultimate destination of the sale of products or performance of services. The accounting policies of the segments are the same as those described in the summary of significant accounting policies.

	Three Months Ended June 30, 2009		
	Net Operating Revenues	Income (Loss) from Operations	Depreciation and Amortization
		(In thousands)	
North America	$ 571,415	$ (709)	$ 77,253
Middle East/North Africa/Asia	592,908	123,553	60,921
Europe/West Africa/FSU	364,968	62,614	35,190
Latin America	465,541	85,759	35,971
	1,994,832	271,217	209,335
Corporate and Research and Development	—	(86,947)	4,358
Other (a)	—	(30,905)	—
Total	$ 1,994,832	$ 153,365	$ 213,693

	Three Months Ended June 30, 2008		
	Net Operating Revenues	Income from Operations	Depreciation and Amortization
		(In thousands)	
North America	$ 1,012,244	$ 224,252	$ 75,093
Middle East/North Africa/Asia	556,251	130,650	45,982
Europe/West Africa/FSU	389,563	99,016	27,600
Latin America	271,192	58,355	20,368
	2,229,250	512,273	169,043
Corporate and Research and Development	—	(79,705)	2,667
Other (b)	—	64,356	—
Total	$ 2,229,250	$ 496,924	$ 171,710

(a) The three months ended June 30, 2009 includes $14 million for costs incurred in connection with on−going investigations by the U.S. government, $13 million for severance and facility closure costs associated with reorganization activities and $4 million in costs related to the Company's withdrawal from certain sanctioned countries.

(b) During the three months ended June 30, 2008, the Company sold a 50% interest in a subsidiary it controls to Qatar Petroleum for cash consideration of $113 million. The subsidiary contains substantially all of the Company's Qatar operations. The sale resulted in a gain of $81 million, after deducting direct costs of the transaction. The gain was partially offset by $11 million in costs incurred in connection with the Company's on−going investigations and $6 million in costs related to the Company's withdrawal from certain sanctioned countries.

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	Six Months Ended June 30, 2009		
	Net Operating Revenues	Income from Operations	Depreciation and Amortization
		(In thousands)	
North America	$1,408,768	$ 122,327	$ 152,351
Middle East/North Africa/Asia	1,174,854	257,579	118,555
Europe/West Africa/FSU	733,811	137,557	69,868
Latin America	933,540	177,976	66,413
	4,250,973	695,439	407,187
Corporate and Research and Development	—	(175,567)	7,900
Other (c)	—	(55,782)	—
Total	$4,250,973	$ 464,090	$ 415,087

	Six Months Ended June 30, 2008		
	Net Operating Revenues	Income from Operations	Depreciation and Amortization
		(In thousands)	
North America	$2,102,606	$ 515,905	$ 149,880
Middle East/North Africa/Asia	1,078,135	251,324	91,718
Europe/West Africa/FSU	737,192	192,229	54,221
Latin America	507,209	118,853	40,050
	4,425,142	1,078,311	335,869
Corporate and Research and Development	—	(155,976)	5,129
Other (d)	—	(9,877)	—
Total	$4,425,142	$ 912,458	$ 340,998

(c) The six months ended June 30, 2009 includes $27 million for costs incurred in connection with on−going investigations by the U.S. government, $25 million for severance and facility closure costs associated with reorganization activities and $4 million in costs related to the Company's withdrawal from certain sanctioned countries.

(d) The six months ended June 30, 2008 includes $57 million for costs incurred in connection with the Company's withdrawal from certain sanctioned countries. These costs were included in the Cost of Products line item in the Condensed Consolidated Statements of Income. In addition, severance costs of $15 million were incurred associated with reorganization activities and $19 million was expended in connection with the Company's on−going investigations. These charges were partially offset by the $81 million gain discussed above.

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15. Disputes and Litigation

U.S. Government and Internal Investigations

The Company is currently involved in government and internal investigations involving various areas of its operations.

The Company participated in the United Nations oil−for−food program governing sales of goods and services into Iraq. The U.S. Department of Justice ("DOJ") and the SEC are conducting investigations of the Company's participation in the oil−for−food program and have subpoenaed certain documents in connection with these investigations. The Company is cooperating fully with these investigations. The Company has retained legal counsel, reporting to its audit committee, to investigate this matter. These investigations are ongoing, and the Company cannot anticipate the timing, outcome or possible impact of these investigations, financial or otherwise.

The U.S. Department of Commerce, Bureau of Industry & Security, Office of Foreign Assets Control, DOJ and SEC are investigating allegations of improper sales of products and services by the Company and its subsidiaries in certain sanctioned countries. The Company is cooperating fully with this investigation. The Company has retained legal counsel, reporting to its audit committee, to investigate these matters and to cooperate fully with these agencies. This investigation is ongoing, and the Company cannot anticipate the timing, outcome or possible impact of the investigation, financial or otherwise.

In light of this investigation and of the current U.S. and foreign policy environment and the inherent uncertainties surrounding these countries, the Company decided in September 2007 to direct its foreign subsidiaries to discontinue doing business in countries that are subject to comprehensive U.S. economic and trade sanctions, specifically Cuba, Iran, and Sudan, as well as Syria. Effective September 2007, the Company ceased entering into any new contracts relating to these countries and began an orderly discontinuation and winding down of its existing business in these sanctioned countries. Effective March 31, 2008, the Company substantially completed its withdrawal from these countries. The Company's remaining activities in these countries consist primarily of attempts to collect accounts receivable and recover or liquidate assets, including funds. Certain of the Company's subsidiaries continue to conduct business in countries such as Myanmar that are subject to more limited U.S. trading sanctions.

The DOJ and SEC are investigating the embezzlement of approximately $175,000 at a European subsidiary and the possible improper use of these funds, including possible payments to government officials in Europe, during the period from 2000 to 2004, and the Company's compliance with the Foreign Corrupt Practices Act ("FCPA") and other laws worldwide. The Company has retained legal counsel, reporting to its audit committee, to investigate these matters and to cooperate fully with the DOJ and SEC. As part of its investigations, the Company has uncovered potential violations of U.S. law in connection with activities in West Africa. These investigations are ongoing, and the Company cannot anticipate the timing, outcome or possible impact, if any, of the investigations, financial or otherwise.

The DOJ, SEC and other agencies and authorities have a broad range of civil and criminal penalties they may seek to impose against corporations and individuals for violations of trade sanctions laws, the FCPA and other federal statutes including, but not limited to, injunctive relief, disgorgement, fines, penalties and modifications to business practices and compliance programs. In recent years, these agencies and authorities have entered into agreements with, and obtained a range of penalties against, several public corporations and individuals in similar investigations, under which civil and criminal penalties were imposed, including in some cases fines and other penalties and sanctions in the tens and hundreds of millions of dollars. Under trade sanctions laws, the DOJ may also seek to impose modifications to business practices, including immediate cessation of all business activities in sanctioned countries, and modifications to compliance programs, which may increase compliance costs. In addition, the Company's activities in sanctioned countries, such as Sudan and Iran, could result in certain investors, such as government sponsored pension funds, divesting or not investing in its registered shares. Based on available information, the Company cannot predict what, if any, actions the DOJ, SEC or other authorities will take in its situation or the effect any such actions will have on its consolidated financial position or results of operations. To the extent the Company violated trade sanctions laws, the FCPA, or other laws or regulations, fines and other

WEATHERFORD INTERNATIONAL LTD. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

penalties may be imposed. Because these matters are now pending before the indicated agencies, there can be no assurance that actual fines or penalties, if any, will not have a material adverse affect on its business, financial condition, liquidity or results of operations.

During the six months ended June 30, 2009 and 2008, the Company incurred $27 million and $19 million, respectively, in connection with these on−going investigations. In addition, the Company incurred $57 million for costs incurred in connection with our exit from certain sanctioned countries during the six months ended June 30, 2008.

Other Litigation and Disputes

The Company is aware of various disputes and potential claims and is a party in various litigation involving claims against the Company, some of which are covered by insurance. Based on facts currently known, the Company believes that the ultimate liability, if any, which is probable to result from known claims, disputes and pending litigation, would not have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

16. New Accounting Pronouncements

In December 2008, the FASB issued FSP SFAS 132(R)−1, *Employers' Disclosures about Postretirement Benefit Plan Assets* ("FSP SFAS No. 132(R)−1"). This FSP amends the disclosure requirements for employer's disclosure of plan assets for defined benefit pensions and other postretirement plans. The objective of this FSP is to provide users of financial statements with an understanding of how investment allocation decisions are made, the major categories of plan assets held by the plans, the inputs and valuation techniques used to measure the fair value of plan assets, significant concentration of risk within the Company's plan assets, and for fair value measurements determined using significant unobservable inputs, a reconciliation of changes between the beginning and ending balances. FSP SFAS No. 132(R)−1 is effective for fiscal years ending after December 15, 2009. The Company will adopt the new disclosure requirements in the 2009 annual reporting period.

In June 2009, the FASB issued SFAS 167, *Amendments to FASB Interpretation No. 46(R) (*"SFAS No. 167"). SFAS No. 167 is a revision to FASB Interpretation No. 46 (Revised December 2003), *Consolidation of Variable Interest Entities*, and changes how a reporting entity determines when an entity that is insufficiently capitalized or is not controlled through voting (or similar rights) should be consolidated. The objective of this SFAS is to improve financial reporting by enterprises involved with variable interest entities. SFAS No. 167 is effective for fiscal years beginning after November 15, 2009. The Company will adopt the new disclosure requirements beginning January 1, 2010.

17. Commitments and Contingencies

In association with a prior acquisition, the Company identified pre−acquisition contingencies related to duties and taxes associated with the importation of certain equipment assets to foreign jurisdictions. At June 30, 2009, the Company has a liability in the amount of $9 million for this matter. If the Company used the high end of the range, the aggregate potential liability would be approximately $10 million higher.

The Company's former Senior Vice President and General Counsel (the "Executive") left the Company in June 2009. The Executive had employment agreements with the Company that terminated on his departure. There is currently a dispute between the Executive and the Company as to the amount of compensation the Company is obligated to pay under these employment agreements based on the Executive's separation. It is the Company's belief that an unfavorable outcome regarding this dispute is not probable, and as such, the Company has not accrued for $9 million of the Executive's claimed severance and other benefits.

18. Subsequent Event

On July 27, 2009, the Company completed its acquisition of the Oilfield Services Division of TNK−BP ("TNK−BP") for 24.3 million shares valued at approximately $450 million. In addition, if TNK−BP sells its shares in the

WEATHERFORD INTERNATIONAL LTD. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Company for a price less than $18.50 per share prior to June 29, 2010, the Company is obligated to pay TNK−BP additional consideration in an amount equal to the difference between the price at which the shares were sold and $18.50. The Company will pay any additional consideration in cash or, at the Company's option in certain instances, in additional shares following such date.

19. Condensed Consolidating Financial Statements

During the first quarter of 2009, the Company completed a transaction that changed its place of incorporation from Bermuda to Switzerland. A new Swiss corporation named Weatherford International Ltd. was formed and is now the ultimate parent ("Weatherford Switzerland") of the Weatherford group. It guarantees the obligations of Weatherford International Ltd. incorporated in Bermuda ("Weatherford Bermuda") and Weatherford International, Inc. incorporated in Delaware ("Weatherford Delaware") noted below.

The following obligations of Weatherford Delaware were guaranteed by Weatherford Bermuda at June 30, 2009 and December 31, 2008: (i) the 6.625% Senior Notes, (ii) the 5.95% Senior Notes, (iii) the 6.35% Senior Notes and (iv) the 6.80% Senior Notes.

The following obligations of Weatherford Bermuda were guaranteed by Weatherford Delaware at June 30, 2009: (i) the revolving credit facilities, (ii) the 4.95% Senior Notes, (iii) the 5.50% Senior Notes, (iv) the 6.50% Senior Notes, (v) the 5.15% Senior Notes, (vi) the 6.00% Senior Notes, (vii) the 7.00% Senior Notes, (viii) the 9.625% Senior Notes, (ix) the 9.875% Senior Notes and (x) issuances of notes under the commercial paper program.

The following obligations of Weatherford Bermuda were guaranteed by Weatherford Delaware at December 31, 2008: (i) the revolving credit facilities, (ii) the 4.95% Senior Notes, (iii) the 5.50% Senior Notes, (iv) the 6.50% Senior Notes, (v) the 5.15% Senior Notes, (vi) the 6.00% Senior Notes, (vii) the 7.00% Senior Notes and (viii) issuances of notes under the commercial paper program.

As a result of these guarantee arrangements, the Company is required to present the following condensed consolidating financial information. The accompanying guarantor financial information is presented on the equity method of accounting for all periods presented. Under this method, investments in subsidiaries are recorded at cost and adjusted for the Company's share in the subsidiaries' cumulative results of operations, capital contributions and distributions and other changes in equity. Elimination entries relate primarily to the elimination of investments in subsidiaries and associated intercompany balances and transactions. Certain prior year amounts have been reclassified to conform to the current year presentation.

WEATHERFORD INTERNATIONAL LTD. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
Condensed Consolidating Balance Sheet
June 30, 2009
(unaudited)
(In thousands)

	Parent	Bermuda	Delaware	Other Subsidiaries	Eliminations	Consolidation
ASSETS						
Current Assets:						
Cash and Cash Equivalents	$ 132	$ 26	$ 21	$ 205,093	$ —	$ 205,272
Other Current Assets	1,209	19,422	78,967	5,329,358	—	5,428,956
Total Current Assets	1,341	19,448	78,988	5,534,451	—	5,634,228
Equity Investments in Affiliates	8,493,192	14,920,933	6,563,691	12,275,120	(42,252,936)	—
Shares Held in Parent	—	—	125,234	565,747	(690,981)	—
Intercompany Receivables, Net	—	1,645,391	1,040,358	—	(2,685,749)	—
Other Assets	747	67,801	183,731	11,479,152	—	11,731,431
Total Assets	$8,495,280	$16,653,573	$7,992,002	$ 29,854,470	$ (45,629,666)	$ 17,365,659
LIABILITIES AND SHAREHOLDERS' EQUITY						
Current Liabilities:						
Short−term Borrowings and Current Portion of Long−term Debt	$ —	$ 229,196	$ 1,812	$ 461,527	$ —	$ 692,535
Accounts Payable and Other Current Liabilities	—	110,066	76,054	1,361,816	—	1,547,936
Total Current Liabilities	—	339,262	77,866	1,823,343	—	2,240,471
Long−term Debt	—	3,942,545	1,848,819	13,672	—	5,805,036
Intercompany Payables, Net	7,741	—	—	2,678,008	(2,685,749)	—
Other Long−term Liabilities	—	116,476	2,405	368,654	—	487,535
Total Liabilities	7,741	4,398,283	1,929,090	4,883,677	(2,685,749)	8,533,042
Weatherford Shareholders' Equity	8,487,539	12,255,290	6,062,912	24,887,626	(42,943,917)	8,749,450
Noncontrolling Interests	—	—	—	83,167	—	83,167
Total Liabilities and Shareholder's Equity	$8,495,280	$16,653,573	$7,992,002	$ 29,854,470	$ (45,629,666)	$ 17,365,659

WEATHERFORD INTERNATIONAL LTD. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
Condensed Consolidating Balance Sheet
December 31, 2008
(In thousands)

	Bermuda	Delaware	Other Subsidiaries	Eliminations	Consolidation
ASSETS					
Current Assets:					
Cash and Cash Equivalents	$ 24	$ 50	$ 238,324	$ —	$ 238,398
Other Current Assets	11,547	90,626	5,229,711	—	5,331,884
Total Current Assets	11,571	90,676	5,468,035	—	5,570,282
Equity Investments in Affiliates	14,335,661	6,231,144	12,611,943	(33,178,748)	—
Shares Held in Parent	—	133,519	625,958	(759,477)	—
Intercompany Receivables, Net	1,289,507	906,534	—	(2,196,041)	—
Other Assets	59,325	184,869	10,662,037	—	10,906,231
Total Assets	$15,696,064	$7,546,742	$ 29,367,973	$ (36,134,266)	$ 16,476,513
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities:					
Short−term Borrowings and Current Portion of Long−term Debt	$ 781,443	$ 1,758	$ 472,746	$ —	$ 1,255,947
Accounts Payable and Other Current Liabilities	59,534	39,764	1,666,848	—	1,766,146
Total Current Liabilities	840,977	41,522	2,139,594	—	3,022,093
Long−term Debt	2,701,747	1,849,428	13,080	—	4,564,255
Intercompany Payables, Net	—	—	2,196,041	(2,196,041)	—
Other Long−term Liabilities	110,627	2,502	410,987	—	524,116
Total Liabilities	3,653,351	1,893,452	4,759,702	(2,196,041)	8,110,464
Weatherford Shareholders' Equity	12,042,713	5,653,290	24,527,870	(33,938,225)	8,285,648
Noncontrolling Interests	—	—	80,401	—	80,401
Total Liabilities and Shareholders' Equity	$15,696,064	$7,546,742	$ 29,367,973	$ (36,134,266)	$ 16,476,513

WEATHERFORD INTERNATIONAL LTD. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
Condensed Consolidating Statements of Income
Three Months Ended June 30, 2009
(unaudited)
(In thousands)

	Parent	Bermuda	Delaware	Other Subsidiaries	Eliminations	Consolidation
Revenues	$ —	$ —	$ —	$ 1,994,832	$ —	$ 1,994,832
Costs and Expenses	(704)	(4,083)	(532)	(1,836,148)	—	(1,841,467)
Operating Income (Loss)	(704)	(4,083)	(532)	158,684	—	153,365
Other Income (Expense):						
Interest Income (Expense), Net	—	(66,066)	(28,734)	1,302	—	(93,498)
Intercompany Charges, Net	(17)	(67,320)	(60,101)	127,438	—	—
Equity in Subsidiary Income	42,708	81,932	155,715	—	(280,355)	—
Other, Net	(6)	98,245	(46)	(102,064)	—	(3,871)
Income (Loss) from Continuing Operations Before Income Taxes	41,981	42,708	66,302	185,360	(280,355)	55,996
Provision for Income Taxes	—	—	15,630	(21,071)	—	(5,441)
Income (Loss) from Continuing Operations	41,981	42,708	81,932	164,289	(280,355)	50,555
Loss from Discontinued Operation, Net of Taxes	—	—	—	—	—	—
Net Income (Loss)	41,981	42,708	81,932	164,289	(280,355)	50,555
Noncontrolling Interests	—	—	—	(8,574)	—	(8,574)
Net Income Attributable to Weatherford	$ 41,981	$ 42,708	$ 81,932	$ 155,715	$ (280,355)	$ 41,981

Condensed Consolidating Statements of Income
Three Months Ended June 30, 2008
(unaudited)
(In thousands)

	Bermuda	Delaware	Other Subsidiaries	Eliminations	Consolidation
Revenues	$ —	$ —	$ 2,229,250	$ —	$ 2,229,250
Costs and Expenses	(5,266)	(151)	(1,726,909)	—	(1,732,326)
Operating Income (Loss)	(5,266)	(151)	502,341	—	496,924
Other Income (Expense):					
Interest Income (Expense), Net	(34,877)	(28,684)	1,162	—	(62,399)
Intercompany Charges, Net	73,303	—	(73,303)	—	—
Equity in Subsidiary Income	343,816	329,164	—	(672,980)	—
Other, Net	(7,992)	(309)	3,019	—	(5,282)
Income (Loss) from Continuing Operations Before Income Taxes	368,984	300,020	433,219	(672,980)	429,243
Provision for Income Taxes	—	43,796	(101,671)	—	(57,875)
Income (Loss) from Continuing Operations	368,984	343,816	331,548	(672,980)	371,368
Gain from Discontinued Operation, Net of Taxes	2,000	—	4,940	—	6,940
Net Income (Loss)	370,984	343,816	336,488	(672,980)	378,308
Noncontrolling Interests	—	—	(7,324)	—	(7,324)
Net Income Attributable to Weatherford	$ 370,984	$ 343,816	$ 329,164	$ (672,980)	$ 370,984

WEATHERFORD INTERNATIONAL LTD. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
Condensed Consolidating Statements of Income
Six Months Ended June 30, 2009
(unaudited)
(In thousands)

	Parent	Bermuda	Delaware	Other Subsidiaries	Eliminations	Consolidation
Revenues	$ —	$ —	$ —	$ 4,250,973	$ —	$ 4,250,973
Costs and Expenses	(738)	(10,591)	(876)	(3,774,678)	—	(3,786,883)
Operating Income (Loss)	(738)	(10,591)	(876)	476,295	—	464,090
Other Income (Expense):						
Interest Income (Expense), Net	—	(130,118)	(57,166)	2,723	—	(184,561)
Intercompany Charges, Net	(17)	3,804	(60,101)	56,314	—	—
Equity in Subsidiary Income	207,544	248,488	332,508	—	(788,540)	—
Other, Net	(6)	95,961	(333)	(113,032)	—	(17,410)
Income (Loss) from Continuing Operations Before Income Taxes	206,783	207,544	214,032	422,300	(788,540)	262,119
Provision for Income Taxes	—	—	34,456	(72,360)	—	(37,904)
Income (Loss) from Continuing Operations	206,783	207,544	248,488	349,940	(788,540)	224,215
Gain (Loss) from Discontinued Operation, Net of Taxes	—	—	—	—	—	—
Net Income (Loss)	206,783	207,544	248,488	349,940	(788,540)	224,215
Noncontrolling Interests	—	—	—	(17,432)	—	(17,432)
Net Income Attributable to Weatherford	$206,783	$ 207,544	$ 248,488	$ 332,508	$ (788,540)	$ 206,783

Condensed Consolidating Statements of Income
Six Months Ended June 30, 2008
(unaudited)
(In thousands)

	Bermuda	Delaware	Other Subsidiaries	Eliminations	Consolidation
Revenues	$ —	$ —	$ 4,425,142	$ —	$ 4,425,142
Costs and Expenses	(17,421)	(841)	(3,494,422)	—	(3,512,684)
Operating Income (Loss)	(17,421)	(841)	930,720	—	912,458
Other Income (Expense):					
Interest Income (Expense), Net	(57,573)	(58,329)	700	—	(115,202)
Intercompany Charges, Net	76,298	—	(76,298)	—	—
Equity in Subsidiary Income	626,936	632,416	—	(1,259,352)	—
Other, Net	4,974	(566)	(9,191)	—	(4,783)
Income (Loss) from Continuing Operations Before Income Taxes	633,214	572,680	845,931	(1,259,352)	792,473
Provision for Income Taxes	(29)	54,256	(185,727)	—	(131,500)
Income (Loss) from Continuing Operations	633,185	626,936	660,204	(1,259,352)	660,973
Gain (Loss) from Discontinued Operation, Net of Taxes	2,000	—	(14,928)	—	(12,928)
Net Income (Loss)	635,185	626,936	645,276	(1,259,352)	648,045
Noncontrolling Interests	—	—	(12,860)	—	(12,860)
Net Income Attributable to Weatherford	$ 635,185	$ 626,936	$ 632,416	$ (1,259,352)	$ 635,185

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WEATHERFORD INTERNATIONAL LTD. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
Condensed Consolidating Statement of Cash Flows
Six Months Ended June 30, 2009
(unaudited)
(In thousands)

	Parent	Bermuda	Delaware	Other Subsidiaries	Eliminations	Consolidation
Cash Flows from Operating Activities:						
Net Income	$ 206,783	$ 207,544	$ 248,488	$ 349,940	$ (788,540)	$ 224,215
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Charges from Parent or Subsidiary	17	(3,804)	60,101	(56,314)	—	—
(Gain) Loss from Discontinued Operations	—	—	—	—	—	—
Equity in (Earnings) Loss of Affiliates	(207,544)	(248,488)	(332,508)	—	788,540	—
Deferred Income Tax Provision (Benefit)	—	—	12,252	(74,022)	—	(61,770)
Other Adjustments	(479)	(82,216)	231,700	(11,537)	—	137,468
Net Cash Provided (Used) by Operating Activities−Continuing Operations	(1,223)	(126,964)	220,033	208,067	—	299,913
Net Cash Used by Operating Activities−Discontinued Operations	—	—	—	—	—	—
Net Cash Provided (Used) by Operating Activities	(1,223)	(126,964)	220,033	208,067	—	299,913
Cash Flows from Investing Activities:						
Acquisitions of Businesses, Net of Cash Acquired	—	—	—	(22,049)	—	(22,049)
Capital Expenditures for Property, Plant and Equipment	—	—	—	(970,384)	—	(970,384)
Acquisition of Intellectual Property	—	—	—	(16,456)	—	(16,456)
Purchase of Equity Investment in Unconsolidated Affiliate	—	—	—	(26,509)	—	(26,509)
Proceeds from Sale of Assets and Businesses, Net	—	—	—	40,873	—	40,873
Capital Contribution to Subsidiary	—	(336,784)	(39)	—	336,823	—
Net Cash Provided (Used) by Investing Activities−Continuing Operations	—	(336,784)	(39)	(994,525)	336,823	(994,525)
Net Cash Provided by Investing Activities−Discontinued Operations	—	—	—	—	—	—
Net Cash Provided (Used) by Investing Activities	—	(336,784)	(39)	(994,525)	336,823	(994,525)
Cash Flows from Financing Activities:						
Borrowings of (Repayments on) Short−term Debt, Net	—	(552,247)	54	(12,615)	—	(564,808)
Borrowings of (Repayments on) Long−term Debt, Net	—	1,233,364	—	(3,150)	—	1,230,214
Borrowings (Repayments) Between Subsidiaries, Net	1,253	(217,367)	(216,157)	432,271	—	—
Proceeds from Capital Contribution	—	—	—	336,823	(336,823)	—
Other, Net	—	—	(3,920)	—	—	(3,920)
Net Cash Provided (Used) by Financing Activities — Continuing Operations	1,253	463,750	(220,023)	753,329	(336,823)	661,486
	—	—	—	—	—	—

Net Cash Provided (Used) by Financing Activities — Discontinued Operations						
Net Cash Provided (Used) by Financing Activities	1,253	463,750	(220,023)	753,329	(336,823)	661,486
Net Increase (Decrease) in Cash and Cash Equivalents	30	2	(29)	(33,129)	—	(33,126)
Cash and Cash Equivalents at Beginning of Year	102	24	50	238,222	—	238,398
Cash and Cash Equivalents at End of Year	$ 132	$ 26	$ 21	$ 205,093	$ —	$ 205,272

WEATHERFORD INTERNATIONAL LTD. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)
Condensed Consolidating Statement of Cash Flows
Six Months Ended June 30, 2008
(unaudited)
(In thousands)

	Parent	Issuer	Other Subsidiaries	Eliminations	Consolidation
Cash Flows from Operating Activities:					
Net Income	$ 635,185	$ 626,936	$ 645,276	$ (1,259,352)	$ 648,045
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Charges from Parent or Subsidiary	(76,298)	—	76,298	—	—
(Gain) Loss from Discontinued Operations	(2,000)	—	14,928	—	12,928
Equity in (Earnings) Loss of Affiliates	(626,936)	(632,416)	—	1,259,352	—
Deferred Income Tax Provision (Benefit)	—	(21,598)	9,350	—	(12,248)
Other Adjustments	25,359	(79,575)	(207,073)	—	(261,289)
Net Cash Provided (Used) by Operating Activities−Continuing Operations	(44,690)	(106,653)	538,779	—	387,436
Net Cash Used by Operating Activities− Discontinued Operations	—	—	(6,219)	—	(6,219)
Net Cash Provided (Used) by Operating Activities	(44,690)	(106,653)	532,560	—	381,217
Cash Flows from Investing Activities:					
Acquisitions of Businesses, Net of Cash Acquired	—	—	(160,351)	—	(160,351)
Capital Expenditures for Property, Plant and Equipment	—	—	(1,144,530)	—	(1,144,530)
Acquisition of Intellectual Property	—	—	(6,436)	—	(6,436)
Proceeds from Sale of Assets and Businesses, Net	—	—	255,121	—	255,121
Capital Contribution to Subsidiary	(116,454)	—	—	116,454	—
Net Cash Provided (Used) by Investing Activities−Continuing Operations	(116,454)	—	(1,056,196)	116,454	(1,056,196)
Net Cash Provided by Investing Activities− Discontinued Operations	—	—	2,000	—	2,000
Net Cash Provided (Used) by Investing Activities	(116,454)	—	(1,054,196)	116,454	(1,054,196)
Cash Flows from Financing Activities:					
Repayments on Short−term Debt, Net	(568,124)	(21,495)	(139,182)	—	(728,801)
Borrowings of (Repayments on) Long−term Debt, Net	1,483,931	(574)	2,850	—	1,486,207
Proceeds from Exercise of Stock Options	—	9,512	—	—	9,512
Borrowings (Repayments) Between Subsidiaries, Net	(742,395)	154,650	587,745	—	—
Proceeds from Capital Contribution	—	—	116,454	(116,454)	—
Other, Net	(12,471)	15,796	—	—	3,325
Net Cash Provided (Used) by Financing Activities	160,941	157,889	567,867	(116,454)	770,243
Net Decrease in Cash and Cash Equivalents	(203)	51,236	46,231	—	97,264
Cash and Cash Equivalents at Beginning of Year	228	1,489	168,997	—	170,714
Cash and Cash Equivalents at End of Year	$ 25	$ 52,725	$ 215,228	$ —	$ 267,978

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Our Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") begins with an executive level overview, which provides a general description of our company today, a synopsis of industry market trends, insight into management's perspective of the opportunities and challenges we face and our outlook for 2009. Next, we analyze the results of our operations for the six months ended June 30, 2009 and 2008, including the trends in our overall business. Then we review our liquidity and capital resources. We conclude with a discussion of our critical accounting policies and estimates and a summary of recently issued accounting pronouncements.

The "Company," "we," "us" and "our" refer to Weatherford International Ltd., a Swiss joint stock corporation, or, prior to February 26, 2009, to Weatherford International Ltd., a Bermuda exempted company, which, as of that date, became a direct, wholly owned subsidiary of Weatherford International Ltd., a Swiss joint stock corporation.

Overview

General

The following discussion should be read in conjunction with our financial statements included with this report and our financial statements and related MD&A for the year ended December 31, 2008 included in our Annual Report on Form 10−K. Our discussion includes various forward−looking statements about our markets, the demand for our products and services and our future results. These statements are based on certain assumptions we consider reasonable. For information about these assumptions, you should refer to the section entitled "Forward−Looking Statements."

We provide equipment and services used for drilling, completion and production of oil and natural gas wells throughout the world. We conduct operations in approximately 100 countries and have service and sales locations in nearly all of the oil and natural gas producing regions in the world. Our product offerings can be grouped into ten service lines: 1) drilling services; 2) artificial lift systems; 3) well construction; 4) completion systems; 5) integrated drilling; 6) drilling tools; 7) re−entry and fishing; 8) stimulation and chemicals services; 9) wireline and evaluation services; and 10) pipeline and specialty services.

Industry Trends

Changes in the current price and expected future prices of oil and natural gas influence the level of energy industry spending. Changes in expenditures result in an increased or decreased demand for our products and services. Rig count is an indicator of the level of spending for the exploration for and production of oil and natural gas reserves.

The following chart sets forth certain statistics that reflect historical market conditions:

	WTI Oil (1)	Henry Hub Gas (2)	North American Rig Count (3)	International Rig Count (3)
June 30, 2009	$ 69.89	$ 3.84	1,019	1,053
December 31, 2008	44.60	5.62	2,143	1,175
June 30, 2008	140.00	13.35	2,168	1,196

(1) Price per barrel as of June 30 and December 31 — *Source:* Thomson Reuters

(2) Price per MM/BTU as of June 30 and December 31 — *Source:* Thomson Reuters

(3) Average rig count for the applicable month — *Source:* Baker Hughes Rig Count and other third−party data

Oil prices increased during the first six months of 2009, ranging from a low of $33.98 per barrel in mid−February to a high of $72.68 per barrel in mid June. Natural gas prices decreased during the first half of 2009, ranging from a high of $6.07 MM/BTU in early January to a low of $3.25 MM/BTU near the end of April. Factors influencing oil and natural gas prices during the period include hydrocarbon inventory levels, realized and expected

economic growth, realized and expected levels of hydrocarbon demand, levels of spare production capacity within the Organization of Petroleum Exporting Countries ("OPEC"), weather and geopolitical uncertainty.

According to a recent study by Barclays Capital, exploration and production expenditures during 2009 are anticipated to decrease 37% in North America and 6% internationally. The decrease is in response to the significant decline in commodity prices, constrained cash flows of customers and less favorable credit markets.

Outlook

We believe the long−term outlook for our businesses is favorable. As decline rates accelerate and reservoir productivity complexities increase, our clients will face growing challenges securing desired rates of production growth. The acceleration of decline rates and the increasing complexity of the reservoirs increase our customers' requirements for technologies that improve productivity and efficiency and for our products and services. These phenomena provide us with a positive outlook over the longer term.

The near−term outlook is more difficult to assess given the dramatically weakened picture of the global economy stemming from a severe dislocation in credit markets and money flows around the world in late 2008 and early 2009. Climate, natural gas storage levels and commodity prices, as well as expectations for the U.S. economy, will dictate the level of oilfield service activity in North America for the remainder of 2009. While global economies and money flows have stabilized somewhat, it remains difficult to predict with any certainty the timing or intensity of a full recovery.

North America rig activity appeared to have reached its trough during the second quarter of 2009. The pull back experienced during the last quarter of 2008 and the first six months of 2009 was driven by natural gas storage levels, lower natural gas prices and a dampened prognosis for the U.S. economy. We have aggressively adjusted our cost structure in North America to be better aligned with current activity levels and to reflect the reality of the reservoirs our customers will pursue for the foreseeable future. We do not expect a robust recovery in North American activity until the latter part of 2010.

International rig activity also decreased in the first half of 2009, but at a much less severe rate than North America given that international spending is driven by major and national oil companies that typically take a longer−term view on larger, more complex projects. The pull back in the international markets during the first half of the year was quick, and we believe it to be substantially completed.

While it is difficult to predict exact growth rates given the current fluid economic conditions and volatility, we expect our total international businesses to grow revenue in the double digits on a percentage basis. We expect Latin America to account for a significant portion of this growth, based on increases in work volumes in Mexico and Brazil. In the Eastern Hemisphere, North Africa, Middle East, the Former Soviet Union ("FSU") and pockets of Asia Pacific should show the largest year−on−year growth.

Given the activity declines experienced during the first half of 2009 in North America, pricing in the U.S. and Canada has seen significant weakness, with rigs, tubulars and stimulation showing the strongest pressures. With a pull back in activity in North America reaching its trough in the second quarter, we would expect pricing in general to stabilize during the second half of 2009. In the international markets, pricing is softening where and when contractual terms come to renewal time. Requests by clients to renegotiate existing contracts are yielding more modest price erosion with significant differences between international regions.

Overall, the level of improvements for our businesses for 2009 will continue to depend heavily on our ability to further penetrate existing markets with our younger technologies and to successfully introduce these technologies to new markets. In addition, our ability to continue to grow our business aggressively will rely on our continued demonstration of a high level of operational efficacy for our clients on project management opportunities. The recruitment, training and retention of personnel will also be a critical factor in growing our businesses. The continued strength of the industry will be highly dependent on many external factors, such as world economic and political conditions, member country quota compliance within OPEC and weather conditions.

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Results of Operations

The following charts contain selected financial data comparing our consolidated and segment results from operations for the three and six months ended June 30, 2009 and 2008.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
	(In thousands, except percentages and per share data)			
Revenues:				
North America	$ 571,415	$ 1,012,244	$ 1,408,768	$ 2,102,606
Middle East/North Africa/Asia	592,908	556,251	1,174,854	1,078,135
Europe/West Africa/FSU	364,968	389,563	733,811	737,192
Latin America	465,541	271,192	933,540	507,209
	1,994,832	2,229,250	4,250,973	4,425,142
Operating Income:				
North America	(709)	224,252	122,327	515,905
Middle East/North Africa/Asia	123,553	130,650	257,579	251,324
Europe/West Africa/FSU	62,614	99,016	137,557	192,229
Latin America	85,759	58,355	177,976	118,853
Research and Development	(46,113)	(44,430)	(95,134)	(87,069)
Corporate	(40,834)	(35,275)	(80,433)	(68,907)
Exit and Restructuring	(30,905)	64,356	(55,782)	(9,877)
	153,365	496,924	464,090	912,458
Interest Expense, Net	(93,498)	(62,399)	(184,561)	(115,202)
Other, Net	(3,871)	(5,282)	(17,410)	(4,783)
Effective Tax Rate	9.7%	13.5%	14.5%	16.6%
Net Income per Diluted Share from Continuing Operations	$ 0.06	$ 0.52	$ 0.29	$ 0.93
Gain (Loss) from Discontinued Operation Per Diluted Share	—	0.01	—	(0.02)
Net Income per Diluted Share	$ 0.06	$ 0.53	$ 0.29	$ 0.91
Depreciation and Amortization	213,693	171,710	415,087	340,998

Revenues

The following chart contains consolidated revenues by product line for the three and six months ended June 30, 2009 and 2008.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
Well Construction	17%	17%	16%	17%
Drilling Services	16	15	16	15
Artificial Lift Systems	16	17	16	16
Integrated Drilling	12	5	11	5
Completion Systems	11	10	11	10
Drilling Tools	9	11	9	11
Re−entry & Fishing	6	8	6	8
Wireline	5	7	6	8
Stimulation & Chemicals Services	5	7	6	7
Pipeline & Specialty Services	3	3	3	3
	100%	100%	100%	100%

Consolidated revenues decreased $234 million, or 11%, in the second quarter of 2009 as compared to the second quarter of 2008 against a 35% decrease in rig count activity. This decrease in revenue is entirely attributable to the significant declines experienced in North America. International revenues increased $206 million, or 17%, in the second quarter of 2009 as compared to the second quarter of 2008. This international growth was against a 9% decline in international rig count. Our integrated drilling product line was the strongest contributor to the quarter over quarter increase.

For the first six months of 2009, consolidated revenues decreased $174 million, or 4%, as compared to the first six months of 2008. Similar to what was experienced in the second quarter of 2009, the decrease in revenues during the first six months of 2009 was driven by our North American businesses. International revenue increased $520 million, or 22% as compared to the first six months of 2008.

Operating Income

Consolidated operating income decreased $344 million, or 69%, in the second quarter of 2009 as compared to the second quarter of 2008. Our operating segments contributed $241 million of this decrease. The remainder of this decrease is primarily due to a change in exit and restructuring charges of $95 million.

Exit and restructuring costs during the current quarter were $31 million and were comprised of (i) $14 million for legal costs associated with on−going investigations by the U.S. Department of Justice and the U.S. Securities and Exchange Commission (“SEC”), (ii) $13 million for employee separation and facility closure costs incurred in connection with our efforts to reduce our cost structure base and (iii) $4 million for unusable assets and cost accruals in certain sanctioned countries.

Exit and restructuring costs during the second quarter of 2008 were a net gain of $64 million. During the three months ended June 30, 2008, we sold a 50% interest in a subsidiary we controlled to Qatar Petroleum for cash consideration of $113 million. The subsidiary contained substantially all of our Qatar operations. The sale resulted in a gain of $81 million, after deducting direct costs of the transaction. This gain is partially offset by $11 million in costs incurred in connection with our on−going investigations and $6 million in exit costs related to our withdrawal from certain sanctioned countries.

During the first six months of 2009, consolidated operating income decreased $448 million, or 49%, as compared to the first six months of 2008. Our operating segments contributed $383 million of this decrease. In addition, exit and restructuring charges during the first half of 2009 increased $46 million compared to the first half of 2008.

Exit and restructuring charges for the six months of 2009 includes (i) $27 million for legal costs incurred in connection with our on−going investigations, (ii) $25 million for employee separation and facility closure costs and

(iii) $4 million for unusable assets and cost accruals in certain sanctioned countries. Exit and restructuring charges during the first half of 2008 include $57 million for costs incurred in connection with our withdrawal from sanctioned countries, $15 million for severance costs incurred associated with reorganization activities and $19 million incurred in connection with our on−going investigations. These charges were offset by the $81 million gain recognized on the Qatar joint venture described above.

Interest Expense, Net

Interest expense, net increased $31 million, or 50%, and $69 million, or 60% during the three and six months ended June 30, 2009 as compared to the same periods of the prior year, respectively. We issued $1.5 billion in senior notes in March 2008 and an additional $1.25 billion of senior notes in January 2009. The incremental borrowings added during the comparable periods were used primarily to fund capital expenditures and business acquisitions.

Income Taxes

Our effective tax rates were 9.7% and 13.5% for the second quarter of 2009 and 2008, respectively, and 14.5% and 16.6% for the first six months of 2009 and 2008, respectively. The decrease in our effective tax rate is due to the decrease in earnings in certain jurisdictions, largely in North America, and the net benefits realized from the refinement of our international tax structure.

Segment Results

North America

North American revenues decreased $441 million, or 44%, in the second quarter of 2009 as compared to the second quarter of 2008 on a 50% decline in average North American rig count over the comparable period. Revenues decreased $694 million, or 33%, during the first six months of 2009 as compared to the same period of the prior year on a 37% decline in rig count. The decrease in revenues is the result of the steep decline in drilling activity both in Canada and the United States. Canadian rig count during the second quarter of 2009 reached a low not seen since 1999. In addition, the region continued to see significant declines in pricing.

North America had an operating loss of $1 million in the second quarter of 2009 compared to operating income of $224 million in the second quarter of 2008. For the first half of 2009, operating income decreased $394 million, or 76%, compared to same period of the prior year. Operating margins were 9% for the first six months of 2009 compared to 25% for the first six months of 2008. The combination of the significant reduction in drilling activity in the region and greater than anticipated pricing declines was the primary reason for the deterioration in margins.

Middle East/North Africa/Asia

Middle East/North Africa/Asia revenues increased $37 million, or 7%, in the second quarter of 2009 as compared to the second quarter of 2008. This increase was against a 7% decline in rig count over the comparable period. Revenues increased $97 million, or 9%, during the first six months of 2009 as compared to the first six months of 2008. The region had strong performances out of our integrated drilling, drilling services and artificial lift service lines on both a quarterly and year−to−date basis as compared to the same periods of the prior year.

Operating income decreased $7 million, or 5%, during the second quarter of 2009 compared to the same quarter of the prior year and increased $6 million, or 3%, during the first six months of 2009 compared to the first six months of 2008. Operating margins were 21% in the second quarter of 2009 and 24% in the second quarter of 2008. On a year−to−date basis, operating margins were 22% for the first six months of 2009 as compared to 23% for the first six months of 2008. The deterioration in margins during the second quarter of 2009 was primarily the result of pricing declines experienced in the region.

Europe/West Africa/FSU

Revenues in our Europe/West Africa/FSU segment decreased $25 million, or 6%, in the second quarter of 2009 compared to the same quarter of the prior year against a 20% rig count decrease over the comparable period. On a year−to−date basis, revenues decreased $3 million, or 1%, compared to the same period of 2008. Drilling services, stimulation & chemicals and integrated drilling were the strongest performers from a product line perspective.

Operating income decreased $36 million, or 37%, during the second quarter of 2009 compared to the same quarter of the prior year and $55 million, or 28%, during the first six months of 2009 compared to the first six

months of 2008. Operating margins were 17% in the second quarter of 2009 and 25% in the second quarter of 2008. On a year−to−date basis, margins decreased from 26% during the first six months of 2008 to 19% for the first six months of 2009. The decline in operating income and margin was primarily due to pricing declines and changes in sales mix over the comparable periods.

Latin America

Revenues in our Latin America segment increased $194 million, or 72%, in the second quarter of 2009 as compared to the same quarter of the prior year against an average rig count decrease of 9% over the comparable period. Revenues increased $426 million, or 84%, during the first six months of 2009 compared to the same period of the prior year. Our revenue growth in this region came principally out of Mexico. From a service line perspective, our integrated drilling, drilling services and completion systems lines were the strongest contributors to the increase on a quarterly and year−to−date basis.

Operating income increased $27 million, or 47%, and $59 million, or 50%, for the three and six months ended June 30, 2009, respectively, over the comparable periods of the prior year. Operating margins decreased by four hundred basis points in both the three and six months ended June 30, 2009 as compared to the same periods of the prior year, from 22% during the second quarter 2008 to 18% for the second quarter 2009 and from 23% for the first six months of 2008 to 19% during the first six months of 2009. Strong performance in Mexico was largely offset by declines in other markets, including Venezuela and Argentina.

Discontinued Operations

We finalized the divestiture of our discontinued operation consisting of our oil and gas development and production company during the second quarter of 2008. We recorded a gain of $11 million, net of taxes, in connection with the finalization of the divestiture, which was partially offset by operating and legal expenses incurred during the three months ended June 30, 2008. In the first half of 2008 we had a net loss from our discontinued operation, net of taxes, of $13 million, which included approximately $21 million incurred in connection with the settlement of a legal dispute regarding the business. This loss was partially offset by the gain recognized in the second quarter of 2008.

Liquidity and Capital Resources

Sources of Liquidity

Our sources of liquidity include current cash and cash equivalent balances, cash generated from operations and committed availabilities under bank lines of credit. We maintain a shelf registration statement covering the future issuance of various types of securities, including debt, registered shares, preferred shares and warrants.

Committed Borrowing Facilities

We maintain various revolving credit facilities with syndicates of banks. These facilities allow for an aggregate availability of $2.3 billion, and can be used for a combination of borrowings, support of our commercial paper program and issuances of letters of credit. Facilities with $550 million in availability will mature in October 2009, and the remaining facilities mature in May 2011. Our committed borrowing facilities require us to maintain a debt−to−capitalization ratio of less than 60% and contain other covenants and representations customary for an investment−grade commercial credit. Our debt−to−capitalization ratio was 43% at June 30, 2009, which is in compliance with these covenants.

The following is a recap of our availability under our committed borrowing facilities at June 30, 2009 (in millions):

Facilities	$ 2,300
Less:	
Amount drawn	543
Commercial paper	76
Letters of credit	74
Availability	$ 1,607

Commercial Paper

We have a $1.5 billion commercial paper program under which we may from time to time issue short−term, unsecured notes, subject to market conditions. The commercial paper program is supported by our revolving credit facilities. The weighted average interest rate related to outstanding commercial paper issuances at June 30, 2009 was 0.5%.

Debt Offering

In January 2009, we completed a $1.25 billion long−term debt offering comprised of (i) $1 billion of 9.625% senior notes due in 2019 (“9.625% Senior Notes”) and (ii) $250 million of 9.875% senior notes due in 2039 (“9.875% Senior Notes”). Net proceeds of $1.23 billion were used to repay short−term borrowings with maturities of less than one month and for general corporate purposes. Interest on these notes is due semi−annually on March 1 and September 1 of each year.

Cash Requirements

During 2009, we anticipate our cash requirements will include working capital needs, capital expenditures and may include opportunistic business acquisitions. We anticipate funding these requirements from cash generated from operations and availability under our committed borrowing facilities.

Capital expenditures for 2009 are projected to be approximately $1.4 billion, net of proceeds from tools lost down hole. The expenditures are expected to be used primarily to support the growth of our business and operations. Capital expenditures during the six months ended June 30, 2009 were $922 million, net of proceeds from tools lost down hole.

Derivative Instruments

Interest Rate Swaps

In December 2008, we entered into an interest rate swap agreement on an aggregate notional amount of $150 million against one of our revolving credit facilities. This agreement matured in June 2009.

Upon completion of the long−term debt offering in March 2008, we entered into interest rate swap agreements on an aggregate notional amount of $500 million against our 5.15% senior notes due 2013 (“5.15% Senior Notes”). These agreements were terminated in December 2008. As a result of these terminations, we received cash proceeds, net of accrued interest, of $12 million. The gain associated with this interest rate swap termination has been deferred and will be amortized over the remaining term of the 5.15% Senior Notes.

Cash Flow Hedges

In March 2008, we entered into interest rate derivative instruments for a notional amount of $500 million to hedge projected exposures to interest rates in anticipation of the issuance of the 7.00% senior notes due 2038 (“7.00% Senior Notes”). Those hedges were terminated in March 2008 at the time of the issuance. We paid a cash settlement of $13 million at termination, and the loss on these hedges is being amortized to interest expense over the life of the 7.00% Senior Notes.

Other Derivative Instruments

As of June 30, 2009, we had several foreign currency forward and option contracts with notional amounts aggregating $843 million, which were entered into to hedge exposure to currency fluctuations in various foreign currencies, including, but not limited to, the British pound sterling, the Canadian dollar, the euro and the Norwegian kroner. The total estimated fair value of these contracts at June 30, 2009 resulted in a net liability of $17 million. These derivative instruments were not designated as hedges and the changes in fair value of the contracts were recorded each period in current earnings.

In addition, after the closing of the acquisition of Precision Energy Services and Precision Drilling International on August 31, 2005, we entered into a series of cross−currency swaps between the U.S. dollar and Canadian dollar to hedge certain exposures to the Canadian dollar created as a result of the acquisition. At June 30, 2009, we had

notional amounts outstanding of $168 million. The total estimated fair value of these contracts at June 30, 2009 resulted in a liability of $6 million. These derivative instruments were not designated as hedges and the changes in fair value of the contracts were recorded each period in current earnings.

Off Balance Sheet Arrangements

During the first quarter of 2009, we completed a transaction that changed our place of incorporation from Bermuda to Switzerland. A new Swiss corporation named Weatherford International Ltd. was formed and is now the ultimate parent ("Weatherford Switzerland") of the Weatherford group and guarantees the obligations of Weatherford International Ltd. incorporated in Bermuda ("Weatherford Bermuda") and Weatherford International, Inc. incorporated in Delaware ("Weatherford Delaware") noted below.

The following obligations of Weatherford Delaware were guaranteed by Weatherford Bermuda at June 30, 2009: (i) the 6.625% Senior Notes, (ii) the 5.95% Senior Notes, (iii) the 6.35% Senior Notes and (iv) the 6.80% Senior Notes.

The following obligations of Weatherford Bermuda were guaranteed by Weatherford Delaware at June 30, 2009: (i) the revolving credit facilities, (ii) the 4.95% Senior Notes, (iii) the 5.50% Senior Notes, (iv) the 6.50% Senior Notes, (v) the 5.15% Senior Notes, (vi) the 6.00% Senior Notes, (vii) the 7.00% Senior Notes, (viii) the 9.625% Senior Notes, (ix) the 9.875% Senior Notes and (x) issuances of notes under the commercial paper program.

Letters of Credit

We execute letters of credit in the normal course of business. While these obligations are not normally called, these obligations could be called by the beneficiaries at any time before the expiration date should we breach certain contractual or payment obligations. As of June 30, 2009, we had $266 million of letters of credit and bid and performance bonds outstanding, consisting of $192 million outstanding under various uncommitted credit facilities and $74 million letters of credit outstanding under our committed facilities. If the beneficiaries called these letters of credit our available liquidity would be reduced by the amount called.

New Accounting Pronouncements

See Note 16 to our condensed consolidated financial statements included elsewhere in this report.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations is based upon our consolidated financial statements. We prepare these financial statements in conformity with U.S. generally accepted accounting principles. As such, we are required to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. We base our estimates on historical experience, available information and various other assumptions we believe to be reasonable under the circumstances. On an on−going basis, we evaluate our estimates; however, actual results may differ from these estimates under different assumptions or conditions. There have been no material changes or developments in our evaluation of the accounting estimates and the underlying assumptions or methodologies that we believe to be Critical Accounting Policies and Estimates as disclosed in our Form 10−K, for the year ended December 31, 2008.

Exposures

An investment in our registered shares involves various risks. When considering an investment in our Company, you should consider carefully all of the risk factors described in our most recent Annual Report on Form 10−K under the heading "Item 1A. *Risk Factors*" as well as the information below and other information included and incorporated by reference in this report.

Forward−Looking Statements

This report, as well as other filings made by us with the SEC, and our releases issued to the public contain various statements relating to future results, including certain projections and business trends. We believe these statements constitute "Forward−Looking Statements" as defined in the Private Securities Litigation Reform Act of 1995.

These forward−looking statements generally are identified by the words “believe,” “project,” “expect,” “anticipate,” “estimate,” “intend,” “strategy,” “plan,” “may,” “should,” “will likely result,” and similar expressions, although not all forward−looking statements contain these identifying words.

From time to time, we update the various factors we consider in making our forward−looking statements and the assumptions we use in those statements. However, we undertake no obligation to publicly update or revise any forward−looking events or circumstances that may arise after the date of this report. The following sets forth the various assumptions we use in our forward−looking statements, as well as risks and uncertainties relating to those statements. Certain of the risks and uncertainties may cause actual results to be materially different from projected results contained in forward−looking statements in this report and in our other disclosures. These risks and uncertainties include, but are not limited to, the following:

- *Global political, economic and market conditions could affect projected results.* Our operating results and the forward−looking information we provide are based on our current assumptions about oil and natural gas supply and demand, oil and natural gas prices, rig count and other market trends. Our assumptions on these matters are in turn based on currently available information, which is subject to change. The oil and natural gas industry is extremely volatile and subject to change based on political and economic factors outside our control. Worldwide drilling activity, as measured by average worldwide rig counts, increased in each year from 2002 to 2008. However, activity began declining in the fourth quarter of 2008, particularly in North America. The weakened global economic climate has resulted in lower demand and lower prices for oil and natural gas, which has reduced drilling and production activity and may therefore affect our future revenues and income. Our projections assume that the decline in North America rig activity reached its trough during the second quarter of 2009. However, we are not certain as to the timing of the recovery in activity. We cannot accurately predict how much lower commodity prices and drilling activity may go, or when they may recover. Worldwide drilling activity and global demand for oil and natural gas may also be affected by changes in governmental policies, laws and regulations related to environmental or energy security matters, including those addressing alternative energy sources and the risks of global climate change. We have assumed global demand will be down in 2009 compared to 2008. In 2009, worldwide demand may be significantly weaker than we have assumed.

- *Our ability to manage our workforce and fixed costs could affect our projected results.* In a climate of decreasing demand, we are faced with managing our workforce levels to control costs without impairing our ability to provide service to our customers. Our forward−looking statements assume we will be able to do so.

- *Our long−term growth depends upon technological innovation and commercialization.* Our ability to deliver our long−term growth strategy depends in part on the commercialization of new technology. A central aspect of our growth strategy is to improve our products and services through innovation, to obtain technologically advanced products through internal research and development and/or acquisitions, to protect proprietary technology from unauthorized use and to expand the markets for new technology by leveraging our worldwide infrastructure. The key to our success will be our ability to commercialize the technology that we have acquired and demonstrate the enhanced value our technology brings to our customers’ operations. Our major technological advances include, but are not limited to, those related to controlled pressure drilling and testing systems, expandable solid tubulars, expandable sand screens and intelligent well completion. Our forward−looking statements have assumed successful commercialization of, and above−average growth from, these new products and services, as well as legal protection of our intellectual property rights.

- *Nonrealization of expected benefits from our recent redomestication could affect our projected results.* We operate through our various subsidiaries in numerous countries throughout the world including the United States. During the first quarter of 2009, we completed a transaction in which our former parent Bermuda company became a wholly−owned subsidiary of Weatherford International Ltd., a Swiss joint−stock corporation, and holders of common shares of the Bermuda company received one registered share of the Swiss company in exchange for each common share that they held. Consequently, we are or may become subject to changes in tax laws, treaties or regulations or the interpretation or enforcement thereof in the U.S., Bermuda, Switzerland or jurisdictions in which we or any of our subsidiaries operates or is resident. Our income tax expense is based upon our interpretation of the tax laws in effect in various countries at the time that the expense was incurred. If the U.S. Internal Revenue Service or other taxing authorities do not agree with our assessment of the effects of such laws, treaties and regulations, this could have a material

adverse effect on us including the imposition of a higher effective tax rate on our worldwide earnings or a reclassification of the tax impact of our significant corporate restructuring transactions.

- *The downturn in our industry could affect the carrying value of our goodwill.* As of June 30, 2009, we had approximately $3.6 billion of goodwill. Our estimates of the value of our goodwill could be reduced in the future as a result of various factors, including market factors, some of which are beyond our control. Our forward−looking statements do not assume any future goodwill impairment. Any reduction in the fair value of our businesses may result in an impairment charge and therefore adversely affect our results.

- *Currency fluctuations could have a material adverse financial impact on our business.* A material change in currency rates in our markets could affect our future results as well as affect the carrying values of our assets. World currencies have been subject to much volatility. Our forward−looking statements assume no material impact from future changes in currency exchange rates.

- *Adverse weather conditions in certain regions could adversely affect our operations.* In the summers of 2005 and 2008, the Gulf of Mexico suffered several significant hurricanes. These hurricanes and associated hurricane threats reduced the number of days on which we and our customers could operate, which resulted in lower revenues than we otherwise would have achieved. In parts of 2006, and particularly in the second quarters of 2007 and 2008, climatic conditions in Canada were not as favorable to drilling as we anticipated, which limited our potential results in that region. Similarly, unfavorable weather in Russia and in the North Sea could reduce our operations and revenues from that area during the relevant period. Our forward−looking statements assume weather patterns in our primary areas of operations will be conducive to our operations.

- *U.S. Government and internal investigations could affect our results of operations.* We are currently involved in government and internal investigations involving various of our operations. These investigations are ongoing, and we cannot anticipate the timing, outcome or possible impact of these investigations, financial or otherwise. The governmental agencies involved in these investigations have a broad range of civil and criminal penalties they may seek to impose against corporations and individuals for violations of trading sanctions laws, the Foreign Corrupt Practices Act and other federal statutes including, but not limited to, injunctive relief, disgorgement, fines, penalties and modifications to business practices and compliance programs. In recent years, these agencies and authorities have entered into agreements with, and obtained a range of penalties against, several public corporations and individuals in similar investigations, under which civil and criminal penalties were imposed, including in some cases fines and other penalties and sanctions in the tens and hundreds of millions of dollars. Under trading sanctions laws, the U.S. Department of Justice may also seek to impose modifications to business practices, including immediate cessation of all business activities in specific countries or other limitations that decrease our business, and modifications to compliance programs, which may increase compliance costs. Any injunctive relief, disgorgement, fines, penalties, sanctions or imposed modifications to business practices resulting from these investigations could adversely affect our results of operations. Additionally, during 2008, we incurred $56 million for costs in connection with our exit from certain sanctioned countries and, to date, we have incurred $88 million for legal and professional fees in connection with complying with and conducting these on−going investigations. This amount excludes the costs we have incurred to augment and improve our compliance function in 2008 and 2009. We will have additional charges related to these matters in future periods, which costs may include labor claims, contractual claims, penalties assessed by customers, and costs, fines, taxes and penalties assessed by the local governments, but we cannot quantify those charges or be certain of the timing of them.

- *Political disturbances, war, or terrorist attacks and changes in global trade policies could adversely impact our operations.* We have assumed there will be no material political disturbances or terrorist attacks and there will be no material changes in global trade policies. Any further military action undertaken by the U.S. or other countries or political disturbances in the countries in which we conduct business could adversely affect our results of operations.

- *Current turmoil in the credit markets may reduce our access to capital or reduce the availability of financial risk−mitigation tools*. In recent quarters, the worldwide credit markets have experienced almost unprecedented turmoil and uncertainty. Our forward−looking statements assume that the financial institutions that have committed to extend us credit will honor their commitments under our credit facilities. If one or more of those institutions becomes unwilling or unable to honor its commitments, our access to liquidity could be impaired and our cost of capital to fund growth could further increase. We use

interest−rate and foreign−exchange swap transactions with financial institutions to mitigate certain interest−rate and foreign−exchange risks associated with our capital structure and our business. Our forward−looking statements assume that those tools will continue to be available to us. However, the failure of any swap counter party to honor a swap agreement could reduce the availability of these financial risk−mitigation tools or could result in the loss of expected financial benefits. In response to credit market conditions and the global economic and business environment, we have undertaken measures to reduce our use of capital going forward. Our forward−looking statements assume that we will operate with lower capital expenditures in 2009 than in 2008. However, as the business climate changes and if attractive opportunities for organic or acquisitive growth become available, we may spend capital selectively above the amounts we have budgeted.

- *Increases in the prices and availability of our raw materials could affect our results of operations.* We use large amounts of raw materials for manufacturing our products. The price of these raw materials has a significant impact on our cost of producing products for sale or producing fixed assets used in our business. We have assumed that the prices of our raw materials will remain within a manageable range and will be readily available. If we are unable to obtain necessary raw materials or if we are unable to minimize the impact of increased raw material costs or to realize the benefit of cost decreases in a timely fashion through our supply chain initiatives or pricing, our margins and results of operations could be adversely affected.

- *Nonrealization of expected benefits from our acquisitions could affect our projected results.* We expect to gain certain business, financial and strategic advantages as a result of business acquisitions we undertake, including synergies and operating efficiencies. Our forward−looking statements assume that we will successfully integrate our business acquisitions and realize the benefits of that. An inability to realize expected strategic advantages as a result of any acquisition would negatively affect the anticipated benefits of the acquisition.

Finally, our future results will depend upon various other risks and uncertainties, including, but not limited to, those detailed in our other filings with the SEC. For additional information regarding risks and uncertainties, see our other filings with the SEC under the Securities Exchange Act of 1934, as amended, and the Securities Act of 1933, as amended, available free of charge at the SEC's website at www.sec.gov.

Available Information

We make available, free of charge, on our website (www.weatherford.com) our annual reports on Form 10−K, quarterly reports on Form 10−Q, current reports on Form 8−K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable after we electronically file or furnish them to the SEC.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

We are currently exposed to market risk from changes in foreign currency and changes in interest rates. From time to time, we may enter into derivative financial instrument transactions to manage or reduce our market risk, but we do not enter into derivative transactions for speculative purposes. A discussion of our market risk exposure in financial instruments follows.

Foreign Currency Exchange Rates

We operate in virtually every oil and natural gas exploration and production region in the world. In some parts of the world, such as the Middle East and Southeast Asia, the currency of our primary economic environment is the U.S. dollar. We use this as our functional currency. In other parts of the world, we conduct our business in currencies other than the U.S. dollar and the functional currency is the applicable local currency. In those countries in which we operate in the local currency, the effects of foreign currency fluctuations are largely mitigated because local expenses of such foreign operations are also generally denominated in the same currency.

Assets and liabilities of which the functional currency is the local currency are translated into U.S. dollars using the exchange rates in effect at the balance sheet date, resulting in translation adjustments that are reflected as Accumulated Other Comprehensive Income in the shareholders' equity section on our Condensed Consolidated Balance Sheets. A portion of our net assets are impacted by changes in foreign currencies in relation to the U.S. dollar. We recorded a $160 million adjustment to increase our equity account for the six month period ended June 30, 2009, to reflect the net impact of the weakening of the U.S. dollar against various foreign currencies.

As of June 30, 2009, we had several foreign currency forward and option contracts with notional amounts aggregating $843 million to hedge exposure to currency fluctuations in various foreign currencies, including, but not limited to, the British pound sterling, the Canadian dollar, the euro, and the Norwegian kroner. The total estimated fair value of these contracts at June 30, 2009 resulted in a net liability of $17 million. These derivative instruments were not designated as hedges and the changes in fair value of the contracts are recorded each period in current earnings.

In addition, after the closing of the acquisition of Precision Energy Services and Precision Drilling International, we entered into a series of cross−currency swaps between the U.S. dollar and Canadian dollar to hedge certain exposures to the Canadian dollar created as a result of the acquisition. At June 30, 2009, we had notional amounts outstanding of $168 million. The estimated fair value of these contracts at June 30, 2009 resulted in a liability of $6 million. These derivative instruments were not designated as hedges and the changes in fair value of the contracts are recorded each period in current earnings.

Interest Rates

We are subject to interest rate risk on our fixed−interest and variable−interest rate borrowings. Variable rate debt, where the interest rate fluctuates periodically, exposes us to short−term changes in market interest rates. Fixed−rate debt, where the interest rate is fixed over the life of the instrument, exposes us to changes in market interest rates reflected in the fair value of the debt and to the risk that we may need to refinance maturing debt with new debt at a higher rate. All other things being equal, the fair value of our fixed−rate debt will increase or decrease as interest rates change.

Our long−term borrowings that were outstanding at June 30, 2009 subject to interest rate risk consisted of the following:

	June 30, 2009		December 31, 2008	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(In millions)			
6.625% Senior Notes due 2011	$354	$ 372	$354	$330
5.95% Senior Notes due 2012	599	626	599	585
5.15% Senior Notes due 2013	509	499	511	463
4.95% Senior Notes due 2013	254	249	254	213
5.50% Senior Notes due 2016	349	338	349	306
6.35% Senior Notes due 2017	600	588	600	513
6.00% Senior Notes due 2018	498	493	498	456
9.625% Senior Notes due 2019	995	1,180	—	—
6.50% Senior Notes due 2036	596	525	596	495
6.80% Senior Notes due 2037	298	285	298	227
7.00% Senior Notes due 2038	498	486	498	394
9.875% Senior Notes due 2039	247	300	—	—

We have various other long−term debt instruments of $21 million, but believe the impact of changes in interest rates in the near term will not be material to these instruments. Short−term borrowings of $693 million at June 30, 2009 approximate fair value.

As it relates to our variable rate debt, if market interest rates average 1% more for the remainder of 2009 than the rates as of June 30, 2009, interest expense for the remainder of 2009 would increase by approximately $4 million. This amount was determined by calculating the effect of the hypothetical interest rate on our variable rate debt. This sensitivity analysis assumes there are no changes in our capital structure.

Interest Rate Swaps and Derivatives

We manage our debt portfolio to achieve an overall desired position of fixed and floating rates and may employ interest rate swaps as a tool to achieve that goal. The major risks from interest rate derivatives include changes in the interest rates affecting the fair value of such instruments, potential increases in interest expense due to market

increases in floating interest rates and the creditworthiness of the counterparties in such transactions. The counterparties to our interest rate swaps are multinational commercial banks. In light of recent events in the global credit markets and the potential impact of these events on the liquidity of the banking industry, we continue to monitor the creditworthiness of our counterparties.

We use interest rate swap agreements to take advantage of available short−term interest rates. Amounts received upon termination of the swaps represent the fair value of the agreements at the time of termination and are recorded as an adjustment to the carrying value of the related debt. These amounts are being amortized as a reduction to interest expense over the remaining term of the debt.

In December 2008, we entered into an interest rate swap agreement on an aggregate notional amount of $150 million against one of our revolving credit facilities. This agreement matured in June 2009.

Upon completion of the long−term debt offering in March 2008, we entered into interest rate swap agreements on an aggregate notional amount of $500 million against our 5.15% Senior Notes. These agreements were terminated in December 2008. As a result of these terminations, we received cash proceeds, net of accrued interest, of $12 million. The gain associated with this interest rate swap termination has been deferred and will be amortized over the remaining term of the 5.15% Senior Notes.

We may utilize interest rate derivatives to hedge projected exposures to interest rates in anticipation of future debt issuances. Amounts received or paid upon termination of these hedges represent the fair value of the agreements at the time of termination. These amounts are amortized as an adjustment to interest expense over the remaining life of the debt.

In March 2008, we entered into interest rate derivative instruments for a notional amount of $500 million to hedge projected exposures to interest rates in anticipation of the 7.00% Senior Notes issued in March 2008. Those hedges were terminated at the time of the issuance. We paid a cash settlement of $13 million at termination, and the loss on these hedges is being amortized to interest expense over the life of the 7.00% Senior Notes.

ITEM 4. CONTROLS AND PROCEDURES

At the end of the period covered by this Quarterly Report on Form 10−Q, the Company carried out an evaluation, under the supervision and with the participation of management, including the Chief Executive Officer (“CEO”) and the Chief Financial Officer (“CFO”), of the effectiveness of the Company’s disclosure controls and procedures (as defined in Rules 13a−15 (e) and 15d−15 (e) under the Exchange Act). Based upon that evaluation, the Company’s CEO and CFO have concluded the Company’s disclosure controls and procedures are effective as of the end of the period covered by this report to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms and that information relating to the Company (including its consolidated subsidiaries) required to be disclosed is accumulated and communicated to management, including the CEO and CFO, to allow timely decisions regarding required disclosure. The Company’s management, including the CEO and CFO, identified no change in the Company’s internal control over financial reporting that occurred during the Company’s fiscal quarter ended June 30, 2009, that has materially affected, or is reasonably likely to materially affect, the Company’s internal controls over financial reporting.

In connection with the appointment of a new Vice President and Chief Compliance Officer, the Company determined to devote additional attention and resources to the legal compliance function. For this purpose, the Company separated the functions of chief legal officer and chief compliance officer and believes that this change will also enhance the Company’s internal controls over financial reporting consistent with its control objectives.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

See Notes 15 and 17 to our condensed consolidated financial statements included elsewhere in this report.

ITEM 1A. RISK FACTORS

There have been no material changes during the six months ended June 30, 2009 to the risk factors set forth in Part I, Item 1A in our Annual Report on Form 10−K for the year ended December 31, 2008 filed with the SEC on February 24, 2009.

ITEM 2. UNREGISTERED SALES OF EQUITY IN SECURITIES AND USE OF PROCEEDS

On June 30, 2009, in connection with an acquisition, we sold 2,750,000 of our common shares to the shareholders of the acquired company as consideration for the shares of the acquired company. The sale of our common shares was exempt from registration under the Securities Act of 1933 pursuant to Section 4(2) of that act and pursuant to Regulation D and Regulation S promulgated under that act as a non−public sale to accredited investors and/or to non−U.S. persons outside the United States.

In December 2005, our Board of Directors approved a share repurchase program under which up to $1 billion of our outstanding common shares (now registered shares) could be purchased. Future purchases of our shares can be made in the open market or privately negotiated transactions, at the discretion of management and as market conditions and our liquidity position warrant. During the quarter ended June 30, 2009, we did not purchase any of our registered shares.

Under our restricted share plan, employees may elect to have us withhold registered shares to satisfy minimum statutory federal, state and local tax withholding obligations arising on the vesting of restricted stock awards and exercise of options. When we withhold these shares, we are required to remit to the appropriate taxing authorities the market price of the shares withheld, which could be deemed a purchase of the registered shares by us on the date of withholding. During the quarter ended June 30, 2009, we withheld registered shares to satisfy these tax withholding obligations as follows:

Period	No. of Shares	Average Price
April 1 – April 30, 2009	41,006	$ 11.34
May 1 – May 31, 2009	5,981	18.95
June 1 – June 30, 2009	5,572	19.83

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

We held our Annual General Meeting of Shareholders on May 7, 2009. Our shareholders approved the election of seven directors to serve until the next annual general meeting of shareholders. The following sets forth the results of the voting with respect to such matter.

Election of Directors	For	Against	Withheld	Broker Non−Votes
Nicholas F. Brady	392,830,848	30,500,677	2,252,564	—
David J. Butters	319,797,053	103,517,354	2,248,896	20,786
Bernard J. Duroc−Danner	407,588,707	15,747,374	2,248,008	—
William E. Macaulay	420,305,069	3,023,257	2,255,763	—
Robert B. Millard	292,218,250	131,086,489	2,258,564	20,786
Robert K. Moses, Jr.	420,435,436	2,892,913	2,255,740	—
Robert A. Rayne	238,916,671	184,382,256	2,264,376	20,786

In addition, the shareholders of the Company voted on the following proposal:

The appointment of Ernst & Young LLP as the Company's Independent Registered Public Accounting Firm for the year ending December 31, 2009, and the authorization of the Audit Committee of the Board of Directors to set Ernst & Young LLP's remuneration. The results of the voting with respect to such matter were 424,845,822 shares voted for, 661,482 shares voted against, 76,785 shares abstained, and zero broker non−votes.

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ITEM 6. EXHIBITS

(a) Exhibits:

Exhibit Number	Description
[…]	

†31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes−Oxley Act of 2002.
†31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes−Oxley Act of 2002.
†32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes−Oxley Act of 2002.
†32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes−Oxley Act of 2002.

† Filed herewith

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Weatherford International Ltd.

By: /s/ Bernard J. Duroc−Danner

Bernard J. Duroc−Danner
Chief Executive Officer
(Principal Executive Officer)

/s/ Andrew P. Becnel

Andrew P. Becnel
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

/s/ Jessica Abarca

Jessica Abarca
Vice President — Accounting and Chief Accounting Officer
(Principal Accounting Officer)

Date: August 3, 2009

EXHIBIT II - QUARTERLY REPORT ON FORM 10-Q

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Bernard J. Duroc−Danner, certify that:
1. I have reviewed this quarterly report on Form 10−Q of Weatherford International Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a−15(e) and 15d−15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a — 15(f) and 15d − 15 (f)) for the registrant and have:
a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 3, 2009

/s/ Bernard J. Duroc−Danner
Bernard J. Duroc−Danner
Chief Executive Officer

EXHIBIT II - QUARTERLY REPORT ON FORM 10-Q

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Andrew P. Becnel, certify that:

1. I have reviewed this quarterly report on Form 10−Q of Weatherford International Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a−15(e) and 15d−15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a — 15(f) and 15d − 15 (f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 3, 2009

/s/ Andrew P. Becnel

Andrew P. Becnel
Senior Vice President and Chief Financial Officer

EXHIBIT II - QUARTERLY REPORT ON FORM 10-Q

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES−OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10−Q of Weatherford International Ltd. (the "Company") for the period ended June 30, 2009 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Bernard J. Duroc−Danner, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes−Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13 (a) or 15 (d) of the Securities Exchange Act of 1934; and
(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Bernard J. Duroc−Danner

Name: Bernard J. Duroc−Danner
Title: Chief Executive Officer
Date: August 3, 2009

A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

The certification the registrant furnishes in this exhibit is not deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. Registration Statements or other documents filed with the Securities and Exchange Commission shall not incorporate this exhibit by reference, except as otherwise expressly stated in such filing.

EXHIBIT II - QUARTERLY REPORT ON FORM 10-Q

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES−OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10−Q of Weatherford International Ltd. (the "Company") for the period ended June 30, 2009 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Andrew P. Becnel, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes−Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13 (a) or 15 (d) of the Securities Exchange Act of 1934; and
(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Andrew P. Becnel

Name: Andrew P. Becnel
Title: Senior Vice President and Chief Financial Officer
Date: August 3, 2009

A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

The certification the registrant furnishes in this exhibit is not deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. Registration Statements or other documents filed with the Securities and Exchange Commission shall not incorporate this exhibit by reference, except as otherwise expressly stated in such filing.

EXHIBIT III

DEFINITIVE PROXY STATEMENT ON SCHEDULE 14A,
FILED BY WEATHERFORD INTERNATIONAL LTD. WITH THE SEC ON APRIL 2, 2009

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ☑
Filed by a Party other than the Registrant ☐
Check the appropriate box:
☐ Preliminary Proxy Statement
☐ **Confidential, for Use of the Commission Only (as permitted by Rule 14a−6(e)(2))**
☑ Definitive Proxy Statement
☐ Definitive Additional Materials
☐ Soliciting Material Pursuant to §240.14a−12

WEATHERFORD INTERNATIONAL LTD.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):
☑ No fee required.
☐ Fee computed on table below per Exchange Act Rules 14a−6(i)(1) and 0−11.
(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0−11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

☐ Fee paid previously with preliminary materials.

☐ Check box if any part of the fee is offset as provided by Exchange Act Rule 0−11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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April 1, 2009

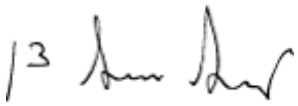
You are cordially invited to join us at the 2009 General Meeting of Shareholders of Weatherford International Ltd. to be held at 12:00 p.m., Swiss time, on Thursday, May 7, 2009, in Zug, Switzerland. The General Meeting will be held at the ParkHotel in Zug, in the Cham−Zug Room.

The notice of meeting and proxy statement that follow this letter describe the business to be conducted at the General Meeting, including the re−election of seven directors.

Your vote is important. Whether or not you plan to attend the General Meeting, we strongly encourage you to provide your proxy on the enclosed proxy card at your earliest convenience.

Thank you for your cooperation and support.

Sincerely,



Bernard J. Duroc−Danner
Chairman of the Board, President and Chief Executive Officer

EXHIBIT III - DEFINITIVE PROXY STATEMENT ON SCHEDULE 14A

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WEATHERFORD INTERNATIONAL LTD.

NOTICE OF GENERAL MEETING OF SHAREHOLDERS

DATE: May 7, 2009
TIME: 12:00 p.m. (Swiss time)
PLACE: Cham−Zug Room,
ParkHotel, Zug,
Switzerland

Agenda Items:

1. Re−elect seven directors (Messrs. Bernard J. Duroc−Danner, Nicholas F. Brady, David J. Butters, William E. Macaulay, Robert B. Millard, Robert K. Moses, Jr. and Robert A. Rayne) to hold office until the 2010 Annual General Meeting.

Proposal of the Board of Directors:

Your Board of Directors proposes that the following persons be re−elected as directors of the Company to hold office until the 2010 Annual General Meeting: Messrs. Bernard J. Duroc−Danner, Nicholas F. Brady, David J. Butters, William E. Macaulay, Robert B. Millard, Robert K. Moses, Jr. and Robert A. Rayne;

2. Appoint Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2009 and ratify the election of Ernst & Young AG, Zurich, as our statutory auditor for the year ending December 31, 2009.

Proposal of the Board of Directors:

Your Board of Directors proposes that Ernst & Young LLP be appointed as Weatherford International Ltd.'s independent registered public accounting firm for the year ending December 31, 2009 and that the election of Ernst & Young AG, Zurich, as our statutory auditor for the year ending December 31, 2009 be ratified.

3. Any other matters that may properly come before the meeting.

Organizational Matters

We have established the close of business on April 17, 2009 as the record date for determining the registered shareholders entitled to attend, vote or grant proxies to vote at the meeting or any adjournments or postponements of the meeting.

A copy of this Proxy Statement and enclosed proxy card are being sent to each shareholder registered in our share register as of March 26, 2009. Any additional shareholders who are registered in our share register on our record date of April 17, 2009 will receive a copy of these proxy materials after April 17, 2009. Shareholders not registered in our share register as of April 17, 2009 will not be entitled to attend, vote or grant proxies to vote at the General Meeting. No shareholder will be entered in our share register as a shareholder with voting rights between the close of business on April 17, 2009 and the opening of business on the day following the General Meeting. American Stock Transfer & Trust Company LLC, as agent, which maintains our share register, will, however, continue to register transfers of our registered shares in the share register in its capacity as transfer agent during this period.

All shareholders registered in our share register at the close of business on the record date of April 17, 2009 have the right to attend the General Meeting and vote their shares. However, to ensure your representation at the General Meeting, we request that you grant your proxy to vote on each of the proposals in this notice and any other matters that may properly come before the meeting to either (1) Mr. Burt M. Martin or, failing him,

Mr. Bernard J. Duroc−Danner or (2) Mr. Daniel Grunder, acting as independent proxy, by completing, signing, dating and returning the enclosed proxy card to arrive no later than May 5, 2009, whether or not you plan to attend.

If you are present at the General Meeting, you may revoke your proxy and vote in person only if you (1) present yourself in person to our Secretary at the entrance of the meeting no later than one hour prior to the start of the General Meeting, (2) declare your intent to revoke your proxy and cast your vote in person at the General Meeting and (3) apply with the Secretary for the remittance of the necessary voting documentation upon presentation of documents evidencing your position as shareholder as of the April 17, 2009 record date.

Shares of holders who have timely submitted a properly executed proxy card by mail and specifically indicated their votes will be voted as indicated. If you properly give a proxy but do not indicate which proxy you wish to appoint, Mr. Burt M. Martin or, failing him, Mr. Bernard J. Duroc−Danner will vote your shares in accordance with your instructions. If you properly give a proxy but do not indicate how you wish to vote (irrespective of which person to whom your proxy has been granted), your proxy will vote your shares in accordance with the proposals of our Board of Directors. If any other matters properly come before the General Meeting, your proxy will have the discretion to vote on these matters in accordance with the proposal of the Board of Directors.

Shareholders who hold their shares through a broker or other nominee (in “street name”) must vote their shares in the manner prescribed by their broker or other nominee. Shareholders who hold their shares in this manner and wish to vote in person at the meeting must obtain a valid proxy from the organization that holds their shares.

We may accept a proxy by any form of communication permitted by Swiss law and our Articles of Association.

Proxy Holders of Deposited Shares

Institutions subject to the Swiss Federal Law on Banks and Savings Banks as well as professional asset managers who hold proxies for beneficial owners who did not grant proxies to the persons named on the proxy card are kindly asked to inform the Company of the number and par value of the registered shares they represent as soon as possible, but no later than 9:00 a.m. (Swiss time) on the day of the General Meeting, at the admission office for the General Meeting.

Annual Report, Consolidated Financial Statements

The 2008 Annual Report and the audited consolidated financial statements of Weatherford International Ltd., a Bermuda exempted company, for the year ended December 31, 2008 and accompanying auditors’ report have been filed with the U.S. Securities and Exchange Commission (which we refer to in this proxy statement as the SEC). Complete copies of these materials are available on our website at www.weatherford.com and will be made available for inspection by the shareholders of the Company at our registered office located at Alpenstrasse 15, 6300 Zug, Switzerland, beginning April 12, 2009. Any record shareholder may obtain a copy of these documents free of charge by contacting our U.S. Investor Relations Department in writing at 515 Post Oak Boulevard, Houston, Texas 77027 or by telephone at (+1) 713 693 4000.

By Order of the Board of Directors

Burt M. Martin
Secretary

Zug, Switzerland
April 1, 2009

WEATHERFORD INTERNATIONAL LTD.

PROXY STATEMENT

Important Notice Regarding the Availability of Proxy Materials for the General Meeting to be Held on May 7, 2009: This proxy statement, our Annual Report on Form 10−K and our 2008 Annual Report are available on our website at http://www.weatherford.com/weatherford/groups/public/documents/aboutwft/ir−annual−reports.asp.

General Meeting:	Date: Thursday, May 7, 2009 Time: 12:00 p.m. (Swiss time) Place: Cham−Zug Room, ParkHotel, Zug, Switzerland
General Information:	In this proxy statement, "Weatherford," the "Company," "we," "us" and "our" refer to Weatherford International Ltd., a Swiss corporation, or, prior to February 26, 2009, to Weatherford International Ltd., a Bermuda exempted company, which, as of that date, became an indirect, wholly owned subsidiary of Weatherford International Ltd., a Swiss corporation. On May 23, 2008, we effected a two−for−one share split. References to share numbers, phantom share units and share prices in this proxy statement have been adjusted as necessary to reflect the share split. Our principal executive offices are currently located at Alpenstrasse 15, 6300 Zug, Switzerland. References to "dollars," "$" or "U.S.$" in this proxy statement are references to United States dollars.
Agenda Items:	Two proposals: • Proposal 1 — The re−election of seven nominees (Messrs. Bernard J. Duroc−Danner, Nicholas F. Brady, David J. Butters, William E. Macaulay, Robert B. Millard, Robert K. Moses, Jr., and Robert A. Rayne) as directors of the Company until the 2010 Annual General Meeting; and • Proposal 2 — The appointment of Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2009 and the ratification of the election of Ernst & Young AG, Zurich, as our statutory auditor for the year ending December 31, 2009.
Who Can Vote:	All shareholders registered in our share register at the close of business on the record date of April 17, 2009 have the right to attend the General Meeting and vote their shares. Such shareholders are entitled to one vote per registered share at the General Meeting. In February 2009, we redomesticated from Bermuda to Switzerland. If you hold share certificates representing shares that were issued while we were a Bermuda company, you must surrender these certificates in order to be enrolled in our share register as a holder of our Swiss company shares with voting rights. While you will continue to be entitled to dividends, preferential subscription rights and liquidation proceeds even if you do not surrender your certificates, you will not be able to exercise any voting rights, prove your ownership interest in the Company, transfer your shares or exercise other shareholder rights until you surrender your certificates and are registered as a shareholder with voting rights. Shareholders who hold their shares in uncertificated book−entry form or through a broker or other nominee (in "street name") are not required to take any action in this regard.
Proxies Solicited By:	Your vote and proxy are being solicited by our Board of Directors in favor of (1) Mr. Burt M. Martin or, failing him, Mr. Bernard J. Duroc−Danner or (2) Mr. Daniel Grunder, acting as independent proxy, for use at the General Meeting. This Proxy Statement and

enclosed proxy card are being sent on behalf of our Board of Directors to all shareholders beginning on or about April 6, 2009.

Manner of Voting:

If you are a record shareholder, you may authorize the persons named on the proxy card to vote your shares according to your instructions by completing, signing, dating and returning the enclosed proxy card no later than May 5, 2009. See "Quorum/Voting" as to the effect of broker non−votes.

Shareholders who hold their shares through a broker or other nominee (in "street name") must vote their shares in the manner prescribed by their broker or other nominee. Shareholders who hold their shares in this manner and wish to vote in person at the meeting must obtain a valid proxy from the organization that holds their shares.

Proxies:

A copy of this Proxy Statement and enclosed proxy card are being sent to each shareholder registered in our share register as of March 26, 2009. Any additional shareholders who are registered in our share register on our record date of April 17, 2009 will receive a copy of these proxy materials after April 17, 2009. Shareholders not registered in our share register as of April 17, 2009 will not be entitled to attend, vote or grant proxies to vote at the General Meeting. No shareholder will be entered in our share register as a shareholder with voting rights between the close of business on April 17, 2009 and the opening of business on the day following the General Meeting. American Stock Transfer & Trust Company LLC, as agent, which maintains our share register, will, however, continue to register transfers of our registered shares in the share register in its capacity as transfer agent during this period.

We request that you grant your proxy to vote on each of the proposals in this notice and any other matters that may properly come before the meeting to either (1) Mr. Burt M. Martin or, failing him, Mr. Bernard J. Duroc−Danner or (2) Mr. Daniel Grunder, acting as independent proxy, by completing, signing, dating and returning the enclosed proxy card to arrive no later than May 5, 2009, whether or not you plan to attend.

Shares of holders who have timely submitted a properly executed proxy card by mail and specifically indicated their votes will be voted as indicated. If you properly give a proxy but do not indicate which proxy you wish to appoint, Mr. Burt M. Martin or, failing him, Mr. Bernard J. Duroc−Danner will vote your shares in accordance with your instructions. If you properly give a proxy but do not indicate how you wish to vote (irrespective of which person to whom your proxy has been granted), your proxy will vote your shares in accordance with the proposals of our Board of Directors. If any other matters properly come before the General Meeting, your proxy will have the discretion to vote on these matters in accordance with the proposal of the Board of Directors.

We may accept a proxy by any form of communication permitted by Swiss law and our Articles of Association.

Revoking Your Proxy:

You can revoke your proxy by:

• writing to the Secretary at Alpenstrasse 15, 6300 Zug, Switzerland for arrival by May 5, 2009;

• submitting a later−dated proxy via mail to arrive by May 5, 2009; or

• (1) presenting yourself in person to our Secretary at the entrance of the meeting no later than one hour prior to the start of the General Meeting, (2) declaring your intent to revoke your proxy and cast your vote in person at the General Meeting and (3) applying with the Secretary for the remittance of the necessary voting documentation upon presentation of documents evidencing your position as shareholder as of the record date of April 17, 2009.

You may not revoke a proxy simply by attending the General Meeting. To revoke a proxy, you must take one of the actions described above.

Outstanding Shares: As of March 23, 2009, there were 698,046,179 registered shares issued and entitled to vote. We do not expect the number of such shares to be materially different on the record date.

Quorum/Voting: The presence in person or by proxy of at least one−third of the registered shares entitled to vote will form a quorum. Under Swiss law, treasury shares are not counted for purposes of determining whether a quorum is present and treasury shares are not entitled to vote. If you have properly given a proxy by mail, your shares will count toward the quorum, and the persons named on the proxy card will vote your shares as you have instructed. See "Proxies."

Pursuant to Swiss law and our Articles of Association (together with our Organizational Regulations, "Articles"), the following are counted for quorum purposes but are not included in the determination of the registered shares voting on a matter: (1) registered shares represented at the General Meeting for which votes are withdrawn or withheld on any matter, (2) registered shares that are represented by "broker non−votes" (*i.e.*, registered shares held by brokers that are represented at the General Meeting but with respect to which the broker is not empowered to vote on a particular proposal) and (3) registered shares for which the holder abstains from voting or submits blank or invalid ballots on any matter.

Swiss law and our Articles provide that for matters to be approved at a General Meeting, they must receive the affirmative vote of a "relative majority" of the shareholders voting on the matter at the General Meeting. A "relative majority" means a majority of the votes actually cast for or against the matter being determined, disregarding abstentions, "broker non−votes," blank or invalid ballots and withdrawals. Proposals 1 and 2 must be approved by a relative majority.

Additionally, if you are a beneficial shareholder and your broker holds your shares in its name, the broker is permitted to vote your shares with respect to Proposals 1 and 2, even if the broker does not receive voting instructions from you.

Multiple Proxy Cards: If you receive multiple proxy cards, this indicates that your shares are held in more than one account, such as two brokerage accounts, and are registered in different names. You should complete and return each of the proxy cards to ensure that all of your shares are voted.

Cost of Proxy Solicitation: We have retained Georgeson Inc. to solicit proxies from our shareholders at an estimated fee of $8,000, plus expenses. Some of our directors, officers and employees may solicit proxies personally, without any additional compensation, by telephone or mail. Proxy materials also will be furnished without cost to brokers and other nominees to forward to the beneficial owners of shares held in their names. All costs of proxy solicitation will be borne by the Company.

Questions: You may call our proxy solicitor, Georgeson Inc., at (800) 509−1078, or our U.S. Investor Relations Department at (+1) 713 693 4000 or email us at investor.relations@weatherford.com if you have any questions or need directions to be able to attend the meeting and vote in person.

PLEASE VOTE — YOUR VOTE IS IMPORTANT

PROPOSAL NO. 1

Re−Election of Directors

Seven directors are to be re−elected at the General Meeting. Each director re−elected will hold office until the 2010 Annual General Meeting or until his successor is elected or his office is otherwise vacated. The nominees for re−election as director are:

Name	Age	Director Since
Bernard J. Duroc−Danner	55	1988
Nicholas F. Brady	78	2004
David J. Butters	68	1984
William E. Macaulay	63	1998
Robert B. Millard	58	1989
Robert K. Moses, Jr.	68	1998
Robert A. Rayne	60	1987

If you properly give a proxy but do not indicate how you wish to vote, the persons named on the proxy card will vote for all of the listed nominees for director. The nominees receiving the affirmative vote of a relative majority of the votes cast at the General Meeting will be re−elected as directors. A “relative majority” means a majority of the votes actually cast for or against the matter being determined, disregarding abstentions, broker non−votes, blank or invalid ballots and withdrawals, each of which will not be treated as a vote for or against any particular nominee.

All of our nominees have consented to serve as directors. Our Board of Directors has no reason to believe that any of the nominees will be unable to act as a director.

THE BOARD OF DIRECTORS PROPOSES A VOTE **“FOR”** THE RE−ELECTION OF EACH OF THE SEVEN NOMINEES FOR DIRECTOR.

Director Biographies

Bernard J. Duroc−Danner joined the Company in May 1987 and was directly responsible for the start−up of EVI, Inc.’s oilfield service and equipment business. He has directed the growth of the Company since that time. He was elected EVI’s President and Chief Executive Officer in 1990. Subsequent to the merger of EVI, Inc. with Weatherford Enterra, Inc. on May 27, 1998, Mr. Duroc−Danner was elected as our Chairman of the Board. Mr. Duroc−Danner’s family has been in the oil business for two generations. He holds a Ph.D. in economics from Wharton (University of Pennsylvania). Prior to the start−up of EVI, Mr. Duroc−Danner held positions at Arthur D. Little Inc. and Mobil Oil Inc. Mr. Duroc−Danner is a director of Helix Energy Solutions Group, Inc. (a marine contractor and operator of offshore oil and gas properties and production facilities) and LMS Capital (an investment company). Mr. Duroc−Danner also serves on the National Petroleum Council and the Society of Petroleum Engineers. Mr. Duroc−Danner was the recipient of Ernst & Young’s 2008 Entrepreneur of the Year in Energy, Chemicals and Mining category.

Nicholas F. Brady has been the Chairman of Darby Overseas Investments, Ltd., an investment firm, since 1994. Mr. Brady is Chairman of Franklin Templeton Investment Funds (an international investment management company), and a director of Hess Corporation (an exploration and production company) and Holowesko Partners Ltd. (investment management companies). Mr. Brady is a former Secretary of the United States Department of the Treasury (1988−1993), a former Chairman of the Board of Dillon Read & Co. Inc. (investment banking) (1970−1988) and a former Chairman of Purolator, Inc. (filtration products) (1971−1987). Mr. Brady also represented the state of New Jersey as a member of the United States Senate (1982).

David J. Butters has been Chairman, President and Chief Executive Officer of Navigator Holdings, Ltd., an international shipping company the principle business of which is the transport of liquefied petroleum gas, since September 2008 and has been Chairman and President of Navigator Holdings since August 2006. From 1969 to September 2008, Mr. Butters was a Managing Director of Lehman Brothers Inc., an investment banking company. Mr. Butters is currently Chairman of the Board of Directors of GulfMark Offshore, Inc. (a provider of marine

support and transportation services to companies involved in the exploration and production of oil and natural gas), and a director of ACOL Tankers Ltd. (an oil tanker company). Mr. Butters is Vice Chairman and Presiding Director of the Company's Board. As Presiding Director, Mr. Butters leads the executive sessions of the non−management directors, which are held at least twice each year.

William E. Macaulay is the Chairman is the Chairman and, since 1983, Chief Executive Officer of First Reserve Corporation, a private equity investment firm focused on the energy industry. Mr. Macaulay served as a director of Weatherford Enterra from October 1995 to May 1998. He also serves as Chairman of the Board and a director of Dresser−Rand Group, Inc. (a supplier of compression and turbine equipment to the oil, gas, petrochemical and industrial process industries).

Robert B. Millard has been a Managing Member and Chief Investment Officer of Realm Partnership LLC, a private investment partnership, since January 2009. From mid−September 2008 until mid−December 2008, Mr. Millard was a Managing Director of Barclays Bank, a global financial services provider, and, from 1976 until mid−September 2008, Mr. Millard held various positions, including Managing Director, at Lehman Brothers, Inc. and its predecessors. Mr. Millard is currently a director of GulfMark Offshore, Inc. and lead director of L−3 Communications Corporation (a manufacturer of electronic communications equipment principally for the defense industry).

Robert K. Moses, Jr. has been a private investor, principally in the oil and gas exploration and oilfield services business in Houston, Texas, for more than the past five years. He served as Chairman of the Board of Directors of Weatherford Enterra from May 1989 to December 1992 and as a director of Weatherford Enterra from December 1992 to May 1998.

Robert A. Rayne has been the Chief Executive Officer and a director of LMS Capital plc, an investment company listed on the AIM exchange, since June 2006, when the investment business of London Merchant Securities plc was demerged and LMS Capital was formed to hold this business. Mr. Rayne was employed by London Merchant Securities from 1968 to June 2006 and served as its Chief Executive Director from May 2001 to June 2006. Mr. Rayne is also the Non−Executive Chairman of Derwent London plc, a Central London specialist property company into which London Merchant Securities was merged in February 2007.

Committees and Meetings of The Board

Committees

The Board of Directors has created the following committees:

- Audit
- Compensation
- Corporate Governance and Nominating

Number of Meetings

During 2008, the Board of Directors met five times, the Audit Committee met 28 times, the Compensation Committee met two times, and the Corporate Governance and Nominating Committee met five times. All of the directors attended at least 75% of all Board of Directors and respective committee meetings.

Audit Committee

Messrs. Butters, Moses and Rayne (Chair) are the current members of the Audit Committee. Mr. Butters served as Chairman of the Audit Committee from June 2, 2008 until December 31, 2008. Mr. Rayne became Chairman as of January 1, 2009. Until June 2, 2008, the members of the Audit Committee were Mr. Sheldon B. Lubar (Chair) and Messrs. Butters and Rayne. Mr. Lubar did not stand for re−election to the Board at the 2008 Annual General Meeting. The Audit Committee has been established in accordance with section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Board of Directors has adopted a written charter for the Audit Committee. The charter is available on our website at www.weatherford.com, by clicking on "About Weatherford," then "Corporate Governance," then "Committee Charters." We will provide a copy of the charter without charge to any shareholder upon request. The primary functions of the Audit Committee are:

- overseeing the integrity of our financial statements;
- overseeing our compliance with legal and regulatory requirements;
- overseeing our independent auditor's qualifications and independence; and
- overseeing the performance of our internal audit function and independent auditor.

All members of the Audit Committee are considered independent under the current rules of the NYSE and the SEC. The Board of Directors has determined that Messrs. Butters and Rayne are "audit committee financial experts" as defined by applicable SEC rules because of their extensive financial experience. For more information regarding Messrs. Butters' and Rayne's experience, please see their biographies on page of this proxy statement.

Compensation Committee

The current members of the Compensation Committee are Messrs. Millard (Chair), Macaulay and Moses. Mr. Brady was a member of the Compensation Committee during 2008 and until March 2009. The Board of Directors has adopted a written charter for the Compensation Committee. The charter is available on our website at www.weatherford.com, by clicking on "About Weatherford," then "Corporate Governance," then "Committee Charters." We will provide a copy of the charter without charge to any shareholder upon request. The primary functions of the Compensation Committee are:

- evaluating the performance and, together with the other members of the Board who are independent as defined by the rules of the NYSE, determining and approving the compensation of our chief executive officer;
- making decisions regarding executive compensation, incentive compensation plans and equity−based plans; and

- administering or having administered our incentive compensation plans and equity−based plans for executive officers and employees.

All members of the Compensation Committee satisfy the qualification standards of section 162(m) ("section 162(m)") of the U.S. Internal Revenue Code of 1986, as amended (the "Code") and Section 16 of the Exchange Act. All members are non−management, non−affiliated, outside directors and they are considered independent under the current rules of the NYSE and the SEC.

Corporate Governance and Nominating Committee

Messrs. Brady, Butters (Chair), Rayne and Macaulay are the current members of the Corporate Governance and Nominating Committee. Messrs. Butters (Chair), Lubar and Macaulay were the members of the Corporate Governance and Nominating Committee until June 2, 2008. Mr. Rayne was appointed to this committee in June 2008 and Mr. Brady in March 2009. The Board of Directors has adopted a written charter for the Corporate Governance and Nominating Committee. The charter is available on our website at www.weatherford.com, by clicking on "About Weatherford," then "Corporate Governance," then "Committee Charters." We will provide a copy of the charter without charge to any shareholder upon request. The primary functions of the Corporate Governance and Nominating Committee are:

- identifying individuals qualified to serve as Board members;
- recommending to the Board the director nominees for the next Annual General Meeting of Shareholders;
- reviewing and structuring our compensation policy regarding fees and equity compensation paid and granted to our directors;
- developing and recommending to the Board the Corporate Governance Guidelines for the Company;
- overseeing the Board in its annual review of the Board's and management's performance; and
- recommending to the Board director nominees for each committee.

All members of the Corporate Governance and Nominating Committee are considered independent under the current rules of the NYSE and the SEC.

Audit Committee Report

April 1, 2009

We have reviewed and discussed with management the Company's audited financial statements as of and for the year ended December 31, 2008.

We have discussed with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61, *Communications with Audit Committees*, as amended, as adopted by the Public Company Accounting Oversight Board in Rule 3200T.

We have received the written disclosures and the letter from the independent auditor required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent auditor's communications with the audit committee concerning independence, and have discussed with the independent auditor the independent auditor's independence.

Based on the reviews and discussions referred to above, we recommended to the Board of Directors that the financial statements referred to above be included in the Company's Annual Report on Form 10−K for the year ended December 31, 2008.

David J. Butters
Robert K. Moses, Jr.
Robert A. Rayne, Chairman

Board Compensation

We use a combination of cash and share−based incentive compensation to attract and retain qualified candidates to serve on the Board. In setting director compensation, we consider the significant amount of time that directors expend in fulfilling their duties to the Company, as well as the level of knowledge and experience that we require of members of our Board. Our Corporate Governance and Nominating Committee is responsible for reviewing and structuring our compensation policy regarding fees and compensation paid and granted to our directors.

Pearl Meyer & Partners ("Pearl Meyer"), a global human resources consulting firm, has been retained by the Corporate Governance and Nominating Committee as an independent compensation consultant to advise the committee on the appropriate compensation for the Board. Pearl Meyer annually assists the Corporate Governance and Nominating Committee by providing comparative market data on board compensation practices and programs based on an analysis of publicly available information on our peer group and U.S. industry practices.

Directors' Fees

The directors who are not employees of the Company are paid the following fees:

- $5,000 for each Board meeting attended;
- $2,000 for each Committee meeting attended;
- $60,000 as an annual retainer;
- $20,000 as an additional annual retainer for the Audit Committee chair;
- $10,000 as an additional annual retainer for each Audit Committee member;
- $15,000 as an additional annual retainer for the Compensation Committee chair;
- $10,000 as an additional retainer for the Corporate Governance and Nominating Committee chair; and
- $20,000 as an additional annual retainer for the Presiding Director.

Annual retainers are paid quarterly. We do not compensate Mr. Duroc−Danner for his service on the Board.

Restricted Share Awards

On September 17, 2008, we granted to each of the non−employee directors a restricted share award of 8,000 registered shares pursuant to our 2006 Omnibus Incentive Plan. The awards vest in three equal annual installments, beginning on September 17, 2009, subject to earlier vesting in the event of the death or disability of the director or a change of control of the Company. The Corporate Governance and Nominating Committee believes that providing a majority of the overall Board compensation in our registered shares aligns the interests of our directors with those of our shareholders. Although we have granted awards of restricted shares in the past, we currently contemplate that future awards will be made in restricted share units.

In addition, during the suspension of the Non−Employee Director Deferred Compensation Plan discussed below, in order to compensate directors for the loss of this benefit each non−employee director will receive an annual grant of restricted shares or restricted share units. Grants will be in an amount determined by the Corporate Governance and Nominating Committee to approximate benefits that our non−employee directors would have received had we not suspended the plan. We expect these restricted shares or restricted share units to have a market value equal to 15% of the director's cumulative fees earned during the year. The restricted share or restricted share unit awards will vest on the date of grant.

Non−Employee Director Deferred Compensation Plan

We maintain the Weatherford International Ltd. Non−Employee Director Deferred Compensation Plan. This plan was amended on December 31, 2008 to comply with section 409A of the Code and final Treasury regulations issued thereunder (collectively, "section 409A"), in an effort to minimize the imposition of taxes under section 409A

on participants. In addition, we suspended this plan effective as of December 31, 2008 because of uncertainties concerning the application of section 457A of the Code ("section 457A") and the lack of Department of Treasury guidance thereunder. During the suspension and unless and until the Board of Directors determines otherwise, no new participants may join the plan, the directors will not be able to make fee deferrals to the plan, and we will not make any matching contributions. While the plan is suspended, amounts are still payable to participants on the occurrence of triggering events under the plan. In light of section 457A, the plan was also amended to provide that if the date of a participant's section 409A "separation from service" (as defined in section 409A) does not occur before January 1, 2017, we will pay the participant his or her termination benefit under the plan on January 1, 2017.

Under this plan, as amended and at any time it is not suspended, each non−employee director may elect to defer up to 7.5% of any fees paid by us. The deferred fees are converted on a monthly basis into non−monetary units representing the number of our registered shares that could have been purchased with the deferred fees based on the average of the high and low price of our registered shares on the last day of the month in which the fees were deferred. If a non−employee director elects to defer at least 5% of his fees, we will make an additional contribution to the director's account equal to (1) 7.5% of the director's fees plus (2) the amount of fees deferred by the director. Our directors may elect when distributions will be made from the plan. In any event, all benefits under the plan will be distributed no later than January 1, 2017. The amount of the distribution will be a number of registered shares equal to the number of units in the director's account at the time of the distribution.

Prior to the suspension of this plan, each of our non−employee directors elected to defer 7.5% of the fees paid by us and to have his distribution paid on the first day of the calendar quarter coincident with or next following the date of his cessation of service with the Board. As of December 31, 2008, Messrs. Brady, Butters, Macaulay, Millard, Moses and Rayne had 5,679, 62,831, 10,710, 8,798, 11,441, and 21,767 units allocated to their respective accounts, including units purchased with their own deferrals. Based on the closing market price of our registered shares on December 31, 2008 ($10.82), the value of the units in each of Messrs. Brady's, Butters,' Macaulay's, Millard's, Moses' and Rayne's accounts as of December 31, 2008 was $61,447, $679,831, $115,882, $95,194, $123,792 and $235,519, respectively.

Non−Employee Director Retirement Plan

We maintain the Weatherford International Ltd. Non−Employee Director Retirement Plan for former eligible directors of Weatherford Enterra. This plan was amended on December 31, 2008 to comply with section 409A in an effort to minimize the imposition of taxes under section 409A upon the directors.

Under this plan, as amended, former non−employee directors of Weatherford Enterra with at least five years of service as a non−employee director are entitled to receive an annual benefit amount equal to 50% of the annual cash retainer fee paid to the director during the plan year ended December 31, 1998, with benefits increased by 10% (up to 100%) for each additional full year of service through June 1, 1998. The benefits are payable monthly, beginning on the first day of the month on or next following the date of the director's cessation of service with the Board. The benefits are then payable for the lesser of the number of months that the director served on the Board or 10 years. If the director dies while serving on the Board or after his retirement from the Board, benefits are paid to his beneficiaries. After the merger of EVI, Inc. and Weatherford Enterra in June 1998, we discontinued this plan. Mr. Moses is the only current director who was fully vested and eligible to participate in this plan at the time of the plan's discontinuance. Mr. Moses had over 10 years of credited service on the Board of Weatherford Enterra at the time the plan was discontinued, and his annual benefit amount upon his retirement will be $20,000 payable for 10 years, provided that in any event, benefits under this plan will be completely distributed no later than January 1, 2017.

Summary of Board Compensation for 2008

The following table sets forth the compensation paid to each of our non−employee directors for the year ended December 31, 2008, including Mr. Lubar. Mr. Duroc−Danner was an executive officer and director in 2008, and information about his compensation is listed in the Summary Compensation Table in this proxy statement.

Director Compensation

Name	Fees Earned or Paid in Cash ($)(1)	Share Awards ($)(2)(3)	All Other Compensation ($)(4)	Total ($)
Nicholas F. Brady	99,000	234,683	14,850	348,533
David J. Butters	196,334	234,683	29,450	460,467
Sheldon B. Lubar(5)	76,000	0	11,400	87,400
William E. Macaulay	114,000	234,683	17,100	365,783
Robert B. Millard	119,000	234,683	17,850	371,533
Robert K. Moses, Jr.	146,334	234,683	21,950	402,967
Robert A. Rayne	176,500	234,683	26,475	437,658

(1) Includes fees deferred pursuant to our Non−Employee Director Deferred Compensation Plan, described above under "Non−Employee Director Deferred Compensation Plan." In 2008, Messrs. Brady, Butters, Lubar, Macaulay, Millard, Moses and Rayne deferred $7,425, $14,725, $5,700, $8,550, $8,925, $10,975 and $13,238 in fees, respectively, which represented 288, 600, 89, 327, 345, 452 and 466 units allocated to their respective accounts.

(2) Restricted share grants of 8,000 shares were awarded to each of our non−employee directors serving on September 17, 2008, pursuant to our 2006 Omnibus Incentive Plan. For more information, see "Restricted Share Awards" above. The grant date fair value of each of the awards, as determined pursuant to Financial Accounting Standards No. 123 (revised 2004), *Share−Based Payment* ("FAS 123(R)"), was $229,920 for each of the non−employee directors serving on September 17, 2008. The value shown in the table does not reflect compensation actually received. Instead, it is the amount recognized for financial statement reporting purposes pursuant to FAS 123(R) for the fiscal year ended 2008, and thus includes in each amount the FAS 123(R) expense incurred for 2008 for all awards outstanding (whether granted in the current or prior fiscal years). Awards of restricted shares granted prior to 2008 for which amounts are included in the table are 8,000 shares granted to each director on September 20, 2007, which vest over three years and have a per share fair value of $34.645, 10,000 shares granted to each director on October 2, 2006, which vest over three years and have a per share fair value of $20.45 and 12,000 shares granted to each director on September 29, 2005, which are fully vested and have a per share fair value of $17.4725. Assumptions used in the calculation of this amount are included in footnote 13 to our audited financial statements included in our Annual Report on 10−K for the year ended December 31, 2008.

No options were granted in 2008, and all previously granted options were fully vested as of January 1, 2008. As a result, there was no expense included in our financial statements pursuant to FAS 123(R) for options in 2008.

(3) As of December 31, 2008, aggregate outstanding restricted share and option awards for each non−employee director were as follows:

Name	Aggregate Number of Restricted Shares	Aggregate Number of Shares Underlying Options
Nicholas F. Brady	16,666	0
David J. Butters	16,666	302,400
Sheldon B. Lubar	0	854,528
William E. Macaulay	16,666	854,528
Robert B. Millard	16,666	854,528(a)
Robert K. Moses, Jr.	16,666	0
Robert A. Rayne	16,666	480,000

(a) Options with respect to 140,215 of such shares had been transferred to family trusts as of December 31, 2008.

(4) Represents amounts credited by us to each director's account under our Non−Employee Director Deferred Compensation Plan, described above under "Director Deferred Compensation Plan." Our 2008 credits to the accounts of Messrs. Brady, Butters, Lubar, Macaulay, Millard, Moses and Rayne, represented 575, 1,199, 177, 654, 689, 904 and 933 units allocated to their respective accounts.

(5) Mr. Lubar did not stand for re−election to the Board at the 2008 Annual General Meeting.

Corporate Governance Matters

We are committed to adhering to sound principles of corporate governance. A copy of our Corporate Governance Principles is available on our website at www.weatherford.com, by clicking on "About Weatherford," then "Corporate Governance," then "Corporate Governance Policies." We will also provide a copy of our Corporate Governance Principles to any of our shareholders without charge upon written request.

Director Independence

The Board of Directors has affirmatively determined that each director and nominee is independent under the current rules of the NYSE and the SEC, other than Mr. Duroc−Danner, who is an employee. As contemplated by NYSE rules, the Board has adopted categorical standards to assist it in making independence determinations. The Board, however, considers and reviews all relationships with each director in making its independence determinations. A relationship falls within the categorical standards if it:

- Is a type of relationship addressed in Section 303A.02(b) of the NYSE Listed Company Manual, but under those rules does not preclude a determination of independence; or
- Is in the ordinary course of business and does not exceed 2% of the consolidated gross revenues of the other person for the previous year.

None of the independent directors and nominees had relationships relevant to an independence determination that were outside the scope of the Board's categorical standards. The relationships discussed under "Related Person Transactions" in this proxy statement did not exceed these standards and was determined by the Board not to be material.

Policies Regarding Related Person Transactions

Our policies regarding transactions between us or any of our affiliates and our directors, executive officers and other employees are set forth in our Corporate Governance Principles and our Code of Conduct — Conflicts of Interest Policy. These documents are available on our website at www.weatherford.com, by clicking on "About Weatherford," then "Corporate Governance," then "Corporate Governance Policies" or "Code of Conduct," as applicable. If an actual or potential conflict of interest arises for any director, the director is required to notify the Board and is not allowed to participate in any discussions or voting on any transaction in which the actual or potential conflict of interest may arise. The Board of Directors approves any transactions with our Chief Executive Officer, and our Chief Executive Officer approves any transactions with any other officer.

Director Nominations

In obtaining the names of possible nominees, the Corporate Governance and Nominating Committee makes its own inquiries and will receive suggestions from other directors, management, shareholders and other sources, and its process for evaluating nominees identified in unsolicited recommendations from shareholders is the same as its process for unsolicited recommendations from other sources. The Corporate Governance and Nominating Committee will consider nominees recommended by shareholders who submit their recommendations in writing to Chair, Corporate Governance and Nominating Committee, care of the Secretary, Weatherford International Ltd., Alpenstrasse 15, 6300 Zug, Switzerland. Recommendations received before December 1st in any year will be considered for inclusion in the slate of director nominees to be presented at the Annual General Meeting in the following year. Unsolicited recommendations must contain the name, address and telephone number of the potential nominee, a statement regarding the potential nominee's background, experience, expertise and qualifications, a signed statement confirming his or her willingness and ability to serve as a director and abide by our corporate governance policies and his or her availability for a personal interview with the Corporate Governance and Nominating Committee, and evidence that the person making the recommendation is a shareholder of Weatherford.

The Corporate Governance and Nominating Committee believes that nominees should possess the highest personal and professional ethics, integrity and values and be committed to representing the long−term interests of our shareholders. Directors should have a record of accomplishment in their chosen professional field and demonstrate sound business judgment. Directors must be willing and able to devote sufficient time to carrying out their duties and responsibilities effectively, including attendance at (in person) and participation in all Board and Committee meetings, and should be committed to serve on the Board for an extended period of time.

Rule 14a−8 under the Exchange Act addresses when a shareholder may submit a proposal for inclusion of a nominee for director in our proxy materials. Shareholders who do not comply with Rule 14a−8 but who wish to have a nominee considered by our shareholders at the General Meeting must comply with the deadlines and procedures set forth in our Articles. Please see "Proposals by Shareholders" in this proxy statement for more information.

Communication with Board Members

Any shareholder or other interested party that desires to communicate with the Board of Directors or any of its specific members, including the Presiding Director or the non−management directors as a group, should send their communication to the Secretary, Weatherford International Ltd., Alpenstrasse 15, 6300 Zug, Switzerland. All such communications will be forwarded to the appropriate members of the Board.

Director Presiding at Executive Sessions

Executive sessions of non−management directors are held at least twice each year. In 2008, the non−management directors held four executive sessions. Mr. Butters has been appointed as the Presiding Director for these sessions.

Director Attendance at General Meeting

All directors are expected to attend the General Meeting. All of our directors attended our 2008 Annual General Meeting.

Code of Conduct

We have adopted a Code of Conduct that applies to our directors, officers and employees. We also have adopted a Supplemental Code of Conduct that applies to our President and Chief Executive Officer and our Chief Financial Officer. These documents are available on our website at www.weatherford.com, by clicking on "About Weatherford," then "Corporate Governance," then "Code of Conduct" or "Supplemental Code of Conduct," as applicable. We will also provide a copy of these documents to any of our shareholders without charge upon written request. We intend to post amendments to and waivers of our Code of Conduct (to the extent applicable to our President and Chief Executive Officer and our Chief Financial Officer) and to the Supplemental Code of Conduct at this location on our website.

PROPOSAL NO. 2

Appointment of Independent Registered Public Accounting Firm and Ratification of the Election of Statutory Auditor

At the General Meeting, our shareholders will be asked to appoint Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2009 and ratify the election of Ernst & Young AG, Zurich, as Weatherford's statutory auditor for the year ending December 31, 2009.

The affirmative vote of a relative majority of the votes cast at the General Meeting is required to approve this proposal. If you properly give a proxy but do not indicate how you wish to vote, the persons named on the proxy card will vote for the proposal. Abstentions, "broker non−votes," blank or invalid ballots and withdrawals will not be counted as a vote for or against the proposal.

Representatives of Ernst & Young LLP and Ernst & Young AG, Zurich will be present at the General Meeting to respond to any appropriate shareholder questions and will be given an opportunity to make a statement if they so desire.

THE BOARD OF DIRECTORS PROPOSES YOU VOTE **"FOR"** THE APPOINTMENT OF ERNST & YOUNG LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE YEAR ENDING DECEMBER 31, 2009 AND RATIFICATION OF THE ELECTION OF ERNST & YOUNG AG, ZURICH, AS OUR STATUTORY AUDITOR FOR THE YEAR ENDING DECEMBER 31, 2009.

Fees Paid to Ernst & Young

The following table presents fees for professional audit services rendered by Ernst & Young for the audit of the Company's annual financial statements for the years ended December 31, 2008 and 2007, and fees billed for other services rendered by Ernst & Young during those periods. All fees were approved by the Audit Committee pursuant to its Pre−approval Policy.

	2008	2007
Audit fees(1)	$ 6,282,000	$ 6,333,000
Audit−related fees(2)	72,000	90,000
Tax fees(3)	400,000	455,000
All other fees(4)	8,000	24,000
Total	$ 6,762,000	$ 6,902,000

(1) Audit fees consist of professional services rendered for the audit of the Company's annual financial statements, the audit of the effectiveness of the Company's internal controls over financial reporting and the reviews of the quarterly financial statements. This category also includes fees for issuance of comfort letters, consents, assistance with and review of documents filed with the SEC, statutory audit fees, work done by tax professionals in connection with the audit and quarterly reviews and accounting consultations and research work necessary to comply with the standards of the Public Company Accounting Oversight Board (United States). Fees are presented in the period to which they relate versus the period in which they were billed.

(2) Audit−related fees include consultations concerning financial accounting and reporting matters not required by statute or regulation as well as fees for employee benefit plan audits.

(3) Tax fees consist of non−U.S. tax compliance, planning and U.S./non−U.S. tax−related consultation.

(4) Other services performed include regulatory compliance services and certain other advisory services and do not include any fees for financial information systems design and implementation.

Audit Committee Pre−approval Policy

The Audit Committee has established a pre−approval policy for all audit services to be provided by an outside audit firm, including the independent auditor, and permissible non−audit services provided by the independent auditor.

There are two types of pre−approval. “General” pre−approval is based on pre−determined types of services and amounts. Under the policy, pre−approved service categories are provided for up to 12 months and must be detailed as to the particular services provided and sufficiently specific and objective so that no judgments by management are required to determine whether a specific service falls within the scope of what has been pre−approved. The Audit Committee reviews a listing of “General” services provided on a quarterly basis. “Specific” pre−approval is required for certain types of services or if a service is expected to exceed the limits set out in the “General” pre−approval. “Specific” pre−approval must be obtained through direct communications with the Audit Committee or the Chairman of the Audit Committee, to whom the Audit Committee has delegated pre−approval authority. The Chairman must report any pre−approved decisions to the Audit Committee at its next scheduled meeting.

Pre−approval is not required for de minimis services that initially were thought to be part of an audit. When an auditor performs a service thought to be part of the audit, which then turns out to be a non−audit service, the pre−approval requirement is waived. However, the Audit Committee must approve the service before the audit is completed. Fees for de minimis services, when aggregated with fees for all such services, cannot exceed 5% of the total fees paid to the auditor during the fiscal year.

SHARE OWNERSHIP

Shares Owned by Directors and Executive Officers

This table shows the number and percentage of registered shares beneficially owned by each of our directors, each of the executive officers named in the Summary Compensation Table that appears under "Executive Compensation" in this proxy statement and all of our directors and executive officers as a group. Share ownership information of our directors and executive officers is as of March 23, 2009. Each person has sole voting and investment power for the shares shown below, unless otherwise noted. Throughout this proxy statement, the individuals serving as our principal executive officer (Chief Executive Officer) and our principal financial officer (Chief Financial Officer) during the last completed fiscal year, and our three other most highly compensated executive officers who were serving as executive officers at the end of the last completed fiscal year are referred to collectively as the "named executive officers."

	Amount and Nature of Shares Beneficially Owned			
Name	**Number of Shares Owned**	**Right to Acquire(1)**	**Total Shares Beneficially Owned**	**Percent of Outstanding Shares**
Bernard J. Duroc−Danner	2,380,497(2)	2,248,294	4,628,791	*
Nicholas F. Brady	870,064(3)	5,679	875,743	*
David J. Butters	226,988(4)	365,231	592,219	*
William E. Macaulay	661,732(5)	865,238	1,526,970	*
Robert B. Millard	688,730(6)	863,326	1,552,056	*
Robert K. Moses, Jr.	557,264(7)	11,441	568,705	*
Robert A. Rayne	51,116(8)	501,767	552,883	*
Andrew P. Becnel	545,229(9)	725,421	1,270,650	*
Stuart E. Ferguson	385,357(10)	141,731	527,088	*
Burt M. Martin	542,311(11)	486,760	1,029,071	*
Keith R. Morley	337,175(12)	443,413	780,588	*
All directors and officers as a group (15 persons)	7,996,875	6,863,490	14,860,365	2.1%

* Less than 1%.

(1) Includes registered shares that can be acquired through stock options exercisable through May 25**,** 2009. Also includes registered shares that can be acquired as a result of distributions pursuant to our Non−Employee Director Deferred Compensation Plan, our Executive Deferred Compensation Stock Ownership Plan or our Foreign Executive Deferred Compensation Stock Plan, as applicable, based on the number of units allocated to each participant's account as of March 23, 2009. The Non−Employee Director Deferred Compensation Plan is described under "Non−Employee Director Deferred Compensation Plan" in the Board Compensation section of this proxy statement, and the Executive Deferred Compensation Stock Ownership Plan and the Foreign Executive Deferred Compensation Stock Plan are described under "Nonqualified Deferred Compensation" in the Compensation Discussion and Analysis section in this proxy statement.

(2) Includes 22,176 shares held under our 401(k) Savings Plan, 180,824 shares held by a family limited partnership and 1,392,420 restricted shares that are subject to vesting schedules and forfeiture risk.

(3) Includes 422,344 shares held in a trust and 16,666 restricted shares that are subject to vesting schedules and forfeiture risk.

(4) Includes 55,088 shares held by Mr. Butters' wife, over which he has no voting or dispositive power and as to which he disclaims beneficial ownership, and 16,666 restricted shares that are subject to vesting schedules and forfeiture risk.

(5) Includes 26,472 shares held by Mr. Macaulay's wife and 15,504 shares held in the name of or in trust for Mr. Macaulay's adult daughters, over which he has no voting or dispositive power and as to which he disclaims

beneficial ownership. Also includes 16,666 restricted shares that are subject to vesting schedules and forfeiture risk.

(6) Includes 9,978 shares held by a charitable foundation controlled by Mr. Millard and his wife, 79,252 shares held by Mr. Millard's wife and 388,496 shares held in trusts. Also includes 16,666 restricted shares that are subject to vesting schedules and forfeiture risk.

(7) Includes 16,666 restricted shares that are subject to vesting schedules and forfeiture risk. 500,000 shares are pledged to a bank as security.

(8) Includes 16,666 restricted shares that are subject to vesting schedules and forfeiture risk. Excludes 2,050,000 shares beneficially owned by LMS Capital, of which Mr. Rayne serves as Chief Executive Officer and director, and affiliates of LMS Capital. Mr. Rayne disclaims beneficial ownership of all of the shares beneficially owned by LMS Capital.

(9) Includes 425,346 restricted shares that are subject to vesting schedules and forfeiture risk.

(10) Includes 288,349 restricted share units that are subject to vesting schedules and forfeiture risk.

(11) Includes 350,046 restricted shares that are subject to vesting schedules and forfeiture risk.

(12) Includes 235,034 restricted shares that are subject to vesting schedules and forfeiture risk.

Shares Owned by Certain Beneficial Holders

This table shows information for each person known by us to beneficially own 5% or more of the outstanding registered shares as of March 23, 2009.

Name and Address of Beneficial Owner	Number of Shares(1)	Percent of Outstanding Shares
ClearBridge Advisors, LLC(2) 620 8th Avenue New York, New York 10018	58,201,085	8.3
FMR LLC(3) Edward C. Johnson 3d 82 Devonshire Street Boston, Massachusetts 02109	54,700,158	7.8
Wellington Management Company, LLP(4) 75 State Street Boston, Massachusetts 02109	35,970,900	5.2

(1) Except as otherwise noted, this information is based on information as of December 31, 2008 furnished by each shareholder or contained in filings made by the shareholder with the SEC.

(2) The beneficial owner has sole voting power over 49,295,970 shares and sole dispositive power over all shares. The beneficial owner does not have shared voting or dispositive power over any of the shares.

(3) Information is as of March 4, 2009. As of December 31, 2008, FMR LLC had sole voting power over 5,169,070 shares, Mr. Johnson had sole voting power over 542,881 shares and both owners had sole dispositive power over all shares owned as of that date. As of December 31, 2008, the beneficial owners did not have shared voting or dispositive power over any shares owned as of that date.

(4) Voting power over 20,281,400 shares is shared. The beneficial owner does not have sole voting power over any shares. Dispositive power over all shares is shared.

EXECUTIVE OFFICERS

In addition to Mr. Duroc−Danner, whose biography is shown on page 4, the following persons are our executive officers. None of the executive officers or directors have any family relationships with each other.

Name	Age	Position
Bernard J. Duroc−Danner	55	Chairman of the Board, President and Chief Executive Officer
Andrew P. Becnel	41	Senior Vice President and Chief Financial Officer
Stuart E. Ferguson	42	Senior Vice President — Reservoir & Production and Chief Technology Officer
Burt M. Martin	45	Senior Vice President, General Counsel and Secretary
Keith R. Morley	58	Senior Vice President — Well Construction & Operations Support
M. Jessica Abarca	37	Vice President — Accounting and Chief Accounting Officer
M. David Colley	48	Vice President — Artificial Lift Global Business Unit
Carel W. J. Hoyer	50	Vice President — Well Construction Services
James M. Hudgins	55	Vice President — Tax

Andrew P. Becnel was appointed Senior Vice President and Chief Financial Officer in October 2006. Mr. Becnel joined the Company in 2002 and served as Corporate Vice President — Finance from September 2005 to October 2006, Vice President of Finance from May 2004 to September 2005 and Associate General Counsel from June 2002 to May 2004. Prior to joining the Company, he was Securities Counsel of Koch Investment Group (the investment and trading division of Koch Industries) from 2001 to 2002 and Senior Associate Attorney with the law firm of Andrews Kurth LLP from 1995 until 2001.

Stuart E. Ferguson was appointed Senior Vice President — Reservoir & Production and Chief Technology Officer in December 2007. Mr. Ferguson joined the Company in April 2001 and has served in several positions, including Senior Vice President and Chief Technology Officer from April 2003 to December 2007 and Senior Vice President and President — Completion Systems from September 2002 until April 2003. From May 2000 until February 2001, Mr. Ferguson was Group Marketing Director of Expro International Group PLC, an oilfield services company. From August 1994 until February 2000, Mr. Ferguson worked for Petroline Wellsystems Ltd., a provider of specialist oilfield products, in various positions, including Technical Services Director. We acquired Petroline in September 1999.

Burt M. Martin was appointed Senior Vice President, General Counsel and Secretary in April 2002. He joined the Company in June 1998 and served as Associate General Counsel from June 1998 until June 2000 and as Vice President — Law and Secretary from June 2000 until April 2002. From 1993 to 1998, Mr. Martin was an associate attorney with the law firm of Fulbright & Jaworski L.L.P.

Keith R. Morley joined the Company in November 2001 and was appointed Senior Vice President — Well Construction & Operations Support in January 2007. From January 2007 to December 2007, Mr. Morley served as Vice President — Operations Support, and from May 2003 to January 2007, he served as Vice President — Enterprise Excellence. From August 1999 to November 2001, Mr. Morley worked for CiDRA Optical Sensing Systems in various capacities, including Senior Vice President and General Manager. We acquired CiDRA Optical Sensing Systems in November 2001. From October 1998 to August 1999, Mr. Morley was President and Chief Executive Officer of Diversified Energy Services Corporation.

M. Jessica Abarca was appointed Vice President — Accounting and Chief Accounting Officer in October 2006. Ms. Abarca joined Weatherford in 1996 and served as Vice President — Finance of the Company's Completion and Production Systems division from May 2003 until October 2006. From 1996 until 2003, Ms. Abarca served in several finance and accounting managerial positions. Prior to joining the Company, she worked for Ernst & Young LLP from 1993 until 1996.

M. David Colley joined the Company in 1996 and was appointed Vice President — Artificial Lift Global Business Unit in January 2008. From September 2002 to January 2008, Mr. Colley was Vice President — Global

Manufacturing. Mr. Colley also was in charge of Information Technology from December 2002 until February 2004. Prior to joining the Company, Mr. Colley worked for 17 years for another oilfield service company in various positions, with a focus on the supply of oilfield products.

Carel W. J. Hoyer was appointed Vice President — Well Construction Services in February 2009. Mr. Hoyer joined the Company in August 2005 and has served in various positions, including Group Vice President — Global Business Unit Manager for several of our business units and Vice President Research, Development and Engineering. From December 1998 until August 2005, Mr. Hoyer worked for Precision Drilling in numerous capacities, including Canadian Regional Director and Vice President Product Development — Precision Energy Services. We acquired Precision in August 2005. Prior to that time, Mr. Hoyer worked for other oilfield service companies in various positions for more than 17 years.

James M. Hudgins was appointed Vice President — Tax in February 2009. Mr. Hudgins joined the Company in 1999 and served as Director of Tax until February 2009 and has also served as Treasurer. From June 1991 to December 1998, Mr. Hudgins held tax and finance positions with another oilfield service company. Prior to that time, he worked for Ernst & Young LLP.

Related Person Transactions

In December 2007, we entered into an arms−length transaction with an affiliate of E. Lee Colley, III, our former Senior Vice President and Chief Operating Officer. E. Lee Colley is also the brother of M. David Colley, our Vice President — Artificial Lift Global Business Unit. Under the terms of the transaction, we transferred intellectual property rights relating to the design of certain equipment to an affiliate of E. Lee Colley, and, in exchange, we received $2.6 million in cash and a promissory note for $10.4 million payable over six years and bearing interest at LIBOR plus 3%. In connection with this transfer, we also entered a supply agreement with the purchaser to manufacture and supply us with certain equipment, under which we expect to purchase approximately $10 million of products per year. Mr. M. David Colley was not involved in the negotiation of this transaction and will receive no personal benefit from it.

We sublease our London office from LMS Capital. Mr. Rayne, one of our directors, is Chief Executive Officer and a director of LMS Capital. The lease is for a term of 10 years and provides for annual rent of £200,000 (approximately $291,000 based on exchange rates as of March 27, 2009). The rental rate is subject to adjustment after five years. The sublease is on usual and customary terms.

In October 2008, we entered into a revolving credit facility in which Barclays Bank PLC participated and committed to lend us up to $100,000,000. We paid Barclays an arrangement fee of $2,000,000 in connection with the revolving credit facility and paid the administrative agent under the facility a facility fee for the fourth quarter of 2008 in the amount of $368,852, of which Barclays was entitled to 20%. The terms of the facility are usual and customary. Mr. Millard, one of our directors, was a Managing Director of Barclays from mid−September 2008 until mid−December 2008.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Administration of Executive Compensation Program

The Compensation Committee of the Board oversees our compensation programs and establishes and implements our compensation philosophy applicable to our executive officers. The Compensation Committee annually reviews, determines and approves our compensation programs and policies for our executive officers, and all of the non−management members of the Board of Directors review and ratify the compensation of our executive officers.

The Compensation Committee currently consists of three directors who are not employees of the Company and who are independent, as defined by the standards of the NYSE. All members of the Compensation Committee satisfy the qualification standards of section 162(m) and Section 16 of the Exchange Act. No Compensation

Committee member participates in any of our employee compensation programs, other than receiving equity grants under the plans described under “Board Compensation” above. Each year, the Board of Directors reviews all relationships that each director has with the Company. The Board of Directors has determined that none of the members of the Compensation Committee had any material business relationships with us in 2008.

Compensation Philosophy and Objectives

The Compensation Committee believes that our executive compensation program should be designed to reward the achievement of enhanced financial performance of the Company and should promote the improvement of shareholder value by aligning the interests of our executive officers with those of our shareholders. In furtherance of these objectives, the Compensation Committee has structured the Company’s annual and long−term incentive compensation to provide competitive salary levels and compensation incentives that we believe (1) attract and retain individuals of outstanding ability in key executive positions, (2) drive and reward strong business performance to create superior value for our shareholders and (3) encourage our executives to focus on both the short−term and long−term performance goals of the Company.

The Compensation Committee believes that a significant portion of executive compensation should be tied to Company and registered share performance. During periods when our financial performance meets or exceeds established objectives, executive officers should be rewarded under our incentive compensation programs for their efforts in achieving our goals. Likewise, when our performance does not meet the established goals, incentive compensation may be reduced or eliminated. There is no pre−established policy for the allocation of compensation between cash and non−cash or short−term and long−term incentive compensation because the Compensation Committee believes it is important to maintain flexibility in establishing the proper mix of compensation from year to year.

Incentive compensation is designed to balance short−term annual results and long−term success of the Company. To achieve this balance, executive officers are regularly awarded both short−term and long−term incentives. To motivate our executives to achieve long−term success for the Company and align their interests with those of our shareholders, we provide them and other key employees with various equity−based compensation incentives, including stock options and restricted share and restricted share unit awards and the opportunity to purchase our registered shares through our 401(k) plan. In addition, we generally provide our executive officers the opportunity to participate in our deferred compensation plans, although the Executive Deferred Compensation Stock Ownership Plan is currently suspended. These incentives create a focus on share value appreciation and serve as a retention tool to encourage our key employees to remain in our employ. In order to motivate our executives in the short−term we provide them with the opportunity to earn annual cash bonuses in the event certain financial and operational annual performance goals are met by the Company.

The Compensation Committee annually reviews the compensation information and analysis prepared by Pearl Meyer, the financial performance of the Company and the performance of each executive officer to determine the appropriate level and combination of salary and incentive compensation for executive officers. The procedures used to establish the total compensation levels for all executive officers are the same; however, there are variations in the levels of compensation paid among our executive officers. These variations are based upon each executive officer’s position (both in terms of function and responsibilities), tenure, individual performance, future contributions, retention values and market pay levels.

The Compensation Committee believes that making a significant portion of an executive officer’s compensation contingent on our annual financial results and share price performance more closely aligns the interests of the executive officers with those of our shareholders. Accordingly, in 2008 and 2009, a majority of executive compensation was awarded in the form of incentive compensation (annual performance incentive and long−term equity incentives) as opposed to annual salary. Among our named executive officers, annual salary only represented a minor portion of our executive officers’ total compensation (excluding changes in pension values) in 2008 and 2009. In comparison, incentive compensation, which consists of annual performance (bonus and cash awards) and equity compensation (stock and option awards), represented a majority of our executive officers’ total compensation (excluding changes in pension values) in each of 2008 and 2009.

The Compensation Committee, together with the Board of Directors, intends to review the Company's compensation philosophies on an ongoing basis to ensure that executive compensation appropriately reflects corporate and individual performance and yields awards that are reflective of the individual's contribution to the achievement of our goals.

Compensation Consultant

Pearl Meyer has been retained by the Compensation Committee to serve as an independent compensation consultant to provide advice regarding executive compensation and our compensation programs. The Compensation Committee meets with Pearl Meyer at least twice annually and as requested from time to time. In 2009, the Compensation Committee expects to formally meet with Pearl Meyer three times to review and discuss executive compensation matters. Weatherford's management communicates with Pearl Meyer from time to time but does not direct its activities for the Compensation Committee. Pearl Meyer has in the past infrequently provided general compensation advice to the Company regarding general compensation data for our employees at all levels.

Pearl Meyer assists the Compensation Committee by providing general guidance and comparative market information on compensation practices, programs and trends based on an analysis of publicly available information on our peer group and U.S. industry practices. Pearl Meyer advises the Compensation Committee in analyzing and establishing the compensation levels for our executive officers. This advice includes providing detailed compensation information for each of our executive officers individually and as compared to similarly situated officers in the peer group. This information covers base salary, annual performance incentives, long term incentives, perquisites and other compensation.

Peer Group

The Compensation Committee currently utilizes a broad peer group consisting of publicly traded energy service and exploration and production companies. With the assistance of Pearl Meyer, the peer group was revised and expanded in 2007 to include similarly sized exploration and production companies as these are companies from which we would potentially recruit executive management. In addition, the Compensation Committee also reviews the compensation data from a "focused peer group" which consists of certain companies from the peer group that compete directly with us in the oilfield services industry. Although the companies in the focused peer group differ in size (both in terms of market capitalization and revenues), all of the companies compete head to head in the global market for executive talent and business. The peer group and the focused peer group are both used to benchmark our executive compensation levels against companies that have executive positions with responsibilities similar to ours and that compete with us for executive talent. The Compensation Committee intends to periodically review the composition of our peer group to ensure that the companies in the group are relevant for comparative purposes.

The following companies comprise the peer group: Anadarko Petroleum, Apache Corp., Baker Hughes, BJ Services, Cameron International, Chesapeake Energy, GlobalSantaFe, Halliburton, National Oilwell Varco, Schlumberger, Smith International and Transocean. The "focused peer group" consists of Baker Hughes, BJ Services, Halliburton, Schlumberger and Smith International.

The Compensation Committee reviews survey data and analysis prepared by Pearl Meyer to ensure that our total executive compensation program is comparable to the programs of other companies in our peer group and the focused peer group. Pearl Meyer compiles this data based upon its review of our peer group as well as other general U.S. industry compensation data.

Pearl Meyer's information is just one of many factors that are considered in setting executive compensation. The Compensation Committee has discretion in determining the extent to which it will be used and may elect not to use the information at all when making compensation decisions.

Annual Reviews and Recommendations

The Compensation Committee, together with the other non−management members of our Board of Directors (other than Mr. Rayne), annually reviews the performance of Mr. Duroc−Danner. Mr. Duroc−Danner annually reviews the performance of each of our executive officers (other than himself) and provides a summary of those

reviews to the Compensation Committee. The Compensation Committee reviews supporting documentation regarding the total compensation of the executive officers (base salary, annual performance compensation, long−term incentives, perquisites and other compensation), including the compensation information and data prepared by Pearl Meyer. The Compensation Committee also receives recommendations from Mr. Duroc−Danner concerning the annual base salary, annual performance compensation and long−term incentives of our executive officers (other than Mr. Duroc−Danner). Mr. Duroc−Danner's recommendations are based upon his review of Pearl Meyer's data and his view of each executive officer's position (both in terms of function and responsibilities), tenure, individual performance and future contributions. The Compensation Committee can and does exercise its discretion in modifying any recommended adjustments or awards to the executive officers. The Board of Directors, other than Mr. Duroc−Danner, reviews and ratifies the determinations of the Compensation Committee.

2008 Executive Compensation Components

In 2008, the Compensation Committee reviewed the total direct compensation, including all the components thereof, of each executive officer when making compensation decisions. The Compensation Committee utilized the data and information provided by Pearl Meyer in making their determinations regarding compensation. The primary components of total direct compensation are base salary, annual performance compensation, long−term incentive compensation, perquisites and costs of retirement benefits. To assist the Compensation Committee in its 2008 compensation review and recommendations, Pearl Meyer prepared a summary of the total compensation of each executive officer, including all components of total compensation. This summary included comparative data for similarly situated executive officers at each of the companies in the peer group and focused peer group.

When compared to the total compensation (based on a trailing three year average) of the executive officers in the focused peer group, the Compensation Committee's goal was to set Mr. Duroc−Danner's total compensation in 2008 around the 75th percentile. In general, the goal is for the total compensation of the other named executive officers to be in the 50th to 75th percentile range. These percentiles varied among our other executive officers depending on the various factors described in this report (such as position (both in terms of function and responsibilities), tenure, individual performance and future contributions).

Base Salary

Base salaries for our executive officers are reviewed annually. Base salaries also may be adjusted during the year due to a significant increase in job responsibilities or duties. Proposed increases to base salaries are reviewed by our Compensation Committee following recommendations from Mr. Duroc−Danner (other than for his base salary), and subsequently ratified by all of the non−management directors. The Compensation Committee does not rely solely on predetermined formulas or criteria when evaluating executive base salaries. Base salaries for the named executive officers are targeted at median or higher levels of the compensation data provided by Pearl Meyer, but this data is only one of many factors that are taken into account when setting base salary. Increases to base salary in 2008 were based on a combination of factors, including:

- The executive's level of experience and responsibility;
- Retention of executive officers;
- Salaries of similarly situated executives in our peer group and focused peer group;
- The scope and complexity of the position held;
- The executive's individual performance and efforts in achieving business results;
- Demonstration of leadership and team work abilities; and
- The Company's previous annual financial performance.

Based upon its review of our executive officers' and our financial performance in 2007, each executive received an increase in base salary in 2008. Mr. Duroc−Danner's salary increase in 2008 was approximately 6.5%. The average increase in salary in 2008 for all current executive officers was approximately 14.5% and ranged individually from 6.5% to 26%. In February 2009, each executive officer also received an increase in base salary.

Mr. Duroc−Danner's salary increase in 2009 was approximately 6.7%. The average increase in salary in 2009 for all current executive officers was approximately 8.8%.

Annual Performance Compensation

Annual performance compensation is provided to the executive officers in the form of awards (cash and/or common shares) relating to certain financial and operational achievements of the Company.

Management Incentive Plan. Our executive officers and all other key employees participate in the Weatherford Management Incentive Plan (formerly known as the Variable Compensation Plan). The Management Incentive Plan provides all participants with the opportunity to earn annual cash bonuses based on the achievement of specific financial and operational performance targets for each fiscal year. Performance under the plan is measured by comparing our actual annual financial results versus certain pre−established financial goals. Awards under the Management Incentive Plan are determined based on the Company's overall consolidated financial results. The Compensation Committee and management jointly establish the Company's annual performance targets in the first quarter of each year, and the targets are approved by the non−management directors. Performance objectives are established at two levels: target and superior. Performance targets are set at levels that are achievable but that require better than expected performance and are believed to be competitive with the Company's peer group and focused peer group. The superior level in 2008 was set approximately 15% above the target level. Generally, targets are established at levels such that the relative difficulty of achieving the target level is consistent from year to year. Performance compensation, if any, is generally paid in cash in March of each year for the prior year's fiscal performance. The Compensation Committee has the discretion to reduce or increase any performance compensation.

The Chief Executive Officer (other than as it relates to him) may make adjustments to the financial performance goals used to determine performance compensation if circumstances such as unanticipated changes in (1) economic conditions, (2) indicators of growth or recession in business segments, (3) the nature of the Company's operations, (4) acquisitions and dispositions, (5) laws, regulations, accounting practices or other matters had or are expected to have a positive or negative effect on the Company. He also may suspend or terminate the Management Incentive Plan at any time, even if financial objectives have been achieved, if conditions or circumstances exist that had or may have a negative effect on the Company. If the Company's financial performance does not generate an award in any given year, an alternative bonus calculation may be performed. All decisions (other than as they relate to the Chief Executive Officer) regarding changes in financial objectives or alternative bonus calculations are reviewed by the Compensation Committee and approved by the non−management directors in advance.

For fiscal 2008, the performance targets were based 100% on our EBIT. The target and superior levels, as a percentage of base salary, for Mr. Duroc−Danner in 2008 were 120% and 180%, respectively, and the levels for all of our other named executive officers were 95% and 145%, respectively. These levels remain unchanged for fiscal 2009. The amount payable under the plan is based upon the Company's actual financial results versus the performance targets established for each level, subject to the right to make discretionary changes as described above.

No bonuses were paid in 2008 for fiscal year 2007 under our Management Incentive Plan as we failed to meet our internally determined target financial goals. In addition, under the discretion of the Compensation Committee, no bonuses were declared and paid in 2009 under the Management Incentive Plan for fiscal year 2008.

Other Discretionary Cash Awards. While no payments were made in 2008 for 2007 under the Management Incentive Plan, in February 2008 the Compensation Committee determined and recommended to the Board of Directors that discretionary cash awards be granted to each executive officer as an incentive for each executive officer's continuing and future service and performance and in recognition of the increased breadth and depth of their individual responsibilities and duties. The Compensation Committee took special note of the fact that the Company has over the recent past reduced the number of executive officers and has redistributed the duties and responsibilities to the current executive officers. The discretionary cash awards granted to Messrs, Duroc−Danner, Becnel, Martin, Morley and Ferguson were $3 million, $525,000, $500,000, $475,000 and $400,000, respectively. In addition, the Compensation Committee also reviewed the cash component of the total compensation of each

executive officer and compared this amount to the cash component of the executive officers in the focused peer group. When compared to the 2008 cash compensation of chief executive officers in the focused peer group, Mr. Duroc−Danner's total cash compensation (including the discretionary cash award) was at the 75th percentile. With regard to our other named executive officers, the 2008 total cash component was on average around the 50th percentile.

In February 2009, in order to motivate and retain the executive officer group, the Compensation Committee, in its discretion, granted cash awards to the executive officers at levels that were less or no more than the 2008 awards. Messrs. Duroc−Danner, Becnel, Martin and Morley were awarded $1.75 million, $525,000, $500,000 and $475,000, respectively.

Long−Term Incentive Compensation

The Compensation Committee considers long−term incentives to be a key component of the executive officer compensation program. Long−term equity incentives are designed to motivate management to work toward long−term performance of the Company and serve to link a significant portion of the executive officers' compensation to shareholder value. The Compensation Committee believes that making a significant portion of an executive officer's compensation contingent on our share price performance more closely aligns the interests of the executive officers with those of our shareholders. Accordingly, in 2008 and 2009, a majority of executive compensation was in the form of long−term equity incentive compensation as opposed to annual salary or bonuses. Long−term equity incentive compensation represented, on average, over 50% of our executive officers' total compensation (excluding changes in pension value) in 2008 and 2009.

These long−term incentives are equity−based and may consist from year to year of both stock options and restricted share or restricted share unit awards. Historically, stock options were exclusively used by the Compensation Committee as we only had a stock option plan. In more recent years, we adopted a restricted stock plan, thus restricted shares were used. Beginning in 2006, the 2006 Omnibus Incentive Plan was established and provided the Compensation Committee with the ability to grant a variety of equity−based long−term incentives, including stock options and restricted shares.

These types of long−term incentive awards provide our executive officers with a benefit that will increase only to the extent that the value of our registered shares increases, thereby giving them an incentive to work to increase shareholder value. The factors considered by the Compensation Committee in determining the number of options and restricted share or restricted share unit awards to be granted to each executive officer are generally the same as those used in establishing the total compensation package of executive officers and include the position of the officer (both in terms of function and responsibilities), tenure, individual performance, future contributions and the long−term incentive compensation of similarly situated executives in our peer group and focused peer group.

Equity−based awards are service−based and generally vest over a period of three to four years. Vesting is accelerated upon death or disability and, if specified in the award agreement, upon retirement under our established policies or as a result of a change of control. Awards also may vest if the executive officer terminates his employment for good reason pursuant to an employment agreement. See below under "Employment Agreements." The Compensation Committee has granted Mr. Duroc−Danner the discretion to approve and grant long−term equity−based awards to our employees other than Section 16 officers from time to time. Generally, these awards are granted to a broad group of employees and also are granted to employees upon promotion or employment with the Company. All equity−based compensation decisions for the named executive officers are approved by the non−management directors following recommendations from the Compensation Committee and Mr. Duroc−Danner (with respect to the other named executive officers). Mr. Duroc−Danner abstains from voting on these matters and does not participate in discussions regarding his compensation.

Stock options become valuable only if and to the extent that the price of our registered shares exceeds the exercise price of the options, which motivates our executive officers and employees to create shareholder value. Stock options have exercise prices equal to the closing market price of our registered shares on the date of grant. Options granted under our 2006 Omnibus Incentive Plan may have a term of not more than 10 years from the date of grant. Options granted under earlier plans generally have a term of 10 years from the date of vesting. None of the named executive officers received a stock option grant in 2008 or 2009.

Restricted share and restricted share unit awards further motivate our key employees, including our executive officers, to strive for share price appreciation. We generally award restricted shares to employees based in the United States and restricted share units to employees outside the United States. We also expect to issue restricted share units to employees who perform services for the Company in Switzerland, regardless of where they are based. Restricted share units are different from restricted shares in that we do not actually issue registered shares until the vesting requirements are met. Upon vesting, the holder of restricted share units receives one registered share for each unit that vested. Holders of restricted shares are allowed to vote their shares and are entitled to receive dividends if we pay dividends.

In March 2008, the Compensation Committee granted restricted shares to each of our current executive officers as part of their overall total compensation package for 2008. The market value of the restricted shares, as of the date of the grant, to Messrs. Duroc−Danner, Becnel, Martin, Morley and Ferguson were $9 million, $2.5 million, $2 million, $1.5 million and $1.5 million, respectively. In February 2009, the Compensation Committee granted restricted shares or restricted share units to each of our current executive officers as part of their overall total compensation package for 2009. The market value of the restricted shares and restricted share units, as of the date of the grant, to Messrs. Duroc−Danner, Becnel, Martin, Morley and Ferguson were $9.5 million, $3.2 million, $2.1 million, $1.6 million and $2.6 million, respectively.

In addition, during the suspension of the Executive Deferred Compensation Stock Ownership Plan , in order to compensate participants for the loss of this benefit, we intend to grant participants in the plan, including our named executive officers (other than Mr. Ferguson, who is a participant in the Foreign Executive Deferred Compensation Stock Plan, which has not been suspended), quarterly grants of restricted shares or restricted share units. Grants will be made in an amount determined by the Compensation Committee to approximate the benefits participants would have received had we not suspended the plan. See “Deferred Compensation Plans” below.

Retirement Plans

Nonqualified Executive Retirement Plan. In 2003, we implemented the Weatherford International Ltd. Nonqualified Executive Retirement Plan for our executive officers in order to provide post−employment benefits that were not wholly dependent on the value of our registered shares and to remain competitive with the compensation practices of our peer group and general industry practices. We have purchased life insurance on our executive officers to partially offset the potential benefits payable under this plan. Any benefits payable under these life insurance policies are payable to us, not the executive officers or their estate. The Compensation Committee annually reviews the terms and costs of the plan and the potential benefits payable under the plan. The cost to us of the life insurance premiums for each executive officer is part of the other compensation that is used by the Compensation Committee to determine total compensation for each executive officer.

In early 2008, we amended the plan to exclude all incentive compensation and bonuses from the calculation of potential benefits payable under the plan to any persons who joined the plan after February 6, 2008. This plan was further amended on December 31, 2008 to comply with section 409A in an effort to minimize the imposition of taxes, if any, under section 409A upon participants. The December 31, 2008 amendment also removed provisions that obligated us to pay certain retiree medical benefits and tax gross−ups.

In addition, because of uncertainties concerning the application of Section 457A, as of December 31, 2008, we amended the plan to cease further benefit accruals and to provide that no additional persons may become participants in the plan. Under the plan, as amended, each participant’s benefit will be calculated as if he incurred a voluntary termination of employment on December 31, 2008. In light of section 457A, the plan was also amended to provide that if the date of a participant’s section 409A separation from service does not occur before January 1, 2017, we will pay the participant his or her termination benefit under the plan on January 1, 2017.

Under this plan, as amended, benefits are the lump sum equivalent of a monthly benefit equal to the product of an annual benefit percentage (2.75% for each of the named executive officers) multiplied by the participant’s compensation in effect as of December 31, 2008, multiplied by the participant’s years of service as of December 31, 2008. The benefits are limited to a maximum amount equal to the participant’s compensation as of December 31, 2008 multiplied by a maximum benefit percentage (60% for each of the named executive officers). Compensation under the Nonqualified Executive Retirement Plan for each of the named executive officers is based on the sum of

(1) the highest base salary in the last five years of employment ending on December 31, 2008, increased by any such amounts that could have been received in cash in lieu of deferrals made pursuant to a cash or deferred arrangement or a cafeteria plan, and (2) the greater of the bonus amount potentially payable under the Company's Management Incentive Plan for the last year of employment ending on December 31, 2008 and the highest bonus paid in the last five years of employment ending on December 31, 2008. Upon electing to participate in the plan, each participant agreed to a one−time 10% reduction in his or her base salary as of the time of electing to participate. Our Chief Executive Officer had sole discretion to credit participants, other than himself, with additional years of service under the plan prior to January 1, 2009. The officers named in the Summary Compensation Table were credited with three additional years of service and Messrs. Becnel, Ferguson and Martin were credited with three additional years of age when we amended the plan to specify that a participant's benefit will be computed as if he incurred a voluntary termination of employment on December 31, 2008. As of December 31, 2008, each participant is fully vested in his or her benefit accrued under the plan. Each participant's benefit under the plan shall be his or her termination benefit calculated as if he or she incurred a termination of employment (not for cause) on December 31, 2008.

The benefit will be paid to a participant in a lump sum within 15 days after the date of the participant's section 409A separation from service with the Company. However, if the participant is a section 409A "specified employee" (as defined in section 409A), the benefit will be paid in a lump sum on the date that is six months following date of such separation from service, subject to the requirement that any termination benefit under the plan be paid no later than January 1, 2017.

Supplemental Retirement Plan. Effective January 1, 2009, we implemented the Weatherford International Ltd. Supplemental Retirement Plan as a result of the suspension of the Nonqualified Executive Retirement Plan and the uncertainties concerning the application of section 457A. The plan has a one−year term ending on December 31, 2009 and benefits under the plan are payable no later than December 31, 2010. This plan provides retirement benefits to participants whose employment is terminated other than for cause during the term of the plan and following a change of control of the Company. The benefit will be paid in a lump sum and will be equal to the lump sum equivalent of an annual benefit equal to the participant's annual benefit percentage (2.75% for each of the named executive officers), multiplied by the participant's compensation, multiplied by the participant's years of service, up to a maximum amount equal to the maximum benefit percentage set forth in the participant's participation agreement (60% for each of the named executed officers), multiplied by the participant's compensation, less the amount of the participant's termination benefit under the Nonqualified Executive Retirement Plan. Compensation under the Supplemental Retirement Plan for each of the named executive officers is based on the sum of (1) the highest base salary in the last five years of employment, increased by any amounts that could have been received in cash in lieu of deferrals made pursuant to a cash or deferred arrangement or a cafeteria plan, and (b) the greater of the bonus amount potentially payable under the Company's Management Incentive Plan for the last year of employment and the highest bonus paid in the last five years of employment. In the event of a change of control, the participant will be credited with an additional five years of service and age. If the participant's employment terminates after a change of control for any reason other than by us for "cause," with such term as defined in the plan, the participant will be credited with an additional five years of service and age. If a participant dies after becoming eligible to receive a benefit under the supplemental plan (due to a termination of employment other than for "cause" during the one−year term of the plan and following a change of control of Weatherford), his or her beneficiaries will be entitled to receive the participant's benefit under the plan.

The benefit will be paid to a participant within 15 days after the date of the participant's section 409A separation from service with the Company unless the participant is a section 409A specified employee, in which case the benefit will be paid on the date that is six months following date of such separation from service. However, no benefits or payments will be provided or paid under the plan after December 31, 2010.

Participants, their spouses and dependent children (up to age 25) are also entitled to receive health and medical insurance benefits for the remainder of the participant's and his or her spouse's individual lives, provided they pay normal employee contributions for this coverage up to a maximum annual contribution of $2,000. These benefits will be secondary to Medicare (to the extent permitted by law) and any other health and medical benefits that the participant receives from any other employer−provided plan.

The plan also provides a tax gross−up for any penalties, excise or other tax payments that may be imposed upon the participant with respect to the participant's benefits under the plan, the Nonqualified Executive Retirement Plan, or compensation outside these plans, including any additional taxes under section 4999 of the Code or section 409A or section 457A.

New Retirement Plan. Under the terms of the employment agreements with our named executive officers, if we do not adopt a new retirement plan, prior to the termination or expiration of either employment agreement, that has the same terms and conditions as the Nonqualified Executive Retirement Plan in effect prior to December 30, 2008, and any other terms and conditions that are more favorable to the executive officers from the Nonqualified Executive Retirement Plan and the Supplement Retirement Plan existing on January 1, 2009, our named executive officers will have the right to terminate their employment for "good reason" under their employment agreements. See "Employment Agreements" in this Compensation Discussion and Analysis and the "Potential Payments upon Termination of Change in Control" section in this proxy statement for more information.

Deferred Compensation Plans

We maintain two deferred compensation plans for our executive officers: the Weatherford International, Inc. Executive Deferred Compensation Stock Ownership Plan and the Weatherford International, Inc. Foreign Executive Deferred Compensation Stock Plan. These plans were amended on December 31, 2008 to comply with section 409A in an effort to minimize the imposition of taxes under section 409A on participants. The Executive Deferred Compensation Stock Ownership Plan amendment also provided that each participant is vested in the amounts attributable to the credits made on behalf of the participant as of December 31, 2008. This vesting did not affect executive officers, as all of our executive officers who participate in this plan were fully vested prior to December 31, 2008. In addition, we suspended the Executive Deferred Compensation Stock Ownership Plan effective as of December 31, 2008 because of uncertainties concerning the application of section 457A. During the suspension and unless and until the Board determines otherwise, no new participants may join the plan, the participants will not be able to make compensation deferrals to the plan, and we will not make any credits under the plan of behalf of participants. While the plan is suspended, amounts are still payable to participants upon the occurrence of triggering events under the plan.

In any event, and as a result of the December 31, 2008 amendments, all amounts under the Executive Deferred Compensation Stock Ownership Plan will be distributed no later than January 1, 2017. Generally, distributions are made in registered shares. Generally, the amount of the distribution will be a number of registered shares equal to the number of units credited to the participant's account at the time of the distribution. The ultimate value of benefits under the plans to the participant is dependent upon meeting any applicable vesting requirements and the value of the registered shares at the time of the distribution to the participating employee.

The following describes how the Executive Deferred Compensation Stock Ownership Plan would operate (as if it had not been suspended) and how the Foreign Executive Deferred Compensation Stock Plan currently operates.

Under these plans, as amended, our executive officers and other key employees are provided with long−term incentive compensation through benefits that are directly linked to future increases in the value of our registered shares. Mr. Ferguson is a participant in our Foreign Executive Deferred Compensation Stock Plan. All other named executive officers were participants in the Executive Deferred Compensation Stock Ownership Plan. Under the Executive Deferred Compensation Stock Ownership Plan, each participant could elect to defer up to 7.5% of his compensation. Compensation that could be deferred under the plans consists of base pay, cash merit and incentive bonuses, commission, short−term disability pay, vacation pay and retention bonuses. The deferrals under the Executive Deferred Compensation Stock Ownership Plan were converted on a monthly basis into non−monetary units representing the number of our registered shares that could have been purchased with the deferrals based on the average of the high and low price of our registered shares on the last day of the month in which the compensation was deferred. If a participant elected to defer at least a percentage of his eligible compensation under the Executive Deferred Compensation Stock Ownership Plan, we made an additional credit to the participant's account equal to the amount of compensation deferred by the participant. We also credited 7.5% of his eligible compensation to his account.

Under the Foreign Executive Deferred Compensation Stock Plan, participants receive annual credits equal to 15% of their eligible compensation which is converted on a monthly basis into non−monetary units representing our

registered shares. The Foreign Executive Deferred Compensation Stock Plan provides for a five−year vesting period with respect to the Company's contributions, subject to earlier vesting in the event of a change in control.

Participants under both of these plans generally cannot receive the value of their deferred compensation under the plans until retirement, termination of employment or death. In the event of the termination of employment, a participant will be paid his benefits under the Executive Deferred Compensation Stock Ownership Plan within 30 days after the date of the participant's section 409A separation from service with the Company. However, if the participant is a section 409A specified employee, the benefit will be paid on the date that is six months following date of such separation from service. In the event of termination of employment of a participant in the Foreign Executive Deferred Compensation Stock Plan, he will be paid his benefit within 90 days after his termination of employment.

Our obligations with respect to the plans are unfunded. However, under the Executive Deferred Compensation Stock Ownership Plan we have established a grantor trust, which is subject to the claims of our creditors, into which funds are deposited with an independent trustee that purchases registered shares for the plan.

During the suspension of the Executive Deferred Compensation Stock Ownership Plan, in order to compensate participants for the loss of this benefit, we intend to grant participants in the plan, including our named executive officers (other than Mr. Ferguson, who is a participant in the Foreign Executive Deferred Compensation Stock Plan, which has not been suspended), quarterly grants of restricted shares or restricted share units. Grants will be made in an amount determined by the Compensation Committee to approximate the benefits participants would have received had we not suspended the plan. The restricted share awards will vest on the date of grant. We expect these restricted shares to have a market value equal to 15% of the cumulative base salary and bonus earned by participant during the prior quarterly period.

Perquisites

The Company provides the named executive officers with minimal perquisites and other personal benefits that the Compensation Committee believes are reasonable and consistent with the practices of our peer group. The Compensation Committee annually reviews the perquisites provided to executive officers to determine if adjustments are appropriate. Perquisites made available to our named executive officers in 2008 included an annual car allowance or the use of a company car, payment of club dues and payment of life insurance premiums.

Other Generally Available Benefits

Our named executive officers are eligible for additional Company−wide benefits on the same basis as other full−time employees. These include a 401(k) plan and other health, medical and welfare programs.

Our 401(k) plan gives our employees an opportunity to save a percentage of their compensation for their retirement on a pre−tax or after−tax basis. Employees may contribute from 1% to 50% of their gross pay on a pre−tax basis and up to 16% in after−tax contributions. The Company matches the first 4% of the employee's pre−tax contributions beginning one year after employment. Employees are fully vested in the Company's contributions after one year of service. Employees may direct how their contributions are invested among a number of investment options, including an option to invest in our registered shares. Only U.S. employees are eligible to participate in our 401(k) plan. Employees outside the United States are covered under different retirement plans.

Our health, medical and welfare programs for U.S. employees include medical, pharmacy, dental and vision insurance if the employee pays the required co−payment, life insurance in the amount of one time the person's salary or salary bracket, accidental death and dismemberment coverage of up to one time the person's salary, counseling through our employee assistance program, critical illness coverage of up to $10,000 and business travel accident coverage equal to four times annual salary up to a maximum of $1 million. We also offer short−term and long−term disability benefits. Employees outside the United States are eligible to participate in different plans, depending upon availability of the benefit and the requirements of local law.

Employment Agreements

We have entered into two separate employment agreements with each of our named executive officers, which agreements are intended to work in tandem in granting certain rights to, and imposing obligations upon, the executive officers and creating certain obligations by the Company or Weatherford International, Inc. One employment agreement is an amendment and restatement, effective as of December 31, 2008, of each executive officer's previous employment agreement with the Company. These amended and restated agreements were amended on December 31, 2008 in an effort to minimize the imposition of taxes, if any, under section 409A on the executive officers and due to uncertainties concerning the application of section 457A. Weatherford International, Inc., one of our wholly owned subsidiaries, also entered into employments agreements with our executive officers to provide for similar rights and obligations as those removed from the existing employment agreements with the Company pursuant to the amendments thereto. These employment agreements became effective as of January 1, 2009.

We believe that the terms of the employment agreements are generally consistent with the employment agreements of executive officers in our peer group. In addition, these agreements help us to attract and retain our named executive officers by providing them with security in the event that they are terminated involuntarily.

Amended and Restated Employment Agreements with Weatherford International Ltd. These employment agreements, as amended effective December 31, 2008, provide for terms of three years from the original effective dates and are automatically renewable annually so as to terminate three years from each renewal date. The agreements generally provide for an annual base salary, which may not be decreased, that is reviewable annually but with no guarantee of increase, eligibility to participate in all incentive, savings and retirements plans and welfare benefit plans that are available generally to our executive officers, at least four weeks of vacation, a company−provided car or car allowance and the perquisites described above. For a description of the potential payments we may be obligated to pay upon the termination of the named executive officers' employment under these agreements (including additional rights and obligations of the parties under the agreements), see the "Potential Payments upon Termination of Change in Control" section in this proxy statement.

Employment Agreements with Weatherford International, Inc. These employment agreements, effective January 1, 2009, provide for one−year nonrenewable terms. The primary purpose of these agreements is to provide for certain rights and obligations upon the termination of the named executive officers' employment with Weatherford International, Inc. For a description of the potential payments we may be obligated to pay upon the termination of the named executive officers' employment under this agreement (including additional rights and obligations of the parties under the agreements), see the "Potential Payments upon Termination of Change in Control" section in this proxy statement. In addition, the agreements require us to pay legal fees and expenses incurred by the officer in any disputes regarding the agreements or regarding the employment agreements with Weatherford International Ltd. No benefits or payments will be provided or paid under the Weatherford International, Inc. employment agreements following December 31, 2010.

New Employment Agreements. Under the terms of the current employment agreements with each of our named executive officers discussed above, if we do not enter into a new employment agreement with the officer, prior to the termination or expiration of either current employment agreement that has the same terms and conditions as existed in employment agreements between the Company or Weatherford International, Inc. and the executive officer prior to December 30, 2008, and any other terms and conditions that are more favorable to the executive officers from all employment agreements existing on January 1, 2009 the named executive officer will have the right to terminate his employment for "good reason." See the "Potential Payments upon Termination of Change in Control" section in this proxy statement for more information.

Share Ownership Guidelines

The Compensation Committee believes that it is important to align the interests of management with the interests of our shareholders. In furtherance of this philosophy, we encourage all of our key employees to become shareholders through our equity−based awards, deferred compensation plans (to the extent available) and 401(k) plan. Although we do not maintain minimum ownership requirements for our executive officers, we believe that

each executive officer, through a combination of equity awards and participation in our deferred compensation (to the extent available) and 401(k) plans, has a significant interest in increasing our long−term shareholder value

Tax and Accounting Matters

Section 162(m)

The Compensation Committee considers the tax impact of our executive compensation programs. Section 162(m) imposes a $1 million limitation on the deductibility of certain compensation paid to the chief executive officer and the three next most−highly paid executive officers (other than the chief financial officer). Although the Compensation Committee takes into account the potential application of section 162(m) on incentive compensation awards and other compensation decisions, it may approve compensation that will not meet these requirements in order to ensure competitive levels of compensation for our executive officers

FAS 123(R)

Beginning on January 1, 2006, we began accounting for share−based payments, including stock options, restricted share awards and restricted share unit awards, in accordance with FAS 123(R).

Compensation Committee Report

We have reviewed and discussed with management the Compensation Discussion and Analysis contained in this proxy statement. Based on such review and discussions, we have recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement.

Nicholas F. Brady (former member)
Robert B. Millard (Chair)
William E. Macaulay
Robert K. Moses, Jr.

Compensation Committee Interlocks and Insider Participation

The Compensation Committee's current members are Messrs. Macaulay, Millard (Chair) and Moses, all of whom are independent, non−employee directors. Messrs. Brady and Lubar also served on the Compensation Committee during 2008. None of the Compensation Committee members during 2008 has served as an officer or employee of the Company.

Mr. Rayne is Chief Executive Officer of LMS Capital plc. Mr. Duroc−Danner has been a director of LMS Capital since April 2006. From January 2004 until January 2007, Mr. Duroc−Danner served on the board of London Merchant Securities, and Mr. Rayne was Chief Executive of London Merchant Securities until June 2006. Mr. Rayne does not serve on our Compensation Committee and abstained from voting on Mr. Duroc−Danner's compensation for 2008 when the Board approved it. Mr. Duroc−Danner does not serve on the Compensation Committee, or any other committee, of LMS Capital and did not serve on the compensation committee of London Merchant Securities.

Summary Compensation Table

This table shows the total compensation paid for the years ended December 31, 2008, 2007 and 2006 to Mr. Duroc−Danner, Mr. Becnel and our three other most highly compensated executive officers during 2008. These officers are referred to in this proxy statement as our named executive officers.

Name and Principal Position	Year	Salary ($)(1)	Bonus	Stock Awards ($)(2)	Option Awards ($)(2)	Non−Equity Incentive Plan Compensation ($)(3)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)(4)	All Other Compensation ($)(5)	Total ($)
Bernard J. Duroc−Danner	2008	1,497,909	3,000,000	5,376,044	1,280,918	—	5,669,704	710,464	17,535,039
Chairman of the Board, President	2007	1,403,041	—	7,591,579	1,073,865	—	10,876,434	675,511	21,620,430
and Chief Executive Officer	2006	1,372,604	—	4,492,828	1,009,211	—	6,634,786	523,455	14,032,884
Andrew P. Becnel	2008	623,265	525,000	1,474,082	498,289	—	591,449	197,894	3,909,979
Senior Vice President and	2007	496,920	—	1,501,898	654,443	—	900,704	191,245	3,745,210
Chief Financial Officer	2006	311,058	—	460,348	527,170	—	1,066,050	126,632	2,491,258
Stuart E. Ferguson	2008	502,060	400,000	878,204	—	—	800,274	200,728	2,781,266
Senior Vice President — Reservoir	2007	447,581	—	1,089,850	—	—	834,158	211,192	2,582,781
and Production and	2006	342,180	—	375,172	49,424	—	278,369	146,466	1,191,611
Chief Technology Officer									
Burt M. Martin	2008	573,273	500,000	1,817,792	—	—	921,508	187,005	3,999,578
Senior Vice President	2007	475,541	—	2,040,215	—	—	972,599	200,004	3,688,359
and General Counsel	2006	419,231	—	1,013,502	—	—	965,746	163,662	2,562,141
Keith R. Morley	2008	548,277	475,000	1,016,921	—	—	2,333,237	187,431	4,560,866
Senior Vice President — Well	2007	405,316	—	1,080,562	—	—	3,568,519	151,768	5,206,165
Construction and Operations	2006	299,531	—	462,736	300,712	—	386,941	115,708	1,565,628
and Chief Safety Officer									

(1) Includes amounts deferred by each of the named executive officers under our deferred compensation plans described under “2008 Executive Compensation Components — Deferred Compensation Plans” in the Compensation Discussion and Analysis section in this proxy statement and the Nonqualified Deferred Compensation section in this proxy statement, as well as amounts deferred under our 401(k) plan (but not Company contributions to 401(k) or non−qualified deferred compensation plans — see “All Other Compensation” chart in footnote 5 below).

(2) Amounts shown do not reflect compensation actually received. Instead, the amounts shown reflect the dollar amount recognized for financial statement reporting purposes for the fiscal years ended December 31, 2008, 2007 and 2006, in accordance with FAS 123(R), and thus includes in each annual amount the FAS 123(R) expense incurred in that fiscal year for all awards outstanding (whether granted in the current or prior fiscal years). Assumptions used in the calculation of these amounts are included in footnote 13 to our audited financial statements included in our Annual Report on Form 10−K for the year ended December 31, 2008.

(3) Our Management Incentive Plan provides for annual awards based upon the attainment of certain financial performance goals. The awards are paid in the first quarter of the year following the year in which they are earned. No payments were made under the plan for 2007 or 2008. In lieu of receiving any awards under this plan for 2006, Messrs. Duroc−Danner, Becnel, Ferguson, Martin and Morley received a grant of restricted shares (restricted share units in the case of Mr. Ferguson, who is located outside the U.S.) in the first quarter of 2007 pursuant to our 2006 Omnibus Incentive Plan.

(4) The amounts shown reflect the actuarial increase in the present value of benefits using interest rate and mortality assumptions consistent with those used in our financial statements.

(5) Other Annual Compensation consists of the following:

	Year	Company Contributions to Executive Deferred Plan ($)	Car/Car Allowance ($)	Club Membership Dues ($)	Matching Contributions under 401(k) Plan ($)	Life Insurance Premiums ($)
Bernard J. Duroc−Danner	2008	674,686	7,298	4,878	9,200	14,402
	2007	637,681	10,914	4,937	9,000	12,979
	2006	487,704	11,504	4,397	8,800	11,050
Andrew P. Becnel	2008	172,240	9,415	4,391	9,200	2,648
	2007	168,372	8,100	4,194	9,000	1,579
	2006	106,659	7,200	3,027	8,800	946
Stuart E. Ferguson	2008	133,912	14,061	—	45,255(a)	7,500
	2007	150,224	15,128	—	38,975(a)	6,865
	2006	100,077	13,907	—	26,746(a)	5,736
Burt M. Martin	2008	160,991	9,415	5,166	9,200	2,233
	2007	176,393	8,100	4,758	9,000	1,753
	2006	141,635	7,200	4,612	8,800	1,415
Keith R. Morley	2008	153,492	9,415	8,800	9,200	6,524
	2007	122,953	8,100	7,476	9,000	4,239
	2006	89,930	7,200	6,660	8,800	3,118

(a) Mr. Ferguson is located in the United Kingdom and is a participant in the Weatherford Group Defined Contribution Plan. Amounts shown represent company contributions to that plan.

Grants of Plan−Based Awards in 2008

The following table provides information regarding plan−based awards granted in 2008 to the named executive officers.

Name	Grant Date	All Other Stock Awards: Number of Restricted Shares/Units(1)(#)	Grant Date Fair Value of Share and Option Awards(2)
Bernard J. Duroc−Danner	3/04/08	264,980	9,000,046
Andrew P. Becnel	3/04/08	73,606	2,500,028
Stuart E. Ferguson	3/04/08	44,164	1,500,030
Burt M. Martin	3/04/08	58,886	2,000,063
Keith R. Morley	3/04/08	44,164	1,500,030

(1) All awards were granted under our 2006 Omnibus Incentive Plan and were in the form of restricted shares, other than for Mr. Ferguson, who received restricted share units. No stock options were granted in 2008.

(2) Amounts shown reflect the grant date fair value of the restricted shares awarded computed in accordance with FAS 123(R).

Potential Payments Upon Termination or Change in Control

We have entered into two separate employment agreements with each of the named executive officers, which agreements are intended to work in tandem in granting certain rights to, and imposing obligations upon, the named executive officers and creating certain obligations by the Company or Weatherford International, Inc. One employment agreement is an amendment and restatement, effective as of December 31, 2008, of each named executive officers' previous employment agreement with the Company. These amended and restated agreements were amended on December 31, 2008 in an effort to minimize the imposition of taxes under section 409A on the named executive officers and due to uncertainties concerning the application of section 457A. Weatherford

International, Inc., one of our wholly owned subsidiaries, also entered into employments agreements with the named executive officers to provide for similar rights and obligations as those removed from the existing employment agreements with the Company pursuant to the amendments thereto. These employment agreements became effective as of January 1, 2009. See "Employment Agreements" in the Compensation Discussion and Analysis section in this proxy statement for information on the employment agreements with our named executive officers not related to payments upon termination or change in control.

Amended and Restated Employment Agreements with Weatherford International Ltd. Under the terms of these employment agreements, if the named executive officer's employment is terminated, whether as a result of death, "disability," "good reason," "cause" or otherwise (each term as defined in the employment agreements), the named executive officer (or his estate) will generally be entitled to receive (1) his annual base salary through the date of termination, (2) any accrued but unpaid vacation pay, and (3) all benefits to which the named executive officer is entitled or vested (or becomes entitled or vested as a result of termination) under the terms of all employee benefit and compensation plans, agreements and arrangements in which the named executive officer is a participant as of the date of termination.

Employment Agreements with Weatherford International, Inc. Under the terms of these employment agreements, if we terminated a named executive officer's employment for any reason other than "cause," if the named executive officer terminated his employment for "good reason" or if the employment was terminated as a result of the named executive officer's death or "disability" (each term as defined in the employment agreements), the named executive officer (or his estate) would be entitled to receive the following compensation:

- any unpaid salary earned through the date of termination of employment for periods following the executive's section 409A separation from service (the "Earned Unpaid Salary");
- an amount equal to the greater of the highest aggregate annual bonus amounts paid in the five years prior to the year of termination and the bonus amount that would be payable in the year of termination (in either case, pro−rated to the date of termination) (the "Highest Annual Bonus");
- an amount equal to three times the sum of the highest base salary during the five years prior to the year of termination added to the Highest Annual Bonus (the "Salary and Bonus Payment");
- an amount equal to three times all employer contributions credited to the named executive officer under our 401(k) plan in the last year of employment and the amount that would have been credited and contributed to the named executive officer under all other deferred compensation plans (other than our retirement plans), grossed−up to account for federal and state taxes thereon (the "Contribution Payment"); and
- an amount equal to three times the total value of all fringe benefits received by the named executive officer on an annualized basis (the "Fringe Benefit Payment"); and
- any benefits payable under our retirement plans as of the date of termination (unless a change of control has occurred or is pending, in which case the terms of the retirement plan will govern the payment of benefits under such plan) (the "Retirement Plan Payment"). For more information regarding our retirement plans, see the "Pension Benefits" section in this proxy statement and "2008 Executive Compensation Components — Retirement Plans" in the Compensation Discussion and Analysis section in this proxy statement.

In addition, under such circumstances, the following benefits also would be provided or paid:

- All benefits under all deferred compensation and other benefit plans and all stock options and restricted share grants will automatically become fully vested to the extent not already vested;
- All health and medical benefits and all other welfare benefits under any plans that are provided to the named executive officer and his or her family prior to termination would be maintained after termination for a period of three years or such longer period as the plans may require, provided the named executive officer makes his required contribution and that such benefits are secondary to any benefits offered by another employer (the "Healthcare Benefit"). See "Other Generally Available Benefits" in the Compensation Discussion and Analysis section in this proxy statement for more information regarding the benefits that we provide to our employees;

- We would pay, as incurred, for reasonable outplacement services for the named executive officer, the provider of which would be selected by the named executive officer (the "Outplacement Payment") for a period not extending beyond the last day of the second calendar year following the calendar year in which the named executive officer's termination occurs;

- All club memberships, luncheon clubs and other memberships that we provided for the named executive officer or his family prior to termination would be transferred to the named executive officer at no cost to him (other than ordinary income taxes owed);

- We would either transfer ownership and title to the named executive officer's company car at no cost to him (other than individual income taxes owed) or, if the named executive officer received a monthly car allowance, we would pay the named executive officer a lump sum in cash equal to the annual car allowance multiplied by three (the "Car Payment");

- We would timely pay any other benefits that the named executive officer is entitled to receive under any of our other plans or programs (the "Other Benefits Payment"). In the case of the named executive officer's death, this would include death benefits to the named executive officer's estate at least equal to the most favorable benefits provided by us on the date of the agreement or at the time of death, if more favorable. In the case of Disability, this would include disability and other benefits equal to the most favorable benefits provided by us on the date of agreement or at the time of Disability, if more favorable. However, participants in the Supplemental Retirement Plan and their spouses and dependent children (up to age 25) are also entitled to receive health and medical insurance benefits for the remainder of the participant's and his or her spouse's individual lives, provided they pay normal employee contributions for this coverage up to a maximum annual contribution of $2,000. See "Other Generally Available Benefits" and "Retirement Plans" in the Compensation Discussion and Analysis section of the proxy statement for more information regarding the benefits that we provide to our employees.

We will pay any Earned Unpaid Salary, the Salary and Bonus Payment, the Contribution Payment, the Fringe Benefit Payment and the Car Payment (if applicable) and transfer club memberships and ownership of the company car (if applicable) within 30 days after the date of the participant's section 409A separation from service with the Company. However, if the participant is a section 409A specified employee, these payments and transfers will be made on the date that is six months following date of such separation from service with such payments (along with the Retirement Plan Payment) bearing interest at 5% per annum.

Each of these employment agreements provides that we would be required to pay the named executive officer a "gross up payment" to ensure that the named executive officer receives the total benefit intended by his employment agreement.

Defined Terms under Both Employment Agreements. Under both employment agreements with each of our named executive officers, "cause" is defined as the willful and continued failure to substantially perform the named executive officer's duties with the Company or Weatherford International, Inc. (other than failure resulting from incapacity due to mental or physical illness or anticipated failure after the named executive officer has provided a notice to termination for good reason) after written demand is made by the Board, or the willful engagement in illegal conduct or gross misconduct that is materially and demonstrably injurious to the Company or Weatherford International, Inc. "Disability" is defined as the absence of the named executive officer from his duties on a substantial basis for 120 calendar days as a result of incapacity due to mental or physical illness. If we determine that the named executive officer is disabled, the named executive officer has 30 days from the date of our notice to the named executive officer of intent to terminate employment by reason of disability to return to full−time performance of his duties. The named executive officer may terminate his employment for disability if a physician selected by the named executive officer determines that a disability has occurred. "Good reason" generally means the occurrence of any of the following:

- a reduction in title and/or responsibilities of the named executive officer;

- a relocation of the named executive officer;

- a reduction in the named executive officer's benefits;

- the breach by the Company or Weatherford International, Inc. of the employment agreements;
- any termination by the Company or Weatherford International, Inc. of the named executive officer's employment;
- the failure by the Company to require any successor to perform the employment agreement between the named executive officer and the Company;
- the failure by the Company to agree, execute and enter into a new employment agreement and a new retirement plan with the named executive officer prior to the termination or expiration of the employment agreements, with such new employment agreement and retirement plan having the same terms and conditions as existed in agreements and plans between the Company or Weatherford International, Inc. and the named executive officers prior to December 30, 2008, and incorporating any other terms and conditions that are more favorable to the named executive officers from all agreements and retirement plans existing on January 1, 2009; and
- the failure to renew the employment agreements after a change of control.

Following a change of control or other transaction in which our registered shares cease to be publicly traded, "good reason" also will be deemed to exist if the named executive officer is assigned to any position, authority, duties or responsibilities that are not at the ultimate parent and publicly traded company of the surviving entity or that are inconsistent with the current position, authority, duties or responsibilities set out in the employment agreement. Any good faith determination of "good reason" made by the named executive officer is conclusive.

A "change of control" is generally deemed to occur under the employment agreements if:

- any person acquires 20% or more of our registered shares;
- at least two−thirds of the members of the current Board of Directors cease to be directors other than in specified circumstances;
- upon the consummation of a merger or similar transaction other than (1) a transaction in which the shareholders beneficially owning more than two−thirds of the registered shares outstanding immediately prior to the transaction continue to represent at least two−thirds of the voting power immediately after the transaction, (2) a transaction in which no person owns 20% or more of the outstanding registered shares or voting power of the surviving entity, and (3) a transaction in which at least two−thirds of the members of the surviving entity are current members of the Board at the time the transaction was approved; or
- approval or adoption by the Board or our shareholders of a plan or proposal which could result directly or indirectly in the liquidation, transfer, sale or other disposal of all or substantially all of the Company's assets or a dissolution of the Company.

None of the current named executive officers are eligible for retirement under our plans and policies. Messrs. Duroc−Danner and Morley are eligible for early retirement under our retirement plan. However, as of December 31, 2008, each participant is fully vested in his or her benefit accrued under the retirement plan. Each participant's benefit under the retirement plan will be his or her termination benefit calculated as if he or she incurred a termination of employment (not for cause) as of December 31, 2008. For additional information regarding our retirement plans and benefits available in the event of early retirement, see "Pension Benefits" and "Retirement Plans" in this proxy statement.

Termination Upon Death or Disability, Other Than For Cause or For Good Reason

The following table, referred to in this proxy statement as the "Cash Compensation Table," describes cash payments that would be required to be made under both of the employment agreements we have with each of the named executive officers and under our retirement plans in the event a named executive officer's employment was terminated upon death or disability, by us other than for cause or by the named executive officer for good reason. This table and the tables that follow in this section assume that there was no change of control prior to termination, that the event that triggered the payment occurred on December 31, 2008, that the employment agreements with Weatherford International, Inc. were in effect on December 31, 2008 and that the closing market price of our

registered shares was $10.82 on that date. The amounts shown for such person in the tables include amounts earned through such time and are estimates of the amount that would be paid out to the named executive officer upon their termination. The actual amounts to be paid out can only be determined at the time of, and depend upon the circumstances surrounding, such named executive officer's termination. Additional amounts payable as a result of termination upon death or disability or termination after a change of control are set forth in additional detail below under "Termination Upon Death," "Termination Upon Disability" and "Termination After a Change of Control."

Name	Salary and Bonus Payment ($)(1)	Contribution Payment ($)	Fringe Benefit Payment ($)(2)	Car Payment ($)	Retirement Plan Payment ($)	Other Benefits Payment ($)	Gross−Up Payment ($)(3)	Out−Placement Payment ($)	Total ($)
Bernard J. Duroc−Danner	16,644,230	2,524,235	48,900	—	70,816,990	—	1,444,688	—	91,479,043
Andrew P. Becnel	4,425,317	691,398	47,400	32,400	9,020,091	—	395,706	—	14,612,312
Stuart E. Ferguson	3,908,715	692,207	34,200	33,000	8,760,084	—	461,471	—	13,889,677
Burt M. Martin	4,571,738	713,361	49,800	32,400	12,881,254	—	408,276	—	18,656,829
Keith R. Morley	3,782,307	594,946	54,600	32,400	10,056,504	—	340,504	—	14,861,261

(1) Includes Salary and Bonus Payments as defined under the employment agreement with Weatherford International, Inc., as well as annual base salary through the date of termination and any accrued but unpaid vacation pay under the employment agreement with Weatherford International Ltd.

(2) Includes the sum of the costs of an annual physical examination, financial planning services, cellular telephone, professional fees and club dues, multiplied by three.

(3) Amount shown reflects the estimated amount that would have been paid to account for federal and state taxes on the Contribution Payment. For Messrs. Duroc−Danner, Becnel, Martin and Morley, who are based in the United States, the Contribution Payment is grossed up at a rate of 36.4%. For Mr. Ferguson, who is based in the United Kingdom, the rate is 40%, consistent with tax rates in the United Kingdom. These percentages are only for estimation purposes, and any actual gross−up amount could vary significantly.

In addition to the cash payments described above, the named executive officers would have been entitled to receive the following non−cash compensation set forth in the table below.

Name	Vested Equity Awards ($)(1)	Healthcare Benefit ($)(2)	Membership Transfer Costs ($)(3)	Car Ownership Transfer	Deferred Compensation Distribution ($)(4)
Bernard J. Duroc−Danner(5)	7,850,407	371,167	7,750	37,894	4,179,679
Andrew P. Becnel(6)	2,365,316	170,099	17,100	—	491,455
Stuart E. Ferguson(7)	1,235,254	131,803	—	—	435,570
Burt M. Martin(8)	2,584,746	204,187	16,200	—	938,743
Keith R. Morley(9)	1,505,754	312,064	—	—	469,729

(1) Value for restricted shares\restricted share units was determined by multiplying the number of shares or units that would have vested as a result of the termination by the closing market price of our shares on December 31, 2008 ($10.82). For options, value was determined by multiplying the number of shares as to which the option would have vested as a result of the termination by $10.82 and then subtracting the exercise price multiplied by the number of shares as to which the option vested.

(2) Includes medical, dental and vision insurance for the named executive officer, his or her spouse and their dependents, plus supplemental life insurance, if the named executive officer elected to purchase it.

(3) The amount shown is the amount of the deposits paid by the Company for club memberships that would be lost if the membership was transferred to the named executive officer. There are no known transfer fees.

(4) Value was determined by multiplying the number of units in the named executive officer's deferred compensation account as of December 31, 2008 (all of which are currently vested without regard to any termination event) by $10.82.

(5) Mr. Duroc−Danner would have vested as to 725,546 restricted shares. He would have vested as to options to purchase an aggregate of 673,300 shares, which have an exercise price of $20.05 per share. He would have received a distribution of 386,292 registered shares under our executive deferred compensation plan.

(6) Mr. Becnel would have vested as to 218,606 restricted shares. He would have vested as to options to purchase an aggregate of 120,000 shares, which have an exercise price of $21.135 per share. He would have received a distribution of 45,421 registered shares under our executive deferred compensation plan.

(7) Mr. Ferguson would have vested as to 114,164 restricted share units. He would have received a distribution an aggregate of 40,256 registered shares under our executive deferred compensation and foreign executive deferred compensation plans.

(8) Mr. Martin would have vested as to 238,886 restricted shares. He would have received a distribution of 86,760 registered shares under our executive deferred compensation plan.

(9) Mr. Morley would have vested as to 139,164 restricted shares. He would have received a distribution of 43,413 registered shares under our executive deferred compensation plan.

Termination Upon Death

In the event of a named executive officer's death, his estate would be entitled to receive the following compensation in addition to the amounts set forth in the Cash Compensation Table: (1) life insurance proceeds in the amount of one times the named executive officer's salary or salary bracket, (2) if applicable, accidental death and dismemberment proceeds in the amount of one times the named executive officer's salary and (3) if a participant is not already eligible to receive the maximum benefits payable under our retirement plan, an additional death benefit amount under that plan. The additional amounts in life insurance proceeds would be $1,500,000 for Mr. Duroc−Danner, $625,000 for Mr. Becnel, $1,676,690 for Mr. Ferguson, $575,000 for Mr. Martin and $795,000 for Mr. Morley (including $245,000 of proceeds the premiums for which are paid by Mr. Morley). If accidental death and dismemberment benefits were payable, these amounts generally would be doubled.

Termination After a Change of Control

In the event of a named executive officer's employment was terminated after a change of control for any reason other than by us for cause, the named executive officer would be entitled to a termination benefit payment pursuant to our Supplemental Retirement Plan (in addition to the Retirement Plan Payment set forth in the Cash Compensation Table). For a description of this payment, see "2008 Executive Compensation Components — Retirement Plans — Supplemental Retirement Plan" in the Compensation Discussion and Analysis section in this proxy statement. Additionally, the named executive officer would be entitled to additional gross−up payments to account for taxes that would be payable on the amounts received by the named executive officer. The additional payment amounts would be $0 for Mr. Duroc−Danner, $9,020,091 for Mr. Becnel, $7,963,713 for Mr. Ferguson, $7,193,427 for Mr. Martin and $6,821,545 for Mr. Morley. Tax gross−up payments would be $0 for Mr. Duroc−Danner, $6,279,879 for Mr. Becnel, $0 for Mr. Ferguson, $4,914,447 for Mr. Martin and $4,912,610 for Mr. Morley.

Termination for Cause or Voluntary Termination

No other special or additional payments are payable to the named executive officers under the employment agreements in the event of a termination for "cause" or voluntary termination of employment by the named executive officer for other than "good reason."

Outstanding Equity Awards at December 31, 2008

The following table provides information about the number of outstanding equity awards held by our named executive officers at December 31, 2008.

	Option Awards				Stock Awards	
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Shares That Have Not Vested (#)	Market Value of Shares or Units of Shares That Have Not Vested ($)(1)
Bernard J. Duroc−Danner	785,352(2)	—	5.9425	09/25/2015	—	—
	740,000	—	8.7875	12/17/2016	—	—
	—	673,300(3)	20.05	02/28/2016	—	—
	—	—	—	—	36,126(4)	390,883
	—	—	—	—	200,000(5)	2,164,000
	—				224,440(6)	2,428,440
					264,980(7)	2,867,084
Andrew P. Becnel	180,000	—	8.53	07/22/2015	—	—
	100,000	—	8.875	10/08/2015	—	—
	280,000	—	9.9825	05/09/2017	—	—
	120,000	120,000(8)	21.135	10/27/2016	—	—
	—	—	—	—	15,000(9)	162,300
	—	—	—	—	30,000(10)	324,600
	—	—	—	—	100,000(6)	1,082,000
					73,606(7)	796,416
Stuart E. Ferguson	100,000	—	6.205	09/24/2016	—	—
	—	—	—	—	30,000(9)	324,600
	—	—	—	—	40,000(6)	432,800
					44,164(7)	477,854
Burt M. Martin	400,000	—	5.9425	09/25/2015	—	—
	—	—	—	—	30,000(9)	324,600
	—	—	—	—	70,000(10)	757,400
	—	—	—	—	80,000(6)	865,600
					58,886(7)	637,146
Keith R. Morley	400,000	—	7.7925	11/18/2014	—	—
	—	—	—	—	15,000(9)	162,300
	—	—	—	—	30,000(10)	324,600
	—	—	—	—	50,000(6)	541,000
					44,164(7)	477,854

(1) Assumes a value of $10.82 per share, which was the closing market price of our registered shares on December 31, 2008.

(2) Option has been transferred to a family limited partnership for estate planning purposes.

(3) Option vests in equal increments on each of February 28, 2009 and 2011.

(4) Shares vested on February 14, 2009.

(5) Shares vest on December 14, 2009.

(6) Shares/units vest in equal increments on each of February 28, 2009 and 2011.

(7) Shares/units vest in equal increments on each of March 4, 2010 and 2012.

(8) Option vests on October 27, 2010.

(9) Shares/units vested on January 7, 2009.

(10) Shares vest on December 19, 2009.

Option Exercises And Restricted Shares\Units Vested in 2008

The following table provides information about restricted shares or share units vesting, and the value realized on vesting by our named executive officers during 2008. No options were exercised by any of the named executive officers during 2008.

	Restricted Share and Restricted Share Unit Awards	
Name	**Number of Shares /Units Acquired on Vesting (#)(1)**	**Value Realized on Vesting ($)(1)**
Bernard J. Duroc−Danner	36,126(2)	1,186,739
Andrew P. Becnel	15,000(3)	503,850
Stuart E. Ferguson	30,000(3)	1,007,700
Burt M. Martin	30,000(3)	1,007,700
Keith R. Morley	15,000(3)	503,850

(1) Number of shares acquired and the value thereof includes any shares surrendered to satisfy tax withholding obligations. The value is based on the closing market price of our registered shares on the NYSE on the vesting date multiplied by the aggregate number of shares that vested on such date.

(2) Shares vested on February 14, 2008. The closing market price per share was $32.85 on that date.

(3) Shares/units vested on January 7, 2008. The closing market price per share was $33.59 on that date.

Pension Benefits

The following table and the information below it contain information regarding the named executive officers' benefits under our Nonqualified Executive Retirement Plan. Benefits under our Supplemental Retirement Plan are only payable in the event of a change of control of the Company and are not included in the table. Values have been determined using interest rate and mortality assumptions consistent with those used in our financial statements.

Name	**Number of Years Credited Service (#)(1)**	**Present Value of Accumulated Benefit ($)(2)**	**Payments During Last Fiscal Year ($)**
Bernard J. Duroc−Danner	25	49,762,718	—
Andrew P. Becnel	10	2,875,740	—
Stuart E. Ferguson	11	3,123,257	—
Burt M. Martin	14	5,135,921	—
Keith R. Morley	13	7,526,187	—

(1) Years of credited service shown above are rounded up to the next whole year as required by the plan.

(2) Values were determined using the projected unit credit actuarial cost method. Material assumptions used in the valuations include a discount rate of 5.75% and an inflation rate of 3%. For purposes of the table, all participants are assumed to retire at the normal retirement age, as defined by the applicable retirement plan (age 62, in the case of both the Executive and Supplemental plans). Mortality rates used were from the 1994 Group Annuity Mortality, Male and Female.

For a description of our Nonqualified Executive Retirement Plan and our Supplemental Retirement Plan, see "2008 Executive Compensation Components — Retirement Plans" in the Compensation Discussion and Analysis section in this proxy statement.

Nonqualified Deferred Compensation

We suspended the Executive Deferred Compensation Stock Ownership Plan effective as of December 31, 2008 because of uncertainties concerning the application of section 457A. During the suspension, and unless and until the Board of Directors determines otherwise, no new participants may join the plan and there will not be any further benefit accruals under the plan after December 31, 2008. While the plan is suspended, amounts are still payable to participants on the occurrence of triggering events under the plan. The plan was further amended to provide that if the date of a participant's section 409A separation from service does not occur before January 1, 2017, we will pay the participant his or her termination benefit under the plan on January 1, 2017.

The Foreign Executive Deferred Compensation Stock Plan has not been suspended.

The following table and the information below it contain information regarding the named executive officers' benefits under our deferred compensation plans.

Name	Executive Deferrals in 2008 ($)(1)	Registrant Credits in 2008 ($)(2)	Aggregate Earnings in 2008 ($)(3)	Aggregate Withdrawals/ Distributions ($)	Aggregate Balance at 12/31/08 ($)(4)
Bernard J. Duroc−Danner	337,343	674,686	(8,948,131)	0	4,179,679
Andrew P. Becnel	86,120	172,240	(1,016,433)	0	491,455
Stuart E. Ferguson	0	133,912	(921,792)	0	435,570
Burt M. Martin	80,496	160,991	(1,991,060)	0	938,743
Keith R. Morley	76,746	153,492	(975,292)	0	469,729

(1) All amounts shown are included in the Salary column of the Summary Compensation Table. Executive contributions in 2008 represented 7,162, 2,187, 2,030 and 1,938 units allocated to the accounts of Messrs. Duroc−Danner, Becnel, Martin and Morley, respectively. Mr. Ferguson is a participant in our Foreign Deferred Compensation Stock Plan, which does not provide for participant contributions.

(2) All amounts shown above are included in the All Other Compensation column of the Summary Compensation Table. Company contributions in 2008 represented 14,324, 4,374, 3,342, 4,061 and 3,877 units allocated to the accounts of Messrs. Duroc−Danner, Becnel, Ferguson, Martin and Morley, respectively.

(3) Amount shown was calculated by subtracting an amount equal to the number of units in the participant's account as of December 31, 2008 multiplied by the closing market price of our shares on December 31, 2008 ($10.82) from an amount equal to the number of units in the participant's account as of December 31, 2007 multiplied by the closing market price of our shares on December 31, 2007 ($68.60), and then subtracting from that amount the dollar value of all employee and employer contributions to the participant's account during 2008.

(4) As of December 31, 2008, Messrs. Duroc−Danner, Becnel, Ferguson, Martin and Morley had 386,292, 45,421, 40,256, 86,760 and 43,413 units allocated to their respective accounts, including units purchased with their own deferrals, all of which are fully vested. The following amounts represent the current value as of December 31, 2008 of the deferral units representing deferred salary and company contributions that were reported previously as compensation to each Named Executive Officer in the Summary Compensation Table in previous years. Amounts deferred or contributed prior to becoming a Named Executive Officer are not included.

	Executive Contributions ($)	Employer Contributions ($)	Total ($)
Bernard J. Duroc−Danner	1,263,127	2,558,822	3,821,949
Andrew P. Becnel	66,565	133,108	199,673
Stuart E. Ferguson	—	120,773	120,773
Burt M. Martin	174,592	349,140	523,732
Keith R. Morley	28,846	57,692	86,538

For a description of the material features of our Foreign Executive Deferred Compensation Stock Plan, see “2008 Executive Compensation Components — Deferred Compensation Plans” in the Compensation Discussion and Analysis section in this proxy statement.

OTHER INFORMATION

Incorporation by Reference

The Audit Committee Report and the Compensation Committee Report contained in this proxy statement are not deemed to be soliciting material or filed with the SEC and shall not be deemed incorporated by reference into any prior or future filings we make under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that we specifically incorporate any of this information by reference. Information contained in or connected to our website is not incorporated by reference into this proxy statement and should not be considered part of this proxy statement or any other filing that we make with the SEC.

Section 16(a) Beneficial Ownership Reporting Compliance

All of our executive officers and directors are required to file initial reports of share ownership and reports of changes in ownership with the SEC and the NYSE pursuant to Section 16(a) of the Exchange Act.

We have reviewed these reports, including any amendments, and written representations from the current executive officers and directors of the Company. Based on this review, we believe that, except as set forth below, all filing requirements were met for the executive officers subject to Section 16(a) and our directors during 2008. Mr. Ferguson was required to file a Form 4 on or before January 9, 2008 to report a transaction on January 7, 2008. The transaction was reported on a Form 4 filed on February 1, 2008.

Proposals by Shareholders

Rule 14a−8 under the Exchange Act addresses when a company must include a shareholder’s proposal in its proxy statement and identify the proposal in its form of proxy when the company holds a meeting of shareholders. Under Rule 14a−8, in order for your proposals to be considered for inclusion in the proxy statement and proxy card relating to our 2010 Annual General Meeting, your proposals must be received by us by December 1, 2009, and must otherwise comply with Rule 14a−8.

If you desire to bring a matter before the 2010 Annual General Meeting and the proposal is submitted outside the process of Rule 14a−8, you may use the procedures set forth in our Articles. Our Articles provide generally that, if you desire to propose any business at a general meeting, you must give us written notice at least 60 and no more than 90 calendar days prior to the scheduled and announced date of the next general meeting of shareholders (no earlier than February 7, 2009 and no later than March 8, 2009, in the case of the 2009 General Meeting). The request must specify the relevant agenda items and motions, together with evidence of the required shareholdings recorded in the share register, as well as any other information as would be required to be included in a proxy statement pursuant to the rules of the SEC.

We recommend that any shareholder desiring to make a nomination or submit a proposal for consideration obtain a copy of our Articles. They are available on our website at www.weatherford.com, by clicking on “About Weatherford,” then “Corporate Governance,” then “Governing Documents.” Shareholders also may obtain a copy of these documents free of charge by submitting a written request to our Secretary at Alpenstrasse 15, 6300 Zug, Switzerland.

Any shareholder proposal, whether or not to be included in our proxy materials, must be sent to our Secretary at Alpenstrasse 15, 6300 Zug, Switzerland.

Other Business

We know of no other business that will be brought before the General Meeting. Under our Articles, shareholders may only bring business before a general meeting if it is requested within the time limits described

above in the section entitled “Proposals by Shareholders” or if it is otherwise provided under Swiss law or our Articles If any other matters are properly presented, the persons named on the enclosed proxy card will vote the shares represented by proxies as they deem advisable.

Householding

The SEC permits a single proxy statement to be sent to any household at which two or more shareholders reside if they appear to be members of the same family. Each shareholder continues to receive a separate proxy card. This procedure, referred to as householding, reduces the volume of duplicate information shareholders receive and reduces mailing and printing expenses. A number of brokerage firms have instituted householding.

As a result, if you hold your shares through a broker and you reside at an address at which two or more shareholders reside, you will likely be receiving only one proxy statement unless any shareholder at that address has given the broker contrary instructions. However, if any such beneficial shareholder residing at such an address wishes to receive a separate proxy statement in the future, or if any such beneficial shareholder that elected to continue to receive separate proxy statement wishes to receive a single proxy statement in the future, that shareholder should contact their broker or send a request to our U.S. Investor Relations Department at 515 Post Oak Blvd., Houston, Texas 77027. Telephone requests may be directed to (+1 (713) 693 4000). We will deliver, promptly upon written or oral request to our U.S. Investor Relations Department, a separate copy of this proxy statement to a beneficial shareholder at a shared address to which a single copy of the documents was delivered.

Additional Information Available

The 2008 Annual Report on Form 10−K and the audited consolidated financial statements of the Company for the year ended December 31, 2008 and accompanying auditors’ report have been filed with the SEC. Complete copies of these materials are available on our website at www.weatherford.com, and will be made available for inspection by the shareholders of the Company at our registered office located at Alpenstrasse 15, 6300 Zug, Switzerland, beginning April 12, 2009. Any record shareholder may obtain a copy of these documents free of charge by contacting our U.S. Investor Relations Department in writing at 515 Post Oak Boulevard, Houston, Texas 77027 or by telephone at +1 (713) 693 4000. Copies of any exhibits to our Annual Report on Form 10−K also are available upon written request subject to a charge for copying and mailing. If you have any other questions about us, please contact our U.S. Investor Relations Department at the address or phone number above or visit our website.

By Order of the Board of Directors

Burt M. Martin
Secretary

Zug, Switzerland
April 1, 2009

EXHIBIT IV

CURRENT REPORT ON FORM 8-K12B FILED BY WEATHERFORD INTERNATIONAL LTD. WITH THE SEC ON FEBRUARY 26, 2009

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8−K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934
Date of Report (Date of earliest event reported): February 25, 2009

WEATHERFORD INTERNATIONAL LTD.

(Exact name of registrant as specified in charter)

Switzerland	**333−135244−02**	**98−0606750**
(State of Incorporation)	(Commission File No.)	(I.R.S. Employer Identification No.)

Alpenstrasse 15, 6300 Zug, Switzerland	**Not applicable**
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: +41−41−729−4242

Check the appropriate box below if the Form 8−K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a−12 under the Exchange Act (17 CFR 240.14a−12)
☐ Pre−commencement communications pursuant to Rule 14d−2(b) under the Exchange Act (17 CFR 240.14d−2(b))
☐ Pre−commencement communications pursuant to Rule 13e−4(c) under the Exchange Act (17 CFR 240.13e−4(c))

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Item 1.01. Entry into a Material Definitive Agreement.

Supplemental Indentures

On February 26, 2009, Weatherford International Ltd., a Swiss joint stock corporation ("Weatherford−Switzerland"), Weatherford International Ltd., a Bermuda exempted company ("Weatherford−Bermuda"), and Weatherford International Inc., a Delaware corporation ("Weatherford−Delaware"), entered into supplemental indentures (the "Supplemental Indentures"), with respect to the following indentures, pursuant to which Weatherford−Switzerland guarantees all of Weatherford−Bermuda's and Weatherford−Delaware's liabilities and obligations under the following:

- the Indenture, dated May 17, 1996, relating to $350,000,000 principal amount of 6.625% Senior Notes due 2011 issued by Weatherford−Delaware;

- Indenture, dated October 1, 2003, relating to the following debt securities issued by Weatherford−Bermuda: (i) $250,000,000 principal amount of 4.95% Senior Notes due 2013; (ii) $500,000,000 principal amount of 5.15% Senior Notes due 2013; (iii) $350,000,000 principal amount of 5.50% Senior Notes due 2016; (iv) $500,000,000 principal amount of 6.00% Senior Notes due 2018; (v) $600,000,000 principal amount of 6.50% Senior Notes due 2036; (vi) $500,000,000 principal amount of 7.00% Senior Notes due 2038; (vii) $1,000,000,000 principal amount of 9.625% Senior Notes due 2019; and (viii) $250,000,000 principal amount of 9.875% Senior Notes due 2039; and

- Indenture, dated June 18, 2007, relating to the following debt securities issued by Weatherford−Delaware: (i) $600,000,000 principal amount of 5.95% Senior Notes due 2012; (ii) $600,000,000 principal amount of 6.35% Senior Notes due 2017; and (iii) $300,000,000 principal amount of 6.80% Senior Notes due 2037.

The Supplemental Indentures are filed as Exhibits 4.1, 4.2 and 4.3 to this Current Report on Form 8−K and are incorporated herein by reference.

Warrant Assignment

On February 26, 2009, Weatherford−Switzerland and Weatherford−Bermuda entered into a Warrant Assignment and Assumption Agreement (the "Assignment Agreement") regarding outstanding warrants to purchase an aggregate of 12.9 million common shares of Weatherford−Bermuda, par value $1.00 per share (the "Weatherford−Bermuda Common Shares"), at an exercise price of $15.00 per share (collectively, the "Warrants").

Under the Assignment Agreement, Weatherford−Bermuda assigned to Weatherford−Switzerland, and Weatherford−Switzerland assumed, all of Weatherford−Bermuda's rights and obligations under the Warrants. As a result, the holders of the Warrants are entitled to receive, in accordance with the terms of the Warrants, one Weatherford−Switzerland registered share (collectively, the "Weatherford−Switzerland Registered Shares") on exercise of the Warrants in lieu of each Weatherford−Bermuda Common Share that they were entitled to receive upon

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exercise of the Warrants. The Assignment Agreement is filed as Exhibit 10.1 to this Current Report on Form 8−K and is incorporated herein by reference.

Credit Facilities

Weatherford−Bermuda is a borrower under the following credit agreements (collectively, the "Credit Facilities"):

- the Second Amended and Restated Credit Agreement dated as of May 2, 2006, among Weatherford International Ltd., Weatherford International, Inc., Weatherford Liquidity Management Hungary Limited Liability Company, JPMorgan Chase Bank as Administrative Agent, and the other Lenders party thereto, which provides for a $1.5 billion revolving credit facility;

- the Credit Agreement dated as of March 19, 2008, among Weatherford International Ltd., Weatherford International, Inc., Deutsche Bank AG Cayman Islands Branch as Administrative Agent, and the other Lenders party thereto, which provides for a $250 million revolving credit facility; and

- the Credit Agreement dated as of October 20, 2008, among Weatherford International Ltd., Weatherford International, Inc., UBS AG, Stamford Branch as Administrative Agent, and the other Lenders party thereto, which provides for a $500 million revolving credit facility.

Weatherford−Switzerland executed a guarantee of each of the Credit Facilities (the "Credit Facility Guarantees"). The Credit Facility Guarantees executed by Weatherford−Switzerland are filed as Exhibits 10.2, 10.3 and 10.4 to this Current Report on Form 8−K and are incorporated herein by reference.

Assumption and Amendment of Stock Plans

On February 25, 2009, Weatherford−Switzerland and Weatherford−Bermuda entered into an Assumption and General Amendment Agreement pursuant to which, among others:

- Weatherford−Bermuda assigned to Weatherford−Switzerland, and Weatherford−Switzerland assumed, the following equity incentive plans of Weatherford−Bermuda, including all award or grant documents or agreements thereunder: Weatherford International Ltd. Non−Employee Director Stock Option Agreements; Weatherford International Ltd. 2006 Omnibus Incentive Plan; Weatherford International Ltd. Restricted Share Plan; and Weatherford International, Inc. 1998 Employee Stock Option Plan.

- Weatherford−Bermuda assigned to Weatherford−Switzerland, and Weatherford−Switzerland assumed, the employment agreements between Weatherford−Bermuda and each of Jessica Abarca, Andrew P. Becnel, M. David Colley, Bernard J. Duroc−Danner, Stuart E. Ferguson, Carel W. Hoyer, James M. Hudgins, Burt M. Martin and Keith R. Morley (the "Executives"), which agreements are dated effective as of December 31, 2008.

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- Weatherford−Bermuda assigned to Weatherford−Switzerland, and Weatherford−Switzerland assumed, the obligations to issue or cause to be issued shares under the following benefit plans of Weatherford−Bermuda: Weatherford International, Inc. Executive Deferred Compensation Stock Ownership Plan; Weatherford International, Inc. Foreign Executive Deferred Compensation Stock Plan; and Weatherford International Ltd. Deferred Compensation Plan for Non−Employee Directors. The plans remain plans of Weatherford−Bermuda and were not assumed by Weatherford−Switzerland.

The Assumption and General Amendment Agreement also provides that references to Weatherford−Bermuda in the employment agreements between Weatherford−Delaware and each of the Executives, which agreements are dated effective as of January 1, 2009 (other than the agreements of Messrs. Hudgins and Hoyer, which are dated effective as of February 9, 2009), will be references to Weatherford−Switzerland. These employment agreements remain agreements of Weatherford−Delaware and were not assumed by Weatherford−Switzerland. Further, references to Weatherford−Bermuda in the equity−incentive plans, benefits plans and other employment agreements noted above were also changed to references to Weatherford−Switzerland. Also, all awards or grants under the equity−incentive plans continue to be exercisable, issuable, held, available or vest upon the same terms and conditions as under the previously−existing awards or grants, except that upon the exercise, issuance, holding, availability or vesting of those awards or grants, Weatherford−Switzerland Registered Shares are now issuable or available, or benefits or other amounts determined, in lieu of Weatherford−Bermuda Common Shares.

This agreement is effective as of immediately prior to the effective time of the Transaction (as such term is defined in Item 8.01 below).

The Assumption and General Amendment Agreement is filed as Exhibit 10.5 to this Current Report on Form 8−K and is incorporated by reference herein.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off−Balance Sheet Arrangement of a Registrant.

The descriptions of the Supplemental Indentures and the Credit Facility Guarantees under Item 1.01 are incorporated herein by reference.

Item 3.02 Unregistered Sales of Equity Securities.

On February 26, 2009, pursuant to the Transaction, each holder of Weatherford−Bermuda Common Shares outstanding immediately before the Transaction received one Weatherford−Switzerland Registered Share, in exchange for each outstanding common share of Weatherford−Bermuda.

In connection with the Transaction, Weatherford−Switzerland issued a total of 697,802,003 Weatherford−Switzerland Registered Shares (excluding Weatherford−Switzerland Registered Shares issued in exchange for Weatherford−Bermuda Common Shares held in treasury) to the holders of Weatherford−Bermuda Common Shares immediately prior to the effective time of the Transaction. The terms and conditions of the issuance and exchange of the securities were sanctioned by the Supreme Court of Bermuda, after a hearing upon the fairness of such terms and conditions at which all Weatherford−Bermuda shareholders had a right to appear and of which adequate notice had been given. The issuance was exempt from the registration requirements of the Securities Act of 1933, as amended (the “Securities Act”), by virtue of Section 3(a)(10) of the Securities Act.

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Item 3.03 Material Modification to Rights of Security Holders.

The information included under Item 5.03 and Item 8.01 is incorporated herein by reference.

Item 5.01 Changes in Control of Registrant.

The description of the Transaction under Item 8.01 is incorporated herein by reference.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

As of February 26, 2009, following the completion of the Transaction, the directors and executive officers of Weatherford−Bermuda immediately prior to the Transaction became the directors and executive officers of Weatherford−Switzerland. Weatherford−Bermuda's directors carry their terms of office over to the Weatherford−Switzerland board of directors; but such terms will expire at the first general meeting of shareholders of Weatherford−Switzerland.

In connection with the completion of the Transaction, all directors and executive officers of Weatherford−Switzerland will enter into indemnification agreements with each of its directors and executive officers that provide for indemnification and expense advancement and include related provisions intended to facilitate the indemnitee's receipt of such benefits. A form of the indemnification agreement is filed as Exhibit 10.6 to this Current Report on Form 8−K and is incorporated herein by reference.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

On February 26, 2009, in connection with and effective upon completion of the Transaction, Weatherford−Switzerland amended and restated its articles of association. The summary of the material terms of the articles of association, as amended and restated, and the organizational regulations and the comparison of the rights of shareholders under those documents described under the headings "Description of Weatherford−Switzerland Shares" and "Comparison of Rights of Shareholders" in Weatherford−Bermuda's definitive proxy statement dated January 13, 2009 and filed with the Securities and Exchange Commission (the "Commission") on January 15, 2009 is incorporated herein by reference. In addition, on February 26, 2009, in conjunction with the completion of the Transaction, Weatherford−Switzerland's par value per Weatherford−Switzerland Registered Share was set at par value 1.16 Swiss francs per share, the Swiss franc equivalent to US$1 par value per Weatherford−Bermuda Common Share. The complete text of the articles of association and organizational regulations of Weatherford−Switzerland are filed as Exhibits 3.1 and 3.2, respectively, to this Current Report on Form 8−K and are incorporated herein by reference. The summary of the articles of association and organizational regulations is qualified in its entirety by reference to Exhibits 3.1 and 3.2, respectively.

Item 8.01 Other Events.

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On February 26, 2009, Weatherford−Bermuda and Weatherford−Switzerland completed a share exchange transaction under the terms of a share exchange agreement, dated as of December 10, 2008 (the "Share Exchange Agreement"), effected by way of a scheme of arrangement under Bermuda law (the "Scheme of Arrangement"), for purposes of changing our place of incorporation from Bermuda to Switzerland (collectively, the "Transaction"). In the Transaction, each holder of Weatherford−Bermuda Common Shares outstanding immediately prior to the Transaction received one Weatherford−Switzerland Registered Share in exchange for each outstanding Weatherford−Bermuda Common Share. As a result of the Transaction, Weatherford−Bermuda became a direct, wholly−owned subsidiary of Weatherford−Switzerland. On February 26, 2009, Weatherford−Switzerland issued a press release announcing the completion of the Transaction. The press release is attached as Exhibit 99.1.

Prior to the Transaction, the Weatherford−Bermuda Common Shares were registered pursuant to Section 12(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and listed on the New York Stock Exchange ("NYSE") under the symbol "WFT." As a result of the Transaction, all of the Weatherford−Bermuda Common Shares were exchanged for Weatherford−Switzerland Registered Shares. Accordingly, Weatherford−Bermuda requested that the NYSE file with the Commission a Form 25 to remove the Weatherford−Bermuda Common Shares from listing on the NYSE. Weatherford−Bermuda expects to file a Form 15 with the Commission to terminate the registration of the Weatherford−Bermuda Common Shares and suspend its reporting obligations under Sections 13 and 15(d) of the Exchange Act.

Pursuant to Rule 12g−3(a) promulgated under the Exchange Act, the Weatherford−Switzerland Registered Shares are deemed registered under Section 12(b) of the Exchange Act. The Weatherford−Switzerland Registered Shares were approved for listing on the NYSE and began trading under the symbol "WFT," the same symbol under which the Weatherford−Bermuda Common Shares previously traded, on February 26, 2009.

Set forth below is a description of the share capital of Weatherford−Switzerland. For purposes of the following description, references to the "Company," "we" and "our" refer to Weatherford−Switzerland.

DESCRIPTION OF SHARE CAPITAL OF WEATHERFORD−SWITZERLAND

The following description of our share capital is a summary. This summary is not complete and is subject to the complete text of our articles of association and organizational regulations, which are filed as Exhibits 3.1 and 3.2, respectively, to this Current Report on Form 8−K and incorporated herein by reference. We encourage you to read those documents carefully.

Capital Structure

We only have one class of shares outstanding, so all references to "voting rights" in this "Description of Share Capital" mean the voting rights of Weatherford−Switzerland Registered Shares, unless another class of shares is subsequently created. Likewise, a "majority of the par value of the registered shares" will mean a majority of the par value of our registered shares, par value 1.16 Swiss francs per share.

Issued Share Capital. Our registered share capital as of February 26, 2009 is approximately 845.5 million Swiss francs, comprised of approximately 728.9 million

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registered shares, each with a par value of 1.16 Swiss francs per share, including 31.1 million treasury shares.

Authorized Share Capital. Our board of directors is authorized to issue new registered shares at any time during the two−year period beginning February 26, 2009 and thereby increase our share capital, by a maximum amount of 50% of the share capital registered in the commercial register (which registered share capital currently is approximately 845.5 million Swiss francs, or approximately 728.9 million registered shares) without obtaining additional shareholder approval. After the expiration of this two−year period, and each subsequent two−year period, authorized share capital will be available to the board of directors for issuance of additional registered shares only if new authorized capital is created to that effect by the shareholders.

The board of directors determines the time of the issuance, the issuance price, the manner in which the new registered shares have to be paid in, the date from which the new registered shares carry the right to dividends and the conditions for the exercise of the preferential subscription rights with respect to the issuance and the allotment of preferential subscription rights that are not exercised. The board of directors may allow preferential subscription rights that are not exercised to expire, or it may place such rights or registered shares, the preferential subscription rights of which have not been exercised, at market conditions or use them otherwise in the interest of the Company.

In an authorized capital increase, our shareholders would have preferential subscription rights to obtain newly issued registered shares in an amount proportional to the par value of the registered shares they already hold. However, the board of directors may withdraw or limit these preferential subscription rights in certain circumstances as set forth in our articles of association. For further details on these circumstances, see "— Preferential Subscription Rights and Advance Subscription Rights."

Conditional Share Capital. Our articles of association provide for a conditional share capital that permits the issuance of additional registered shares up to a maximum amount of 50% of the share capital registered in the commercial register (which registered share capital currently is approximately 728.9 million registered shares) without obtaining additional shareholder approval. These registered shares may be issued:

- through the exercise of conversion, exchange, option, warrant or similar rights for the subscription of shares granted to third parties or shareholders in connection with bonds, options, warrants or other securities newly or already issued in national or international capital markets or new or already existing contractual obligations by or of the Company, one or more of our subsidiaries, or any of their respective predecessors; or

- through the issuance of registered shares, options or other share−based awards to directors, employees, contractors, consultants or other persons providing services to us or our subsidiaries.

The advance subscription rights and preferential subscription rights of shareholders shall be excluded in connection with the issuance of any shares or rights entitling their holders to receive or acquire any shares out of our conditional capital as set forth in our articles of association. See "— Preferential Subscription Rights and Advance Subscription Rights" below.

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Other Classes or Series of Shares. The board of directors may not create shares with increased voting powers without the affirmative resolution adopted by shareholders holding at least 66 2/3% of the voting rights and a majority of the par value of the registered shares represented at a general meeting. The shareholders may create preferred shares with a relative majority of the votes cast at a general meeting.

Preferential Subscription Rights and Advance Subscription Rights

Under the Swiss Code of Obligations, which we refer to as the Swiss Code, the prior approval of a general meeting of shareholders is required to authorize, for later issuance, the issuance of registered shares, or rights to subscribe for, or convert into, registered shares (which rights may be connected to debt instruments or other obligations). In addition, the existing shareholders will generally have preferential subscription rights in relation to such registered shares for authorized share capital and conditional share capital or advance subscription rights in relation to such rights for conditional share capital in proportion to the respective par values of their holdings.

If the general meeting of shareholders has approved the creation of authorized capital, it may thereby delegate the decision whether to withdraw or limit the preferential subscription rights for cause to the board of directors. Our articles of association provide for this delegation with respect to our authorized share capital in the circumstances described below under "— Authorized Share Capital." Furthermore, the advance subscription rights and preferential subscription rights of shareholders shall be excluded in connection with the issuance of any shares or rights with respect to our conditional share capital in the circumstances described below under "— Conditional Share Capital."

Authorized Share Capital. The board of directors is authorized to withdraw or limit the preferential subscription rights with respect to the issuance of registered shares from the authorized capital for cause, in particular if:

- the issue price of the new registered shares is determined by reference to the then−prevailing market conditions;
- the registered shares are issued in connection with the acquisition of an enterprise or business or any part of an enterprise or business, the financing or refinancing of any such transactions or the financing of new investment plans of the Company;
- the registered shares are issued in connection with the intended broadening of the shareholder constituency of the Company in certain financial or investor markets, for the purposes of the participation of strategic partners, or in connection with the listing of the registered shares on domestic or foreign stock exchanges;
- in connection with a placement or sale of registered shares, the grant of an over−allotment option (including options with respect to any security convertible into shares, such as convertible debt securities or otherwise) of up to 20% of the total number of registered shares in a placement or sale of registered shares to the initial purchasers or underwriters;

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- for the participation in a benefit or other plan by directors, employees, contractors, consultants and other persons performing services for our benefit or the benefit of any of our subsidiaries; or

- if the shares to be issued will be issued for any consideration (including debt, equity or assets of another company) other than for cash consideration.

Conditional Share Capital. In connection with the issuance of bonds, notes, warrants or other financial instruments or contractual obligations convertible into or exercisable or exchangeable for registered shares of the Company, the advance subscription rights and the preferential subscription rights of shareholders are excluded with respect to registered shares issued from our conditional share capital and to the relevant bond, note or other right issued by the Company.

Dividends

Under Swiss law, dividends may be paid out only if the corporation has sufficient distributable profits from the previous fiscal year, or if the corporation has freely distributable reserves, each as will be presented on the audited annual stand−alone statutory balance sheet. Payments out of the registered share capital (in other words, the aggregate par value of our registered share capital) in the form of dividends are not allowed; however, payments out of registered share capital may be made by way of a capital reduction. The “freely distributable reserves” of a Swiss corporation consist of the portion of its general reserves, other free reserves, retained earnings and current net profits which is in excess of its “restricted equity” (the concept of “restricted equity” covering primarily (1) the corporation’s share capital and (2) its general reserve up to an amount equal to one half of the share capital or 20% in case of holding companies). See “— Reduction of Share Capital” for more information. Qualifying additional paid−in capital may only be paid out as dividends to shareholders following approval by the shareholders of a reclassification of such qualifying additional paid−in capital as freely distributable reserves (to the extent permissible under the Swiss Code). We may seek to reclassify part of our qualifying additional paid−in capital to freely distributable reserves, to the extent that it exceeds 50% of our share capital. The affirmative vote of shareholders representing a relative majority of the votes cast at a general meeting must approve reserve reclassifications and distributions of dividends. The board of directors may propose to shareholders that a dividend be paid but cannot itself authorize the dividend.

Under the Swiss Code, if our general reserves amount to less than 20% of the share capital recorded in the commercial register (i.e., 20% of the aggregate par value of our registered capital), then at least 5% of our annual profit must be retained as general reserves. The Swiss Code and our articles of association permit us to accrue additional general reserves. In addition, we are required to create a special reserve on our stand−alone annual statutory balance sheet in the amount of the purchase price of registered shares that we or any of our subsidiaries repurchase, which amount may not be used for dividends or subsequent repurchases.

Swiss companies generally must maintain a separate company, stand−alone “statutory” balance sheet for the purpose of, among other things, determining the amounts available for the return of capital to shareholders, including by way of a distribution of dividends. Our auditor must confirm that a dividend proposal made to shareholders conforms with the requirements of the Swiss Code and our articles of association. Dividends are usually due and payable shortly

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after the shareholders have passed a resolution approving the payment. Our articles of association provide that dividends that have not been claimed within five years after the due date become the property of the Company and are allocated to the general reserves.

We are required under Swiss law to declare any dividends and other capital distributions in Swiss francs. We intend to make any dividend payments to holders of our shares in U.S. dollars, unless the holders provide notice to our transfer agent, American Stock Transfer & Trust Company, LLC, that they wish to receive dividend payments in Swiss francs. American Stock Transfer & Trust Company, LLC will be responsible for paying the U.S. dollars or Swiss francs to registered holders of shares, less amounts subject to withholding for taxes.

Repurchases of Registered Shares

The Swiss Code limits a company's ability to hold or repurchase its own registered shares. We and our subsidiaries may only repurchase shares if and to the extent that sufficient freely distributable reserves are available, as described above under "— Dividends." The aggregate par value of all registered shares held by us and our subsidiaries may not exceed 10% of our registered share capital. However, we may repurchase our own registered shares beyond the statutory limit of 10% if the shareholders have passed a resolution at a general meeting of shareholders authorizing the board of directors to repurchase registered shares in an amount in excess of 10% and the repurchased shares are dedicated for cancellation. Any registered shares repurchased pursuant to such an authorization will then be cancelled at the next general meeting upon the approval of shareholders representing a relative majority of the votes cast at the general meeting. Repurchased registered shares held by us or our subsidiaries do not carry any rights to vote at a general meeting of shareholders but are entitled to the economic benefits generally associated with the shares.

Reduction of Share Capital

Capital distributions may also take the form of a distribution of cash or property that is based upon a reduction of our share capital recorded in the commercial register. Such a capital reduction requires the approval of shareholders representing a relative majority of the votes cast at the general meeting. A special audit report must confirm that creditors' claims remain fully covered despite the reduction in the share capital recorded in the commercial register. Upon approval by the general meeting of shareholders of the capital reduction, the board of directors must give public notice of the capital reduction resolution in the Swiss Official Gazette of Commerce three times and notify creditors that they may request, within two months of the third publication, satisfaction of or security for their claims.

General Meetings of Shareholders

The general meeting of shareholders is our supreme corporate body. Ordinary and extraordinary shareholders meetings may be held. The following powers will be vested exclusively in the shareholders meeting:

- adoption and amendment of our articles of association;
- election of members of the board of directors and the auditor;

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- approval of the annual business report, the stand−alone statutory financial statements and the consolidated financial statements;
- payments of dividends and any other distributions of capital to shareholders (excluding share repurchases below 10% of the registered share capital, to the extent that sufficient freely distributable reserves are available);
- discharge of the members of the board of directors from liability for business conducted during the previous fiscal year; and
- any other resolutions that are submitted to a general meeting of shareholders pursuant to law, our articles of association or by voluntary submission by the board of directors (unless a matter is within the exclusive competence of the board of directors pursuant to the Swiss Code).

Under the Swiss Code and our articles of association, we must hold an annual, ordinary general meeting of shareholders within six months after the end of our fiscal year for the purpose, among other things, of approving the annual financial statements and the annual business report, and the annual election of directors for the class whose term has expired. The invitation to general meetings must be published in the Swiss Official Gazette of Commerce and sent to the shareholders of record at least 20 calendar days prior to the relevant general meeting of shareholders. The notice of a meeting must state the items on the agenda and the proposals of the board of directors and of the shareholders who demanded that a shareholders meeting be held or that an item be included on the agenda and, in case of elections, the names of the nominated candidates. No resolutions may be passed at a shareholders meeting concerning agenda items for which proper notice was not given. This does not apply, however, to proposals made during a shareholders meeting to convene an extraordinary shareholders meeting or to initiate a special investigation. No previous notification will be required for proposals concerning items included on the agenda or for debates as to which no vote is taken.

Annual general meetings of shareholders may be convened by the board of directors or, under certain circumstances, by the auditor. A general meeting of shareholders must generally be held at or near the place of incorporation of the Company, as decided by the board of directors of the Company.

An extraordinary general meeting of the Company may be called upon the resolution of the board of directors or, under certain circumstances, by the auditor. In addition, the board of directors is required to convene an extraordinary general meeting of shareholders if so resolved by the general meeting of shareholders, or if so requested by shareholders holding an aggregate of at least 10% of the registered shares, specifying the items for the agenda and their proposals, or if it appears from the stand−alone annual statutory balance sheet that half of the Company’s share capital and reserves are not covered by the Company’s assets. In the latter case, the board of directors must immediately convene an extraordinary general meeting of shareholders and propose financial restructuring measures.

Under our articles of association, any shareholder satisfying the formal requirements of the Swiss Code may request that an item be included on the agenda of a general meeting of shareholders. Such shareholder may also nominate one or more directors for election.

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Shareholder proposals to be included in the proxy materials for an annual general meeting must comply with Rule 14a−8 promulgated by the Commission to be considered for inclusion in the proxy statement for that meeting. For any matters submitted outside the process of Rule 14a−8, a request for inclusion of an item on the agenda or a nominee must be in writing and requested at least 60 and no more than 90 calendar days prior to the scheduled and announced date of the next general meeting of shareholders. The request must specify the relevant agenda items and motions, together with evidence of the required shares recorded in the share register, as well as any other information as would be required to be included in a proxy statement pursuant to the rules of the Commission.

Under the Swiss Code, a general meeting of shareholders for which a notice of meeting has been duly published or communicated may not be adjourned without publishing or communicating a new notice of meeting.

Our annual report and auditor's report must be made available for inspection by the shareholders at our place of incorporation no later than 20 days prior to the meeting. Each shareholder is entitled to request immediate delivery of a copy of these documents free of charge. Shareholders of record will be notified of this in writing.

Voting

Each registered share carries one vote at a general meeting of shareholders. Voting rights may be exercised by shareholders registered in our share register or by a duly appointed proxy of a registered shareholder, which proxy need not be a shareholder. Our articles of association do not limit the number of registered shares that may be voted by a single shareholder.

Treasury shares, whether owned by us or one of our majority−owned subsidiaries, will not be entitled to vote at general meetings of shareholders.

Pursuant to our articles of association, the shareholders generally take resolutions and decide elections upon a relative majority of the votes cast at the general meeting of shareholders (broker non−votes, abstentions and blank and invalid ballots and withdrawals shall be disregarded), unless otherwise provided by law or our articles of association. If the number of directors nominated for election is greater than the number of directors to be elected, the persons receiving the most votes (up to the number of directors to be elected) will be elected as directors. Our articles of association do not provide for cumulative voting for election of directors.

The acting chair may direct that elections be held by use of an electronic voting system. Electronic resolutions and elections are considered equal to resolutions and elections taken by way of a written ballot.

The Swiss Code and/or our articles of association require the affirmative vote of at least two−thirds of the voting rights and a majority of the par value of the registered shares, each as represented at a general meeting, to approve the following matters:

- the amendment to or the modification of the purpose of the Company;
- the creation or cancellation of shares with privileged voting rights;

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- the restriction on the transferability of shares and any amendment in relation thereto;
- the restriction on the exercise of the right to vote and any amendment in relation thereto;
- an authorized or conditional increase in the nominal share capital;
- an increase in the nominal share capital through (1) the conversion of capital surplus, (2) a contribution in kind for an acquisition of assets, or (3) a grant of special privileges;
- the limitation or withdrawal of preferential subscription rights or advance subscription rights;
- a change in the place of incorporation of the Company;
- the conversion of registered shares into bearer shares and vice versa;
- the dissolution of the Company; and
- the removal of a member of the board of directors.

The same supermajority voting requirements apply to resolutions in relation to transactions among corporations based on Switzerland's Federal Act on Mergers, Demergers, Transformations and the Transfer of Assets, which we refer to as the Merger Act, including a merger, demerger or conversion of a corporation (other than a cash−out or certain squeeze−out mergers, in which minority shareholders of the company being acquired may be compensated in a form other than through shares of the acquiring company, for instance, through cash or securities of a parent company of the acquiring company or of another company — in such a merger, an affirmative vote of 90% of the outstanding registered shares is required). Swiss law may also impose this supermajority voting requirement in connection with the sale of "all or substantially all of its assets" by us. See "— Appraisal Rights and Compulsory Acquisitions."

Quorum for General Meetings

The presence of shareholders, in person or by proxy, holding at least two−thirds of the registered shares recorded in our share register and generally entitled to vote at a meeting, is a quorum for the transaction of the following business:

- the adoption of a resolution with respect to the removal of a serving director; and
- the adoption of a resolution to amend Article 21 — which sets forth the quorum at a general meeting required for certain matters, Articles 18 and 20 — which set forth the level of shareholder approval required for certain matters, Article 23 — which sets forth the term of office of a director and Article 24 — which sets forth the organization and remuneration of the board of directors.

The presence of shareholders, in person or by proxy, holding at least one−third of the registered shares recorded in our share register and generally entitled to vote at a meeting, is a quorum for the transaction of any other business.

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Under the Swiss Code, the board of directors has no authority to waive quorum requirements stipulated in the articles of association.

Inspection of Books and Records

Under the Swiss Code, a shareholder has a right to seek information from the board of directors with regard to the information in the share register concerning his own shares and otherwise to the extent necessary to exercise his shareholder rights. No other person has a right to inspect the share register. The books and correspondence of a Swiss company may be inspected with the express authorization of the general meeting of shareholders or by resolution of the board of directors and subject to the safeguarding of the Company's business secrets. At a general meeting of shareholders, any shareholder is entitled to request information from the board of directors concerning the affairs of the Company. Shareholders may also ask the auditor questions regarding its audit of the Company. The board of directors and the auditor must answer shareholders' questions to the extent necessary for the exercise of shareholders' rights and subject to prevailing business secrets or other material interests of the Company.

Special Investigation

If the shareholders' inspection and information rights as outlined above prove to be insufficient, any shareholder may propose to the general meeting of shareholders that specific facts be examined by a special commissioner in a special investigation. If the general meeting of shareholders approves the proposal, we or any shareholder may, within 30 calendar days after the general meeting of shareholders, request the court at our registered office to appoint a special commissioner. If the general meeting of shareholders rejects the request, one or more shareholders representing at least 10% of the share capital or holders of registered shares in an aggregate par value of at least two million Swiss francs may request the court to appoint a special commissioner. The court will issue such an order if the petitioners can credibly establish that the board of directors, any member of the board or an officer of the Company infringed the law or our articles of association and thereby damaged the Company or the shareholders. The costs of the investigation would generally be allocated to the Company and only in exceptional cases to the petitioners.

Appraisal Rights and Compulsory Acquisitions

Business combinations and other transactions that are binding on all shareholders are governed by the Merger Act. A statutory merger or demerger requires that at least 66 2/3% of the registered shares and a majority of the par value of the registered shares represented at the general meeting of shareholders vote in favor of the transaction. Under the Merger Act, a "demerger" may take two forms:

- a legal entity may divide all of its assets and transfer such assets to other legal entities, with the shareholders of the transferring entity receiving equity securities in the acquiring entities and the transferring entity dissolving upon deregistration in the commercial register; or

- a legal entity may transfer all or a portion of its assets to other legal entities, with the shareholders of the transferring entity receiving equity securities in the acquiring entities.

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If a transaction under the Merger Act receives all of the necessary consents, all shareholders would be compelled to participate in the transaction. See "—Voting."

Swiss companies may be acquired by an acquirer through the direct acquisition of the share capital of the Swiss company. With respect to corporations, such as the Company, that are limited by shares, the Merger Act provides for the possibility of a so−called "cash−out" or "squeeze−out" merger if the acquirer controls 90% of the outstanding registered shares. In these limited circumstances, minority shareholders of the company being acquired may be compensated in a form other than through shares of the acquiring company (for instance, through cash or securities of a parent company of the acquiring company or of another company). For business combinations effected in the form of a statutory merger or demerger and subject to Swiss law, the Merger Act provides that if the equity rights have not been adequately preserved or compensation payments in the transaction are unreasonable, a shareholder may request the competent court to determine a reasonable amount of compensation.

In addition, under Swiss law, the sale of "all or substantially all of its assets" by the Company may require a resolution of the general meeting of shareholders passed by holders of at least two−thirds of the voting rights and a majority of the par value of the registered shares, each as represented at the general meeting of shareholders. Whether or not a shareholder resolution is required depends on the particular transaction, including whether the following test is satisfied:

- the Company sells a core part of its business, without which it is economically impracticable or unreasonable to continue to operate the remaining business;
- the Company's assets, after the divestment, are not invested in accordance with the Company's statutory business purpose; and
- the proceeds of the divestment are not earmarked for reinvestment in accordance with the Company's business purpose but, instead, are intended for distribution to shareholders or for financial investments unrelated to the Company's business.

If all of the foregoing apply, a shareholder resolution would likely be required.

Anti−Takeover Provisions

Our articles of association have provisions that could have an anti−takeover effect. These provisions are intended to enhance the likelihood of continuity and stability in the composition of the board of directors and in the policies formulated by the board of directors, and may have the effect of discouraging actual or threatened changes of control by limiting certain actions that may be taken by a potential acquirer prior to its having obtained sufficient control to adopt a special resolution amending our articles of association.

Under the Swiss Code, directors may at any time, with or without cause, be removed from office by resolution of the shareholders at a general meeting of shareholders, provided that a proposal for such resolution has been put on the agenda for the meeting in accordance with the requirements of the Swiss Code and our articles of association. Our articles of association provide that a decision of the shareholders at a general meeting to remove a director requires the vote of shareholders holding at least 66 2/3% of the voting rights and the absolute majority of the registered shares represented at that meeting as well as a quorum of at least two−thirds of the registered shares recorded in our share register.

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Under Swiss law, there is generally no prohibition of business combinations with interested shareholders. However, in certain circumstances, shareholders and members of the board of directors of Swiss companies, as well as certain persons associated with them, must refund any payments they receive that are not made on an arm's length basis.

Our articles of association include an authorized share capital, according to which the board of directors is authorized, at any time during a maximum two−year period, to issue a number of registered shares up to 50% of the share capital registered in the commercial register and to limit or withdraw the preferential subscription rights of the existing shareholders for a proper cause.

For other provisions that could be considered to have an anti−takeover effect, see "— Preferential Subscription Rights and Advance Subscription Rights" "— General Meetings of Shareholders" and "— Voting" above.

Legal Name; Formation; Fiscal Year; Registered Office

The legal and commercial name of the Company is Weatherford International Ltd. We were initially formed, and our articles of association registered, on November 26, 2008, which articles of association were amended and restated, as described herein, in conjunction with the completion of the Transaction. We are incorporated and domiciled in Zug, Canton of Zug, Switzerland and operate under the Swiss Code as a stock corporation (Aktiengesellschaft). We are recorded in the Commercial Register of the Canton of Zug with the registration number CH−170.3.032 888−3. Our fiscal year is the calendar year, but our first fiscal year following our formation will run from November 26, 2008 to December 31, 2009, as permitted by Swiss law.

The address of our registered office is Weatherford International Ltd., Alpenstrasse 15, 6300 Zug, Switzerland, and the telephone number at that address is +41−41−729−4242.

Corporate Purpose

Our business purpose is to acquire, hold, administer and transfer participations in entities in Switzerland and abroad, either directly or indirectly, in particular in entities which are active in the field of services providing with respect to the acquisition and production of natural energy and of the financing of such activities. We may also acquire, administer and transfer patents, trademarks and technical and industrial know−how as well as real estate assets, and engage in any commercial, financial or other activities which are directly or indirectly related to these purposes. We may also participate in the financing, including by providing of guarantees and sureties, of affiliates of the Company.

Duration; Dissolution; Rights upon Liquidation

The duration of the Company is unlimited. We may be dissolved at any time with the approval of shareholders holding two−thirds of the voting rights and a majority of the par value of the registered shares represented at a general meeting. Dissolution by court order is possible in the event of our bankruptcy, or for cause at the request of shareholders holding at least 10% of our share capital. Under Swiss law, any surplus arising out of liquidation, after the settlement of all claims of all creditors, will be distributed to shareholders in proportion to the paid−up par value of registered shares held, subject to Swiss withholding tax requirements.

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Certificated and Uncertificated Shares

We are authorized to issue registered shares in certificated or uncertificated form.

Stock Exchange Listing

Our registered shares are listed for trading on the NYSE under the symbol “WFT.”

No Sinking Fund

The registered shares have no sinking fund provisions.

No Redemption and Conversion

The registered shares are not convertible into shares of any other class or series or subject to redemption either by us or the holder of the shares.

Transfer and Registration of Shares

We have not imposed any restrictions applicable to the transfer of our registered shares. Our share register will initially be kept by American Stock Transfer & Trust Company, LLC, which acts as transfer agent and registrar. The share register reflects only record owners of our shares. Swiss law does not recognize fractional share interests.

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Item 9.01 Financial Statements and Exhibits.
(d) **Exhibits.**

Exhibit Number	Description

[…]

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[...]

99.1	Press Release dated February 26, 2009.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: February 26, 2009

WEATHERFORD INTERNATIONAL LTD.,
a Swiss corporation

By: /s/ Burt M. Martin
Name: Burt M. Martin
Title: Senior Vice President

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EXHIBIT INDEX

Exhibit Number	Description

[...]

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[...]

99.1	Press Release dated February 26, 2009.

Exhibit 99.1

News Release

Weatherford Completes Redomestication to Switzerland

HOUSTON, Feb. 26/PRNewswire−FirstCall/ — Weatherford International Ltd. (NYSE: WFT) announced that it has completed its redomestication to Switzerland. In the redomestication, each outstanding common share of Weatherford International Ltd., the Bermuda company, was exchanged for one registered share of Weatherford International Ltd., the Swiss company. The shares of the Swiss Weatherford parent company are listed on the New York Stock Exchange under the trading symbol “WFT”, the same symbol under which the common shares of the Bermuda company were listed.

Shareholders who hold Weatherford shares in book entry form or in “street name” through a brokerage do not need to take any action to effect the exchange. Shareholders of record who hold Weatherford share certificates should receive a letter of transmittal by mail in the coming weeks that will allow them to surrender their certificates and apply for enrollment in the share register of the Swiss Weatherford parent.

Weatherford is one of the largest global providers of innovative mechanical solutions, technology and services for the drilling and production sectors of the oil and gas industry. Weatherford operates in over 100 countries and employs approximately 45,000 people worldwide.

Contact: Andrew P. Becnel 713−693−4136
Chief Financial Officer

This press release 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 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 the impact of oil and natural gas prices and worldwide economic conditions on drilling activity, the outcome of pending government investigations, the demand for and pricing of Weatherford’s products and services, domestic and international economic and regulatory conditions and changes in tax and other laws affecting our business. 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.

EXHIBIT V

CURRENT REPORT ON FORM 8-K FILED BY WEATHERFORD INTERNATIONAL LTD. WITH THE SEC ON MAY 29, 2009

EXHIBIT V - CURRENT REPORT ON FORM 8-K FILED WITH THE SEC ON MAY 29, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8−K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 29, 2009

Weatherford International Ltd.

(Exact name of registrant as specified in its charter)

Switzerland	001−34258	98−0606750
(State or other jurisdiction of incorporation)	Commission File Number	(I.R.S. Employer Identification Number)

Alpenstrasse 15 6300 Zug Switzerland	Not Applicable
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: +41−41−729−4242

Check the appropriate box below if the Form 8−K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a−12 under the Exchange Act (17 CFR 240.14a−12)

☐ Pre−commencement communications pursuant to Rule 14d−2(b) under the Exchange Act (17 CFR 240.14d−2(b))

☐ Pre−commencement communications pursuant to Rule 13e−4(c) under the Exchange Act (17 CFR 240.13e−4(c))

EXHIBIT V - CURRENT REPORT ON FORM 8-K FILED WITH THE SEC ON MAY 29, 2009

Item 1.01 Entry into a Material Definitive Agreement.
On May 29, 2009, we signed a definitive agreement with Novy Investments Limited, an affiliate of TNK−BP International Limited ("TNK−BP"), to purchase TNK−BP's Oilfield Services Division.
Under the terms of the agreement, at completion we will pay TNK−BP 24.3 million of our registered shares (the "Shares") in exchange for the equity interests in the TNK−BP subsidiaries comprising TNK−BP's Oilfield Services Division. If completion occurs, under the terms of the agreement we will also enter into a registration rights agreement with TNK−BP through which we will agree to register the Shares with the Securities and Exchange Commission and facilitate TNK−BP's re−sale of the Shares. If TNK−BP sells Shares for a price less than US$18.50 prior to June 29, 2010 or the first anniversary of completion (whichever comes first), we will be obligated to pay TNK−BP additional consideration in an amount equal to the difference between the price at which those Shares were sold and US$18.50. We will pay any additional consideration in cash or, at our option in certain instances, in additional Shares following such date. Any additional Shares will also be subject to the terms of the registration rights agreement.
The transaction is subject to regulatory approvals, including Russian competition filings, and to various other closing conditions.
The agreement contains terms customary for transactions of this type, as well as specific to this acquisition, including warranties, covenants, conditions precedent to completion, indemnities and other remedies, termination rights and post−completion working capital adjustments. There are warranties contained in the transaction documents that were made by the parties to each other as of specific dates. The assertions embodied in the warranties were made solely for purposes of these transaction documents and may be subject to important qualifications and limitations agreed to by the parties in connection with negotiating the transaction documents' terms. Moreover, certain of these warranties may not be accurate and complete as of any specified date because they may be subject to contractual standards of materiality that differ from standards generally applicable to investors, have been used to allocate risk among the parties rather than to establish matters as facts or otherwise. Based on the foregoing you should not rely on the warranties included in these documents as statements of factual information.
Item 7.01 Regulation FD Disclosure.
On May 29, 2009, we issued a news release announcing a definitive agreement to purchase TNK−BP's Oilfield Services Division. A copy of the press release is attached hereto as Exhibit 99.1.
Item 9.01 Financial Statements and Exhibits.
(d) Exhibits.

Exhibit No.	**Description of Document**
99.1	Press release dated May 29, 2009 announcing a definitive agreement to purchase TNK−BP's Oilfield Services Division.

EXHIBIT V - CURRENT REPORT ON FORM 8-K FILED WITH THE SEC ON MAY 29, 2009

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

WEATHERFORD INTERNATIONAL LTD.

By: /s/ ANDREW P. BECNEL
Name: Andrew P. Becnel
Title: Senior Vice President and Chief Financial Officer

May 29, 2009

Exhibit 99.1

News Release

Weatherford Agrees to Acquire TNK−BP Oil Field Services

SWITZERLAND, May 29, 2009 — TNK−BP and Weatherford International Ltd. (NYSE: WFT) today announced that Weatherford has agreed to acquire TNK−BP's Oil Field Services (OFS) enterprises in exchange for 24.3 million shares of Weatherford common stock and other consideration.

The transaction remains subject to approval from Russia's Federal Anti−monopoly Service.

TNK−BP's OFS business currently provides drilling, sidetracking, well intervention and workover, cementation and required support services in Russia. It comprises six operating companies owning and operating more than 75 drilling rigs, 180 workover units, 150 cementation and pumping units and over ten operating bases in critical reservoir plays including two central bases in Western Siberia and the Volga−Urals region. OFS revenues exceeded $650 million in 2008.

OFS benefits from TNK−BP's considerable investment in productivity over the last five years, upgrading rigs and infrastructure, extensively training personnel, and developing business systems and processes. Weatherford's long term commitment and the combined company's local

management and staff will accelerate the introduction of new technology and ensure continued productivity growth of oilfield services in Russia.
TNK−BP and Weatherford expect to benefit from a preferred customer/supplier relationship in which Weatherford provides drilling, well intervention and workover services, cementation and other advanced oil field technology. The deal will enhance the productivity of existing drilling and workover services available to TNK−BP's exploration and production teams.
"This transaction with Weatherford allows us to drive further efficiency into our business in today's testing economic climate, and will give us access to the world's most technologically advanced rigs, drilling and work−over equipment and services. It will also secure jobs and boost investment in Russia's services sector generally," said Tim Summers, Chief Executive Officer of TNK−BP.
Bernard J. Duroc−Danner, Chief Executive Officer of Weatherford, commented "This investment in Russia's oil industry and its future growth strengthens Weatherford's position in one of the most important global oilfield service markets. The acquisition of quality infrastructure and highly trained staff provides a conveyance capability that complements Weatherford's existing product technology and service capability in Russia. The combined company will provide customers with a primary service competency in development drilling and production enhancement."

TNK−BP is Russia's third largest oil company, 50% owned by BP and 50% owned by AAR (Alfa, Access Renova). TNK−BP's shareholders also own close to 50% of another Russian oil and gas company, Slavneft. TNK−BP accounts for approximately 16% of Russia's production (including its share of Slavneft). SEC proved reserves (life of field basis) were 8.112 billion boe as of December 31, 2008. The company's upstream operations are located in West and East Siberia and the Volga−Urals region. TNK−BP owns and operates five refineries in Russia and Ukraine, and retails through a network of 1,100 service stations working under the BP and TNK brands.

Weatherford is a Swiss−based, multi−national oilfield service company. It is one of the largest global providers of innovative mechanical solutions, technology and services for the drilling and production sectors of the oil and gas industry. Weatherford operates in over 100 countries and employs over 45,000 people worldwide.

# # #

Contact: Andrew P. Becnel +1−713−693−4136
Chief Financial Officer

Nicholas Gee +1−713−693−4017
Vice President Investor Relations

This press release 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 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 the impact of oil and natural gas prices and worldwide economic conditions on drilling activity, the outcome of pending government investigations, the demand for and pricing of Weatherford's products and services, domestic and international economic and regulatory conditions and changes in tax and other laws affecting our business. 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.

EXHIBIT VI

CURRENT REPORT ON FORM 8-K FILED BY WEATHERFORD INTERNATIONAL LTD. WITH THE SEC ON JUNE 9, 2009

EXHIBIT VI - CURRENT REPORT ON FORM 8-K FILED WITH THE SEC ON JUNE 9, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8−K
CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): June 3, 2009

Weatherford International Ltd.
(Exact name of registrant as specified in its charter)

Switzerland	001−34258	98−0606750
(State or other jurisdiction of incorporation)	Commission File Number	(I.R.S. Employer Identification Number)

Alpenstrasse 15 6300 Zug Switzerland	Not Applicable
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: +41−41−729−4242

Check the appropriate box below if the Form 8−K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a−12 under the Exchange Act (17 CFR 240.14a−12)

☐ Pre−commencement communications pursuant to Rule 14d−2(b) under the Exchange Act (17 CFR 240.14d−2(b))

☐ Pre−commencement communications pursuant to Rule 13e−4(c) under the Exchange Act (17 CFR 240.13e−4(c))

Item 1.01 Entry Into Material Definitive Agreements.

Effective June 8, 2009, we appointed Joseph C. Henry as Vice President — Legal and William B. Jacobson as Vice President and Chief Compliance Officer. We have entered into employment agreements with each of Messrs. Henry and Jacobson in substantially the same form as the employment agreements we have with our other officers.

Under the terms of the employment agreements, if we terminate the executive's employment for any reason other than "cause," if he terminates his employment for "good reason" or if the employment is terminated as a result of his death or "disability", as defined in the employment agreements, he will be entitled to receive (1) an amount equal to two times, in the case of Mr. Henry, or three times, in the case of Mr. Jacobson, the sum of the highest base salary during the five years prior to the year of termination plus the greater of the highest annual bonus paid during the five years prior to the year of termination and the annual bonus that would be payable in the current fiscal year, (2) any accrued salary or bonus (pro−rated to the date of termination), (3) an amount equal to two times, in the case of Mr. Henry, or three times, in the case of Mr. Jacobson, all employer contributions to our 401(k) plan and other deferred compensation plans (other than the Executive Retirement Plan or the Supplemental Retirement Plan) over the last year of employment, grossed−up to account for federal and state taxes thereon, and (4) an amount equal to two times, in the case of Mr. Henry, or three times, in the case of Mr. Jacobson, the value of all perquisites. In addition, under such circumstances, all benefits under all deferred compensation and other benefit plans, including stock options and restricted share grants, will automatically vest, and all health and medical benefits will be maintained after termination provided he makes his required contribution. We also would be required to pay him a "gross up payment" to ensure that he receives the total benefit intended by his agreement with us. The agreements require us to pay legal fees and expenses incurred by the executive in any disputes regarding the agreements or regarding the employment agreements.

We also maintain indemnification agreement with each of Messrs. Henry and Jacobson. The indemnification agreements provide that we will indemnify the executive if he becomes a party to or is threatened with a legal matter arising out of his serving as a director, officer, employee, agent or fiduciary of us or serving in a similar capacity of another entity at our request. This indemnification would not be applicable in respect of any fraud or dishonesty of the executive.

These descriptions of the employment and indemnification agreements are qualified in their entirety by reference to the agreements, which are filed as exhibits to this report.

Item 1.02 Termination of Material Definitive Agreement

Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

Effective June 3, 2009, Mr. Burt M. Martin, Senior Vice President and General Counsel, is leaving the company. Mr. Martin had employment agreements with the company, which terminated on his departure.

Joseph C. Henry has become our Vice President — Legal, and William B. Jacobson has become our Vice President and Chief Compliance Officer.

Mr. Henry joined the company in June 2003 and has served as Associate General Counsel since October 2006. Prior to joining us, Mr. Henry was an attorney with the law firm of Fulbright & Jaworski L.L.P. and served as in−house counsel with other energy companies.

Mr. Jacobson has been Weatherford's Chief Compliance Officer since March 30, 2009. He is currently a partner at Fulbright & Jaworski, LLP. Mr. Jacobson served for approximately 5 1/2 years as a federal prosecutor in the Fraud Section, Criminal Division, U.S. Department of Justice. His last position with the Department, which ended in August 2008, was as Assistant Chief for FCPA Enforcement. In addition, Mr. Jacobson has been a state prosecutor in New York City and has been a partner at Kirkland & Ellis, LLP. Mr. Jacobson is a graduate of Georgetown University Law Center and Tufts University.

Item. 9.01 Exhibits

(c) Exhibits

[…]

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

WEATHERFORD INTERNATIONAL LTD.

Dated: June 9, 2009

/s/ Bernard J. Duroc−Danner

Bernard J. Duroc−Danner
Chief Executive Officer

EXHIBIT VII

CURRENT REPORT ON FORM 8-K FURNISHED BY WEATHERFORD INTERNATIONAL LTD. TO THE SEC ON JULY 20, 2009, RELATING TO THE QUARTER ENDED JUNE 30, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8−K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
Date of Report (Date of earliest event reported): July 20, 2009

WEATHERFORD INTERNATIONAL LTD.

(Exact name of registrant as specified in its charter)

Switzerland	**001−34258**	**98−0606750**
(State of Incorporation)	(Commission File No.)	(I.R.S. Employer Identification No.)

Alpenstrasse 15, 6300 Zug, Switzerland	**Not Applicable**
(Address of Principal Executive Offices)	(Zip Code)

Telephone number, area code: +41−41−729−4242

Check the appropriate box below if the Form 8−K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a−12 under the Exchange Act (17 CFR 240.14a−12)

☐ Pre−commencement communications pursuant to Rule 14d−2(b) under the Exchange Act (17 CFR 240.14d−2(b))

☐ Pre−commencement communications pursuant to Rule 13e−4(c) under the Exchange Act (17 CFR 240.13e−4(c))

Exhibit Index Appears on Page 4

Item 2.02. Results of Operations and Financial Condition

On July 20, 2009, we issued a news release announcing results for the quarter ended June 30, 2009. A copy of the press release is attached as Exhibit 99.1.

On July 20, 2009, following the news release and the filing of this Current Report on Form 8−K, we will hold a conference call at 10:30 a.m. eastern, 9:30 a.m. central, regarding the second quarter results. This scheduled conference call was previously announced on June 8, 2009 and will be available via real−time webcast.

To access the call please contact the conference call operator at 866−270−6057, or 617−213−8891 for international calls, approximately 10 minutes prior to the scheduled start time, and ask for the Weatherford conference call. The passcode is “Weatherford”. A replay will be available until 5:00 p.m. central, July 27, 2009. The number for the replay is 888−286−8010, or 617−801−6888 for international calls; passcode 51226220.

An enhanced webcast of the conference call and replay will be provided by Thomson Reuters and will be available through Weatherford’s web site at http://www.weatherford.com. To access the conference call and replay, click on the Investor Relations link and then click on the Enhanced Audio Webcast link.

Item 7.01. Regulation FD Disclosure

On July 20, 2009, we issued a news release announcing results for the quarter ended June 30, 2009. A copy of the press release is attached as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibit

(d) Exhibit

99.1 Press release dated July 20, 2009 announcing results for the quarter ended June 30, 2009

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

WEATHERFORD INTERNATIONAL LTD.

Dated: July 20, 2009

/s/ Andrew P. Becnel

Andrew P. Becnel
Senior Vice President and
Chief Financial Officer

INDEX TO EXHIBIT

Number	Exhibit
99.1	Press release dated July 20, 2009 announcing earnings for the quarter ended June 30, 2009

Exhibit 99.1

News Release

Weatherford Reports Second Quarter Results

$0.10 per diluted share, excluding severance and investigation costs

GENEVA, SWITZERLAND, July 20, 2009 — Weatherford International Ltd. (NYSE: WFT) today reported second quarter 2009 income from continuing operations of $69 million, or $0.10 per diluted share, excluding an after tax loss of $0.04 for investigation and exit costs incurred in connection with the company's withdrawal from sanctioned countries and severance costs principally associated with restructuring activities. Second quarter diluted earnings per share from continuing operations reflect a decrease of 77 percent over the second quarter of 2008 diluted earnings per share from continuing operations of $0.43, before non−recurring items, mainly due to a combination of record low seasonal activity in Canada and greater than anticipated pricing declines in both the United States and Canada.

Second quarter revenues were $1,995 million, or 11 percent lower than the same period last year, against a backdrop of a 35 percent decrease in global rig count. North America was responsible for the decline with revenues decreasing 44 percent against a 50 percent decline in rig count. International revenues were up 17 percent against a nine percent decrease in international rig count.

Sequentially, the company's second quarter diluted earnings per share from continuing operations, before non−recurring items, were $0.17 lower than the first quarter of 2009 diluted earnings per share from continuing operations of $0.27, before non−recurring items. This decline

was principally due to the continued curtailment of North American activity during the second quarter of 2009.

North America

Revenues for the quarter were $571 million, which is a 44 percent decrease over the same quarter in the prior year, as compared to a 50 percent rig count decrease. Sequentially, revenues were down 32 percent as compared to a 39 percent rig count decrease. Canadian rig activity registered its lowest levels in the last 10 years, as average rig count for the quarter was 89 rigs. This is 10 percent lower than the 1999 trough of 101 rigs.

Operating income was a loss of $1 million, which is down $225 million compared to the same quarter in the prior year and down $124 million sequentially, as margins were negatively impacted by pricing and activity. Aggressive cost cutting measures and apparent share gains only partially offset the impact of price deterioration and lower activity levels.

Middle East/North Africa/Asia

Second quarter revenues of $593 million were seven percent higher than the second quarter of 2008 and two percent higher than the prior quarter. Strong performances in Saudi Arabia, Kuwait, Yemen, Oman, India, Pakistan and China were partially offset by weakness in Egypt and Libya.

The current quarter’s operating income of $124 million decreased five percent as compared to the same quarter in the prior year and decreased eight percent as compared to the prior quarter due to lower pricing.

Europe/West Africa/FSU
Second quarter revenues of $365 million were six percent lower than the second quarter of 2008 and one percent lower than the prior quarter. Central Europe declined significantly, while Russian activity lingered near the trough activity levels seen during the prior quarter.
The current quarter's operating income of $63 million declined 37 percent as compared to the same quarter in the prior year and 16 percent sequentially due to sales mix and lower pricing.
Latin America
Second quarter revenues of $466 million were 72 percent higher than the second quarter of 2008 and flat compared to the prior quarter. Mexico was the top performer on a sequential basis, while significant declines in Venezuela, Argentina and Colombia served as an offset.
The current quarter's operating income of $86 million improved 47 percent as compared to the same quarter in the prior year and was seven percent lower when compared to the first quarter of 2009.
Reclassifications and Non−GAAP
Non−GAAP performance measures and corresponding reconciliations to GAAP financial measures have been provided for meaningful comparisons between current results and results in prior operating periods.

Conference Call
The company will host a conference call with financial analysts to discuss the 2009 second quarter results on July 20, 2009 at 9:30 a.m. (CDT). The company invites investors to listen to a play back of the conference call at the company's website, http://www.weatherford.com in the "investor relations" section.
Weatherford is a Swiss−based, multi−national oilfield service company. It is one of the largest global providers of innovative mechanical solutions, technology and services for the drilling and production sectors of the oil and gas industry. Weatherford operates in over 100 countries and employs over 47,000 people worldwide.

# # #

Contacts: Andrew P. Becnel +41.22.816.15.02
Chief Financial Officer

Nicholas W. Gee
Vice President − Investor Relations +44.1224.762945

This press release 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 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 the impact of oil and natural gas prices and worldwide economic conditions on drilling activity, the outcome of pending government investigations, the demand for and pricing of Weatherford's products and services, domestic and international economic and regulatory conditions and changes in tax and other laws affecting our business. 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.

Weatherford International Ltd.
Consolidated Condensed Statements of Income
(Unaudited)
(In 000's, Except Per Share Amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
Net Revenues:				
North America	$ 571,415	$1,012,244	$1,408,768	$2,102,606
Middle East/North Africa/Asia	592,908	556,251	1,174,854	1,078,135
Europe/West Africa/CIS	364,968	389,563	733,811	737,192
Latin America	465,541	271,192	933,540	507,209
	1,994,832	2,229,250	4,250,973	4,425,142
Operating Income (Expense):				
North America	(709)	224,252	122,327	515,905
Middle East/North Africa/Asia	123,553	130,650	257,579	251,324
Europe/West Africa/CIS	62,614	99,016	137,557	192,229
Latin America	85,759	58,355	177,976	118,853
Research and Development	(46,113)	(44,430)	(95,134)	(87,069)
Corporate Expenses	(40,834)	(35,275)	(80,433)	(68,907)
Exit and Restructuring	(30,905)	64,356	(55,782)	(9,877)
	153,365	496,924	464,090	912,458
Other Income (Expense):				
Interest Expense, Net	(93,498)	(62,399)	(184,561)	(115,202)
Other, Net	(3,871)	(5,282)	(17,410)	(4,783)
Income from Continuing Operations Before Income Taxes	55,996	429,243	262,119	792,473
Provision for Income Taxes:				
Provision for Operations	(8,829)	(57,875)	(44,633)	(138,806)
Benefit From Exit and Restructuring	3,388	—	6,729	7,306
	(5,441)	(57,875)	(37,904)	(131,500)
Income from Continuing Operations, Net of Taxes	50,555	371,368	224,215	660,973
Gain (Loss) from Discontinued Operation, Net of Taxes	—	6,940	—	(12,928)
Net Income	50,555	378,308	224,215	648,045
Net Income Attributable to Noncontrolling Interest	(8,574)	(7,324)	(17,432)	(12,860)
Net Income Attributable to Weatherford	$ 41,981	$ 370,984	$ 206,783	$ 635,185
Basic Earnings Per Share Attributable to Weatherford:				
Income from Continuing Operations	$ 0.06	$ 0.53	$ 0.30	$ 0.95
Gain (Loss) from Discontinued Operation	—	0.01	—	$ (0.02)
Net Income	$ 0.06	$ 0.54	$ 0.30	$ 0.93
Diluted Earnings Per Share Attributable to Weatherford:				
Income from Continuing Operations	$ 0.06	$ 0.52	$ 0.29	$ 0.93
Gain (Loss) from Discontinued Operation	—	0.01	—	(0.02)
Net Income	$ 0.06	$ 0.53	$ 0.29	$ 0.91
Amounts Attributable to Weatherford Common Shareholders:				
Income from Continuing Operations, Net of Taxes	$ 41,981	$ 364,044	$ 206,783	$ 648,113
Gain (Loss) from Discontinued Operation, Net of Taxes	—	6,940	—	(12,928)
Net Income	$ 41,981	$ 370,984	$ 206,783	$ 635,185
Weighted Average Shares Outstanding:				
Basic	700,424	681,870	699,375	681,030
Diluted	709,412	701,927	706,024	699,507

Weatherford International Ltd.
Selected Income Statement Information
(Unaudited)
(In 000's)

	Three Months Ended				
	6/30/2009	3/31/2009	12/31/2008	9/30/2008	6/30/2008
Net Revenues:					
North America	$ 571,415	$ 837,353	$ 1,177,936	$ 1,179,605	$ 1,012,244
Middle East/North Africa/Asia	592,908	581,946	675,513	637,872	556,251
Europe/West Africa/CIS	364,968	368,843	393,005	408,993	389,563
Latin America	465,541	467,999	388,172	314,326	271,192
	$ 1,994,832	$ 2,256,141	$ 2,634,626	$ 2,540,796	$ 2,229,250
Operating Income (Expense):					
North America	$ (709)	$ 123,036	$ 296,407	$ 312,887	$ 224,252
Middle East/North Africa/Asia	123,553	134,026	163,238	146,450	130,650
Europe/West Africa/CIS	62,614	74,943	88,158	102,385	99,016
Latin America	85,759	92,217	88,720	69,521	58,355
Research and Development	(46,113)	(49,021)	(53,564)	(52,026)	(44,430)
Corporate Expenses	(40,834)	(39,599)	(35,355)	(30,750)	(35,275)
Exit and Restructuring	(30,905)	(24,877)	(16,253)	(13,727)	64,356
	$ 153,365	$ 310,725	$ 531,351	$ 534,740	$ 496,924

Supplemental Information
(Unaudited)
(In 000's)

	Three Months Ended				
	6/30/2009	3/31/2009	12/31/2008	9/30/2008	6/30/2008
Depreciation and Amortization:					
North America	$ 77,253	$ 75,098	$ 80,555	$ 79,619	$ 75,093
Middle East/North Africa/Asia	60,921	57,634	55,587	49,138	45,982
Europe/West Africa/CIS	35,190	34,678	33,825	31,911	27,600
Latin America	35,971	30,442	30,331	23,561	20,368
Research and Development	2,017	1,933	1,931	1,902	1,867
Corporate	2,341	1,609	1,449	1,000	800
	$ 213,693	$ 201,394	$ 203,678	$ 187,131	$ 171,710

EXIBIT VII - CURRENT REPORT ON FORM 8-K FURNISHED TO THE SEC ON JULY 20, 2009

We report our financial results in accordance with generally accepted accounting principles (GAAP). However, Weatherford's management believes that certain non−GAAP performance measures and ratios may provide users of this financial information additional meaningful comparisons between current results and results in prior operating periods. One such non−GAAP financial measure we may present from time to time is operating income or income from continuing operations excluding certain charges or amounts. This adjusted income amount is not a measure of financial performance under GAAP. Accordingly, it should not be considered as a substitute for operating income, net income or other income data prepared in accordance with GAAP. See the table below for supplemental financial data and corresponding reconciliations to GAAP financial measures for the three months ended June 30, 2009, March 31, 2009, and June 30, 2008 and for the six months ended June 30, 2009 and June 30, 2008. Non−GAAP financial measures should be viewed in addition to, and not as an alternative for, the Company's reported results prepared in accordance with GAAP.

Weatherford International Ltd.
Reconciliation of GAAP to Non−GAAP Financial Measures
(Unaudited)
(In thousands, except per share data)

	Three Months Ended			Six Months Ended	
	June 30, 2009	March 31, 2009	June 30, 2008	June 30, 2009	June 30, 2008
Operating Income:					
GAAP Operating Income	$153,365	$ 310,725	$ 496,924	$464,090	$ 912,458
Exit and Restructuring	30,905(a)	24,877(b)	(64,356)(c)	55,782	9,877(d)
Non−GAAP Operating Income	$184,270	$ 335,602	$ 432,568	$519,872	$ 922,335
Provision for Income Taxes:					
GAAP Provision for Income Taxes	$ (5,441)	$ (32,463)	$ (57,875)	$ (37,904)	$(131,500)
Tax impact of Exit and Restructuring	(3,388)(a)	(3,341)(b)	—(c)	(6,729)	(7,306)(d)
Non−GAAP Provision for Income Taxes	$ (8,829)	$ (35,804)	$ (57,875)	$ (44,633)	$(138,806)
Income from Continuing Operations Attributable to Weatherford:					
GAAP Income from Continuing Operations	$ 41,981	$ 164,802	$ 364,044	$206,783	$ 648,113
Total Exit and Restructuring, net of tax	27,517(a)	21,536(b)	(64,356)(c)	49,053	2,571(d)
Non−GAAP Income from Continuing Operations	$ 69,498	$ 186,338	$ 299,688	$255,836	$ 650,684
Diluted Earnings Per Share From Continuing Operations Attributable to Weatherford:					
GAAP Diluted Earnings per Share From Continuing Operations	$ 0.06	$ 0.23	$ 0.52	$ 0.29	$ 0.93
Total Exit and Restructuring, net of tax	0.04(a)	0.04(b)	(0.09)(c)	0.07	0.00(d)
Non−GAAP Diluted Earnings per Share From Continuing Operations	$ 0.10	$ 0.27	$ 0.43	$ 0.36	$ 0.93

Note (a): This amount represents investigation costs incurred in connection with on−going investigations by the U.S. government and costs related to the Company's withdrawal from sanctioned countries. Also included are severance charges associated with the Company's reorganization activities.

Note (b): This amount represents investigation costs incurred in connection with on−going investigations by the U.S. government. Also included are severance charges associated with the Company's reorganization activities.

Note (c): This amount represents a gain on the restructuring of a Qatar operation into a JV, partially offset by investigation and exit costs incurred in connection with the Company's withdrawal from sanctioned countries.

Note (d): This amount represents investigation costs incurred in connection with on−going investigations by the U.S. government and costs related to the Company's withdrawal from sanctioned countries. Also included are severance charges associated with the Company's reorganization activities. These charges were partially offset by a gain on the restructuring of a Qatar operation into a JV.

EXHIBIT VIII

CURRENT REPORT ON FORM 8-K FILED BY WEATHERFORD INTERNATIONAL LTD. WITH THE SEC ON JULY 22, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8−K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 21, 2009

Weatherford International Ltd.

(Exact name of registrant as specified in its charter)

Switzerland	001−34258	98−0606750
(State or other jurisdiction of incorporation)	Commission File Number	(I.R.S. Employer Identification Number)

Alpenstrasse 15 6300 Zug Switzerland	Not Applicable
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: +41−41−729−4242

Check the appropriate box below if the Form 8−K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a−12 under the Exchange Act (17 CFR 240.14a−12)

☐ Pre−commencement communications pursuant to Rule 14d−2(b) under the Exchange Act (17 CFR 240.14d−2(b))

☐ Pre−commencement communications pursuant to Rule 13e−4(c) under the Exchange Act (17 CFR 240.13e−4(c))

Exhibit Index Appears on Page 2

Item 1.01 Entry Into Material Definitive Agreements.
Effective July 21, 2009, we appointed Peter T. Fontana as Vice President Western Hemisphere. We have entered into employment agreements with Mr. Fontana in substantially the same form as the employment agreements we have with our other officers.
Under the terms of the employment agreements, if we terminate the executive's employment for any reason other than "cause," if he terminates his employment for "good reason" or if the employment is terminated as a result of his death or "disability", as defined in the employment agreements, he will be entitled to receive (1) an amount equal to two times the sum of the highest base salary during the five years prior to the year of termination plus the greater of the highest annual bonus paid during the five years prior to the year of termination and the annual bonus that would be payable in the current fiscal year, (2) any accrued salary or bonus (pro−rated to the date of termination), (3) an amount equal to two times all employer contributions to our 401(k) plan and other deferred compensation plans (other than the Executive Retirement Plan or the Supplemental Retirement Plan) over the last year of employment, grossed−up to account for federal and state taxes thereon, and (4) an amount equal to two times the value of all perquisites. In addition, under such circumstances, all benefits under all deferred compensation and other benefit plans, including stock options and restricted share grants, will automatically vest, and all health and medical benefits will be maintained after termination provided he makes his required contribution. We also would be required to pay him a "gross up payment" to ensure that he receives the total benefit intended by his agreement with us. The agreement requires us to pay legal fees and expenses incurred by the executive in any disputes regarding the employment agreements.
We also entered into an indemnification agreement with Mr. Fontana. The indemnification agreement provides that we will indemnify the executive if he becomes a party to or is threatened with a legal matter arising out of his serving as a director, officer, employee, agent or fiduciary of us or serving in a similar capacity of another entity at our request. This indemnification would not be applicable in respect of any fraud or dishonesty of the executive.
These descriptions of the employment and indemnification agreements are qualified in their entirety by reference to the agreements, which are filed as exhibits to this report.
Item. 9.01 Exhibits
(c) Exhibits

[…]

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

WEATHERFORD INTERNATIONAL LTD.

Dated: July 21, 2009

/s/ Joseph C. Henry

Joseph C. Henry, Vice President − Legal

EXHIBIT IX

**CURRENT REPORT ON FORM 8-K FILED BY WEATHERFORD INTERNATIONAL LTD.
WITH THE SEC ON JULY 27, 2009**

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8−K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 27, 2009

Weatherford International Ltd.

(Exact name of registrant as specified in its charter)

Switzerland	001−34258	98−0606750
(State or other jurisdiction of incorporation)	Commission File Number	(I.R.S. Employer Identification Number)

Alpenstrasse 15 6300 Zug Switzerland	Not Applicable
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: +41−41−729−4242

Check the appropriate box below if the Form 8−K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a−12 under the Exchange Act (17 CFR 240.14a−12)
☐ Pre−commencement communications pursuant to Rule 14d−2(b) under the Exchange Act (17 CFR 240.14d−2(b))
☐ Pre−commencement communications pursuant to Rule 13e−4(c) under the Exchange Act (17 CFR 240.13e−4(c))

EXHIBIT IX - CURRENT REPORT ON FORM 8-K FILED WITH THE SEC ON JULY 27, 2009

Item 1.01 Entry Into a Material Definitive Agreement.

On July 27, 2009, we completed our previously disclosed acquisition of the Oilfield Services Division of TNK−BP International Ltd. ("TNK−BP") from Novy Investments Limited ("Novy"), an affiliate of TNK−BP. We originally disclosed on Form 8−K our entry into the related Sale and Purchase Agreement on May 29, 2009, including our obligations to enter into a registration rights agreement with TNK−BP (the "Agreement") at completion and register with the Securities and Exchange Commission the 24.3 million shares issued in the transaction (the "Shares") to facilitate TNK−BP's re−sale of the Shares.

On July 27, 2009, we entered into the Agreement with Novy and filed a prospectus supplement covering the Shares under our registration statement on Form S−3 (Registration No. 333−150764−01, as amended on February 26, 2009) with the Securities and Exchange Commission. A copy of the Agreement is attached to this Form 8−K as Exhibit 4.1 and incorporated herein by reference. In connection with the registration of the Shares, we are filing a legal opinion as Exhibit 5.1 to this Form 8−K.

Item 3.03 Material Modification to Rights of Security Holders

The information under Item 5.03 is incorporated herein by reference.

Item 5.03 Amendment to Articles of Association.

As required under Swiss law, effective July 27, 2009, we amended our Articles of Association to authorize the issuance by us of the Shares in exchange for the "contribution−in−kind" by Novy of the equity interests of the 10 entities comprising TNK−BP's Oilfield Services Division pursuant to the Sale and Purchase Agreement. A copy of our amended Articles of Association is attached hereto as Exhibit 3.1. The amended Articles of Association reflect the increase of our share capital by a total of CHF 28,220,486.96, which is an amount equal to the number of Shares times the par value per Share of CHF 1.16. After the amendment our current share capital is CHF 873,708,098.92.

As a result of the issuance of the Shares, we were also required to amend our Articles of Association to reflect that the Board of Directors will now only be able to further increase our share capital without shareholder approval by a maximum amount of CHF 394,523,318.44 at any time before February 25, 2011.

EXHIBIT IX - CURRENT REPORT ON FORM 8-K FILED WITH THE SEC ON JULY 27, 2009

Item 9.01 Financial Statements and Exhibits.
(d) Exhibits.

Exhibit No. **Description of Document**

[…]

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

WEATHERFORD INTERNATIONAL LTD.

By: /s/ Joseph C. Henry
Name: Joseph C. Henry
Title: Vice President

July 27, 2009

EXHIBIT X

CURRENT REPORT ON FORM 8-K FILED BY WEATHERFORD INTERNATIONAL LTD. WITH THE SEC ON SEPTEMBER 17, 2009, INCLUDING THE ARTICLES OF ASSOCIATION OF WEATHERFORD INTERNATIONAL LTD.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K
CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): September 16, 2009

Weatherford International Ltd.

(Exact name of registrant as specified in its charter)

Switzerland	001-34258	98-0606750
(State or other jurisdiction of incorporation)	Commission File Number	(I.R.S. Employer Identification Number)

4-6 Rue Jean-François Bartholoni 1204 Geneva Switzerland	Not Applicable
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: +41-22-816-1500

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry Into a Material Definitive Agreement.

The information under item 5.03 is incorporated herein by reference.

Item 3.03 Material Modification to Rights of Security Holders

The information under item 5.03 is incorporated herein by reference.

Item 5.03 Amendment to Articles of Association.

Effective September 17, 2009, we amended our Articles of Association to authorize the issuance by us of 5.25 million registered shares (the "Shares") in connection with a business acquisition. A copy of our amended Articles of Association is attached hereto as Exhibit 3.1. The amended Articles of Association reflect the increase of our share capital by a total of CHF 6,090,000, which is an amount equal to the number of Shares times the par value per Share of CHF 1.16. After the amendment our current share capital is CHF 879,798,098.92.

As a result of the issuance of the Shares, we were also required to amend our Articles of Association to reflect that the Board of Directors will now only be able to further increase our share capital without shareholder approval by a maximum amount of CHF 388,433,318.44 at any time before February 25, 2011.

On September 16, 2009, we entered into a registration rights agreement with the sellers of the business we acquired (the "Agreement") to register with the Securities and Exchange Commission the Shares to facilitate the re-sale of the Shares. On September 17, 2009, we are filing a prospectus supplement covering the Shares under our registration statement on Form S-3 (Registration No. 333-150764, as amended on February 26, 2009) with the Securities and Exchange Commission. A copy of the Agreement is attached to this Form 8-K as Exhibit 4.1 and incorporated herein by reference. In connection with the registration of the Shares, we are filing a legal opinion as Exhibit 5.1 to this Form 8-K.

Item 9.01 Financial Statements and Exhibits.
(d) Exhibits.

Exhibit No.	Description of Document
3.1	Articles of Association of Weatherford International Ltd. effective September 17, 2009.

[…]

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.
WEATHERFORD INTERNATIONAL LTD.

By: /s/ Joseph C. Henry
Name: Joseph C. Henry
Title: Vice President
September 17, 2009

Exhibit 3.1

ARTICLES OF ASSOCIATION

of

Weatherford International Ltd.

in Zug

STATUTEN

der

Weatherford International Ltd.

in Zug

I NAME, PLACE OF INCORPORATION, PURPOSE AND DURATION OF THE COMPANY

Article 1 Name, Place of Incorporation

Under the name Weatherford International Ltd. (the **Company**) there exists a corporation with its place of incorporation in Zug, Canton of Zug, Switzerland.

Unless otherwise defined in these Articles of Association, capitalized terms shall have the meaning ascribed to such terms in Article 35 hereof.

Article 2 Purpose

The purpose of the Company is to acquire, hold, administer and transfer participations in entities in Switzerland and abroad, either directly or indirectly, in particular in entities which are active in the field of services providing with respect to the acquisition and production of natural energy and of the financing of such activities.

The Company may establish branch offices and subsidiaries in Switzerland and abroad.

1 FIRMA, SITZ, DAUER UND ZWECK DER GESELLSCHAFT

Artikel 1 Firma, Sitz

Unter der Firma Weatherford International Ltd. (die **Gesellschaft**) besteht eine Aktiengesellschaft mit Sitz in Zug, Kanton Zug, Schweiz.

Sofern in diesen Statuten nichts anderes bestimmt wird, haben definierte Begriffe die in Artikel 35 festgelegte Bedeutung.

Artikel 2 Zweck

Zweck der Gesellschaft ist der Erwerb, das Halten, die Verwaltung, die Veräusserung von direkten oder indirekten Beteiligungen an Unternehmen im In- und Ausland, die im Bereich der Erbringung von Dienstleistungen zum Erwerb und zur Produktion von natürlichen Energiequellen und der Finanzierung dieser Aktivitäten tätig sind.

Die Gesellschaft kann Zweigniederlassungen und Tochtergesellschaften im In- un Ausland errichten.

The Company may acquire, administer and transfer patents, trademarks and technical and industrial know-how as well as real estate assets. The Company may engage in any commercial, financial or other activities which are directly or indirectly related to the purpose of the Company.

Die Gesellschaft kann Patente, Handelsmarken, technische und industrielle Kenntnisse sowie Grundstücke erwerben, verwalten und übertragen. Die Gesellschaft kann alle finanziellen, kommerziellen und anderen Tätigkeiten ausüben, welche mit dem Zweck der Gesellschaft direkt oder indirekt in Zusammenhang stehen.

The Company may also participate in the financing, including by means of the providing of guarantees and sureties of any kind, of other entities of the group to which the Company belongs in the general interest of such group.

Die Gesellschaft kann im Übrigen im Rahmen des allgemeinen Gruppeninteresses an Finanzierungen von mittelbaren und unmittelbaren Tochtergesellschaften teilnehmen, namentlich Garantien und Bürgschaften jeglicher Art eingehen, solange dies im Interesse der Gruppe liegt.

The Company may generally engage in all types of transactions and may take all measures that appear appropriate to promote the purpose of the Company or that are related thereto.

Die Gesellschaft kann grundsätzlich alle Tätigkeiten ausüben und Massnahmen ergreifen, die geeignet erscheinen, den Zweck der Gesellschaft zu fördern, oder die mit diesem zusammenhängen.

Article 3 Duration

Artikel 3 Dauer

The duration of the Company is unlimited.

Die Dauer der Gesellschaft ist unbeschränkt.

SECTION 2 SHARE CAPITAL

ABSCHNITT 2 AKTIENKAPITAL

Article 4 Share Capital

Artikel 4 Aktienkapital

The share capital of the Company is CHF 879,798,098.92 and is divided into 758,446,637 fully paid-in registered shares. Each registered share has a par value of CHF 1.16 (each such registered **share** hereinafter a Share and collectively the **Shares**).

Das Aktienkapital der Gesellschaft beträgt CHF 879’798’098.92 und ist eingeteilt in 758’446’637 voll liberierte Namenaktien. Jede Namenaktie hat einen Nennwert von CHF 1.16 (jede Namenaktie nachfolgend bezeichnet als **Aktie** bzw. die **Aktien**).

Article 5 Authorized Share Capital

Artikel 5 Genehmigtes Kapital

The Board of Directors is authorized to increase the share capital, at anytime until 25 February 2011, by a maximum amount of CHF 388,433,318.44 by issuing a maximum of 334,856,309 fully

Der Verwaltungsrat ist ermächtigt, das Aktienkapital jederzeit bis zum 25. Februar 2011 im Maximalbetrag von CHF 388’433’318.44 durch Ausgabe von höchstens 334’856’309 vollständig zu

paid-in Shares with a par value of CHF 1.16 each.

liberierenden Aktien mit einem Nennwert von je CHF 1.16 zu erhöhen.

The Board of Directors shall determine the time of the issuance, the issue price, the manner in which the new Shares have to be paid up, the date from which the Shares carry the right to dividends, the conditions for the exercise of the preferential subscription rights and the allotment of preferential subscription rights that have not been exercised. The Board of Directors may allow the preferential subscription rights that have not been exercised to expire, or it may place such rights or Shares, the preferential subscription rights of which have not been exercised, at market conditions or use them otherwise in the interest of the Company.

Der Verwaltungsrat legt den Zeitpunkt der Ausgabe, den Ausgabebetrag, die Art, wie die neuen Aktien zu liberieren sind, den Beginn der Dividendenberechtigung, die Bedingungen für die Ausübung der Bezugsrechte sowie die Zuteilung der Bezugsrechte, welche nicht ausgeübt wurden, fest. Nicht-ausgeübte Bezugsrechte kann der Verwaltungsrat verfallen lassen, oder er kann diese bzw. Aktien, für welche Bezugsrechte eingeräumt, aber nicht ausgeübt werden, zu Marktkonditionen platzieren oder anderweitig im Interesse der Gesellschaft verwenden.

The Board of Directors is authorized to withdraw or limit the preferential subscription rights of the shareholders, and to allot them to third parties, for cause, which shall include the following:

Der Verwaltungsrat ist ermächtigt, die Bezugsrechte der Aktionäre aus nachfolgenden wichtigen Gründen zu entziehen oder zu beschränken und Dritten zuzuweisen:

if the issue price of the new Shares is determined by reference to the market price; or

wenn der Ausgabebetrag der neuen Aktien unter Berücksichtigung des Marktpreises festgesetzt wird; oder

for the acquisition of an enterprise, part(s) of an enterprise or participations, or for the financing or refinancing of any of such transactions, or for the financing of new investment plans of the Company; or

für die Übernahme von Unternehmen, Unternehmensteilen oder Beteiligungen oder für die Finanzierung oder Refinanzierung solcher Transaktionen oder die Finanzierung von neuen Investitionsvorhaben der Gesellschaft; oder

for purposes of broadening the shareholder constituency of the Company in certain financial or investor

zum Zwecke der Erweiterung des Aktionärskreises in bestimmten Finanz- oder Investoren-Märkten, zur

markets, for purposes of the participation of strategic partners, or in connection with the listing of new Shares on domestic or foreign stock exchanges; or

Beteiligung von strategischen Partnern, oder im Zusammenhang mit der Kotierung von neuen Aktien an inländischen oder ausländischen Börsen; oder

for purposes of granting an over-allotment option (including options with respect to any security convertible into Shares, such as convertible debt securities or otherwise) (Greenshoe) of up to 20% of the total number of Shares in a placement or sale of Shares to the respective initial purchaser(s) or underwriter(s); or

für die Einräumung einer Mehrzuteilungsoption (einschliesslich Optionen im Hinblick auf Wertpapiere, die in Aktien umwandelbar sind, wie etwa wandelbare Schuldverschreibungen oder andere) (Greenshoe) von bis zu 20% der zu platzierenden oder zu verkaufenden Aktien an die betreffenden Erstkäufer oder Festübernehmer im Rahmen einer Aktienplatzierung oder eines Aktienverkaufs; oder

for the participation in a benefit or other plan by members of the Board of Directors, members of the executive management, employees, contractors, consultants or other Persons performing services for the benefit of the Company or any of its subsidiaries; or

für die Teilnahme an einem Beteiligungs- oder anderem Plan von Mitgliedern des Verwaltungsrates, Mitgliedern der Geschäftsleitung, Mitarbeitern, Beauftragten, Beratern oder anderen Personen, die für die Gesellschaft oder eine ihrer Tochtergesellschaften Leistungen erbringen; oder

if the Shares to be issued will be issued for any consideration (including debt, equity or assets of another company) other than for cash consideration.

wenn die Aktien anders als in bar (d.h. durch Einlage von Fremdkapital, Eigenkapital oder Sacheinlage von Vermögensteilen eines anderen Unternehmens) liberiert werden.

The new Shares shall be subject to the limitations for registration in the share register pursuant to Articles 7 and 9.

Die neuen Aktien unterliegen den Eintragungsbeschränkungen in das Aktienbuch von Artikel 7 und 9.

Article 6 Conditional Share Capital

Artikel 6 Bedingtes Aktienkapital

The share capital may be increased

Das Aktienkapital kann durch

through the issuance of up to 364,434,315 fully paid up Shares with a par value of CHF 1.16 per Share in an amount not to exceed CHF 422,743,805.40 through:

Ausgabe von höchstens 364’434’315 voll zu liberierenden Aktien im Nennwert von je CHF 1.16 um höchstens CHF 422’743’805.40 aus folgenden Gründen erhöht werden:

the exercise of conversion, exchange, option, warrant or similar rights for the subscription of Shares (hereinafter the **Rights**) granted to third parties or shareholders in connection with bonds, options, warrants or other securities newly or already issued in national or international capital markets or new or already existing contractual obligations by or of the Company, one or more of its group companies, or any of their respective predecessors (hereinafter collectively, the **Rights-Bearing Obligations**); and/or

die Ausübung von Wandel-, Tausch-, Options-, Bezugs- oder ähnlichen Rechten auf den Bezug von Aktien (nachfolgend die **Rechte**), die Dritten oder Aktionären in Verbindung mit auf nationalen oder internationalen Kapitalmärkten neu oder bereits ausgegebenen Anleihensobligationen, Optionen, Warrants oder anderen Finanzmarktinstrumenten oder in Verbindung mit neuen oder bereits bestehenden vertraglichen Verpflichtungen der Gesellschaft oder anderen Gesellschaften der Gruppe respektive deren Rechtsvorgängern (nachfolgend zusammen die **mit Rechten verbundenen Obligationen**) erteilt wurden; und/oder durch

the issuance of Shares (including shares of restricted stock) or Rights-Bearing Obligations granted to members of the Board of Directors, members of the executive management, employees, contractors, consultants or other Persons providing services to the Company or its subsidiaries.

die Ausgabe von Aktien (einschliesslich vinkulierter Aktien) oder mit Rechten verbundenen Obligationen an Mitglieder des Verwaltungsrates, Mitglieder der Geschäftsleitung, Arbeitnehmer, Beauftragte, Berater oder andere Personen, welche Dienstleistungen für die Gesellschaft oder ihre Tochtergesellschaften erbringen.

The preferential subscription rights and advance subscription rights of the shareholders shall be excluded in connection with the issuance of

Die Bezugsrechte und die Vorwegzeichnungsrechte der Aktionäre sind ausgeschlossen, im Zusammenhang mit der Ausgabe von

any Shares, Rights or Rights-Bearing Obligations pursuant to Article 6 para 1(a) and (b).

The new Shares acquired through the exercise of Rights-Bearing Obligations shall be subject to the limitations for registration in the share register pursuant to Articles 7 and 9.

Share Register, Exercise of Rights, Restriction on Registration, Nominees, Transfer Restrictions

The Company shall maintain, itself or through a third party, a share register that lists the surname, first name, address and citizenship (in the case of legal entities, the company name and company seat) of the holders and usufructuaries of the Shares as well as the nominees. A Person recorded in the share register shall notify the share registrar of any change in address. Until such notification shall have occurred, all written communication from the Company to Persons of record shall be deemed to have validly been made if sent to the address recorded in the share register.

An acquirer of Shares shall be recorded upon request in the share register as a shareholder with voting rights; provided, however, that any such acquirer expressly declares to have acquired the Shares in its own name and for its own account, save that the Board of Directors may record nominees who hold Shares in their own name, but for the account of third parties, as shareholders of record in the share register of the Company. Beneficial owners of Shares who hold Shares through a nominee exercise the shareholders' rights through the intermediation of

Aktien, Rechten oder mit Rechten verbundenen Obligationen gemäss Artikel 6 Absatz 1(a) und (b).

Die neuen Aktien, welche über die Ausübung von mit Rechten verbundenen Obligationen erworben werden, unterliegen den Eintragungsbeschränkungen in das Aktienbuch gemäss Artikel 7 und 9.

Aktienbuch, Rechtsausübung, Eintragungsbeschränk ungen, Nominees, Vinkulierung

Die Gesellschaft oder von ihr beauftragte Dritte führen ein Aktienbuch. Darin werden die Eigentümer und Nutzniesser der Aktien sowie Nominees mit Namen und Vornamen, Wohnort, Adresse und Staatsangehörigkeit (bei juristischen Personen mit Firma und Sitz) eingetragen. Ändert eine im Aktienbuch eingetragene Person ihre Adresse, so hat sie dies dem Aktienbuchführer mitzuteilen. Solange dies nicht geschehen ist, gelten alle brieflichen Mitteilungen der Gesellschaft an die im Aktienbuch eingetragenen Personen als rechtsgültig an die bisher im Aktienbuch eingetragene Adresse erfolgt.

Ein Erwerber von Aktien wird auf Gesuch als Aktionär mit Stimmrecht im Aktienbuch eingetragen, vorausgesetzt, dass ein solcher Erwerber ausdrücklich erklärt, die Aktien im eigenen Namen und auf eigene Rechnung erworben zu haben. Der Verwaltungsrat kann Nominees, welche Aktien im eigenen Namen aber auf fremde Rechnung halten, als Aktionäre mit Stimmrecht im Aktienbuch der Gesellschaft eintragen. Die an den Aktien wirtschaftlich Berechtigten, welche die Aktien über einen Nominee halten, üben Aktionärsrechte

such nominee.

mittelbar über den Nominee aus.

After hearing the registered shareholder concerned, the Board of Directors may cancel the registration of such shareholder as a shareholder with voting rights in the share register with retroactive effect as of the date of registration, if such registration was made based on false or misleading information. The relevant shareholder shall be informed promptly of the cancellation.

Der Verwaltungsrat kann nach Anhörung des eingetragenen Aktionärs dessen Eintragung im Aktienbuch als Aktionär mit Stimmrecht rückwirkend auf das Datum der Eintragung streichen, wenn diese durch falsche oder irreführende Angaben zustande gekommen ist. Der Betroffene muss über die Streichung sofort informiert werden.

Article 8 Share Certificates

Artikel 8 Aktienzertifikate

A shareholder may at any time request an attestation of the number of Shares held by it. The shareholder is not entitled, however, to request that certificates representing the Shares be printed and delivered.

Ein Aktionär kann von der Gesellschaft jederzeit eine Bescheinigung über die von ihm gehaltenen Aktien verlangen. Der Aktionär hat jedoch keinen Anspruch, den Druck und die Auslieferung von Aktienzertifikaten zu verlangen.

The Company may at any time print and deliver certificates for the Shares, and may, with the consent of the shareholder, cancel issued certificates that are delivered to it without replacement.

Die Gesellschaft kann jederzeit Zertifikate für Aktien drucken und ausliefern und mit Zustimmung des Aktionärs ausgegebene Urkunden, die bei ihr eingeliefert werden, ersatzlos annullieren.

Uncertificated Shares and the appurtenant rights associated therewith may be transferred only by written assignment. For the assignment to be valid against the Company, notification to the Company shall be required. If uncertificated Shares are administered by a transfer agent, trust company, bank or similar entity (the **Transfer Agent**), such Shares and the appurtenant rights associated therewith may be transferred only with the cooperation of the Transfer Agent or such other Person or Persons as determined by the Board of Directors.

Aktien, für die keine Aktientitel ausgegeben wurden, und die damit verbundenen Rechte können nur durch Zession übertragen werden. Eine solche Zession bedarf der Anzeige an die Gesellschaft, um ihr gegenüber Wirkungen zu entfalten. Werden Aktien, für die keine Aktientitel ausgegeben wurden, im Auftrag des Aktionärs von einem Transfer Agenten, einer Trust Gesellschaft, Bank oder ähnlicher Gesellschaft verwaltet (der Transfer Agent), so können diese Aktien und die damit verbundenen Rechte nur unter Mitwirkung des Transfer Agenten oder einer anderen derartigen Person oder einer durch den Verwaltungsrat gewählten Personen, übertragen werden.

If uncertificated Shares are pledged

Werden Aktien, für die keine

in favor of any Person other than the Transfer Agent, notification to such Transfer Agent shall be required for the pledge to be effective.

Aktientitel ausgegeben wurden, zugunsten von jemand anderem als dem Transfer Agenten verpfändet, so ist zur Gültigkeit der Verpfändung eine Anzeige an den Transfer Agenten erforderlich.

If the Company decides to print and deliver share certificates, the share certificates shall bear the signatures of two duly authorized signatories of the Company, at least one of which shall be a member of the Board of Directors. These signatures may be facsimile signatures.

Für den Fall, dass die Gesellschaft beschliesst, Aktienzertifikate zu drucken und auszugeben, müssen die Aktienzertifikate die Unterschrift von zwei zeichnungsberechtigten Personen tragen. Mindestens eine dieser Personen muss ein Mitglied des Verwaltungsrates sein. Faksimile-Unterschriften sind erlaubt.

The Company may in any event issue share certificates representing more than one Share.

Die Gesellschaft kann in jedem Fall Aktienzertifikate ausgeben, die mehr als eine Aktie verkörpern.

The Board of Directors or any officer of the Company to whom the Board of Directors has delegated authority may authorize any Transfer Agent to issue, and any registrar of the Company to register, at any time and from time to time unless otherwise directed, a new certificate or certificates of stock in place of a certificate or certificates theretofore issued by the Company, alleged to have been lost or destroyed, upon receipt by the Transfer Agent of evidence of such loss or destruction, which may be the affidavit of the applicant; a bond indemnifying the Company and any Transfer Agent and registrar of the class of stock involved against claims that may be made against it or them on account of the lost or destroyed certificate or the issuance of a new certificate, of such kind and in such amount as the Board of Directors shall have authorized the Transfer Agent to accept generally or as the Board of Directors or an authorized officer shall approve in particular cases; and any other documents or instruments that the Board of Directors or an authorized officer may require from time to time to protect adequately the interest of the Company.

Der Verwaltungsrat oder jedes Mitglied der Geschäftsführung, dem der Verwaltungsrat die Kompetenz dazu eigeräumt hat, darf jeden Transfer Agenten und jeden Registerführer des Unternehmens ermächtigen, jederzeit ein neues Aktienzertifikat oder ein bereits ausgebenes Aktienzertifikat, dessen Verlust oder Zerstörung behauptet wird, auszugeben bzw. zu registrieren, wenn ein Beweis für den Verlust oder die Zerstörung vorliegt, wobei der Beweis für Verlust oder Zerstörung in Form einer beglaubigten Erklärung des Antragstellers erbracht werden kann, wenn eine Sicherheit für mögliche Klagen aufgrund der verlorenen oder zerstörten Zertifikate oder der Ausgabe neuer Zertifikate gestellt wird, wobei Art und Betrag der Sicherheit den Weisungen und der Ermächtigung des Verwaltungsrats entsprechen müssen, und wenn alle anderen Dokumente oder Instrumente vorliegen, die der Verwaltungsrat oder ein ermächtigtes Mitglied der Geschäftsführung zu gegebener Zeit benötigt, um die Interessen des Unternehmens adäquat zu schützen.

Article 9 Exercise of Rights

The Company shall only accept one representative per Share.

Voting rights and appurtenant rights associated therewith may be exercised in relation to the Company by a shareholder, usufructuary of Shares or nominee only to the extent that such Person is recorded in the share register with the right to exercise his voting rights.

Artikel 9 Rechtsausübung

Die Gesellschaft anerkennt nur einen Vertreter pro Aktie.

Stimmrechte und die damit verbundenen Rechte können der Gesellschaft gegenüber von einem Aktionär, Nutzniesser der Aktien oder Nominee jeweils nur im Umfang ausgeübt werden, wie dieser mit Stimmrecht im Aktienbuch eingetragen ist.

SECTION 3 CORPORATE BODIES

A. General Meeting of Shareholders

ABSCHNITT 3 GESELLSCHAFTS-ORGANE

A. Generalversammlung

Article 10 Authority

The General Meeting of Shareholders is the supreme corporate body of the Company.

Artikel 10 Zuständigkeit

Die Generalversammlung ist das oberste Organ der Gesellschaft.

Article 11 Annual General Meeting

The Annual General Meeting shall be held each year within six months after the close of the fiscal year of the Company. The Annual Report and the Auditor's Report shall be made available for inspection by the shareholders at the registered office of the Company no later than twenty calendar days prior to the Annual General Meeting. Each shareholder is entitled to request prompt delivery of a copy of the Annual Report and the Auditor's Report free of charge. Shareholders of record will be notified of the availability of the Annual Report and the Auditor's Report in writing.

Artikel 11 Ordentliche Generalversammlung

Die ordentliche Generalversammlung findet alljährlich innerhalb von sechs Monaten nach Abschluss des Geschäftsjahres statt. Spätestens zwanzig Kalendertage vor der Versammlung sind der Geschäftsbericht und der Revisionsbericht den Aktionären am Gesellschaftssitz zur Einsicht vorzulegen. Jeder Aktionär kann verlangen, dass ihm unverzüglich eine Ausfertigung des Geschäftsberichts und des Revisionsberichts ohne Kostenfolge zugesandt wird. Die im Aktienbuch eingetragenen Aktionäre werden über die Verfügbarkeit des Geschäftsberichts und des Revisionsberichts durch schriftliche Mitteilung unterrichtet.

Article 12 Extraordinary General Meetings

Extraordinary General Meetings shall be held in the circumstances provided by law, in particular when deemed necessary or appropriate by

Artikel 12 Ausserordentliche Generalversammlung

Ausserordentliche Generalversammlungen finden in den vom Gesetz vorgesehenen Fällen statt, insbesondere, wenn der

the Board of Directors or if so requested by the Auditor.

An Extraordinary General Meeting shall further be convened by the Board of Directors upon resolution of a General Meeting of Shareholders or if so requested by one or more shareholders who, in the aggregate, represent at least one-tenth of the share capital recorded in the share register of the Company and who submit (a)(1) a request signed by such shareholder(s) that specifies the item(s) to be included on the agenda, (2) the respective proposals of the shareholders and (3) evidence of the required shareholdings recorded in the share register and (b) such other information as would be required to be included in a proxy statement pursuant to the rules of the U.S. Securities and Exchange Commission (**SEC**).

Article 13 Notice of Shareholders' Meeting

Notice of a General Meeting of Shareholders shall be given by the Board of Directors or, if necessary, by the Auditor, no later than 20 calendar days prior to the date of the General Meeting of Shareholders.

Notice of the General Meeting of Shareholders shall be given by way of a one-time announcement in the official means of publication of the Company pursuant to Article 33. The notice period shall be deemed to have been observed if notice of the General Meeting of Shareholders is published in such official means of publication, it being understood that the date of publication is not to be included for purposes of

Verwaltungsrat es für notwendig oder angezeigt erachtet oder die Revisionsstelle dies verlangt.

Ausserdem muss der Verwaltungsrat eine ausserordentliche Generalversammlung einberufen, wenn es eine Generalversammlung so beschliesst oder wenn ein oder mehrere Aktionäre, welche zusammen mindestens ein Zehntel des im Aktienbuch der Gesellschaft eingetragenen Aktienkapitals vertreten, dies verlangen, unter der Voraussetzung, dass folgende Angabe gemacht werden: (a)(1) die Verhandlungsgegenstände, schriftlich unterzeichnet von dem/den antragstellenden Aktionär(en), (2) die Anträge sowie (3) der Nachweis der erforderlichen Anzahl der im Aktienbuch eingetragenen Aktien; und (b) die weiteren Informationen, die von der Gesellschaft nach den Regeln der U.S. Securities and Exchange Commission (**SEC**) in einem sog. Proxy Statement aufgenommen und veröffentlicht werden müssen.

Artikel 13 Einberufung

Die Generalversammlung wird durch den Verwaltungsrat, nötigenfalls die Revisionsstelle, spätestens 20 Kalendertage vor dem Tag der Generalversammlung einberufen.

Die Einberufung erfolgt durch einmalige Bekanntmachung im Publikationsorgan der Gesellschaft gemäss Artikel 33. Für die Einhaltung der Einberufungsfrist ist der Tag der Veröffentlichung der Einberufung im Publikationsorgan massgeblich, wobei der Tag der Veröffentlichung nicht mitzuzählen ist. Die im Aktienbuch eingetragenen Aktionäre sollen zudem auf dem ordentlichen Postweg oder auf anderem durch den

computing the notice period. Shareholders of record shall in addition be informed of the General Meeting of Shareholders by ordinary mail or such other means as determined by the Board of Directors, which additional notification may contain such information as determined by the Board of Directors.

Verwaltungsrat festlegtem Weg über die Generalversammlung informiert werden. Die zusätzliche Benachrichtigung enthält Informationen, die vom Verwaltungsrat bestimmt wurden.

The notice of a General Meeting of Shareholders shall specify the items on the agenda and the proposals of the Board of Directors and, subject to Articles 12 and 14, the shareholder(s) who requested that a General Meeting of Shareholders be held or an item be included on the agenda, and, in the event of elections, the name(s) of the candidate(s) that has or have been put on the ballot for election.

Die Einberufung muss die Verhandlungsgegenstände sowie die Anträge des Verwaltungsrates und des oder der Aktionäre, gemäss Artikeln 12 und 14, welche die Durchführung einer Generalversammlung oder die Traktandierung eines Verhandlungsgegenstandes verlangt haben, und bei Wahlgeschäften die Namen des oder der zur Wahl vorgeschlagenen Kandidaten enthalten.

Article 14 Agenda

Artikel 14 Traktandierung

Any shareholder satisfying the requirements of article 699 of the Swiss Code of Obligations (**CO**) may request that an item be included on the agenda of a General Meeting of Shareholders. An inclusion of an item on the agenda must be requested in writing at least 60 and no more than 90 calendar days prior to the scheduled and announced date of the next General Meeting of Shareholders and shall specify the relevant agenda items and proposals, together with evidence of the required shareholdings recorded in the share register.

Jeder Aktionär, der die Voraussetzungen von Art. 699 des Schweizerischen Obligationenrechts (**OR**) erfüllt, kann die Traktandierung eines Verhandlungsgegenstandes verlangen. Das Traktandierungsbegehren muss mindestens 60 und nicht später als 90 Kalendertage vor dem Datum der Generalversammlung, schriftlich unter Angabe des Verhandlungsgegenstandes und der Anträge sowie unter Nachweis der erforderlichen Anzahl im Aktienbuch eingetragenen Aktien eingereicht werden.

No resolution may be passed at a General Meeting of Shareholders concerning an agenda item in relation to which due notice was not given. Proposals made during a General Meeting of Shareholders to (i) convene an Extraordinary General Meeting or (ii) initiate a special investigation in accordance with article 697a CO are not subject to the due notice requirement set forth herein.

Zu nicht gehörig angekündigten Verhandlungsgegenständen können keine Beschlüsse gefasst werden. Hiervon ausgenommen sind jedoch der Beschluss über den in einer Generalversammlung gestellten Antrag auf (i) Einberufung einer ausserordentlichen Generalversammlung sowie (ii) Durchführung einer Sonderprüfung gemäss Artikel 697a OR.

No prior notice is required to bring motions related to items already on the agenda or for the discussion of matters on which no resolution is to be taken.

Zur Stellung von Anträgen im Rahmen der Verhandlungsgegenstände und zu Verhandlungen ohne Beschlussfassung bedarf es keiner vorgängigen Ankündigung.

Article 15 Acting Chair, Minutes, Vote Counters

§ Vorsitz der Generalver-sammlung, Protokoll, Stimmenzähler

At the General Meeting of Shareholders, the Chairman of the Board of Directors or, in his absence, the Vice-Chairman or any other person designated by the Board of Directors shall take the chair.

An der Generalversammlung führt der Präsident des Verwaltungsrates oder, bei dessen Verhinderung, der Vizepräsident oder eine andere vom Verwaltungsrat bezeichnete Person den Vorsitz.

The acting chair of the General Meeting of Shareholders shall appoint the secretary and the vote counters, none of whom need be shareholders. The minutes of the General Meeting of Shareholders shall be signed by the acting chair and the secretary.

Der Vorsitzende der Generalversammlung bestimmt den Protokollführer und die Stimmenzähler, die alle nicht Aktionäre sein müssen. Das Protokoll ist vom Vorsitzenden und vom Protokollführer zu unterzeichnen.

The acting chair of the General Meeting of Shareholders shall have all powers and authority necessary and appropriate to ensure the orderly conduct of the General Meeting of Shareholders.

Der Vorsitzende der Generalversammlung hat sämtliche Leitungsbefugnisse, die für die ordnungsgemässe Durchführung der Generalversammlung nötig und angemessen sind.

Article 16 Right to Participation and Representation

§ Recht auf Teilnahme, Vertretung der Aktionäre

Each shareholder recorded in the share register as of the record date for the meeting is entitled to participate at the General Meeting of Shareholders and in any vote taken. The shareholders may be represented by proxies who need not be shareholders. The Board of Directors shall issue the particulars of the right to representation and participation at the General Meeting of

Jeder im Aktienbuch eingetragene Aktionär ist ab dem Datum der Eintragung berechtigt, an der Generalversammlung und deren Beschlüssen teilzunehmen. Ein Aktionär kann sich an der Generalversammlung vertreten lassen, wobei der Vertreter nicht Aktionär sein muss. Der Verwaltungsrat regelt die Einzelheiten über die Vertretung und Teilnahme an der

Shareholders in procedural rules.	Generalversammlung in Verfahrensvorschriften.
Article 17 Voting Rights	**Artikel 17 Stimmrecht**
Each Share shall convey the right to one vote. The right to vote is subject to the conditions of Articles 7 and 9.	Jede Aktie berechtigt zu einer Stimme. Das Stimmrecht untersteht den Bedingungen von Artikel 7 und 9.
Article 18 Resolutions and Elections	**Artikel 18 Beschlüsse und Wahlen**
Unless otherwise required by law or these Articles of Association, the General Meeting of Shareholders shall take resolutions and decide elections upon a relative majority of the votes cast at the General Meeting of Shareholders (whereby abstentions, broker nonvotes, blank or invalid ballots and withdrawals shall be disregarded for purposes of establishing the majority).	Die Generalversammlung fasst Beschlüsse und entscheidet Wahlen, soweit das Gesetz oder diese Statuten es nicht anders bestimmen, mit der relativen Mehrheit der abgegebenen Aktienstimmen (wobei Enthaltungen, sog. Broker Nonvotes, leere oder ungültige Stimmen für die Bestimmung des Mehrs nicht berücksichtigt werden).
Where the number of persons validly proposed for election as a member of the Board of Directors is greater than the number of Directors to be elected, the persons receiving the most votes (up to the number of Directors to be elected) shall be elected as members of the Board of Directors. Votes against any candidate, abstentions, broker nonvotes, blank or invalid ballots and withdrawals shall have no impact on the election of members of the Board of Directors.	Die Generalversammlung entscheidet über die Wahl von Mitgliedern des Verwaltungsrates nach dem proportionalen Wahlverfahren, wonach diejenige Person, welche die grösste Zahl der abgegebenen Aktienstimmen für einen Verwaltungsratssitz erhält, als für den betreffenden Verwaltungsratssitz gewählt gilt. Aktienstimmen gegen einen Kandidaten, Stimmenthaltungen, sog. Broker Nonvotes, ungültige oder leere Stimmen und Rücknahmen haben für die Zwecke keine Auswirkungen auf die Wahl von Mitgliedern des Verwaltungsrates.
For the removal of a serving member of the Board of Directors, the voting requirement set forth in Article 20 para. 1(k) and the presence quorum set forth in Article 21 para. 1(a) shall apply.	Für die Abwahl von amtierenden Mitgliedern des Verwaltungsrates gilt das Mehrheitserfordernis gemäss Artikel 20 Abs. 1(k) sowie das Präsenzquorum von Artikel 21 Abs. 1(a).
Unless otherwise required by law, resolutions and elections at General Meeting of Shareholders shall be	Unter Vorbehalt anderer gesetzlicher Vorschriften werden Beschlüsse und Wahlen an der Generalversammlung

decided by a written ballot. The acting chair may also hold resolutions and elections by use of an electronic voting system, which shall be considered equal to resolutions and elections taken by way of a written ballot.	durch schriftliche Abstimmung getroffen. Der Vorsitzende kann Abstimmungen und Wahlen auch mittels elektronischem Verfahren durchführen lassen, wobei dieses schriftlichen Abstimmungen und Wahlen gleichgestellt ist.
) Powers of the General Meeting of Shareholders	**Artikel 19 Befugnisse der Generalver-sammlung**
The following powers shall be vested exclusively in the General Meeting of Shareholders:	Der Generalversammlung sind folgende Geschäfte vorbehalten:
The adoption and amendment of these Articles of Association;	Die Festsetzung und Änderung dieser Statuten;
the election of the members of the Board of Directors and the Auditor;	die Wahl der Mitglieder des Verwaltungsrates und der Revisionsstelle;
the approval of the Annual Report and the Consolidated Financial Statements;	die Genehmigung des Jahresberichtes und der Konzernrechnung;
the approval of the Annual Statutory Financial Statements of the Company and the resolution on the allocation of profit shown on the Annual Statutory Balance Sheet, in particular the determination of any dividend;	die Genehmigung der Jahresrechnung sowie die Beschlussfassung über die Verwendung des Bilanzgewinnes, insbesondere die Festsetzung der Dividende;
the discharge from liability of the members of the Board of Directors; and	die Entlastung der Mitglieder des Verwaltungsrates;
the adoption of resolutions on matters that are reserved to the General Meeting of Shareholders by law, these Articles of Association or, subject to article 716a CO, that are submitted to the General Meeting of Shareholders by the Board of Directors.	die Beschlussfassung über die Gegenstände, die der Generalversammlung durch das Gesetz oder die Statuten vorbehalten sind oder ihr, vorbehältlich Artikel 716a OR, durch den Verwaltungsrat vorgelegt warden.

Article 20 Special Vote	**Artikel 20 Besonderes Quorum**
The approval of at least two-thirds of the votes and the absolute majority of the par value of Shares, each as represented at a General Meeting of Shareholders, shall be required for resolutions with respect to:	Ein Beschluss der Generalversammlung, der mindestens zwei Drittel der an der Generalversammlung vertretenen Stimmen und die absolute Mehrheit der an der Generalversammlung vertretenen Aktiennennwerte auf sich vereinigt, ist erforderlich für:
The amendment or modification of the purpose of the Company as described in Article 2;	Die Ergänzung oder Änderung des Gesellschaftszweckes gemäss Artikel 2;
the creation and the cancellation of shares with privileged voting rights;	die Einführung und Abschaffung von Stimmrechtsaktien;
the restriction on the transferability of Shares and the cancellation of such restriction;	die Beschränkung der Übertragbarkeit der Aktien und die Aufhebung einer solche Beschränkung;
the restriction on the exercise of the right to vote and the cancellation of such restriction;	die Beschränkung der Ausübung des Stimmrechts und die Aufhebung einer solchen Beschränkung;
an authorized or conditional increase in share capital;	eine genehmigte oder bedingte Kapitalerhöhung;
an increase in share capital through (i) the conversion of capital surplus, (ii) contribution in kind or for purposes of an acquisition of assets, or (iii) the granting of special privileges;	die Kapitalerhöhung (i) aus Eigenkapital, (ii) gegen Sacheinlage oder zwecks Sachübernahme oder (iii) die Gewährung von besonderen Vorteilen;
the limitation on or withdrawal of preferential subscription rights and advance subscription rights;	die Einschränkung oder Aufhebung von Bezugsrechten und Vorwegzeichnungsrechten;
the relocation of the place of incorporation of the Company;	die Verlegung des Sitzes der Gesellschaft;
the conversion of Shares into bearer shares and vice versa;	die Umwandlung von Namen- in Inhaberaktien und umgekehrt;

the dissolution of the Company; and	die Auflösung der Gesellschaft; und
a resolution with respect to the removal of a serving member of the Board of Directors.	die Beschlussfassung über die Abwahl eines amtierenden Verwaltungsratsmitglieds.
Article 21 Presence Quorum	**Artikel 21 Präsenzquorum**
The matters set forth in para 1(a) and 1(b) below require that a quorum of shareholders of record holding in person or by proxy at least two-thirds of the share capital recorded in the share register of the Company are present at the time when the General Meeting of Shareholders proceeds to business:	Die nachfolgend in Absatz 1(a) und 1(b) aufgeführten Angelegenheiten erfordern zum Zeitpunkt der Konstituierung der Generalversammlung ein Präsenzquorum von Aktionären oder deren Vertretern, welche mindestens zwei Drittel des im Aktienbuch der Gesellschaft eingetragenen Aktienkapitals vertreten, damit die Generalversammlung beschlussfähig ist:
The adoption of a resolution with respect to the removal of a serving Director; and	Die Beschlussfassung über die Abwahl eines amtierenden Verwaltungsratsmitglieds; und
The adoption of a resolution to amend, vary, suspend the operation of, disapply or cancel this Article 21 or Articles 18, 20, 22, 23 or 24.	die Beschlussfassung, diesen Artikel 21 oder Artikel 18, 20, 22, 23 oder 24 zu ergänzen, zu ändern, nicht anzuwenden oder ausser Kraft zu setzen.
The adoption of any other resolution or election requires that at least a one-third of all the Shares entitled to vote be represented at the time when the General Meeting of Shareholders proceeds to business.	Jede andere Beschlussfassung oder Wahl setzt zu ihrer Gültigkeit voraus, dass zum Zeitpunkt der Konstituierung der Generalversammlung zumindest ein Drittel aller stimmberechtigten Aktien anwesend ist.
B. Board of Directors	*B. Verwaltungsrat*
Article 22 Number of Directors	**Artikel 22 Anzahl der Verwaltungsräte**
The Board of Directors shall consist of no less than three and no more than 18 members.	Der Verwaltungsrat besteht aus mindestens drei und höchstens 18 Mitgliedern.

Article 23 Term of Office

The Directors shall be elected at the Annual General Meeting of Shareholders or at any General Meeting of Shareholders called for the purpose of electing Directors. Directors shall hold office for such term as the shareholders may determine or, in the absence of such determination, until the next Annual General Meeting of Shareholders or until their successors are elected or their office is otherwise vacated.

If, before the expiration of his term of office, a Director should be replaced for whatever reason, the term of office of the newly elected member of the Board of Directors shall expire at the end of the term of office of his predecessor.

Artikel 23 Amtsdauer

Der Verwaltungsrat wird von der jährlich stattfindenden Generalversammlung oder einer zu diesem Zweck einberufenen Generalversammlung gewählt. Die Amtsdauer wird von der Generalversammlung bestimmt, bzw. läuft, falls nichts festgelegt wird, bis zur nächsten jährlichen Generalversammlung oder bis Nachfolger gewählt werden oder der Verwaltungsrat aus einem anderen Grunde von seinem Amt befreit wird.

Wenn ein Verwaltungsratsmitglied vor Ablauf seiner Amtsdauer aus welchen Gründen auch immer ersetzt wird, endet die Amtsdauer des an seiner Stelle gewählten neuen Verwaltungsratsmitgliedes mit dem Ende der Amtsdauer seines Vorgängers.

Organization of the Board of Directors, Remuneration

The Board of Directors shall elect from among its members a Chairman. It may elect one or more Vice-Chairmen. It shall further appoint a Secretary, who need not be a member of the Board of Directors. Subject to applicable law and these Articles of Association, the Board of Directors shall establish the particulars of its organization in organizational regulations.

The members of the Board of Directors shall be entitled to reimbursement of all expenses incurred in the interest of the Company, as well as remuneration for their services that is appropriate in view of their functions and responsibilities. The amount of the remuneration shall be determined by the Board of Directors upon recommendation by a committee of the Board of Directors. Members of the Board of

kel 24 Organisation des Verwaltungs-rates, Entschädigung

Der Verwaltungsrat wählt aus seiner Mitte einen Vorsitzenden. Er kann einen oder mehrere Vizepräsidenten wählen. Er bestellt weiter einen Sekretär, welcher nicht Mitglied des Verwaltungsrates sein muss. Der Verwaltungsrat regelt unter Vorbehalt der Bestimmungen des Gesetzes und dieser Statuten die Einzelheiten seiner Organisation in einem Organisationsreglement.

Die Mitglieder des Verwaltungsrates haben Anspruch auf Ersatz ihrer im Interesse der Gesellschaft aufgewendeten Auslagen sowie auf eine ihrer Tätigkeit und Verantwortung entsprechende Entschädigung, die der Verwaltungsrat auf Antrag eines Ausschusses des Verwaltungsrates festlegt. Der Verwaltungsrat kann auch an Beteiligungs- und anderen Plänen der Gesellschaft teilnehmen.

Directors may also participate in the Company's benefit and other plans.

The Company shall indemnify and hold harmless, to the fullest extent permitted by law, the existing and former members of the Board of Directors and officers, and their heirs, executors and administrators, out of the assets of the Company from and against all threatened, pending or completed actions, suits or proceedings — whether civil, criminal, administrative or investigative — and all costs, charges, losses, damages and expenses which they or any of them, their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done or alleged to be done, concurred or alleged to be concurred in or omitted or alleged to be omitted in or about the execution of their duty, or alleged duty, or by reason of the fact that he is or was a member of the Board of Director or officer of the Company, or while serving as a member of the Board of Director or officer of the Company is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise; provided, however, that this indemnity shall not extend to any matter in which any of said persons is found, in a final judgment or decree of a court or governmental or administrative authority of competent jurisdiction not subject to appeal, to have committed an intentional or grossly negligent breach of his statutory duties as a member of the Board of Director or officer.

Soweit gesetzlich zulässig, hält die Gesellschaft aktuelle und ehemalige Mitglieder des Verwaltungsrates und der Geschäftsleitung sowie deren Erben, Konkurs- oder Nachlassmassen aus Gesellschaftsmitteln für Schäden, Verluste und Kosten aus drohenden, hängigen oder abgeschlossenen Klagen, Verfahren oder Untersuchungen zivil-, straf- oder verwaltungsrechtlicher oder anderer Natur schadlos, welche ihnen oder ihren Erben, Konkurs- oder Nachlassmassen entstehen aufgrund von tatsächlichen oder behaupteten Handlungen, Zustimmungen oder Unterlassungen im Zusammenhang mit der Ausübung ihrer Pflichten oder behaupteten Pflichten oder aufgrund der Tatsache, dass sie Mitglied des Verwaltungsrates oder der Geschäftsleitung der Gesellschaft sind oder waren oder auf Aufforderung der Gesellschaft als Mitglied des Verwaltungsrates, der Geschäftsleitung oder als Arbeitnehmer oder Agent eines anderen Unternehmens, einer anderen Gesellschaft, einer nicht-rechtsfähigen Personengesellschaft oder eines Trusts sind oder waren. Diese Pflicht zur Schadloshaltung besteht nicht, soweit in einem endgültigen, nicht weiterziehbaren Entscheid eines zuständigen Gerichts bzw. einer zuständigen Verwaltungsbehörde entschieden worden ist, dass eine der genannten Personen ihre Pflichten als Mitglied des Verwaltungsrates oder der Geschäftsleitung absichtlich oder grobfahrlässig verletzt hat.

Without limiting the foregoing paragraph 3 of this Article 24, the Company shall advance court costs and attorneys' fees to the existing and former members of the Board of Directors and officers. The

Ohne den vorangehenden Absatz 3 dieses Artikels 24 einzuschränken, bevorschusst die Gesellschaft Mitgliedern des Verwaltungsrates und der Geschäftsleitung Gerichts- und Anwaltskosten. Die Gesellschaft kann

Company may however recover such advanced costs if any of said persons is found, in a final judgment or decree of a court or governmental or administrative authority of competent jurisdiction not subject to appeal, to have committed an intentional or grossly negligent breach of his statutory duties as a Director or officer.	solche Vorschüsse zurückfordern, wenn ein zuständiges Gericht oder eine zuständige Verwaltungsbehörde in einem endgültigen, nicht weiterziehbaren Urteil bzw. Entscheid zum Schluss kommt, dass eine der genannten Personen ihre Pflichten als Mitglied des Verwaltungsrates oder der Geschäftsleitung absichtlich oder grobfahrlässig verletzt hat.
The rights to indemnification and advancement of expenses conferred in this Article 24 shall not be exclusive of any other right which any person may have or hereafter acquire under any statute or regulation, these Articles of Association, any agreement, vote of the shareholders or otherwise.	Der Anspruch auf Ersatz und Bevorschussung von Kosten gemäss diesem Artikel 24 besteht oder entsteht ungeachtet anderer Ansprüche, kraft Gesetz, Statuten, Vereinbarung, Beschluss der Aktionäre oder aus anderem Grund wird durch diese Bestimmung nicht berührt.
Article 25 Specific Powers of the Board of Directors	**Artikel 25 Befugnisse des Verwaltungs-rates**
The Board of Directors has the non-delegable and inalienable duties as specified in article 716a CO, in particular:	Der Verwaltungsrat hat die in Artikel 716a OR statuierten unübertragbaren und unentziehbaren Aufgaben, insbesondere:
the ultimate direction of the business of the Company and the issuance of the required directives;	die Oberleitung der Gesellschaft und die Erteilung der nötigen Weisungen;
the determination of the organization of the Company;	die Festlegung der Organisation;
the administration of the accounting system and of the financial controls, as well as the financial planning to the extent necessary to manage the Company;	die Ausgestaltung des Rechnungswesens, der Finanzkontrolle sowie der Finanzplanung, sofern diese für die Führung der Gesellschaft notwendig ist;
the appointment and removal of the persons responsible for the management and representation of the Company;	die Ernennung und Abberufung der mit der Geschäftsführung und der Vertretung betrauten Personen und die Regelung ihrer Zeichungsberechtigung
the ultimate supervision of the persons entrusted with management duties, in particular with regard to compliance with law, these Articles	die Oberaufsicht über die mit der Geschäftsführung betrauten Personen, namentlich im Hinblick auf die Befolgung der Gesetze, Statuten,

of Association, regulations and directives;

Reglemente und Weisungen;

the preparation of the annual business report and the General Meeting of Shareholders and to carry out the resolutions adopted by the General Meeting of Shareholders; and

die Erstellung des Geschäftsberichtes sowie die Vorbereitung der Generalversammlung und die Ausführung ihrer Beschlüsse; und

the notification of the court in case of insolvency.

die Benachrichtigung des Richters im Falle der Überschuldung.

In addition, the Board of Directors may pass resolutions with respect to all matters that are not reserved to the General Meeting of Shareholders by law or under these Articles of Association.

Der Verwaltungsrat kann überdies in allen Angelegenheiten Beschluss fassen, die nicht nach Gesetz oder Statuten der Generalversammlung zugeteilt sind.

The Board of Directors may submit benefit or incentive plans of the Company to the General Meeting of Shareholders for approval.

Der Verwaltungsrat kann Beteiligungspläne der Gesellschaft der Generalversammlung zur Genehmigung vorlegen.

Article 26 Delegation of Powers

Artikel 26 Übertragung von Befugnissen

Subject to Article 25 para. 1 and the applicable provisions of the CO, the Board of Directors may delegate the management of the Company in whole or in part to individual Directors, one or more committees of the Board of Directors or to Persons other than Directors pursuant to organizational regulations.

Der Verwaltungsrat kann unter Vorbehalt von Artikel 25 Abs. 1 sowie der Vorschriften des OR die Geschäftsführung nach Massgabe eines Organisationsreglements ganz oder teilweise an eines oder mehrere seiner Mitglieder, an einen oder mehrere Ausschüsse des Verwaltungsrates oder an Dritte übertragen.

Article 27 Meeting of the Board of Directors

Artikel 27 Sitzungen des Verwaltungsrats

Except as otherwise set forth in organizational regulations of the Board of Directors, the attendance quorum necessary for the transaction of the business of the Board of Directors shall be the greater of two Directors, and not less than one-third of the total number of Directors. No attendance quorum shall be required for resolutions of the Board of Directors providing for the confirmation of a capital increase or for

Sofern das vom Verwaltungsrat erlassene Organisationsreglement nichts anderes festlegt, sind zur gültigen Beschlussfassung über Geschäfte des Verwaltungsrates wenigstens zwei Verwaltungsräte nötig und nicht weniger als ein Drittel aller Mitglieder des Verwaltungsrates. Kein Präsenzquorum ist erforderlich für die Anpassungs- und Feststellungsbeschlüsse des Verwaltungsrates im Zusammenhang

the amendment of the Articles of Association in connection therewith.	mit Kapitalerhöhungen.
The Board of Directors shall pass its resolutions with the majority of the votes cast by the Directors present at a meeting at which the attendance quorum of para. 1 of this Article 27 is satisfied.	Der Verwaltungsrat fasst seine Beschlüsse mit einer Mehrheit der von den anwesenden Verwaltungsräten abgegebenen Stimmen, vorausgesetzt, das Präsenzquorum von Absatz 1 dieses Artikels 27 ist erfüllt.
Resolutions of the Board of Directors may be passed without a meeting by way of written consent by a majority of the Directors, provided that no Director requests oral deliberations. A resolution in writing (in one or more counterparts) signed by the Directors that voted for such resolution (including signed copies sent by facsimile or email) shall be valid and effectual as if it had been passed at a meeting of the Board of Directors, duly convened and held.	Beschlüsse des Verwaltungsrates können auf schriftlichem Wege von der Mehrheit der Mitglieder getroffen werden, sofern nicht ein Mitglied mündliche Beratung verlangt. Ein schriftlicher Beschluss (in einer oder mehreren Ausfertigungen), der von den Verwaltungsräten unterzeichnet ist, die für einen solchen Beschluss gestimmt haben (einschliesslich unterschriebenen Kopien per Telefax oder E-Mail gesendet) hat die gleiche Gültigkeit wie die an einer Sitzung gefassten Beschlüsse.
Article 28 Signature Power	**Artikel 28 Zeichnungs-berechtigung**
The due and valid representation of the Company by members of the Board of Directors and other Persons shall be set forth in organizational regulations.	Die rechtsverbindliche Vertretung der Gesellschaft durch Mitglieder des Verwaltungsrates und durch Dritte wird in einem Organisationsreglement festgelegt.
C. Auditor	*C. Revisionsstelle*
Article 29 Term, Powers and Duties	**kel 29 Amtsdauer, Befugnisse und Pflichten**
The Board of Directors shall propose the nomination of the Auditor of the Company for election by the General Meeting of Shareholders. The Auditor shall have the powers and duties vested in it by law.	Die Revisionsstelle wird von der Generalversammlung gewählt und es obliegen ihr die vom Gesetz zugewiesenen Befugnisse und Pflichten.
The term of office of the Auditor shall be one year, commencing on the day of election at an Annual General Meeting of Shareholders and terminating on the day of the	Die Amtsdauer der Revisionsstelle beträgt ein Jahr, beginnend am Tage der Wahl an einer ordentlichen Generalversammlung und endend am Tage der nächsten ordentlichen

next Annual General Meeting of Shareholders.	Generalversammlung.
Annual Statutory Financial Statements, Consolidated Financial Statements and Profit Allocation	**Jahresrechnung,Konzern-rechnung und Gewinn-verteilung**
Article 30 Fiscal Year	**Artikel 30 Geschäftsjahr**
The Board of Directors determines the fiscal year.	Der Verwaltungsrat legt das Geschäftsjahr fest.
Allocation of Profit Shown on the Annual Statutory Balance Sheet, Reserves	**kel 31 Verteilung des Bilanzgewinns, Reserven**
The profit shown on the Annual Statutory Balance Sheet shall be allocated by the General Meeting of Shareholders in accordance with applicable law. The Board of Directors shall submit its proposals to the General Meeting of Shareholders.	Über den Bilanzgewinn verfügt die Generalversammlung im Rahmen der anwendbaren gesetzlichen Vorschriften. Der Verwaltungsrat unterbreitet ihr seine Vorschläge.
Further reserves may be taken in addition to the reserves required by law.	Neben der gesetzlichen Reserve können weitere Reserven geschaffen werden.
Dividends that have not been collected within five years after their payment date shall enure to the Company and be allocated to the general statutory reserves.	Dividenden, welche nicht innerhalb von fünf Jahren nach ihrem Auszahlungsdatum bezogen werden, fallen an die Gesellschaft und werden in die allgemeinen gesetzlichen Reserven verbucht.
SECTION 5 Winding-up and Liquidation	**ABSCHNITT 5 Auflösung und Liquidation**
Article 32 Winding-up and Liquidation	**Artikel 32 Auflösung und Liquidation**
The General Meeting of Shareholders may at any time resolve on the winding-up and liquidation of the Company pursuant to applicable law and the provisions set forth in these Articles of Association.	Die Generalversammlung kann jederzeit die Auflösung und Liquidation der Gesellschaft nach Massgabe der gesetzlichen und statutarischen Vorschriften beschliessen.
The liquidation shall be effected by	Die Liquidation wird durch den

the Board of Directors, unless the General Meeting of Shareholders shall appoint other Persons as liquidators.	Verwaltungsrat durchgeführt, sofern sie nicht durch die Generalversammlung anderen Personen übertragen wird.
The liquidation of the Company shall be effectuated pursuant to the statutory provisions.	Die Liquidation der Gesellschaft erfolgt nach Massgabe der gesetzlichen Vorschriften.
Upon discharge of all liabilities, the assets of the Company shall be distributed to the shareholders pursuant to the amounts paid in, unless these Articles of Association provide otherwise.	Nach erfolgter Tilgung der Schulden wird das Vermögen unter die Aktionäre nach Massgabe der eingezahlten Beträge verteilt, soweit diese Statuten nichts anderes vorsehen.
SECTION 6 Announcements, Communications	**ABSCHNITT 6 Bekannt-machungen, Mitteilungen**
Article 33 Announcements, Communications	**Artikel 33 Bekanntmachungen, Mitteilungen**
The official means of publication of the Company shall be the Swiss Official Gazette of Commerce.	Publikationsorgan der Gesellschaft ist das Schweizerische Handelsamtsblatt.
To the extent that individual notification is not required by law, stock exchange regulations or these Articles of Association, all communications to the shareholders shall be deemed valid if published in the Swiss Official Gazette of Commerce. Written communications by the Company to its shareholders shall be sent by ordinary mail to the last address of the shareholder or authorized recipient recorded in the share register. Financial institutions holding Shares for beneficial owners and recorded in such capacity in the share register shall be deemed to be authorized recipients.	Soweit keine individuelle Benachrichtigung durch das Gesetz, börsengesetzliche Bestimmungen oder diese Statuten verlangt wird, gelten sämtliche Mitteilungen an die Aktionäre als gültig erfolgt, wenn sie im Schweizerischen Handelsamtsblatt veröffentlicht worden sind. Schriftliche Bekanntmachungen der Gesellschaft an die Aktionäre werden auf dem ordentlichen Postweg an die letzte im Aktienbuch verzeichnete Adresse des Aktionärs oder des bevollmächtigten Empfängers geschickt. Finanzinstitute, welche Aktien für wirtschaftlich Berechtigte halten und als solches im Aktienbuch eingetragen sind, gelten als bevollmächtigte Empfänger.
SECTION 7 Original Language	**ABSCHNITT 7 Verbindlicher Originaltext**
Article 34 Original Language	**Artikel 34 Verbindlicher Originaltext**
In the event of deviations between the	Falls sich zwischen der deutschen und

German and English version of these Articles of Association, the German text shall prevail.

englischen Fassung dieser Statuten Differenzen ergeben, hat die deutsche Fassung Vorrang.

SECTION 8 Definitions

ABSCHNITT 8 DEFINITIONEN

Article 35

Artikel 35

CO

OR

The term CO has the meaning assigned to it in Article 14 para. 1. To the extent the CO is amended, references herein to the articles or provisions of the CO shall be deemed to be references to the relevant replacement or amended provisions of the CO.

Der Begriff OR hat die in Artikel 14 Abs. 1 aufgeführte Bedeutung. Im Fall von Revisionen des OR gelten die hierin enthaltenen Bezugnahmen zu Bestimmungen des OR als Bezugnahmen auf die Ersatzbestimmungen oder geänderten Bestimmungen des OR.

Company

Gesellschaft

The term Company has the meaning assigned to it in Article 1.

Der Begriff Gesellschaft hat die in Artikel 1 aufgeführte Bedeutung.

Person

Person

Person means any individual, company, corporation, limited liability company, partnership, unincorporated association or other entity. When two or more Persons act as a partnership, limited partnership, syndicate, or other group for the purpose of acquiring, holding, or disposing of securities of the Company, such syndicate or group shall be deemed a “Person” for the purposes of this definition.

Person bedeutet jede natürliche Person, Kapitalgesellschaft, rechts- oder nicht-rechtsfähige Personengesellschaft oder jeder andere Rechtsträger. Wenn zwei oder mehr Personen als Personengesellschaft, Kommanditgesellschaft, Syndikat oder andere Gruppe mit dem Zweck des Erwerbs, des Haltens oder der Zurverfügungstellung von Sicherheiten der Gesellschaft handeln, soll ein solches Syndikat als “Person” im Sinne dieser Definition gelten.

Rights

Rechte

The term Rights has the meaning assigned to it in Article 6 para. 1.

Der Begriff Rechte hat die in Artikel 6 Abs. 1 aufgeführte Bedeutung.

Rights-Bearing Obligations

Mit Rechten verbundenen Obligationen

The term Rights-Bearing Obligations has the meaning assigned to it in Article 6 para. 1.

Der Begriff mit Rechten verbundenen Obligationen hat die in Artikel 6 Abs. 1 aufgeführte Bedeutung.

SEC

The term SEC has the meaning assigned to it in Article 12 para. 2.

Share(s)

The term Share(s) has the meaning assigned to it in Article 4.

Transfer Agent

The term Transfer Agent has the meaning assigned to it in Article 8 para. 3.

SECTION 9 Transitional Provisions

Article 36 Contribution in Kind

The Company acquires, in connection with the capital increase of February 26, 2009, and in accordance with the order issued by the Supreme Court of Bermuda on February 20, 2009 sanctioning the scheme of arrangement of February 17, 2009 between Weatherford International Ltd., an exempted company with limited liability under the laws of Bermuda with registered office in Bermuda and listed on the New York Stock Exchange (Weatherford Bermuda), and its shareholders, as approved by the shareholders of Weatherford Bermuda (the Scheme of Arrangement), in relation with an agreement dated December 10, 2008, all of the 728,782,425 common shares of Weatherford Bermuda, which have a total value of CHF 7,922,062,403.82. As consideration for this contribution, the Company issues to a nominee, acting on behalf and for the account of the holders of common shares of Weatherford Bermuda, a total of 728,782,425 Shares with a total par value of CHF 845,387,613. The difference between the aggregate par value of the issued Shares and the

SEC

Der Begriff SEC hat die in Artikel 12 Abs. 2 aufgeführte Bedeutung.

Aktie(n)

Der Begriff Aktie(n) hat die in Artikel 4 aufgeführte Bedeutung.

Transfer Agent

Der Begriff Transfer Agent hat die in Artikel 8 Abs. 3 aufgeführte Bedeutung.

ABSCHNITT 9 Übergangs-bestimmungen

Artikel 36 Sacheinlage

Die Gesellschaft übernimmt bei der Kapitalerhöhung vom 26. Februar 2009 gemäss einem Vertrag von 10. Dezember 2008 in Verbindung mit einem Urteil des Supreme Court von Bermuda vom 20. Februar 2009 zum Umstrukturierungsplan (“scheme of arrangement”) vom 17. Februar 2009 zwischen der Weatherford International Ltd., einer Gesellschaft mit beschränkter Haftung gemäss Bermuda Recht mit Sitz in Bermuda und Kotierung am New York Stock Exchange (Weatherford Bermuda), und ihren Aktionären, der von den Aktionären der Weatherford Bermuda genehmigt wurde (der Plan), alle 728’782’425 Aktien der Weatherford Bermuda, welche einen Wert von insgesamt CHF 7’922’062’403.82 haben. Als Gegenleistung für diese Sacheinlage gibt die Gesellschaft einem Umtauschagenten (“nominee”), handelnd für und auf Rechnung der Aktionäre der Weatherford Bermuda insgesamt 728’782’425 voll einbezahlte Aktien mit einem Nennwert von insgesamt CHF 845’387’613 aus. Die Gesellschaft weist die Differenz zwischen dem totalen Nennwert der ausgegebenen Aktien und dem

total value of the contribution, in the amount of CHF 7,076,674,790.82, is allocated to the reserves of the Company.	Übernahmewert der Sacheinlage im Gesamtbetrag von CHF 7'076'674'790.82 den Reserven der Gesellschaft zu.

Article 37 Additional Contribution in Kind

The Company acquires, in the context of the increase of the share capital by CHF 28,220,486.96, from currently CHF 845,487,611.96 to new CHF 873,708,098.92 , on 27 July 2009, from Novy Investments Limited, Nicosia, Cyprus the contributions mentioned below, in consideration for the issuance of the amount of fully paid-in new registered shares of the Company as indicated below:

Eight thousand three hundred and forty nine (8,349) ordinary registered non-documentary shares with a nominal value of one (1) RUR each, the state registration number of the share issue 1-01-00474-N, comprising 100% of the issued and outstanding shares of capital stock of "CJSC "Nizhnevartovskburneft"", a closed joint stock company organised and existing under the laws of the Russian Federation (main state registration No. (OGRN) 1028600940610) and having its registered address at 60 let Oktjabrja street, 20a, Pribrezhnaya zone, Nizhnevartovsk city, Khanti-Mansiysky autonomous district – Yugra, Tyumen region, Russian Federation, 628606, with an entire charter capital being equal to 8,349 RUR ("CJSC "NvBN"" or "CJSC "Nizhnevartovskburneft""), for a transfer price of CHF 18,907,011.36, wherefore 937,650 new registered shares of the Company with a nominal value of CHF 1.16 each, i.e. with a total nominal value of CHF 1,087,674, are issued to the contributor;

Six hundred ninety six (696) ordinary registered non-documentary shares with a nominal value of one thousand (1,000) RUR each, the state registration number of the share issue 1-01-01066-P, comprising 100% of the

Artikel 37 Zusätzliche Sacheinlage

Die Gesellschaft übernimmt bei der Erhöhung des Aktienkapitals von bisher CHF 845'487'611.96 um CHF 28'220'486.96 auf neu CHF 873'708'098.92 vom 27. Juli 2009 von Novy Investments Limited, Nikosia, Zypern, die nachfolgend genannten Beteiligungen gegen Neuausgabe der jeweils genannten Anzahl voll liberierter Namenaktien der Gesellschaft:

8'349 ordentliche unverbrieftete Namenaktien mit einem Nennwert von je RUR 1, mit Staatsregistrierungsnummer von Aktienausgabe 1-01-00474-N, entsprechend alle Stammaktien der CJSC "Nizhnevartovskburneft", eine Gesellschaft nach dem Recht der Russischen Föderation (Haupteintragungs-Nr. (OGRN) 1028600940610), mit Geschäftsadresse in 60 let Oktjabrja Strasse, 20a Pribrezhnaya Zone, Nizhnevartovsk Stadt, Khanti-Mansiysky autonomer Distrikt – Yugra, Tyumen Region, Russische Föderation, 628606, mit einem Kapital im Wert von insgesamt RUR 8'349 ("CJSC "NvBN"" or "CJSC Nizhnevartovskburneft") und zum Preis von insgesamt CHF 18'907'011.36, wofür der Scheinlegerin 937'650 neue Namenaktien der Gesellschaft im Nennwert von je CHF 1.16, d.h. im Nennwert von insgesamt CHF 1'087'674, ausgegeben werden;

696 ordentliche unverbrieftete Namenaktien mit einem Nennwert von je RUR 1'000, mit Staatsregistrierungsnummer von Aktienausgabe 1-01-01066-P, entsprechend alle Stammaktien der

issued and outstanding shares of capital stock of "CJSC "Orenburgburneft"", a closed joint stock company organised and existing under the laws of the Russian Federation (main state registration No. (OGRN)1025600575703) and having its registered address at Magistralnaya street, 14, Buzuluk city, Orenburg region, Russian Federation, 461040, with an entire charter capital being equal to 696,000 RUR ("CJSC "OBN"" or "CJSC "Orenburgburneft""), for a transfer price of CHF 56,244,714.10, wherefore 2,789,328 new registered shares of the Company with a nominal value of CHF 1.16 each, i.e. with a total nominal value of CHF 3,235,620.48, are issued to the contributor;

CJSC "Orenburgburneft", eine Gesellschaft nach dem Recht der Russischen Föderation (Haupteintragungs-Nr. (OGRN) 1025600575703), mit Geschäftsadresse in Magistralnaya Strasse, 14, Buzuluk Stadt, Orenburg Region, Russische Föderation, 461040, mit einem Kapital im Wert von insgesamt RUR 696'000 ("CJSC "OBN"" or "CJSC "Orenburgburneft"") und zum Preis von insgesamt CHF 56'244'714.10, wofür der Sacheinlegerin 2'789'328 neue Namenaktien der Gesellschaft im Nennwert von je CHF 1.16, d.h. im Nennwert von insgesamt CHF 3'235'620.48, ausgegeben werden;

The participation interest with a nominal value of RUR 100,952,232, comprising 100% of the charter capital of "LLC "Upravleniye po kapitalynomu remontu skvazhin"", a limited liability company organised and existing under the laws of the Russian Federation (main state registration No. (OGRN) 1025600575901) and having its registered address at Promyshlennaya street, 2, Buzuluk city, Orenburg region, Russian Federation, 461046, with an entire charter capital being equal to 100,952,232 RUR ("LLC "UKRS"" or "LLC "Upravleniye po kapitalynomu remontu skvazhin""), for a transfer price of CHF 3,877,847.89, wherefore 192,313 new registered shares of the Company with a nominal value of CHF 1.16 each, i.e. with a total nominal value of CHF 223,083.08, are issued to the contributor;

Die Kapitalbeteiligung an der LLC "Upravleniye po kapitalynomu remontu skvazhin" mit einem Nennwert von RUR 100'952'232, entsprechend 100% des Kapitals, eine Gesellschaft mit beschränkter Haftung nach dem Recht der Russischen Föderation (Haupteintragungs-Nr. (OGRN)1025600575901), mit Geschäftsadresse in Promyshlennaya Strasse, 2, Buzuluk Stadt, Orenburg Region, Russische Föderation, 461046, mit einem Kapital im Wert von insgesamt RUR 100'952'232 ("LLC "UKRS"" or "LLC "Upravleniye po kapitalynomu remontu skvazhin"") und zum Preis von insgesamt CHF 3'877'847.89, wofür der Sacheinlegerin 192'313 neue Namenaktien der Gesellschaft im Nennwert von je CHF 1.16, d.h. im Nennwert von insgesamt CHF 223'083.08, ausgegeben werden;

The participation interest with a nominal value of RUR 49,584,467, comprising 100% of the charter capital of "LLC "Specializirovannoe tamponazhnoe upravleniye"", a limited liability company organised and existing under the laws of the Russian Federation (main state registration No. (OGRN) 1025600575725) and

Die Kapitalbeteiligung an der LLC "Specializirovannoe tamponazhnoe upravleniye" mit einem Nennwert von RUR 49'584'467, entsprechend 100% des Kapitals , eine Gesellschaft mit beschränkter Haftung eingetragt nach dem Recht der Russischen Föderation (Haupteintragungs-Nr. (OGRN) 1025600575725), mit Geschäftsadresse

having its registered address at Magistralnaya street, 12, Buzuluk city, Orenburg region, Russian Federation, 461040, with an entire charter capital being equal to 49,584,467 RUR ("LLC "STU"" or "LLC "Specializirovannoe tamponazhnoe upravleniye""), for a transfer price of CHF 3,979,395.07, wherefore 197,349 new registered shares of the Company with a nominal value of CHF 1.16 each, i.e. with a total nominal value of CHF 228,924.84, are issued to the contributor;

in Magistralnaya Strasse, 12, Buzuluk Stadt, Orenburg Region, Russische Föderation, 461040, mit einem Kapital im Wert von insgesamt RUR 49'584'467 ("LLC "STU"" or "LLC "Specializirovannoe tamponazhnoe upravleniye"") und zum Preis von insgesamt CHF 3'979'395.07, wofür der Sacheinlegerin 197'349 neue Namenaktien der Gesellschaft im Nennwert von je CHF 1.16, d.h. im Nennwert von insgesamt CHF 228'924.84, ausgegeben werden;

The participation interest with a nominal value of RUR 260,661,962, comprising 100% of the charter capital of "LLC "Orenburgskaya burovaya servisnaya Kompanija"", a limited liability company organised and existing under the laws of the Russian Federation (main state registration No. (OGRN) 1025602724355) and having its registered address at Chkalova street, 43 "A", Orenburg city, Russian Federation, 460001, with an entire charter capital being equal to 260,661,962 RUR ("LLC "OBSK"" or "LLC "Orenburgskaya burovaya servisnaya Kompanija""), for a transfer price of CHF 24,871,677.90, wherefore 1,233,454 new registered shares of the Company with a nominal value of CHF 1.16 each, i.e. with a total nominal value of CHF 1,430,806.64, are issued to the contributor;

Die Kapitalbeteiligung an der LLC "Orenburgskaya burovaya servisnaya Kompanija" mit einem Nennwert von RUR 260'661'962, entsprechend 100% des Kapitals, eine Gesellschaft mit beschränkter Haftung nach dem Recht der Russischen Föderation (Eintragung Nr. 1025602724355), mit Geschäftsadresse in Chkalova Strasse, 43 "A", Orenburg Stadt, Russische Föderation, 460001, mit einem Kapital im Wert von insgesamt RUR 260'661'962 ("LLC "OBSK"" or "LLC "Orenburgskaya burovaya servisnaya Kompanija"") und zum Preis von insgesamt CHF 24'871'677.90, wofür der Sacheinlegerin 1'233'454 neue Namenaktien der Gesellschaft im Nennwert von je CHF 1.16, d.h. im Nennwert von insgesamt CHF 1'430'806.64, ausgegeben werden;

The participation interest with a nominal value of RUR 50,000, comprising 100% of the charter capital of "LLC "Chernogornefteservice"", a limited liability company organised and existing under the laws of the Russian Federation (main state registration No. (OGRN) 1028601868624) and having its registered address at Industrialnaya street, 97, panel No. 3, Zapadny promyishlenniy uzel, Nizhnevartovsk city, Khanti-Mansiysky autonomous district-Yugra, Tyumen region, Russian

Die Kapitalbeteiligung an der LLC "Chernogornefteservice" mit einem Nennwert von RUR 50'000, entsprechend 100% des Kapitals, eine Gesellschaft mit beschränkter Haftung nach dem Recht der Russischen Föderation (Haupteintragungs-Nr. (OGRN) 1028601868624), mit Geschäftsadresse in Industrialnaya Strasse, 97, panel No. 3, Zapadny promyishlenniy uzel, Nizhnevartovsk Stadt, Khanti-Mansiysky autonomer Distrikt – Yugra, Tyumen Region, Russische Föderation, 628616, mit

Federation, 628616, with an entire charter capital being equal to 50,000 RUR ("LLC "ChNS"" or "LLC "Chernogornefteservice""), for a transfer price of CHF 14,126,551.03, wherefore 700,574 new registered shares of the Company with a nominal value of CHF 1.16 each, i.e. with a total nominal value of CHF 812,665.84, are issued to the contributor;

einem Kapital im Wert von insgesamt RUR 50'000 ("LLC "ChNS"" or "LLC "Chernogornefteservice"") und zum Preis von insgesamt CHF 14'126'551.03, wofür der Sacheinlegerin 700'574 neue Namenaktien der Gesellschaft im Nennwert von je CHF 1.16, d.h. im Nennwert von insgesamt CHF 812'665.84, ausgegeben werden;

The participation interest with a nominal value of RUR 2,631,155,000, comprising 100% of the charter capital of "LLC "Kompanija po upravleniju imuschestvennym kompleksom"", a limited liability company organised and existing under the laws of the Russian Federation (main state registration No. (OGRN) 1025601805272) and having its registered address at Chkalova street, 43 "A", Orenburg city, Russian Federation, 460001, with an entire charter capital being equal to 2,631,155,000 RUR ("LLC "KUIK" (Orenburg)" or "LLC "Kompanija po upravleniju imuschestvennym kompleksom""), for a transfer price of CHF 99,738,885.75, wherefore 4,946,322 new registered shares of the Company with a nominal value of CHF 1.16 each, i.e. with a total nominal value of CHF 5,737,733.52, are issued to the contributor;

Die Kapitalbeteiligung an der LLC "Kompanija po upravleniju imuschestvennym kompleksom" mit einem Nennwert von RUR 2'631'155'000, entsprechend 100% des Kapitals, eine Gesellschaft mit beschränkter Haftung nach dem Recht der Russischen Föderation (Haupteintragungs-Nr. (OGRN) 1025601805272), mit Geschäftsadresse in Chkalova Strasse, 43 "A", Orenburg Stadt, Russische Föderation, 460001, mit einem Kapital im Wert von insgesamt RUR 2'631'155'000 ("LLC "KUIK" (Orenburg)" or "LLC "Kompanija po upravleniju imuschestvennym kompleksom"") und zum Preis von insgesamt CHF 99'738'885.75, wofür der Sacheinlegerin 4'946'322 neue Namenaktien der Gesellschaft im Nennwert von je CHF 1.16, d.h. im Nennwert von insgesamt CHF 5'737'733.52, ausgegeben werden;

The participation interest with a nominal value of RUR 420,010,000, comprising 100% of the charter capital of "LLC "Kompanija po upravleniju imuschestvennym kompleksom"", a limited liability company organised and existing under the laws of the Russian Federation (main state registration No. (OGRN) 1028601497957) and having its registered address at Sibirskaya street, 11, Nyagan city, Khanti-Mansiysky autonomous district – Yugra, Tyumen region, Russian Federation, 628183, with an entire charter capital being equal to 420,010,000 RUR ("LLC "KUIK" (Nyagan)" or "LLC

Die Kapitalbeteiligung an der LLC "Kompanija po upravleniju imuschestvennym kompleksom" mit einem Nennwert von RUR 420'010'000, entsprechend 100% des Kapitals, eine Gesellschaft mit beschränkter Haftung nach dem Recht der Russischen Föderation (Haupteintragungs-Nr. (OGRN) 1028601497957), mit Geschäftsadresse in Sibirskaya Strasse, 11, Nyagan Stadt, Khanti-Mansiysky autonomer Distrikt – Yugra, Tyumen Region, Russische Föderation, 628183, mit einem Kapital im Wert von insgesamt RUR 420'010'000 ("LLC "KUIK" (Nyagan)" or "LLC "Kompanija po upravleniju

"Kompanija po upravleniju imuschestvennym kompleksom""), for a transfer price of CHF 34,285,943.95, wherefore 1,700,333 new registered shares of the Company with a nominal value of CHF 1.16 each, i.e. with a total nominal value of CHF 1,972,386.28, are issued to the contributor;

imuschestvennym kompleksom"") und zum Preis von insgesamt CHF 34'285'943.95, wofür der Sacheinlegerin 1'700'333 neue Namenaktien der Gesellschaft im Nennwert von je CHF 1.16, d.h. im Nennwert von insgesamt CHF 1'972'386.28, ausgegeben werden;

The participation interest with a nominal value of RUR 4,731,978,828, comprising 100% of the charter capital of "LLC "Kompanija po upravleniju imuschestvennym kompleksom"", a limited liability company organised and existing under the laws of the Russian Federation (main state registration No. (OGRN) 1028600940620) and having its registered address at Kuzovatkina street, 5, Zapadny promyishlenniy uzel, panel 20, Nizhnevartovsk city, Khanti-Mansiysky autonomous district – Yugra, Tyumen region, Russian Federation, 628611, with an entire charter capital being equal to 4,731,978,828 RUR ("LLC "KUIK" (Nizhnevartovsk)" or "LLC "Kompanija po upravleniju imuschestvennym kompleksom""), for a transfer price of CHF 180,399,505.16, wherefore 8,946,501 new registered shares of the Company with a nominal value of CHF 1.16 each, i.e. with a total nominal value of CHF 10,377,941.16, are issued to the contributor;

Die Kapitalbeteiligung an der LLC "Kompanija po upravleniju imuschestvennym kompleksom" mit einem Nennwert von RUR 4'731'978'828, entsprechend 100% des Kapitals, eine Gesellschaft mit beschränkter Haftung nach dem Recht der Russischen Föderation (Haupteintragungs-Nr. (OGRN) 1028600940620), mit Geschäftsadresse in Kuzovatkina Strasse, 5, Zapadny promyishlenniy uzel, Panel 20, Nizhnevartovsk Stadt, Khanti-Mansiysky autonomer Distrikt – Yugra, Tyumen Region, Russische Föderation, 628611, mit einem Kapital im Wert von insgesamt RUR 4'731'978'828 ("LLC "KUIK" (Nizhnevartovsk)" or "LLC "Kompanija po upravleniju imuschestvennym kompleksom"") und zum Preis von insgesamt CHF 180'399'505.16, wofür der Sacheinlegerin 8'946'501 neue Namenaktien der Gesellschaft im Nennwert von je CHF 1.16, d.h. im Nennwert von insgesamt CHF 10'377'941.16, ausgegeben werden;

The participation interest with a nominal value of RUR 10,000, comprising 100% of the charter capital of "LLC "Nizhnevartovskoe predprijatie po remontu skvazhin-1"", a limited liability company organised and existing under the laws of the Russian Federation (main state registration No. (OGRN) 1028600966932) and having its registered address at 3PS Street, 5, 12th km. of Samotlorskaya road, Severny promyishlenniy uzel, Nizhnevartovsk city, Khanti-Mansiysky autonomous district-Yugra, Tyumen region, Russian

Die Kapitalbeteiligung an der LLC "Nizhnevartovskoe predprijatie po remontu skvazhin-1" mit einem Nennwert von RUR 10'000, entsprechend 100% des Kapitals, eine Gesellschaft mit beschränkter Haftung nach dem Recht der Russischen Föderation (Eintragung Nr. 1028600966932), mit Geschäftsadresse in 3PS Strasse, 5, 12 km von Samotlorskaya Strasse, Severny promyishlenniy uzel, Nizhnevartovsk Stadt, Khanti-Mansiysky autonomer Distrikt – Yugra, Tyumen Region, Russische Föderation, 628611, mit

Federation, with an entire charter capital being equal to 10,000 RUR ("LLC "NPRS-1"" or "LLC "Nizhnevartovskoe predprijatie po remontu skvazhin-1""), for a transfer price of CHF 54,124,523.60, wherefore 2,684,182 new registered shares of the Company with a nominal value of CHF 1.16 each, i.e. with a total nominal value of CHF 3,113,651.12, are issued to the contributor.

einem Kapital im Wert von insgesamt RUR 10'000 ("LLC "NPRS-1"" or "LLC "Nizhnevartovskoe predprijatie po remontu skvazhin-1"") und zum Preis von insgesamt CHF 54'124'523.60, wofür der Sacheinlegerin 2'684'182 neue Namenaktien der Gesellschaft im Nennwert von je CHF 1.16, d.h. im Nennwert von insgesamt CHF 3'113'651.12, ausgegeben werden.

As consideration for the contributed shares and participation interests with an aggregate total value of CHF 490,556,055.81 the contributor receives 24,328,006 fully paid-in new registered shares of the Company, with a nominal value of CHF 1.16 each and for an issue price of CHF 20.1642525 each, i.e. for an aggregate issue price of CHF 490,556,055.81. The surplus resulting from the difference between the issue price and the nominal value of the newly issued registered shares shall be credited as capital surplus ("Agio") to the reserves of the Company.

Als Gegenleistung für die eingebrachten Aktien und Kapitalbeteiligungen im Gesamtwert von CHF 490'556'055.81 erhält die Sacheinlegerin 24'328'006 voll liberierte neue Namenaktien der Gesellschaft im Nennwert von je CHF 1.16 und zum Ausgabebetrag von je CHF 20.1642525, d.h. zum Gesamtausgabebetrag von CHF 490'556'055.81. Die Differenz zwischen Ausgabepreis und Nennwert der neu auszugebenden Namenaktien wird als Agio den Reserven der Gesellschaft gutgeschrieben.

Article 38 Additional Contribution in Kind

Artikel 38 Zusätzliche Sacheinlage

The Company acquires, in the context of the increase of the share capital by CHF 6,090,000, from currently CHF 873,708,098.92 to new CHF 879,798,098.92, on 16 September 2009, from Integrity Energy International, LLC, with seat in the State of Delaware, U.S.A., the contribution mentioned below, in consideration for the issuance of the amount of fully paid-in new registered shares of the Company as indicated below:

Die Gesellschaft übernimmt bei der Erhöhung des Aktienkapitals von bisher CHF 873'708'098.92 um CHF 6'090'000 auf neu CHF 879'798'098.92 vom 16. September 2009 von Integrity Energy International, LLC, mit Sitz in Delaware (USA), die nachfolgende Beteiligung gegen Neuausgabe der genannten Anzahl voll liberierter Namenaktien der Gesellschaft:

Five hundred (500) shares of common stock, par value USD 0.01 per share, comprising 100% of the issued shares of stock of "Integrity Delaware Holdco, Inc.", a corporation organized and existing under the laws of the State of Delaware, U.S.A. (company number

Fünfhundert (500) Stammaktien im Nennwert von je USD 0.01 und damit 100% des ausgegebenen Aktienkapitals der "Integrity Delaware Holdco, Inc.", eine Gesellschaft nach dem Recht des Staates Delaware (USA), (Gesellschaftsnummer 090847425), mit Sitz

090847425) and having its registered address at 1209 Orange Street, Wilmington, Delaware, 19801, USA, for a transfer price of CHF 119,795,408.25, wherefor 5,250,000 new registered shares of the Company with a nominal value of CHF 1.16 each, i.e. with a total nominal value of CHF 6,090,000, are issued to the contributor;

As consideration for the contributed shares with a total value of CHF 119,795,408.25 the contributor receives 5,250,000 fully paid-in new registered shares of the Company, with a nominal value of CHF 1.16 each and for an issue price of CHF 22.818173 each, i.e. for an aggregate issue price of CHF 119,795,408.25. The surplus resulting from the difference between the issue price and the nominal value of the newly issued registered shares shall be credited as capital surplus ("Agio") to the reserves of the Company."

in 1209 Orange Street, Wilmington, Delaware, 19801, USA, zum Preis von CHF 119'795'408.25, wofür der Sacheinlegerin 5'250'000 neue Namenaktien der Gesellschaft im Nennwert von je CHF 1.16, d.h. im Gesamtnennwert von CHF 6'090'000, ausgegeben werden;

Als Gegenleistung für die eingebrachten Aktien im Gesamtwert von CHF 119'795'408.25 erhält die Sacheinlegerin 5'250'000 voll liberierte neue Namenaktien der Gesellschaft im Nennwert von je CHF 1.16 und zum Ausgabebetrag von je CHF 22.818173, d.h. zum Gesamtausgabebetrag von CHF 119'795'408.25. Die Differenz zwischen Ausgabepreis und Nennwert der neu auszugebenden Namenaktien wird also Agio den Reserven der Gesellschaft gutgeschrieben.

EXHIBIT XI

ORGANIZATIONAL REGULATIONS DATED AS OF FEBRUARY 25, 2009
OF WEATHERFORD INTERNATIONAL LTD.

Exhibit 3.2

ORGANIZATIONAL REGULATIONS

dated as of February 25, 2009

of

Weatherford International Ltd.,

a Swiss corporation with its registered office in Zug

EXHIBIT XI - ORGANIZATIONAL REGULATIONS OF WEATHERFORD

ARTICLE 1

SCOPE AND BASIS

Section 1.01. *Basis.* These Organizational Regulations (the **Organizational Regulations**) are enacted by the Board of Directors of Weatherford International Ltd. (the **Company**) pursuant to article 716b of the Swiss Code of Obligations (**CO**) and Article 26 of the Company's articles of association (the **Articles of Association**). The Organizational Regulations govern the internal organization and the duties, powers and responsibilities of the Board of Directors, Board Committees and officers of the Company (collectively, the **Executive Bodies**).

Section 1.02. *Group Companies.* The Company is an operating and holding company with international subsidiaries active in businesses that are involved in providing equipment and related services used for drilling, evaluation, completion, production and intervention of oil and natural gas wells. The Executive Bodies of the Company shall duly respect the legal independence of all subsidiary companies and the local laws applicable to them. To ensure proper functioning among the Company and its subsidiaries, in the interests of the Company and its shareholders and to comply with various requirements imposed by relevant laws and regulatory authorities, the Board of Directors shall supervise and, where necessary and appropriate, coordinate the business of the Company and its subsidiaries by providing overall guidance and support.

Section 1.03. *Interpretation.*

(a) Words importing the singular number shall also include the plural number and vice−versa.

(b) Words importing the masculine gender shall also include the feminine gender.

ARTICLE 2

CORPORATE ORGANIZATION

The Company shall have the following functions and committees:

(a) the Board of Directors (the **Board**);

(b) the chairman of the Board (the **Chairman**);

(c) the board committees established from time to time pursuant to these Organizational Regulations (the **Board Committees**);

(d) the chief executive officer of the Company (the **Chief Executive Officer**); and

(e) the officers and other management of the Company.

ARTICLE 3

THE BOARD

Section 3.01. *Constitution.* The Board shall elect from among its members one Chairman. It may elect one or more Vice−Chairmen. It shall further appoint a Secretary who need not be a member of the Board. The Secretary shall keep the minutes of the General Meetings of Shareholders and the meetings of the Board and give notice of such meetings and shall perform like duties for the committees of the Board when so required. In the case of the absence or inability to act of the Secretary, any Assistant Secretary (or, in the case of keeping minutes of the General Meeting of Shareholders or the meetings of the Board, any other person designated by the presiding officer of such meeting) may act in the Secretary's place.

Section 3.02. *Board Composition.* In selecting candidates for Board membership the Board shall give due consideration to the governance framework set forth in the Corporate Governance Principles of the Company.

Section 3.03. *Powers and Duties.*

(a) The Board is the ultimate executive body of the Company and shall determine the principles of the business strategy and policies. The Board shall exercise its function as required by law, the Articles of Association and these Organizational Regulations.

(b) The Board shall be authorized to pass resolutions on all matters that are not reserved to the General Meeting of Shareholders or to other Executive Bodies by applicable law, the Articles of Association or these Organizational Regulations.

(c) In particular, the Board has the following powers and duties:

(i) the ultimate direction of the Company and the issuance of the necessary guidelines in accordance with applicable law and regulations;

(ii) the determination of the Company's organizational structure, including the promulgation and the amendment of these Organizational Regulations;

(iii) the determination of the Company's accounting principles, financial control and financial planning;

(iv) the appointment and removal of the persons responsible for the management and representation of the Company;

(v) the ultimate supervision of the persons entrusted with the management of the Company, in particular with regard to their compliance with applicable law, the Articles of Association, these Organizational Regulations and other applicable instructions and guidelines;

(vi) the review and approval of the business report and the financial statements of the Company as well as the preparation of the General Meeting of Shareholders and the implementation of its resolutions;

(vii) the notification of the court if the liabilities of the Company exceed the assets of the Company (article 725 CO);

(viii) the adoption of resolutions concerning an increase in the share capital of the Company to the extent that such power is vested in the Board (article 651 para. 4 CO) and of resolutions concerning the confirmation of capital increases and corresponding amendments to the Articles of Association, as well as making the required report on the capital increase;

(ix) the establishment of the Company's dividend policy;

(x) the proposal to the General Meeting of Shareholders of candidates for election or re−election to the Board, upon recommendation of the Corporate Governance and Nominating Committee;

(xi) the response to any takeover offer for the Company;

(xii) the establishment of any code of ethics, code of conduct and business practice;

(xiii) the determination of any membership and terms of reference of any Board Committees;

(xiv) the approval of any agreements to which the Company is a party relating to mergers, demergers, transformations and/or transfer of assets, to the extent required pursuant to the Swiss Merger Act and/or unless approval by the General Meeting of Shareholders is required pursuant to the Swiss Merger Act;

(xv) the appointment and removal of the Chairman (giving due consideration to the Corporate Governance Guidelines of the Company) and the Secretary, the members of Board Committees and the officers, as well as the determination of their signatory power (see Section 9.01);

(xvi) the approval of the annual investment and operating budget;

(xvii) the approval of share buybacks of the Company; and

(xviii) the determination for the Company to enter into new areas of activity and withdrawal from existing areas of business, each within the purpose of the Company as specified in the Company's Articles of Association.

Section 3.04. *Delegation of Management.* To the extent permitted by applicable law and stock exchange rules and except as otherwise provided herein, the Board herewith delegates, in the sense of article 716b CO, all other duties, including the implementation of the Board and committee resolutions as well as the supervision of particular aspects of the business and the management of the Company, to the Chief Executive Officer. Subject to Section 3.07, Directors will have complete and open access to the officers of the Company, including the Chief Executive Officer.

Section 3.05. *Meetings.*

(a) The Board shall meet together for the transaction of business, convening, adjourning and otherwise regulating its meetings as it thinks fit. The Board shall give due consideration to the governance framework set forth in the Corporate Governance Guidelines of the Company.

(b) Regularly scheduled meetings of the Board may be held at such time and at such place as shall from time to time be determined by the Chairman. Special meetings of the Board may be called by the Chairman or any two members of the Board. Any member of the Board may request that the Chairman convene a meeting as soon as practicable, subject to providing a reason for so requesting a meeting.

(c) No notice need be given of any regular meeting of the Board or of any adjourned meeting of the Board. No notice need be given to any Director who signs a written waiver thereof or who attends the meeting without protesting the lack of notice. Notices need not state the purpose of the meeting. Attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except when a Director attends and makes it known that he is attending for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully convened, and such purpose is duly recorded in the minutes of such meeting.

(d) Notice of each special meeting of the Board shall be given to each Director either by first class mail or by a mail service equivalent to first class mail, at least three days before the meeting, by "overnight" or other express delivery service at least two days before the meeting, or by telecopy, facsimile, personal written delivery, e−mail (or other electronic means of communication) or telephone at least one day before the meeting. Any notice given by telephone shall be immediately confirmed by telecopy, facsimile, or e−mail (or other electronic means of communication). Notices are deemed to have been given: by mail, when deposited in the mail with postage prepaid; by "overnight" or other express delivery service, the day after sending; by telecopy or facsimile, upon receipt of a transmittal confirmation; and by personal delivery, e−mail or telephone, at the time of delivery. Written notices shall be sent to a Director at the address or e−mail address designated by such Director for that purpose or, if none has been so designated, at such Director's last known residence, business or e−mail address.

(e) Any one or more Directors or any committee thereof may participate in a meeting of the Board or committee by conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting.

Section 3.06. *Attendance Quorum; Resolutions and Minutes.*

(a) The attendance quorum necessary for the transaction of the business of the Board shall be the greater of two Directors, and not less than one−third of the total number of Directors. No attendance quorum shall be required for resolutions of the Board providing for the confirmation of a capital increase or for the amendment of the Articles of Association in connection therewith.

(b) The Board shall pass its resolutions with the majority of the votes cast by the Directors present at a meeting at which the attendance quorum of Section 3.06(a) above is satisfied. The Chairman shall have the same vote as each other Director.

(c) Resolutions of the Board may be passed without a meeting by way of written consent by a majority of the whole Board, provided that no member of the Board requests oral deliberations. In such a case, a resolution in writing (in one or more counterparts) signed by a majority the Directors or all the members of a committee of the Directors (including signed copies sent by facsimile or email) shall be as valid and effectual as if it had been passed at a meeting of the Board or committee, as the case may be, duly convened and held.

(d) The Board shall cause minutes to be made for the purpose of recording the proceedings at all meetings of the Company and the Directors and of committees of the Board. The minutes of Board meetings shall be signed by the acting chairman and the secretary and must be approved by the Board. The minutes of committee meetings shall be signed by the acting chairman and must be approved by such committee.

Section 3.07. *Information and Reporting.*

(a) At Board meetings, each member of the Board is entitled to request and receive from other Directors and from the Chief Executive Officer information on all affairs of the Company.

(b) Outside of Board meetings, each Director may request information from the Chief Executive Officer on the general course of business and, upon approval of the Chairman, each Director may obtain information on specific transactions and/or access to business documents.

Section 3.08. *Compensation.* Each Director shall be entitled to receive as compensation for such Director's services as a Director or committee member or for attendance at meetings of the Board or committees, or both, such amounts and type of compensation (if any) as shall be fixed from time to time by the Board or the Compensation Committee. In determining Directors' compensation, the Board shall give due consideration to the governance framework set forth in the Corporate Governance Guidelines of the Company as well as the recommendations of the Compensation Committee. Each Director shall be entitled to reimbursement for reasonable traveling expenses incurred by such Director in attending any such meeting.

Section 3.09. *Conflicts of Interest.*

(a) Any Director, or any Director's firm, partner or any company with whom any Director is associated, may act in a professional capacity for the Company and such Director or such Director's firm, partner or such company shall be entitled to remuneration for professional services as if such Director were not a Director, provided that nothing herein shall authorize a Director or Director's firm, partner or company to act as auditor of the Company.

(b) A Director who is directly or indirectly interested in a contract or proposed contract or arrangement with the Company shall disclose the nature of such interest as required by applicable law.

(c) The Director facing a conflict of interests shall not participate in the deliberations and resolutions on matters involving such conflict of interests.

Section 3.010. *Participation by Non−Members.* Persons who are not members of the Board of Directors or committees of the Board may participate in meetings of such bodies if their expertise is required and they have been invited by the chairperson of such body. Such persons shall not vote upon any resolutions.

ARTICLE 4

CHAIRMAN AND VICE−CHAIRMAN

Section 4.01. *Power and Duties.* The Chairman of the Board shall preside at all meetings of the Board. Further, the Chairman has the following powers and duties:

(a) contact with the officers and management of the Company between Board meetings in order to be informed about important business developments;

(b) preparing the agenda for the General Meetings of Shareholders and Board meetings;

(c) presiding over the General Meetings of Shareholders and Board meetings;

(d) informing the full Board without delay of material extraordinary events; and

(e) any other matters reserved by law, the Articles of Association or these Organizational Regulations to the Chairman.

Section 4.02. *Authority.* Should the Chairman be unable or unavailable to exercise his functions, his functions shall be assumed by the Vice−Chairman, if one has been elected, or if the latter has not been elected or should be unable or unavailable, another Director appointed by the Board.

ARTICLE 5

BOARD COMMITTEES

Section 5.01. *General.*

(a) The Board may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of one or more of the Directors, as designated by the Board. The Board may designate one or more alternate Directors as members of any committee, who may replace any absent member at any meeting of the committee. In the absence of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent member. At all meetings of any committee, a majority of its members (or the member, if only one) shall constitute a quorum for the transaction of business, and the act of a majority of the members present shall be the act of any such committee, unless otherwise specifically provided by law, the Articles of Association or these Organizational Regulations. The Board shall have the power at any time to change the number and members of any such committee, to fill vacancies and to discharge any such committee.

(b) Sections 3.05 and 3.06(b) through (d) above with respect to notice of, and participation in, meetings of the Board shall apply also to meetings of committees, unless different provisions shall be prescribed by the Board. Each committee shall serve at the discretion of the Board. It shall keep minutes of its meetings and report the same to the Board when required and shall observe such procedures as are prescribed by the Board.

(c) Any committee of the Board, to the extent provided by the provisions set forth herein and in such committee's charter, but subject to any limitation imposed by the Swiss Code of Obligations, shall have and may exercise all the powers and authority of the Board in the management of the affairs of the Company that are assigned to it by the Board, and may further assist the Board in implementing its resolutions. The Board may delegate to any such committee the necessary powers to that effect pursuant to the provisions of such committee's charter.

(d) The committees have the right, at any time and in their discretion, to make or request inquiries in all matters within their responsibilities as specified in such committee's charter. They may hire independent legal advisors, auditors and other experts, in particular to establish a comparison with general principles of best practice or otherwise. The expenses shall be borne by the Company.

Section 5.02. *Individual Committees.* The committees of the Board shall be the Audit Committee, the Compensation Committee, the Corporate Governance and Nominating Committee and any other committees designated by the Board.

ARTICLE 6

CHIEF EXECUTIVE OFFICER

Section 6.01. *Powers and Duties.* Subject to applicable law, regulations and stock exchange rules, the day−to−day executive management of the Company shall be the responsibility of the Chief Executive Officer. If the President (as described below) shall not be designated the Chief Executive Officer of the Company, such President shall have such authority and perform such duties as may be prescribed from time to time by the Board or the Chief Executive Officer. The Chief Executive Officer shall have the primary responsibility for the management of the Company, and shall directly report to the Board.

Section 6.02. *Reporting*. The Chief Executive Officer shall regularly inform the Board at the Board meetings on the current course of business and all major business matters of the Company.

ARTICLE 7

OFFICERS

Section 7.01. *Composition*. The officers of the Company shall be chosen by the Board and shall include a Chief Executive Officer, a President and one or more Vice Presidents (who may be further classified by such descriptions as "Executive," "Senior" or "Assistant" as determined by the Board), and such other officers, as the Board may deem necessary or appropriate. The Board may from time to time authorize any officer to appoint and remove any other officer or agent and to prescribe such person's authority and duties. Any person may hold at one time two or more offices. Each officer shall have such authority and perform such duties, in addition to those specified in these Articles, as may be prescribed by the Board from time to time.

Section 7.02. *Term of Office*. Each officer shall hold office for the term for which appointed by the Board, and until the person's successor has been appointed and qualified or until such person's earlier resignation or removal. Any officer may be removed by the Board, with or without cause. The election or appointment of an officer shall not in and of itself create contractual rights to bind the Company. Any officer may resign at any time by giving written notice to the Board or the Secretary. Any such resignation shall take effect at the time specified therein or, if such time is not specified therein, then upon receipt of such notice, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

ARTICLE 8

FISCAL YEAR

Section 8.01. *Determination*. The fiscal year of the Company shall start on January 1 and end on December 31.

ARTICLE 9

GENERAL PROVISIONS

Section 9.01. *Signatory Power*. The Directors, officers and other persons authorized to represent the Company and its subsidiaries have individual or joint signatory power, as determined appropriate by the Board from time to time or as otherwise required by applicable law.

Section 9.02. *Insurance*. The Company may procure directors' and officers' liability insurance for the Directors and for officers of the Company. Any costs of insurance shall be charged to the Company or its subsidiaries.

ARTICLE 10

FINAL PROVISIONS

Section 10.01. *Change of or Amendments to these Organizational Regulations*. Any change of or amendment to these Organizational Regulations shall only be valid if the Board approved such change or amendment with the attendance quorum and the majority as set forth in Section 3.06(a), (b) and (c), respectively.

SO RESOLVED as of February 25, 2009.

EXHIBIT XII

CONSOLIDATED FINANCIAL STATEMENTS OF WEATHERFORD INTERNATIONAL LTD. AS OF DECEMBER 31, 2007 AND DECEMBER 31, 2006 AND FOR EACH OF THE THREE YEARS ENDED IN THE PERIOD DECEMBER 31, 2007

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of
Weatherford International Ltd. and Subsidiaries

We have audited the accompanying consolidated balance sheets of Weatherford International Ltd. and subsidiaries as of December 31, 2007 and 2006, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2007. Our audits also included the financial statement schedule listed in the Index at Item 15. These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Weatherford International Ltd and subsidiaries at December 31, 2007 and 2006, and the consolidated results of their operations and their cash flows for each of the years in the period ended December 31, 2007, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

As discussed in Note 1 to the consolidated financial statements, effective January 1, 2007, the Company adopted FASB Interpretations — FIN 48: *Accounting for Uncertainty in Income Taxes an Interpretation of FASB Statement No. 109* and, as discussed in Note 17, effective December 31, 2006 the Company adopted Statement of Financial Accounting Standards No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statements No. 87, 88, 106, and 132(R).*

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Weatherford International Ltd.'s internal control over financial reporting as of December 31, 2007, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 20, 2008 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Houston, Texas
February 20, 2008

WEATHERFORD INTERNATIONAL LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	December 31, 2007	2006
	(In thousands, except par value)	
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 170,714	$ 126,287
Accounts Receivable, Net of Allowance for Uncollectible Accounts of $13,760 in 2007 and $13,452 in 2006	1,961,854	1,560,849
Inventories	1,607,684	1,239,034
Current Deferred Tax Assets	165,508	144,833
Other Current Assets	566,009	320,772
	4,471,769	3,391,775
Property, Plant and Equipment, at Cost:		
Land, Buildings and Leasehold Improvements	557,081	433,671
Rental and Service Equipment	3,984,942	2,813,739
Machinery and Other	2,011,884	1,657,038
	6,553,907	4,904,448
Less: Accumulated Depreciation	2,400,062	1,925,177
	4,153,845	2,979,271
Goodwill	3,358,490	3,000,589
Other Intangible Assets, Net	596,999	599,828
Equity Investments	368,618	31,175
Other Assets	241,236	136,610
	$13,190,957	$10,139,248
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Short-term Borrowings and Current Portion of Long-term Debt	$ 774,220	$ 648,736
Accounts Payable	612,775	509,942
Accrued Salaries and Benefits	239,870	240,327
Foreign Income Taxes Payable	105,982	217,815
Other Current Liabilities	469,518	426,325
	2,202,365	2,043,145
Long-term Debt	3,066,335	1,564,600
Deferred Tax Liabilities	197,494	136,208
Other Liabilities	318,044	220,496
Shareholders' Equity:		
Common Shares, $1 Par Value, Authorized 1,000,000 Shares, Issued 363,602 and 361,921 Shares, Respectively	363,602	361,921
Capital in Excess of Par Value	4,359,349	4,275,534
Treasury Shares, Net	(924,202)	(681,116)
Retained Earnings	3,170,182	2,099,307
Accumulated Other Comprehensive Income	437,788	119,153
	7,406,719	6,174,799
	$13,190,957	$10,139,248

The accompanying notes are an integral part of these consolidated financial statements.

WEATHERFORD INTERNATIONAL LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

	Year Ended December 31,		
	2007	2006	2005
	(In thousands, except per share amounts)		
Revenues:			
Products	$2,983,427	$2,490,059	$1,856,278
Services	4,848,635	4,088,869	2,476,949
	7,832,062	6,578,928	4,333,227
Costs and Expenses:			
Cost of Products	2,087,296	1,731,373	1,301,738
Cost of Services	2,970,314	2,481,460	1,647,329
Research and Development	169,317	149,429	107,362
Selling, General and Administrative Attributable to Segments	850,359	746,386	535,465
Corporate General and Administrative	130,440	115,593	77,154
Exit Costs and Restructuring Charges	—	—	93,581
	6,207,726	5,224,241	3,762,629
Operating Income	1,624,336	1,354,687	570,598
Other Income (Expense):			
Gain on Sale of Universal Common Stock	—	—	115,456
Interest Income	11,847	6,656	11,208
Interest Expense	(183,128)	(109,216)	(80,189)
Debt Redemption Expense	—	—	(4,733)
Other, Net	(8,569)	(13,218)	19,777
Income from Continuing Operations Before Income Taxes and Minority Interest	1,444,486	1,238,909	632,117
Provision for Income Taxes	(332,760)	(321,473)	(161,205)
Income from Continuing Operations Before Minority Interest	1,111,726	917,436	470,912
Minority Interest, Net of Taxes	(19,751)	(11,330)	(817)
Income from Continuing Operations	1,091,975	906,106	470,095
Loss from Discontinued Operations, Net of Taxes	(21,369)	(9,737)	(2,675)
Net Income	$1,070,606	$ 896,369	$ 467,420
Basic Earnings Per Share:			
Income from Continuing Operations	$ 3.23	$ 2.62	$ 1.57
Loss from Discontinued Operations	(0.07)	(0.03)	(0.01)
Net Income	$ 3.16	$ 2.59	1.56
Diluted Earnings Per Share:			
Income from Continuing Operations	$ 3.14	$ 2.55	$ 1.48
Loss from Discontinued Operations	(0.06)	(0.02)	(0.01)
Net Income	$ 3.08	$ 2.53	$ 1.47
Weighted Average Shares Outstanding:			
Basic	338,516	346,123	300,336
Diluted	347,758	354,832	322,286

The accompanying notes are an integral part of these consolidated financial statements.

WEATHERFORD INTERNATIONAL LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	Common Shares $1 Par	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Shares		Deferred Compensation	Total Shareholders' Equity
					Shares	Share Value		
	(In thousands, except par value)							
Balance at December 31, 2004	$ 290,558	$ 2,386,086	$ 735,518	$ 129,291	(18,088)	$ (244,533)	$ 16,469	$ 3,313,389
Comprehensive Income:								
Net Income	—	—	467,420	—	—	—	—	467,420
Foreign Currency Translation Adjustment	—	—	—	(23,856)	—	—	—	(23,856)
Pension Liability Adjustment, Net of Tax	—	—	—	(8,880)	—	—	—	(8,880)
Unrealized Loss on Derivative Instruments, Net of Tax	—	—	—	(4,180)	—	—	—	(4,180)
Realized Loss on Derivative Instruments, Net of Tax	—	—	—	277	—	—	—	277
Comprehensive Income (Loss)	—	—	467,420	(36,639)	—	—	—	430,781
Shares Issued in Acquisition	52,000	1,346,020	—	—	—	—	—	1,398,020
Conversion of Zero Coupon Convertible Senior Debentures	7,346	228,845	—	—	—	—	—	236,191
Equity Awards Granted, Vested and Exercised	9,069	130,907	—	—	6,064	74,971	—	214,947
Excess Tax Benefit of Share-Based Compensation Plans	—	72,507	—	—	—	—	—	72,507
Other	—	—	—	—	165	(473)	1,455	982
Balance at December 31, 2005	358,973	4,164,365	1,202,938	92,652	(11,859)	(170,035)	17,924	5,666,817
Comprehensive Income:								
Net Income	—	—	896,369	—	—	—	—	896,369
Foreign Currency Translation Adjustment	—	—	—	45,445	—	—	—	45,445
Pension Liability Adjustment, Net of Tax	—	—	—	3,292	—	—	—	3,292
Unrealized Gain on Derivative Instruments, Net of Tax	—	—	—	4,693	—	—	—	4,693
Realized Loss on Derivative Instruments, Net of Tax	—	—	—	134	—	—	—	134
Comprehensive Income	—	—	896,369	53,564	—	—	—	949,933
Adjustment to Initially Apply FASB Statement No. 158, Net of Tax	—	—	—	(27,063)	—	—	—	(27,063)
Divestiture of Subsidiary Shares	—	5,336	—	—	—	—	—	5,336
Purchase of Treasury Shares	—	—	—	—	(12,525)	(548,575)	—	(548,575)
Equity Awards Granted, Vested and Exercised	2,948	87,087	—	—	2,113	18,176	—	108,211
Excess Tax Benefit of Share-Based Compensation Plans	—	14,121	—	—	—	—	—	14,121
Other	—	4,625	—	—	139	1,535	(141)	6,019
Balance at December 31, 2006	361,921	4,275,534	2,099,307	119,153	(22,132)	(698,899)	17,783	6,174,799
Comprehensive Income:								
Net Income	—	—	1,070,606	—	—	—	—	1,070,606
Foreign Currency Translation Adjustment	—	—	—	334,217	—	—	—	334,217
Defined Benefit Pension Plans, Net of Tax	—	—	—	(15,736)	—	—	—	(15,736)
Realized Loss on Derivative Instruments, Net of Tax	—	—	—	154	—	—	—	154
Comprehensive Income	—	—	1,070,606	318,635	—	—	—	1,389,241
Purchase of Treasury Shares	—	—	—	—	(5,112)	(246,190)	—	(246,190)
Equity Awards Granted, Vested and Exercised	1,681	53,712	—	—	2,751	2,733	—	58,126
Excess Tax Benefit of Share-Based Compensation Plans	—	28,895	—	—	—	—	—	28,895
Adoption of FIN No. 48	—	—	269	—	—	—	—	269
Other	—	1,208	—	—	(16)	(2,886)	3,257	1,579
Balance at December 31, 2007	$ 363,602	$ 4,359,349	$ 3,170,182	$ 437,788	(24,509)	$ (945,242)	$ 21,040	$ 7,406,719

The accompanying notes are an integral part of these consolidated financial statements.

WEATHERFORD INTERNATIONAL LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
	2007	2006	2005
	(In thousands)		
Cash Flows From Operating Activities:			
Net Income	$ 1,070,606	$ 896,369	$ 467,420
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Operating Activities:			
Depreciation and Amortization	606,226	482,948	334,330
Gain on Sale of Universal Common Stock	—	—	(115,456)
(Gain) Loss on Sale of Assets and Businesses, Net	(41,185)	(42,232)	6,625
Loss from Discontinued Operation	21,369	9,737	2,675
Employee Stock-Based Compensation Expense	64,901	62,739	28,948
Excess Tax Benefits from Share-Based Compensation	(28,895)	(14,121)	—
Minority Interest	19,751	11,330	817
Non-cash Portion of Exit Costs and Restructuring Charges	—	—	65,200
Amortization of Original Issue Discount	—	—	11,432
Debt Redemption Expense	—	—	4,733
Deferred Income Tax Provision	28,873	48,413	30,816
Other, Net	4,608	5,760	(13,867)
Change in Operating Assets and Liabilities, Net of Effect of Businesses Acquired:			
Accounts Receivable	(296,120)	(299,335)	(244,947)
Inventories	(417,305)	(338,323)	(150,762)
Other Current Assets	(45,794)	(66,561)	3,543
Accounts Payable	74,815	27,018	31,074
Accrued Current Liabilities	(108,362)	255,009	140,228
Other, Net	(70,833)	55,155	(95,287)
Net Cash Provided by Operating Activities-Continuing Operations	882,655	1,093,906	507,522
Net Cash Used by Operating Activities-Discontinued Operations	(10,149)	(6,887)	(4,428)
Net Cash Provided by Operating Activities	872,506	1,087,019	503,094
Cash Flows from Investing Activities:			
Acquisitions of Businesses, Net of Cash Acquired	(275,149)	(194,314)	(991,067)
Capital Expenditures for Property, Plant and Equipment for Continuing Operations	(1,635,041)	(1,051,100)	(522,841)
Acquisition of Intellectual Property	(23,035)	(31,201)	(13,423)
(Purchase) Sale of Equity Investments in Unconsolidated Affiliates	(335,220)	14,240	(16,424)
Proceeds from Sale of Universal Common Stock	—	—	276,750
Proceeds from Sale of Assets and Businesses, Net	84,476	39,860	15,874
Other Investing Activities	(38,500)	—	—
Net Cash Used by Investing Activities-Continuing Operations	(2,222,469)	(1,222,515)	(1,251,131)
Net Cash Used by Investing Activities-Discontinued Operations	(10,579)	(19,984)	(3,777)
Net Cash Used by Investing Activities	(2,233,048)	(1,242,499)	(1,254,908)
Cash Flows From Financing Activities:			
Borrowings of (Repayments on) Short-term Debt, Net	117,865	(109,490)	731,132
Borrowings of Long-term Debt	1,488,934	947,820	3,259
Repayments on Long-term Debt	(18,171)	(215,805)	(5,633)
Redemption of Convertible Debentures	—	—	(348,816)
Purchase of Treasury Shares	(246,190)	(548,575)	—
Proceeds from Exercise of Stock Options	34,192	55,438	191,127
Excess Tax Benefits from Share-Based Compensation	28,895	14,121	—
Other Financing Activities, Net	(3,896)	1,603	(960)
Net Cash Provided by Financing Activities-Continuing Operations	1,401,629	145,112	570,109
Net Cash Provided by Financing Activities-Discontinued Operations	—	—	—
Net Cash Provided by Financing Activities	1,401,629	145,112	570,109
Effect of Exchange Rate Changes on Cash and Cash Equivalents	3,340	2,410	(1,489)
Net Increase (Decrease) in Cash and Cash Equivalents	44,427	(7,958)	(183,194)
Cash and Cash Equivalents at Beginning of Year	126,287	134,245	317,439
Cash and Cash Equivalents at End of Year	$ 170,714	$ 126,287	$ 134,245

The accompanying notes are an integral part of these consolidated financial statements.

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Basis of Presentation

Principles of Consolidation

The consolidated financial statements include the accounts of Weatherford International Ltd. (a Bermuda exempted company) ("Weatherford Limited"), all majority-owned subsidiaries and all joint ventures for which we control or variable interest entities for which the Company has determined they are the primary beneficiary (collectively, "the Company"). Investments in affiliates in which the Company exercises significant influence over operating and financial policies are accounted for on the equity method. All material intercompany accounts and transactions have been eliminated in consolidation.

Nature of Operations

The Company is one of the largest global providers of innovative mechanical solutions, technology and services for the drilling and production sectors of the oil and natural gas industry.

Reclassifications

Certain reclassifications have been made to conform prior year financial information to the current period presentation.

Segment Presentation

The Company reviewed the presentation of its reporting segments during the first quarter of 2007. Based on this review, the Company determined that its operational performance is segmented and reviewed on a geographic basis. As a result, the Company realigned its financial reporting segments and now report the following regions as separate, distinct reporting segments: (1) North America, (2) Latin America, (3) Europe/West Africa/the Commonwealth of Independent States ("CIS") and (4) Middle East/North Africa/Asia. The Company's historical segment data previously reported under the Evaluation, Drilling & Intervention Services and Completion & Production Systems divisions have been restated for all periods to conform to the new presentation (See Notes 5, 9 and 21).

Discontinued Operations

In June 2007, the Company's management approved a plan to sell its oil and gas development and production business. The business was historically included in the Company's North America and Europe/West Africa/CIS segments. The results of operations, financial position and cash flows of the business have been reflected in the consolidated financial statements and notes as a discontinued operation for all periods presented. The assets and liabilities held for sale are included in Other Current Assets and Other Current Liabilities, respectively, in the Consolidated Balance Sheets.

In July 2005, the Company sold its non-core Gas Services International ("GSI") compression fabrication business. This business was historically included in the Middle East/North Africa/Asia segment. The GSI compression fabrication business results of operations, financial position and cash flows have been reflected in the consolidated financial statements and notes as a discontinued operation for all periods presented.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period and disclosure of contingent liabilities. On an ongoing basis, the Company evaluates its estimates, including those

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

related to uncollectible accounts receivable, lower of cost or market value of inventories, equity investments, intangible assets and goodwill, property, plant and equipment, income taxes, self-insurance, pension and postretirement benefit plans and contingent liabilities. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities not readily apparent from other sources. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Accounts Receivable and Allowance for Uncollectible Accounts

Accounts receivable are stated at the historical carrying amount net of allowances for uncollectible accounts. The Company establishes an allowance for uncollectible accounts based on specific customer collection issues the Company has identified. Uncollectible accounts receivable are written off when a settlement is reached for an amount less than the outstanding historical balance or when the Company has determined the balance will not be collected.

Major Customers and Credit Risk

Substantially all of the Company's customers are engaged in the energy industry. This concentration of customers may impact the Company's overall exposure to credit risk, either positively or negatively, in that customers may be similarly affected by changes in economic and industry conditions. The Company performs ongoing credit evaluations of its customers and does not generally require collateral in support of its trade receivables. The Company maintains reserves for potential credit losses, and actual losses have historically been within the Company's expectations. International sales also present various risks, including risks of war, civil disturbances and governmental activities that may limit or disrupt markets, restrict the movement of funds, result in the deprivation of contract rights or the taking of property without fair consideration. Most of the Company's international sales, however, are to large international or national companies. In 2007, 2006 and 2005, there was no individual customer who accounted for 10% or greater of consolidated revenues.

Inventories

Inventories are stated at the lower of cost or market. Cost represents third-party invoice or production cost. Production cost includes material, labor and manufacturing overhead. The Company values inventories at lower of cost or market using either the first-in, first-out ("FIFO") or average cost methods.

Property, Plant and Equipment

Property, plant and equipment, both owned and under capital lease, is carried at cost less accumulated depreciation. The carrying value of fixed assets is based on estimates and judgments relative to capitalized costs, useful lives and salvage value where applicable. Maintenance and repairs are expensed as incurred. Expenditures for renewals, replacements and betterments are capitalized. Depreciation on fixed assets, including those under capital leases, is computed using the straight-line method over the estimated useful lives after allowing for salvage value, where applicable. Depreciation expense for the years ended December 31, 2007, 2006 and 2005 was $552.5 million,

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

$432.6 million and $303.3 million, respectively. The estimated useful lives of the major classes of property, plant and equipment are as follows:

	Estimated Useful Lives
Buildings and leasehold improvements	5-40 years or lease term
Rental and service equipment	2-20 years
Machinery and other	2-12 years

During 2005, the Company acquired Precision Drilling International, a land rig contractor. Rig assets are classified in Rental and Service Equipment on the Consolidated Balance Sheets. From time to time, the Company may review the estimated remaining useful lives of its drilling rigs and may extend the useful life when events and circumstances, such as upgrades or refurbishment activities, indicate the drilling rig can operate beyond its original useful life. All estimated useful lives were evaluated and established based upon appraisal concurrent with the acquisition. No changes in the estimated useful lives have occurred since the acquisition date.

Long-Lived Assets

Long-lived assets, excluding goodwill and indefinite-lived intangibles, to be held and used by the Company are reviewed to determine whether any events or changes in circumstances indicate the carrying amount of the asset may not be recoverable. Factors that might indicate a potential impairment may include, but are not limited to, significant decreases in the market value of the long-lived asset, a significant change in the long-lived asset's physical condition, a change in industry conditions or a reduction in cash flows associated with the use of the long-lived asset. If these or other factors indicate the carrying amount of the asset may not be recoverable, the Company determines whether an impairment has occurred through the use of an undiscounted cash flow analysis of the asset at the lowest level for which identifiable cash flows exist. If an impairment has occurred, the Company recognizes a loss for the difference between the carrying amount and the fair value of the asset. The fair value of the asset is measured using market prices or, in the absence of market prices, is based on an estimate of discounted cash flows. Cash flows are generally discounted at an interest rate commensurate with our weighted average cost of capital for a similar asset. Assets are classified as held for sale when the Company has a plan for disposal of certain assets and those assets meet the held for sale criteria of Statement of Financial Accounting Standards ("SFAS") No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets* ("SFAS No. 144").

Goodwill and Indefinite-Lived Intangible Assets

The Company tests for the impairment of goodwill and other intangible assets with indefinite lives on at least an annual basis. The Company's goodwill impairment test involves a comparison of the fair value of each of the Company's reporting units with its carrying amount. The Company's indefinite-lived asset impairment test involves a comparison of the fair value of the intangible asset and its carrying value. Fair value is estimated using discounted cash flows. If the fair value is less than the carrying value, the asset is considered impaired. The amount of the impairment, if any, is then determined based on an allocation of the reporting unit fair values to individual assets and liabilities.

Intangible Assets

The Company's intangible assets, excluding goodwill, are developed technology, technology licenses, patents, customer relationships and contracts, trademarks and other identifiable intangible assets. Intangible assets are amortized on a straight-line basis over their estimated economic lives ranging from 2 to 20 years except for intangible assets with indefinite lives. As many areas of the Company's business rely on patents and proprietary technology, it has followed a policy of seeking patent protection both inside and outside the U.S. for products and methods that appear to have commercial significance. The Company capitalizes patent defense costs when it determines that a successful defense is probable.

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Pension and Postretirement Benefit Plans

The Company has defined benefit pension and other postretirement benefit plans covering certain of its employees. Costs of the plan are charged to income and consist of several components, known collectively as net periodic pension cost, which are based on various actuarial assumptions regarding future experience of the plans. Amounts recorded for these defined benefit plans reflect estimates related to future interest rates, investment rates of return, employee turnover and wage increases. The Company reviews all assumptions and estimates on an ongoing basis. As of December 31, 2007 and 2006, the Company has recognized the overfunded or underfunded status of its plans as an asset or liability in the Consolidated Balance Sheets.

Research and Development Expenditures

Research and developments expenditures are expensed as incurred.

Environmental Expenditures

Environmental expenditures that relate to the remediation of an existing condition caused by past operation and that do not contribute to future revenues are expensed. Liabilities for these expenditures are recorded when it is probable that obligations have been incurred and costs can be reasonably estimated. Estimates are based on available facts and technology, enacted laws and regulations and the Company's prior experience in remediation of contaminated sites. Accrued undiscounted environmental liabilities were $7.2 million and $9.0 million at December 31, 2007 and 2006, respectively.

Insurance

The Company is self-insured up to certain retention limits for general liability, vehicle liability, group medical and for workers' compensation claims for certain of its employees. The amounts in excess of the self-insured levels are fully insured, up to a limit. Self-insurance accruals are based on claims filed and an estimate for significant claims incurred but not reported.

Derivative Financial Instruments

The Company accounts for all derivative instruments under SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended ("SFAS No. 133"). This standard requires that every derivative instrument be recorded at fair value in the balance sheet as either an asset or a liability. Changes in the fair value of derivatives are recorded each period in current earnings or other comprehensive income, depending on whether the derivative is designated as part of a hedge relationship, and if so, the type of hedge transaction. Any gain or loss associated with the termination of a swap is deferred and amortized over the remaining debt term.

Foreign Currency

The functional currency for most of the Company's international operations is the applicable local currency. Results of operations for foreign subsidiaries with functional currencies other than the U.S. dollar are translated using average exchange rates during the period. Assets and liabilities of these foreign subsidiaries are translated using the exchange rates in effect at the balance sheet dates, and the resulting translation adjustments are included as Accumulated Other Comprehensive Income, a component of shareholders' equity.

For non-U.S. subsidiaries where the functional currency is the U.S. dollar, inventories, property, plant and equipment and other non-monetary assets, together with their related elements of expense, are translated at historical rates of exchange. All other assets and liabilities are translated at current exchange rates. All other

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

revenues and expenses are translated at average exchange rates. Translation gains and losses for these subsidiaries are recognized in the Company's results of operations during the period incurred. The gain or loss related to individual foreign currency transactions are reflected in results of operations when incurred.

Stock Options

Effective, January 1, 2006, the Company adopted SFAS No. 123 (Revised 2004) *Share-Based Payment* ("SFAS No. 123R") using the modified-prospective transition method. Under this method, compensation cost is recognized for all awards granted, modified or settled after the adoption date as well as for any awards that were granted prior to the adoption date for which the requisite service has not yet been rendered. Previously on January 1, 2003, the Company adopted SFAS No. 123, *Accounting for Stock-Based Compensation* ("SFAS No. 123"), to expense the fair value of employee stock-based compensation for awards granted, modified or settled subsequent to December 31, 2002. The Company selected the prospective method of adoption, and under this method, the fair value of employee stock-based awards granted or modified subsequent to adoption is measured at the grant date and is recognized as an expense over the service period, which is usually the vesting period. Accordingly, the adoption of SFAS No. 123R's fair value method did not have a significant impact on the Company's reported results of operations for the year ended December 31, 2006 as all of the grants issued prior to the adoption of SFAS No. 123 were fully vested in the prior year and the grants issued subsequent to January 1, 2003 are currently being expensed at their estimated fair value.

SFAS No. 123R requires the cash outflows resulting from the tax benefits from the tax deductions in excess of compensation cost recognized for share based payment awards to be classified as financing cash flows. Had the Company not adopted SFAS No. 123R, the excess tax benefits would have been classified as an operating cash inflow.

Accounting for Income Taxes

Income taxes have been provided based upon the tax laws and rates in the countries in which operations are conducted and income is earned. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. A valuation allowance for deferred tax assets is recorded when it is more likely than not that some or all of the benefit from the deferred tax asset will not be realized.

Effective January 1, 2007, the Company adopted the provisions of Financial Accounting Standards Board ("FASB") Interpretation No. 48, *Accounting for Uncertainty in Income Taxes — an interpretation of FASB Statement No. 109* ("FIN No. 48"). FIN No. 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements and prescribes a recognition threshold and measurement attributes of income tax positions taken or expected to be taken on a tax return. Under FIN No. 48, the impact of an uncertain tax position taken or expected to be taken on an income tax return must be recognized in the financial statements at the largest amount that is more-likely-than-not to be sustained upon examination by the relevant taxing authority.

Revenue Recognition

Revenue is recognized when all of the following criteria have been met: a) evidence of an arrangement exists, b) delivery to and acceptance by the customer has occurred, c) the price to the customer is fixed and determinable and d) collectibility is reasonably assured.

Both contract drilling and pipeline service revenue is contractual by nature and both are day-rate based contracts. The Company recognizes revenue for these contracts based on the criteria outlined above which is consistent with our other product offerings.

From time to time, the Company may receive revenues for preparation and mobilization of equipment and personnel. In connection with new drilling contracts, revenues earned and incremental costs incurred directly

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

related to preparation and mobilization are deferred and recognized over the primary contract term of the project using the straight-line method. Costs of relocating equipment without contracts to more promising market areas are expensed as incurred. Demobilization fees received are recognized, along with any related expenses, upon completion of contracts.

The Company incurs rebillable expenses including shipping and handling, third-party inspection and repairs, and custom and duties. The Company recognizes the revenue associated with these rebillable expenses as Products Revenues and all related costs as Cost of Products in the accompanying Consolidated Statements of Income.

Earnings Per Share

Basic earnings per share for all periods presented equals net income divided by the weighted average number of the Company's common shares, $1.00 par value ("Common Shares") outstanding during the period. Diluted earnings per share is computed by dividing net income, as adjusted for the assumed conversion of dilutive debentures, by the weighted average number of Common Shares outstanding during the period as adjusted for the dilutive effect of the Company's stock option and restricted share plans, warrant and the incremental shares for the assumed conversion of dilutive debentures.

Net income for the diluted earnings per share calculation for the year ended 2005 is adjusted to add back the amortization of original issue discount, net of taxes, relating to the Company's Zero Coupon Convertible Senior Debentures (the "Zero Coupon Debentures") totaling $7.9 million.

The following reconciles basic and diluted weighted average number of shares outstanding:

	Year Ended December 31,		
	2007	2006	2005
	(In thousands)		
Basic weighted average shares outstanding	338,516	346,123	300,336
Dilutive effect of:			
Warrant	2,785	2,205	1,497
Stock option and restricted share plans	6,457	6,504	8,476
Convertible debentures	—	—	11,977
Diluted weighted average shares outstanding	347,758	354,832	322,286

New Accounting Pronouncements

In June 2006, the FASB ratified the consensus reached on Emerging Issues Task Force Issue No. 06-3 (EITF 06-3), "How Taxes Collected from Customers and Remitted to Governmental Authorities Should Be Presented in the Income Statement (That Is, Gross versus Net Presentation)." EITF 06-3 requires a company to disclose its policy regarding the presentation of tax receipts on the face of the income statement. The scope of this guidance includes any tax assessed by a governmental authority that is directly imposed on a revenue-producing transaction between a seller and a customer and may include, but is not limited to, sales, use, value added, and some excise taxes. The provisions of EITF 06-3 are effective for periods beginning after December 15, 2006. Therefore, we adopted EITF 06-3 on January 1, 2007. We present taxes collected from customers on a net basis.

In September 2006, the FASB issued Statement No. 157, *Fair Value Measurements* ("SFAS No. 157"), which defines fair value, established a framework for measuring fair value under generally accepted accounting principles ("GAAP") and expands disclosures about fair value measurements. SFAS No. 157 applies to other accounting pronouncements that require or permit fair value measurements. The new guidance is effective for financial statements issued for fiscal years beginning after November 15, 2007, and for interim periods within those fiscal years. We are currently evaluating the potential impact, if any, of the adoption of SFAS No. 157 on our consolidated financial position, results of operations and cash flows.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

In February 2007, the FASB issued Statement No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities* ("SFAS No. 159"). This standard allows companies to elect to follow fair value accounting for certain financial assets and liabilities in an effort to mitigate volatility in earnings without having to apply complex hedge accounting provisions. SFAS No. 159 is applicable only to certain financial instruments and is effective for fiscal years beginning after November 15, 2007. The Company is currently evaluating the potential impact, if any, of the adoption of SFAS No. 159 on its consolidated financial position, results of operations and cash flows.

In December 2007, the FASB issued SFAS No. 141 (revised 2007), *Business Combinations* ("SFAS No. 141R"). SFAS No. 141R establishes principles and requirements for how a company recognizes assets acquired, liabilities assumed, contractual contingencies and contingent consideration measured at fair value at the acquisition date. The Statement also establishes disclosure requirements which will enable users to evaluate the nature and financial effect of the business combination. SFAS No. 141R is effective for business combinations completed in fiscal years beginning after December 15, 2008.

In December 2007, the FASB issued SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements — an amendment of ARB No. 51* ("SFAS No. 160"). SFAS No. 160 establishes accounting and reporting standards for ownership interests in subsidiaries held by parties other than the parent, the amount of consolidated net income attributable to the parent and to the noncontrolling interest, changes in a parent's ownership interest and the valuation of retained noncontrolling equity investments when a subsidiary is deconsolidated. The Statement also establishes reporting requirements that provide sufficient disclosures that clearly identify and distinguish between the interest of the parent and the interest of the noncontrolling owners. SFAS No. 160 is effective for fiscal years beginning after December 15, 2008. The Company is currently evaluating the impact that the adoption of SFAS No. 160 will have on our financial position, results of operation and cash flows.

2. Business Combinations

The Company has acquired businesses critical to its long-term growth strategy. Results of operations for acquisitions are included in the accompanying Consolidated Statements of Income from the date of acquisition. The balances included in the Consolidated Balance Sheets related to acquisitions consummated in the preceding twelve months are based on preliminary information and are subject to change when final asset valuations are obtained and the potential for liabilities has been evaluated. Acquisitions are accounted for using the purchase method of accounting and the purchase price is allocated to the net assets acquired based upon their estimated fair values at the date of acquisition. Final valuations of assets and liabilities are obtained and recorded within one year from the date of the acquisition.

On August 31, 2005, the Company acquired Precision Energy Services and Precision Drilling International, former divisions of Precision Drilling Corporation. Precision Energy Services is a provider of cased hole and open hole wireline services, drilling and evaluation services and production services. These operations broadened the Company's wireline and directional capabilities and strengthened the Company's controlled pressure drilling and testing product lines. Precision Drilling International is a land rig contractor owning and operating rigs with a concentrated presence in the Eastern Hemisphere.

Consideration paid for these businesses was approximately $2,340.7 million consisting of $942.7 million in cash and 52.0 million Weatherford Common Shares. The fair value of the shares issued was determined using an average price of $26.89, which represented the average closing price of the Company's stock for a short period before and after the agreement date. The purchase price was subject to a working capital adjustment mechanism, which was settled on January 10, 2007 resulting in additional consideration paid of approximately $17 million.

The total purchase price was allocated to Precision Energy Services and Precision Drilling International's net tangible and identifiable intangible assets based on their estimated fair values. The excess of the purchase price over the net assets was recorded as goodwill.

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES
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In association with the acquisition, the Company identified pre-acquisition contingencies related to duties and taxes associated with the importation of certain equipment assets to foreign jurisdictions. The Company calculated a range of reasonable estimates of the costs associated with these duties. As no amount within the range appeared to be a better estimate than any other, the Company used the amount that is the low end of the range in accordance with SFAS No. 5, *Accounting for Contingencies*, and its interpretations. At December 31, 2007, the Company has a liability of approximately $13 million for this matter. If the Company used the high end of the range, the aggregate potential liability would be approximately $19 million higher.

The following presents the consolidated financial information for the Company on a pro forma basis assuming the acquisition of Precision Energy Services and Precision Drilling International had occurred as of the beginning of the periods presented. The historical financial information has been adjusted to give effect to pro forma items that are directly attributable to the acquisition and expected to have a continuing impact on the consolidated results. These items include adjustments to record the change in functional currencies of certain acquired foreign entities, incremental amortization and depreciation expense related to the increase in fair value of the acquired assets, change in depreciation methodology, additional interest expense related to the incremental borrowings and to reclassify certain items to conform to the Company's financial reporting presentation.

The unaudited financial information set forth below has been compiled from historical financial statements and other information, but is not necessarily indicative of the results that actually would have been achieved had the transaction occurred on the dates indicated or that may be achieved in the future.

	Year Ended December 31, 2005 (In thousands, except per share amounts) (Unaudited)
Revenues	$5,077,127
Income from continuing operations	486,484
Net income	483,809
Basic earnings per share from continuing operations	1.45
Diluted earnings per share from continuing operations	1.38

The Company also acquired various other businesses during the years ended December 31, 2007, 2006 and 2005 for cash consideration of approximately $253.3 million, $186.8 million and $105.9 million, respectively.

3. Equity Investment Acquisition

The Company acquired a 33% ownership interest in Premier Business Solutions ("PBS") in June 2007 for approximately $330 million. PBS conducts business in Russia and is the world's largest electric submersible pump manufacturer by volume. The Company's investment in PBS is included in Equity Investments in Unconsolidated Affiliates in the accompanying Condensed Consolidated Balance Sheet at December 31, 2007.

4. Discontinued Operations

In June 2007, the Company's management approved a plan to sell its oil and gas development and production business. The business was historically included in the Company's North America and Europe/West Africa/CIS segments. The results of operations, financial position and cash flows of the business have been reflected in the condensed consolidated financial statements and notes as a discontinued operation for all periods presented. The Current Assets Held for Sale and Current Liabilities Held for Sale are included in Other Current Assets and Other Current Liabilities, respectively, in the Consolidated Balance Sheets.

Interest charges have been allocated to discontinued operations based on a pro rata calculation of the net assets of the discontinued business to the Company's consolidated net assets.

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Operating results of the oil and gas development and production business are as follows:

	Year Ended December 31,		
	2007	2006	2005
	(In thousands)		
Revenues	$ 2,299	$ —	$ —
Loss Before Income Taxes	$30,303	$14,686	$5,925
Benefit for Income taxes	8,934	4,949	2,039
Loss from Discontinued Operation, Net of Taxes	$21,369	$ 9,737	$3,886

The current year loss includes approximately $17 million, net of tax, for asset impairment charges related to write-downs of the operation's U.S. properties currently held for sale. In addition, the Company completed the sale of the operation's international properties in November 2007 and recorded a gain of approximately $5 million, net of tax, in connection with the sale.

Balance sheet information for the oil and gas development and production business is as follows:

	Year Ended December 31,	
	2007	2006
	(In thousands)	
Other Current Assets	$ 4,563	$ 1,715
Property, Plant and Equipment, Net	21,639	24,377
Other Assets	—	7,401
Current Assets Held for Sale	$26,202	$33,493
Accounts Payable	$ 85	$ 2,553
Other Current Liabilities	169	4,826
Other Liabilities	383	—
Current Liabilities Held for Sale	$ 637	$ 7,379

In June 2004, the Company's management approved a plan to sell its non-core GSI compression fabrication business. The sale of this business was finalized in July 2005 for a gain of $0.6 million. The GSI Compression fabrication business was historically included in the Company's Middle East/North Africa/Asia segment. The GSI compression fabrication business results of operations, financial position and cash flows have been reflected in the consolidated financial statements and notes as a discontinued operation for all periods presented.

Operating results of the GSI compression fabrication business were as follows:

	Year Ended December 31, 2005
	(In thousands)
Revenues	$ 20,794
Income Before Income Taxes	$ 777
Benefit for Income Taxes	434
Net Income from Discontinued Operation, Net of Taxes	$ 1,211

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

5. Exit Costs, Severance, Restructuring and Asset Impairment Charges

During 2005, the Company underwent both a restructuring related to its acquisition of Precision and reorganization activities related to its historical businesses, including a change in management, a change in regional structure and an evaluation of product lines. It incurred exit costs of $114.2 million related to its exit and reorganization. The charge included an inventory write-down of $20.7 million which has been recorded in Cost of Products and a remaining amount of $93.6 million which has been recorded as Exit Costs and Restructuring Charges in the accompanying Consolidated Statements of Income.

The exit plan related to the Precision acquisition resulted in exit costs and restructuring charges of $105.5 million. The Company initiated an integration plan to combine worldwide operations, rationalize product lines, and eliminate certain products, services and locations. Product line rationalization included wireline, controlled pressure drilling and testing and directional product and service offerings. Inventory totaling $20.7 million was written-down. Asset impairment charges included $20.9 million for fixed assets, $12.9 million related to information technology and $1.7 million related to investments. Employee severance and termination benefits totaled $33.0 million. Contract terminations and facility closures of $7.3 million were also recorded. In connection with the valuation of the Precision assets, $9.0 million was identified as purchased in process research and development and was written-off.

The exit plan related to the reorganization activities surrounding its historical businesses resulted in exit costs and restructuring charges of $8.7 million. The Company incurred severance and termination benefits of $3.6 million and recorded $2.6 million of facility termination charges related to the rationalization of two facilities in the United Kingdom and the U.S. The remaining $2.5 million charge related to the write-off of other assets.

The 2005 integration and reorganization plans were complete as of December 31, 2006. No additional costs were recorded during the years ended December 31, 2007 or 2006, and the Company does not anticipate future charges relating to these activities. A summary of the exit costs and restructuring charges by segment is as follows:

	North America	Latin America	Europe/ West Africa/ CIS	Middle East/ North Africa/ Asia	Corporate	Total
	(In thousands)					
Cost of Products	$ 14,284	$ 903	$ 2,843	$ 6,466	$ —	$ 24,496
Cost of Services	14,143	3,248	6,721	2,737	—	26,849
Research and Development	9,000	—	—	—	—	9,000
Selling General & Administrative	21,152	—	—	—	—	21,152
Corporate General & Administrative	—	—	—	—	32,738	32,738
Total	58,579	4,151	9,564	9,203	32,738	114,235
Cash Payments	(23,345)	(750)	(3,648)	(622)	(14,023)	(42,388)
Non-cash Utilization	(35,234)	(3,401)	(5,916)	(8,581)	(15,852)	(68,984)
Balance at December 31, 2007	$ —	$ —	$ —	$ —	$ 2,863	$ 2,863

As of December 31, 2007, the remaining accrual was comprised primarily of severance benefits. The length of time the Company is obligated to make severance payments varies, with the longest obligation continuing through 2018.

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6. Universal Compression

In 2005, the Company sold its remaining 6.75 million shares of Universal common stock for net proceeds of $276.8 million. This sale, which had no related tax effects, generated a gain of $115.5 million. The Company no longer holds any ownership interest in Universal.

7. Cash Flow Information

Non-cash Activities

During the years ended December 31, 2007, 2006 and 2005, there were non-cash investing activities of $1.3 million, $0.1 million and $3.2 million, respectively, relating to capital leases. In addition, during the years ended December 31, 2007, 2006 and 2005, there were non-cash investing activities of $20.0 million, $64.0 million and $12.0 million, respectively, related to the notes receivable received in exchange for the Company's business and asset sales.

Supplemental Cash Flow Information

Cash paid for interest and income taxes, net of refunds, was as follows:

	Year Ended December 31,		
	2007	2006	2005
	(In thousands)		
Interest paid	$184,093	$ 93,288	$ 68,614
Income taxes paid, net of refunds	372,025	147,973	114,198

8. Inventories

Inventories by category are as follows:

	December 31,	
	2007	2006
	(In thousands)	
Raw materials, components and supplies	$ 373,383	$ 330,006
Work in process	118,407	98,920
Finished goods	1,115,894	810,108
	$ 1,607,684	$ 1,239,034

Work in process and finished goods inventories include the cost of materials, labor and plant overhead.

9. Goodwill

Goodwill is evaluated for impairment on at least an annual basis. The Company performs its annual goodwill impairment test as of October 1. The Company's 2007 impairment test indicated goodwill was not impaired. The Company will continue to test its goodwill annually as of October 1 unless events occur or circumstances change between annual tests that would more likely than not reduce the fair value of a reporting unit below its carrying amount.

In connection with the change in reporting segments (See Notes 1 and 21), the Company re-evaluated its reporting units. The Company's four operating segments are North America, Latin America, Europe/West Africa /CIS and Middle East/North Africa/Asia.

The Company's operating segments consist of the following reporting units:

- North America — (i) United States of America and (ii) Canada

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- Latin America
- Europe/West Africa/CIS — (i) West Europe, (ii) Eastern Europe, (iii) West Africa, and (iv) Russia/ CIS
- Middle East/North Africa/Asia — (i) Middle East/North Africa and (ii) Asia Pacific

The changes in the carrying amount of goodwill for the two years ended December 31, 2007 are as follows:

	North America	Latin America	Europe/ West Africa/ CIS	Middle East/ North Africa/ Asia	Total
As of December 31, 2005	$1,695,869	$116,302	$412,566	$ 576,582	$2,801,319
Goodwill acquired during period	122,936	—	1,073	11,931	135,940
Disposals	—	—	(1,216)	—	(1,216)
Purchase price and other adjustments	(30,310)	24,727	50,095	3,337	47,849
Impact of foreign currency translation	(29,409)	5,478	37,168	3,460	16,697
As of December 31, 2006	1,759,086	146,507	499,686	595,310	3,000,589
Goodwill acquired during period	33,497	1,087	161,840	3,131	199,555
Disposals	(19,626)	—	(5,523)	—	(25,149)
Purchase price and other adjustments	(153)	4,494	1,060	374	5,775
Impact of foreign currency translation	145,607	4,737	21,370	6,006	177,720
As of December 31, 2007	$1,918,411	$156,825	$678,433	$ 604,821	$3,358,490

10. Other Intangible Assets, Net

The components of intangible assets are as follows:

	December 31, 2007			December 31, 2006		
	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
	(In thousands)					
Acquired technology	$344,765	$ (52,769)	$291,996	$311,939	$ (26,620)	$285,319
Licenses	238,153	(75,414)	162,739	226,444	(60,316)	166,128
Patents	134,217	(50,644)	83,573	127,799	(42,184)	85,615
Customer relationships	29,947	(6,497)	23,450	27,043	(3,133)	23,910
Customer contracts	21,890	(6,547)	15,343	21,890	(4,027)	17,863
Covenants not to compete	28,330	(25,820)	2,510	24,831	(23,257)	1,574
Other	15,603	(9,616)	5,987	15,761	(7,743)	8,018
Total finite-lived intangible assets	812,905	(227,307)	585,598	755,707	(167,280)	588,427
Intangible assets with an indefinite useful life	11,401	—	11,401	11,401	—	11,401
	$824,306	$(227,307)	$596,999	$767,108	$(167,280)	$599,828

The estimated fair value of intangible assets obtained through acquisitions consummated in the preceding twelve months are based on preliminary information which is subject to change when final valuations are obtained.

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The Company has trademarks which are considered to have indefinite lives as the Company has the ability and intent to renew indefinitely. These trademarks had a carrying value of $11.4 million as of December 31, 2007 and 2006.

Amortization expense was $53.7 million, $50.4 million and $31.0 million for the years ended December 31, 2007, 2006 and 2005, respectively. Future estimated amortization expense for the carrying amount of intangible assets as of December 31, 2007 is expected to be as follows (in thousands):

2008	$53,450
2009	52,367
2010	51,398
2011	50,538
2012	49,048

11. Short-term Borrowings and Current Portion of Long-term Debt

	December 31, 2007	2006
	(In thousands)	
Revolving credit facility	$491,000	$ 75,321
Commercial paper program	191,621	490,808
Short-term bank loans	80,025	66,864
Total Short-term Borrowings	762,646	632,993
Current Portion of Long-term Debt	11,574	15,743
Short-term Borrowings and Current Portion of Long-term Debt	$774,220	$648,736
Weighted average interest rate on short-term borrowings outstanding during the year	5.39%	5.27%

The Company maintains a revolving credit agreement with a syndicate of banks of which JPMorgan Chase Bank is the Administrative Agent (“Revolving Credit Facility”). The aggregate lending commitment of this facility is $1.5 billion and allows for a combination of borrowings, support of the Company’s commercial paper program and issuances of letters of credit. There were $68.6 million in outstanding letters of credit under the Revolving Credit Facility at December 31, 2007. The weighted average interest rate on the outstanding borrowings of this facility was 5.2% at December 31, 2007. The Revolving Credit Facility requires the Company to maintain a debt-to-capitalization ratio of less than 60% and contains other covenants and representations customary for an investment-grade commercial credit. The Company was in compliance with these covenants at December 31, 2007.

The Company has a $1.5 billion commercial paper program under which it may from time to time issue short-term unsecured notes. The commercial paper program is supported by the Company’s Revolving Credit Facility. The weighted average interest rate related to outstanding commercial paper issuances at December 31, 2007 was 5.1%.

The Company has short-term borrowings with various domestic and international institutions pursuant to uncommitted facilities. At December 31, 2007, the Company had $80.0 million in short-term borrowings under these arrangements with a weighted average interest rate of 7.2%. In addition, the Company had $147.5 million of letters of credit and bid and performance bonds under these uncommitted facilities.

The Company’s short-term borrowings approximate their fair value as of December 31, 2007 and 2006.

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12. Long-term Debt

	December 31, 2007	2006
	(In thousands)	
6.625% Senior Notes due 2011	$ 355,619	$ 356,874
5.95% Senior Notes due 2012	598,940	—
4.95% Senior Notes due 2013	254,681	255,371
5.50% Senior Notes due 2016	348,732	348,612
6.35% Senior Notes due 2017	599,539	—
6.50% Senior Notes due 2036	595,772	595,724
6.80% Senior Notes due 2037	298,150	—
Foreign bank and other debt denominated in foreign currencies	18,098	12,253
Capital lease obligations	8,378	11,241
Other	—	268
	3,077,909	1,580,343
Less amounts due in one year	11,574	15,743
Long-term debt	$ 3,066,335	$ 1,564,600

The following is a summary of scheduled long-term debt maturities by year (in thousands):

2008	$ 11,574
2009	10,881
2010	7,375
2011	354,293
2012	600,995
Thereafter	2,092,791
	$ 3,077,909

On June 18, 2007, the Company completed a $1.5 billion long-term debt offering comprised of (i) $600 million of 5.95% senior notes due 2012 (“5.95% Senior Notes”), (ii) $600 million of 6.35% senior notes due 2017 (“6.35% Senior Notes”) and (iii) $300 million of 6.80% senior notes due 2037 (“6.80% Senior Notes”). Net proceeds of approximately $1.486 billion were used to repay outstanding borrowings under the Company’s commercial paper program and for general corporate purposes. Interest on these notes are due payable semi-annually on June 15 and December 15 of each year. As evidenced by market transactions, the estimated fair value at December 31, 2007 of the 5.95% Senior Notes, the 6.35% Senior Notes and the 6.80% Senior Notes were $617.6 million, $623.9 million and $312.8 million, respectively.

On August 7, 2006, the Company completed an offering of $600.0 million senior notes at a coupon rate of 6.50% (“6.50% Senior Notes”) with a maturity in August 2036. The interest on the notes is payable semi-annually in arrears on February 1 and August 1 of each year. As evidenced by market transactions, the estimated fair value of the 6.50% Senior Notes was $597.6 million and $619.5 million as of December 31, 2007 and 2006, respectively.

On February 17, 2006, the Company completed an offering of $350.0 million senior notes at a coupon rate of 5.50% (“5.50% Senior Notes”) with a maturity in February 2016. The interest on the notes is payable semi-annually in arrears on February 15 and August 15 of each year. As evidenced by market transactions, the estimated fair value of the 5.50% Senior Notes was $337.8 million and $339.9 million as of December 31, 2007 and 2006, respectively.

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On October 7, 2003, the Company completed a public offering of $250.0 million of 4.95% Senior Notes due 2013 ("4.95% Senior Notes"). The interest on the notes is payable semi-annually in arrears on April 15 and October 15 of each year. Net proceeds from the offering were $247.9 million and were used to repay short-term borrowings. As evidenced by market transactions, the estimated fair value of the 4.95% Senior Notes was $245.0 million and $245.2 million as of December 31, 2007 and 2006, respectively.

On November 16, 2001, the Company completed a private placement of $350.0 million of 6.625% Senior Notes due 2011 ("6.625% Senior Notes"). The interest on the notes is payable semi-annually in arrears on May 15 and November 15 of each year. As evidenced by market transactions, the estimated fair value of the 6.625% Senior Notes was $369.0 million and $368.8 million as of December 31, 2007 and 2006, respectively.

The following is a recap of the annualized effective rates on the Company's long-term debt. The effective rate is determined after giving consideration to all derivative activity and amortization of original issue discount (See Note 13).

	Year Ended December 31,	
	2007	2006
	(In thousands)	
6.625% Senior Notes due 2011	6.3%	6.3%
5.95% Senior Notes due 2012	6.0%	—
4.95% Senior Notes due 2013	4.8%	4.8%
5.50% Senior Notes due 2016	5.5%	5.5%
6.35% Senior Notes due 2017	6.4%	—
6.50% Senior Notes due 2036	6.5%	6.5%
6.80% Senior Notes due 2037	6.8%	—

13. Derivative Instruments

Interest Rate Swaps

The Company uses interest rate swaps to take advantage of available short-term interest rates. Amounts received upon termination of the swaps represent the fair value of the agreements at the time of termination and are recorded as an adjustment to the carrying value of the related debt. These amounts are being amortized as a reduction to interest expense over the remaining term of the debt.

As of December 31, 2007 and 2006, the Company had net unamortized gains of $12.0 million and $14.3 million, respectively, associated with interest rate swap terminations. The Company's interest expense was reduced by $2.3 million, $4.0 million and $6.8 million for 2007, 2006 and 2005, respectively. There were no interest rate swaps outstanding as of December 31, 2007 and 2006.

Other Derivative Instruments

As of December 31, 2007 and 2006, we had several foreign currency forward contracts and one option contract with notional amounts aggregating $681.7 million and $271.0 million, respectively, which were entered into to hedge exposure to currency fluctuations in various foreign currencies, including, but not limited to, the British pound sterling, the Canadian dollar, the euro and the Norwegian krone. The total estimated fair value of these contracts at December 31, 2007 resulted in an asset of $2.4 million and at December 31, 2006 resulted in a liability of $1.0 million. These derivative instruments were not designated as hedges and the changes in fair value of the contracts are recorded each period in current earnings.

In addition, after the closing of the acquisition of Precision Energy Services and Precision Drilling International, the Company entered into a series of cross-currency swaps between the U.S. dollar and Canadian dollar to

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES
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hedge certain exposures to the Canadian dollar created as a result of the acquisition. At December 31, 2007 and 2006, the Company had notional amounts outstanding of $364.3 million. The total estimated fair value of these contracts at December 31, 2007 and 2006 resulted in a liability of $73.8 million and $11.1 million, respectively. These derivative instruments were not designated as hedges and the changes in fair value of the contracts are recorded each period in current earnings.

14. Zero Coupon Convertible Senior Debentures

On June 30, 2000, the Company completed the private placement of $910.0 million face amount of Zero Coupon Convertible Senior Debentures. These debentures were issued at $501.6 million, providing the holders with an annual 3% yield to maturity. On June 30, 2005, certain holders required the Company to repurchase the Zero Coupon Debentures for a face value of $11.0 million or an aggregate accreted value of $7.1 million.

On July 28, 2005, the Company called for redemption on August 29, 2005 all of the outstanding Zero Coupon Debentures. At their option, the holders tendered for conversion an aggregate of $367.4 million principal amount at maturity. The tendered debentures were converted to approximately 7.3 million of our Common Shares. The Company redeemed the remaining $531.6 million aggregate principal amount at maturity for a cost of $341.8 million. The Company expensed $4.7 million of unamortized issuance costs in connection with the redemption. These expenses have been classified as Debt Redemption Expense on the accompanying Consolidated Statement of Income.

15. Shareholders' Equity

Authorized Shares

On May 9, 2006, the Company's shareholders approved an increase in the authorized share capital from 510,000,000 to 1,010,000,000. The Company is authorized to issue 1,000,000,000 Common Shares and 10,000,000 undesignated preference shares, $1.00 par value. As of December 31, 2007, no preference shares have been issued.

Share Repurchase Program

In December 2005, the Company's Board of Directors approved a share repurchase program under which up to $1 billion of the Company's outstanding Commons Shares could be purchased in open market or privately negotiated transactions. Pursuant to this program, the Company purchased approximately 5.1 million and 12.5 million Common Shares during the years ended December 31, 2007 and 2006, respectively, at an average price per share of $48.16 and $43.79, respectively.

Warrant

On February 28, 2002, the Company issued Shell Technology Ventures Inc. a warrant to purchase up to 6.5 million Common Shares at a price of $30.00 per share. Effective July 12, 2006, this agreement was amended and restated to reflect, among other things, changes in the Company's capital structure. The warrant remains exercisable until February 28, 2012 and is subject to adjustment for changes in the Company's capital structure or the issuance of dividends in cash, securities or property. Upon exercise by the holder, settlement may occur through physical delivery, net share settlement, net cash settlement or a combination thereof. The net cash settlement option upon exercise is at the sole discretion of the Company. In addition, the amended and restated warrant no longer contains a conversion feature, which previously allowed the warrant holder to convert the warrant into Common Shares. The amendment did not affect the accounting or classification of the warrant.

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES
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16. Share-Based Compensation Plans

Incentive Plan

In May 2006, shareholders voted to approve the Weatherford International Ltd. 2006 Omnibus Incentive Plan ("Omnibus Plan") previously adopted by the Board of Directors in February 2006. The Omnibus Plan provides for awards of options, stock appreciation rights, restricted share awards ("RSA"), restricted share units ("RSU"), performance share awards, performance unit awards, other share-based awards and cash-based awards to any employee or non-employee director of the Company or any of its affiliates. All future issuances of share-based awards will be made from the Omnibus Plan. The provisions of each award will vary based on the type of award granted and will be specified by the Compensation Committee of the Board of Directors. Those awards, such as options and SARs, that are based on a specific contractual term will be granted with a term not to exceed ten years. The terms of the issuances to date under the Omnibus Plan are consistent with awards previously granted. Under the Omnibus Plan, there are 10.0 million Common Shares available for grant. As of December 31, 2007, approximately 7.4 million shares were available for grant under the plan. To date, only options, restricted shares and restricted share units have been granted under the Omnibus Plan.

The options granted under the Omnibus Plan are granted with an exercise price equal to or greater than the fair market value of the Common Shares at the time the option is granted. The Company values and recognizes the options and restricted shares and restricted share units similar to the awards previously granted under the Company's other share-based payment plans.

Stock Option Plans

The Company has a number of stock option plans pursuant to which directors, officers and key employees have been granted options to purchase Common Shares at the fair market value on the date of grant.

The Company has in effect a 1991 Employee Stock Option Plan ("1991 ESO Plan"), a 1992 Employee Stock Option Plan ("1992 ESO Plan") and a 1998 Employee Stock Option Plan ("1998 ESO Plan"). Stock options generally vest after one to four years following the date of grant and expire after ten to fourteen years from the date of grant. Subsequent to the approval of the Company's Omnibus Plan in May 2006, future grants under these plans have been suspended.

Restricted Share Plan

The Restricted Share Plan provides for the granting of RSAs or RSUs, the vesting of which is subject to conditions and limitations established at the time of the grant. Upon the grant of an RSA, the participant has the rights of a shareholder, including but not limited to the right to vote such shares and the right to receive any dividends paid on such shares. Recipients of RSU awards will not have the rights of a shareholder of the Company until such date as the Common Shares are issued or transferred to the recipient. Key employees, directors and persons providing material services to the Company may be eligible for participation in the Restricted Share Plan. Subsequent to the approval of the Company's Omnibus Plan in May 2006, future RSA and RSU grants under this plan have been suspended.

RSAs and RSUs vest based on continued employment, and vesting generally occurs over a two to four-year period, with an equal amount of the restricted shares vesting on each anniversary of the grant date or with 50% of the shares vesting after two years and the remaining portion vesting in the fourth year.

The fair value of RSAs and RSUs is determined based on the closing price of the Company's shares on the grant date. The total fair value is amortized to expense on a straight-line basis over the vesting period.

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES
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Executive Deferred Compensation Plan

In May 1992, the Company's shareholders approved the Executive Deferred Compensation Stock Ownership Plan (the "EDC Plan"). Under the EDC Plan, a portion of the compensation for certain key employees of the Company, including officers and employee directors, can be deferred for payment after retirement or termination of employment.

The Company has established a grantor trust to fund the benefits under the EDC Plan. The funds provided to such trust are invested by a trustee independent of the Company in Common Shares, which are purchased by the trustee on the open market. The assets of the trust are available to satisfy the claims of all general creditors of the Company in the event of bankruptcy or insolvency. Accordingly, the Common Shares held by the trust and the liability of the Company under the EDC Plan are included in the accompanying Consolidated Balance Sheets as Treasury Shares, Net.

Pro Forma Compensation Expense

The following illustrates the pro forma effect on net income and earnings per share if the Company had applied the fair value recognition provisions of SFAS No. 123 to all outstanding and unvested awards as of December 31, 2005:

	Year Ended December 31, 2005 (In thousands, except per share amounts)
Net Income:	
As reported	$ 467,420
Employee share-based compensation expense included in reported net income, net of income tax benefit	18,816
Pro forma compensation expense, determined under fair value methods for all awards, net of income tax benefit	(29,745)
Pro forma	$ 456,491
Basic earnings per share:	
As reported	$ 1.56
Pro forma	1.52
Diluted earnings per share:	
As reported	$ 1.47
Pro forma	1.44

Share-Based Compensation Expense and Activity

The Company recognized $64.9 million, $62.7 million and $28.9 million in employee share-based compensation expense during the years ended 2007, 2006 and 2005, respectively. The related income tax benefit recognized for the years ended 2007, 2006 and 2005 was $22.7 million, $22.0 million and $10.1 million, respectively.

The Company uses the Black-Scholes option pricing model to determine the fair value of each option award on the date of grant. The estimated fair value of the option is amortized to expense on a straight-line basis over the vesting period. The specific assumptions used in determining the fair values for option grants during the years ended 2007, 2006 and 2005 are discussed in more detail below and are noted in the following table.

The expected volatility of options granted in 2007 was determined using a blended rate based upon implied volatility calculated on actively traded options on the Company's common shares and upon the historical volatility of its common shares. The expected volatility of options granted in 2006 and 2005 was based upon the historical

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES
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volatility of the Company's common stock. The risk-free interest rate is determined based upon the interest rate on a U.S. Treasury Bill with a term equal to the expected life of the option at the time the option was granted. In estimating the expected lives of the stock options, the Company has relied primarily on actual experience with previous stock option grants. The expected life is less than the term of the option as option holders, in our experience, exercise or forfeit the options during the term of the option.

	Year Ended December 31,		
	2007	2006	2005
Expected volatility	31.0%	36.2%	38.9%
Expected dividends	0.0%	0.0%	0.0%
Expected term (in years)	5.0	5.0	5.0
Risk-free rate	4.5%	4.7%	4.4%

A summary of option activity under the stock option plans as of December 31, 2007, and changes during the year then ended is presented below:

Options	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value (In thousands)
Outstanding at January 1, 2007	9,914,297	$ 14.77		
Granted	336,650	40.10		
Exercised	(2,473,343)	13.82		
Forfeited	—	—		
Outstanding at December 31, 2007	7,777,604	16.16	6.94	$ 407,839
Vested or Expected to Vest at December 31, 2007	7,777,604	16.16	6.94	407,839
Exercisable at December 31, 2007	7,101,954	13.84	6.76	388,907

The weighted-average grant date fair value of options granted during the years ended December 31, 2007, 2006 and 2005 was $14.32, $17.56 and $14.20, respectively. The intrinsic value of options exercised during 2007, 2006 and 2005 was $110.2 million, $145.9 million and $278.7 million, respectively. As of December 31, 2007, there was $7.3 million of total unrecognized compensation cost related to the Company's unvested stock options and that cost is expected to be recognized over a weighted-average period of 2.7 years.

A summary of the status of the Company's non-vested RSAs and RSUs issued under its Restricted Share Plan and Omnibus Plan as of December 31, 2007 and changes during the year then ended, is presented below:

	RSA	Weighted-Average Grant Date Fair Value	RSU	Weighted-Average Grant Date Fair Value
Non-Vested at January 1, 2007	3,292,580	$ 33.56	2,372,850	$ 35.90
Granted	1,071,347	48.59	739,768	54.07
Vested	(1,637,028)	33.29	(955,393)	34.25
Forfeited	(229,472)	38.21	(308,775)	37.29
Non-Vested at December 31, 2007	2,497,427	39.03	1,848,450	42.49

The weighted-average grant date fair value of RSAs and RSUs granted during the years ended 2007, 2006 and 2005 was $50.83, $43.63 and $32.18, respectively. The total fair value of RSAs and RSUs vested during the years ended 2007, 2006 and 2005 was $155.8 million, $46.5 million and $15.0 million, respectively. As of December 31,

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2007, there was $162.2 million of total unrecognized compensation cost related to non-vested RSAs and RSUs, which is expected to be recognized over a weighted-average period of 2.0 years.

17. Retirement and Employee Benefit Plans

The Company has defined contribution plans covering certain employees. Contribution expenses related to these plans totaled $28.6 million, $21.9 million and $17.4 million in 2007, 2006 and 2005, respectively.

The Company has defined benefit pension and other post-retirement benefit plans covering certain U.S. and international employees. Plan benefits are generally based on factors such as age, compensation levels and years of service. Effective August 2003, the Company adopted a SERP to provide pension benefits to certain executives upon retirement. This plan is a nonqualified, unfunded retirement plan and in order to meet its future benefit obligations under the SERP, the Company maintains life insurance policies on the lives of the participants. These policies are not included as plan assets nor in the funded status amounts in the table below. The Company is the sole owner and beneficiary of such policies.

In September 2006, the FASB issued Statement No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statements No. 87, 88, 106, and 132(R)* ("SFAS No. 158). Among other items, SFAS No. 158 requires recognition of the overfunded or underfunded status of an entity's defined benefit or postretirement plan as an asset or liability in the financial statements, requires the measurement of defined benefit or postretirement plan assets and obligations as of the end of the employer's fiscal year, and requires recognition of the previously deferred portion of defined benefit or postretirement plans in other comprehensive income.

Plan information including the funded status of the plans is presented below.

The changes in benefit obligations were as follows:

	Year Ended December 31,			
	2007		2006	
	United States	International	United States	International
	(In thousands)			
Benefit obligation at beginning of year	$ 94,307	$ 153,940	$81,865	$ 124,883
Service cost	2,642	11,308	2,301	9,694
Interest cost	5,391	8,189	4,154	6,575
Plan participants' contributions	—	3,436	—	2,823
Business combinations	—	2,483	—	795
Divestiture	—	—	—	(1,956)
Amendments	2,901	152	3,629	111
Curtailments	(2,010)	—	(2,658)	—
Settlements	(8,606)	(42)	(7,484)	(291)
Actuarial loss	21,887	7,606	14,245	554
Currency fluctuations	—	7,325	—	14,843
Benefits paid	(927)	(5,204)	(1,745)	(4,091)
Benefit obligation at end of year	$115,585	$ 189,193	$94,307	$ 153,940

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The changes in plan assets were as follows:

	Year Ended December 31,			
	2007		2006	
	United States	International	United States	International
	(In thousands)			
Fair value of plan assets at beginning of year	$ 12,023	$ 120,447	$ 12,150	$ 91,271
Actual return on plan assets	821	7,079	1,183	10,375
Employer contribution	1,079	11,371	435	9,145
Plan participants' contributions	—	3,436	—	2,823
Business combinations	—	1,338	—	—
Divestiture	—	—	—	(1,240)
Settlements	(2,478)	(42)	—	(291)
Currency fluctuations	—	4,054	—	12,041
Benefits paid	(927)	(4,764)	(1,745)	(3,677)
Fair value of plan assets at end of year	10,518	142,919	12,023	120,447
Funded status	$(105,067)	$ (46,274)	$(82,284)	$ (33,493)

The amounts recognized in the Consolidated Balance Sheets are as follows:

	Year Ended December 31,			
	2007		2006	
	United States	International	United States	International
	(In thousands)			
Noncurrent assets	$ —	$ 136	$ 41	$ 121
Current liabilities	(12,075)	—	(6,202)	—
Noncurrent liabilities	(92,992)	(46,410)	(76,123)	(33,614)

Amounts in accumulated other comprehensive income that have not yet been recognized as components of net periodic benefit cost are as follows:

	Year Ended December 31,			
	2007		2006	
	United States	International	United States	International
	(In thousands)			
Net loss	$53,177	$ 16,297	$37,269	$ 7,080
Net prior service costs (credit)	17,191	(1,271)	18,279	(1,505)
Net transition asset	—	(25)	—	(27)
Total accumulated other comprehensive income	$70,368	$ 15,001	$55,548	$ 5,548

The accumulated benefit obligation for defined benefit pension plans was $84.0 million and $67.8 million at December 31, 2007 and 2006, respectively, for the U.S. plans and $173.2 million and $149.8 million at December 31, 2007 and 2006, respectively, for the international plans.

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The projected benefit obligation, accumulated benefit obligation, and fair value of plan assets for the pension plans with projected benefit obligations in excess of plan assets or accumulated benefit obligations in excess of plan assets as of December 31, 2007 and 2006 are as follows:

	2007		2006	
	United States	International	United States	International
	(In thousands)			
Plans with projected benefit obligation in excess of plan assets:				
Projected benefit obligation	$115,585	$ 185,963	$92,017	$ 150,937
Fair value of plan assets	10,518	139,281	9,691	117,097
Plans with accumulated benefit obligation in excess of plan assets:				
Accumulated benefit obligation	84,034	151,352	65,551	136,680
Fair value of plan assets	10,518	117,816	9,691	103,640

The components of net periodic benefit cost during the years ended December 31, 2007, 2006 and 2005 are as follows:

	2007		2006		2005	
	United States	International	United States	International	United States	International
	(In thousands)					
Service cost	$ 2,642	$ 11,308	$ 2,301	$ 9,694	$ 2,417	$ 8,573
Interest cost	5,391	8,189	4,154	6,575	3,398	4,941
Expected return on plan assets	(744)	(8,003)	(765)	(6,126)	(802)	(4,018)
Amortization of transition asset	—	(4)	—	(4)	—	(3)
Amortization of prior service cost (credit)	2,108	(87)	2,234	(104)	2,457	323
Settlements/curtailments	1,548	4	6,848	—	17,432	(2,385)
Amortization of net loss	4,224	208	1,807	549	1,140	11
Net periodic benefit cost	$15,169	$ 11,615	$16,579	$ 10,584	$26,042	$ 7,442

Other changes in plan assets and benefit obligations recognized in other comprehensive income during the year ended December 31, 2007 are as follows:

	2007	
	United States	International
	(In thousands)	
New Activity:		
Net loss for the year	$19,799	$ 8,525
Net prior service cost for the year	2,901	152
Reclassification Adjustments:		
Net loss	(3,891)	(212)
Prior service credit (cost)	(3,989)	87
Transition asset	—	4
Total other comprehensive income:	$14,820	$ 8,556

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Amounts in accumulated other comprehensive income expected to be recognized as components of net periodic benefit cost in 2008 are as follows:

	United States	International
	(In thousands)	
Net loss	$9,478	$ 392
Prior service costs (credit)	1,833	(84)
Transition asset	—	(4)

Prior service costs are amortized using an alternative straight-line method over the average remaining service period of employees expected to receive plan benefits.

Assumed long-term rates of return on plan assets, discount rates and rates of compensation increases vary for the different plans according to the local economic conditions.

The weighted average assumption rates used for benefit obligations are as follows:

	Year Ended December 31,	
	2007	2006
Discount rate:		
United States plans	5.00 - 6.00%	5.00 - 5.50%
International plans	1.94 - 8.10	1.90 - 5.80
Rate of compensation increase:		
United States plans	8.00	8.00
International plans	2.00 - 6.50	2.00 - 5.34

The weighted average assumption rates used for net periodic benefit costs are as follows:

	Year Ended December 31,		
	2007	2006	2005
Discount rate:			
United States plans	5.00 - 5.50%	5.00 - 5.50%	5.25% - 5.75%
International plans	1.90 - 6.60	2.00 - 5.80	1.80 - 6.00
Expected return on plan assets:			
United States plans	5.00 - 7.00	5.00 - 7.00	8.00
International plans	4.00 - 6.82	4.00 - 7.50	4.00 - 7.00
Rate of compensation increase:			
United States plans	8.00	6.00	4.00
International plans	2.00 - 6.50	2.00 - 6.08	2.25 - 6.85

In determining the overall expected long-term rate of return for plan assets, the Company takes into consideration the historical experience as well as future expectations of the asset mix involved. As different investments yield different returns, each asset category must be reviewed individually and then weighted for significance in relation to the total portfolio.

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The weighted average asset allocations at December 31, 2007 and 2006, by asset category are as follows:

	2007		2006	
	United States	International	United States	International
Equity	59%	73%	61%	73%
Debt securities	40	18	38	18
Other	1	9	1	9
Total	100%	100%	100%	100%

In the U.S., the Company's investment strategy includes a balanced approach with target allocation percentages of 60% equity investments and 40% fixed income investments. For the international plans, the assets are invested primarily in equity investments as they are expected to provide a higher long-term rate of return. The Company's pension investment strategy worldwide prohibits a direct investment in its own stock.

In 2008, the Company expects to contribute $0.7 million in the U.S. and $12.5 million internationally to its pension and other postretirement benefit plans. In addition, the following benefit payments, which reflect expected future service and anticipated settlements, as appropriate, are expected to be paid (in thousands):

	United States	International
2008	$13,304	$ 2,450
2009	2,723	2,581
2010	2,761	1,919
2011	3,144	4,453
2012	3,495	3,654
2013 - 2017	22,893	40,275

18. Income Taxes

The components of Income from Continuing Operations Before Income Taxes and Minority Interest were as follows:

	Year Ended December 31,		
	2007	2006	2005
	(In thousands)		
Domestic	$ 512,275	$ 536,440	$ 98,426
Foreign	932,211	702,469	533,691
	$ 1,444,486	$ 1,238,909	$632,117

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The Company's income tax benefit (provision) from continuing operations consisted of the following:

	Year Ended December 31,		
	2007	2006	2005
	(In thousands)		
Current:			
U.S. federal and state income taxes	$(132,182)	$ (82,177)	$ 605
Foreign	(171,705)	(190,883)	(130,994)
Total current	(303,887)	(273,060)	(130,389)
Deferred:			
U.S. federal	(47,990)	(78,819)	(50,504)
Foreign	19,117	30,406	19,688
Total deferred	(28,873)	(48,413)	(30,816)
	$(332,760)	$(321,473)	$(161,205)

The difference between the tax (provision) benefit at the statutory federal income tax rate and the tax (provision) benefit attributable to Income from Continuing Operations Before Income Taxes and Minority Interest for the three years ended December 31, 2006 is analyzed below:

	Year Ended December 31,		
	2007	2006	2005
	(In thousands)		
Statutory federal income tax rate	$(505,571)	$(433,618)	$(221,241)
Effect of state income tax, net and alternative minimum tax	(8,957)	(1,910)	(191)
Effect of domestic non-deductible expenses	(5,295)	2,397	6,031
Change in valuation allowance	(6,662)	(8,395)	(17,223)
Effect of foreign income tax, net	204,470	99,291	67,455
Change in income tax reserve	(5,425)	7,500	8,744
Other	(5,320)	13,262	(4,780)
	$(332,760)	$(321,473)	$(161,205)

During the fourth quarter of 2006, the Company recorded a benefit of $26.4 million related to the favorable settlement of certain foreign income tax exposures. This adjustment is presented in Effect of foreign income tax, net.

During the fourth quarter of 2006, the Company completed an analysis of book and tax basis differences in its major tax paying jurisdictions and, as a result, recorded a tax benefit of $12.9 million, of which, $5.1 million is presented in Effect of foreign income tax, net and $7.8 million is presented in Other. In addition, during the fourth quarter of 2006, the Company recorded $10.8 million of benefits related to certain prior year foreign income tax returns. This adjustment is presented in Effect of foreign income tax, net. The Company recorded a $19.8 million benefit related to its prior year domestic income tax returns during the third quarter of 2006. Of this benefit, $14.7 million is presented in Effect of foreign income tax, net and $5.1 million is presented in Other. The Company assessed these adjustments and concluded that these adjustments were immaterial, individually and in the aggregate, to the Company's prior years' results of operations.

Deferred tax assets and liabilities are recognized for the estimated future tax effects of temporary differences between the tax basis of an asset or liability and its reported amount in the financial statements. The measurement of

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deferred tax assets and liabilities is based on enacted tax laws and rates currently in effect in each of the jurisdictions in which the Company has operations.

Deferred tax assets and liabilities are classified as current or non-current according to the classification of the related asset or liability for financial reporting. The components of the net deferred tax asset (liability) attributable to continuing operations were as follows:

	December 31, 2007	2006
	(In thousands)	
Deferred tax assets:		
Domestic and foreign operating losses	$ 109,898	$ 103,607
Accrued liabilities and reserves	173,855	158,690
Tax credits	34,343	26,277
Other differences between financial and tax basis	63,626	59,733
Differences between financial and tax basis inventory	51,590	25,375
Valuation allowance	(61,626)	(51,808)
Total deferred tax assets	371,686	321,874
Deferred tax liabilities:		
Property, plant and equipment	(156,073)	(113,916)
Goodwill and other intangibles	(181,626)	(164,539)
Unremitted foreign earnings	(18,787)	—
Other differences between financial and tax basis	(10,555)	(5,227)
Total deferred tax liabilities	(367,041)	(283,682)
Net deferred tax assets	$ 4,645	$ 38,192

In connection with the acquisition of the Precision divisions, certain of Precision's operations were integrated with the Company's operations resulting in a charge of $23.9 million in 2005. The integration required recognition of certain gains that had previously been deferred for tax purposes and also required a valuation allowance to be placed on a portion of the Company's tax credits. The integration and restructuring should enable the Company to more effectively realize tax credits.

The overall increase in the valuation allowance in 2007 is primarily attributable to the establishment of a valuation allowance against net operating losses ("NOLs") in various jurisdictions. Management's assessment is that the character and nature of future taxable income may not allow the Company to realize the tax benefits of the NOLs and tax credits within the allowable carryforward period. Therefore, an appropriate valuation allowance has been made.

The Company has provided additional taxes for the anticipated repatriation of earnings of its foreign subsidiaries where Management has determined that the foreign subsidiaries earnings are not indefinitely reinvested. For foreign subsidiaries whose earnings are indefinitely reinvested, no provision for U.S. federal and state income taxes has been provided. If the earnings were not indefinitely reinvested, the estimated tax benefit would be approximately $84.8 million after application of available foreign tax credits.

At December 31, 2007, the Company had approximately $388.5 million of NOLs, $94.4 million of which were generated by certain domestic subsidiaries prior to their acquisition by the Company. The use of these acquired domestic NOLs is subject to limitations imposed by the Internal Revenue Code and is also restricted to the taxable income of the subsidiaries generating these losses. Loss carryforwards, if not utilized, will expire at various dates from 2008 through 2025.

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At December 31, 2007, the Company had approximately $25.6 million of foreign tax credits available to offset future payments of federal income taxes. The foreign tax credits expire in varying amounts through 2017.

The Company adopted the provisions of FIN No. 48 on January 1, 2007. The total amount of unrecognized tax benefits as of the date of adoption was $33.9 million. As a result of the implementation of FIN No. 48, the Company recognized a $1.1 million increase in the liability for unrecognized tax benefits accounted for as a $0.3 million increase to retained earnings (cumulative effect) and a $1.4 million increase to goodwill.

A tabular reconciliation of the total amounts of unrecognized tax benefits at the beginning and end of the period is as follows (in thousands):

Balance at January 1, 2007	$33,891
Additions as a result of tax positions taken during a prior period	9,451
Reductions as a result of tax positions taken during a prior period	(3,076)
Additions as a result of tax positions taken during the current period	—
Reductions relating to tax settlements with taxing authorities	(2,080)
Reductions as a result of a lapse of the applicable statute of limitations	(381)
Balance at December 31, 2007	$37,805

Included in the balance of unrecognized benefits at December 31, 2007, are $30.6 million of tax benefits that, if recognized in future periods, would impact the Company's effective tax rate. Also included in the balance of unrecognized tax benefits at December 31, 2007 are $7.2 million of tax benefits that, if recognized, would result in a decrease to goodwill in purchase business combinations.

To the extent penalties and interest would be assessed on any underpayment of income tax, such amounts have been accrued and classified as a component of income tax expense in the financial statements. This is an accounting policy election made by the Company that is a continuation of the Company's historical policy and will continue to be consistently applied in the future. The Company recognized $2.7 million of expense relating to interest for the period ended December 31, 2007. The Company's expense recognized relating to penalties for the period ended December 31, 2007 was immaterial. As of December 31, 2007, the Company has accrued $9.4 million of interest and $3.2 million of penalties related to unrecognized tax benefits.

The Company is subject to income tax in many of the approximately 100 countries where it operates including major operations in the United States, the United Kingdom, and Canada. Many of the Company's subsidiaries are open to examination in the United Kingdom and Canada dating from 1998 and 1999, respectively through December 31, 2007. The Company is open to examination in the United States for tax years ended December 31, 2004 through December 31, 2007.

The Company does not anticipate a significant change in the balance of unrecognized tax benefits within the next 12 months.

19. Disputes, Litigation and Contingencies

U.S. Government and Internal Investigations

We are currently involved in government and internal investigations involving various of our operations. We participated in the United Nations oil-for-food program governing sales of goods and services into Iraq. The SEC has subpoenaed certain documents in connection with an investigation into our participation in the oil-for-food program. The U.S. Department of Justice is also conducting an investigation of our participation in the oil-for-food program. We are cooperating fully with these investigations. We have retained legal counsel, reporting to our audit committee, to investigate this matter. These investigations are ongoing, and we cannot anticipate the timing, outcome or possible impact of these investigations, financial or otherwise.

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The U.S. Department of Commerce, Bureau of Industry & Security and the U.S. Department of Justice are investigating allegations of improper sales of products and services by us and our subsidiaries in sanctioned countries. We are cooperating fully with this investigation. We have retained legal counsel, reporting to our audit committee, to investigate this matter. This investigation is ongoing, and we cannot anticipate the timing, outcome or possible impact of the investigation, financial or otherwise.

In light of this investigation and of the current U.S. and foreign policy environment and the inherent uncertainties surrounding these countries, we decided in September 2007 to direct our foreign subsidiaries to discontinue doing business in countries that are subject to U.S. economic and trade sanctions, including Cuba, Iran, Sudan and Syria. Effective September 2007, we ceased entering into any new contracts relating to these countries. We have begun an orderly discontinuation and winding down of our existing business in these sanctioned countries.

With the assistance of outside counsel and in connection with the U.S. government investigations, we are conducting internal investigations regarding the embezzlement of approximately $175,000 at a European subsidiary and the possible improper use of these funds, including possible payments to government officials in Europe, during the period from 2000 to 2004, and the Company's compliance with the Foreign Corrupt Practices Act and other laws worldwide. These internal investigations are preliminary and ongoing, and we cannot anticipate the timing, outcome or possible impact, if any, of the investigations, financial or otherwise. We have informed the SEC and the DOJ of these internal investigations, and the results of the internal investigations will be provided to the SEC and DOJ.

The DOJ, the SEC and other agencies and authorities have a broad range of civil and criminal penalties they may seek to impose against corporations and individuals for violations of trading sanctions laws, the Foreign Corrupt Practices Act and other federal statutes including, but not limited to, injunctive relief, disgorgement, fines, penalties and modifications to business practices and compliance programs. In recent years, these agencies and authorities have entered into agreements with, and obtained a range of penalties against, several public corporations and individuals in similar investigations, under which civil and criminal penalties were imposed, including in some cases multi-million dollar fines and other penalties and sanctions. Under trading sanctions laws, the DOJ may also seek to impose modifications to business practices, including immediate cessation of all business activities in sanctioned countries, and modifications to compliance programs, which may increase compliance costs. In addition, our activities in sanctioned countries, such as Sudan and Iran, could result in certain investors, such as government sponsored pension funds, divesting or not investing in our common shares. Based on available information, we cannot predict what, if any, actions the DOJ, SEC or other authorities may take in our situation or the effect any such actions may have on our consolidated financial position or results of operations.

We have incurred costs of approximately $13 million through December 31, 2007 in connection with complying with these ongoing investigations and certain exit costs associated with sanctioned countries. We will have additional charges related to these matters in future periods, but we cannot quantify those charges or be certain of the timing of them.

Other Litigation and Disputes

The Company is aware of various disputes and potential claims and is a party in various litigation involving claims against the Company, some of which are covered by insurance. Based on facts currently known, the Company believes that the ultimate liability, if any, which may result from known claims, disputes and pending litigation, would not have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows.

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

20. Commitments

Operating Leases

The Company is committed under various operating lease agreements primarily related to office space and equipment. Generally, these leases include renewal provisions and rental payments, which may be adjusted for taxes, insurance and maintenance related to the property. Future minimum rental commitments under noncancelable operating leases are as follows (in thousands):

2008	$ 71,809
2009	52,348
2010	39,116
2011	30,855
2012	21,130
Thereafter	130,455
	$345,713

Total rent expense incurred under operating leases was approximately $129.6 million, $90.3 million and $69.8 million for the years ended December 31, 2007, 2006 and 2005, respectively.

21. Segment Information

Reporting Segments

The Company reviewed the presentation of its reporting segments during the first quarter of 2007. Based on this review, the Company determined that its operational performance is segmented and reviewed on a geographic basis. As a result, the Company realigned its financial reporting segments and now report the following regions as separate, distinct reporting segments: (1) North America, (2) Latin America, (3) Europe/West Africa/CIS and (4) Middle East/North Africa/Asia. The Company's historical segment data previously reported under the Evaluation, Drilling & Intervention Services and Completion & Production Systems divisions have been restated for all periods to conform to the new presentation.

Financial information by segment for each of the three years ended December 31, 2007 is summarized below. Revenues are attributable to countries based on the ultimate destination of the sale of products or performance of services. The total assets and capital expenditures for the years ended December 31, 2007, 2006 and 2005 do not include the assets or activity of the Company's discontinued operations. The accounting policies of the segments are the same as those described in the summary of significant accounting policies.

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

	Year Ended December 31, 2007				
	Net Operating Revenues	Income From Operations	Depreciation and Amortization	Capital Expenditures	Total Assets at December 31, 2007
			(In thousands)		
North America	$3,937,456	$1,012,402	$ 277,222	$ 722,277	$ 6,265,186
Latin America	882,318	201,810	74,089	198,321	1,209,846
Europe/West Africa/CIS	1,188,519	293,823	86,768	230,990	2,005,391
Middle East/North Africa/Asia	1,823,769	416,058	158,321	446,215	3,027,456
	7,832,062	1,924,093	596,400	1,597,803	12,507,879
Corporate and Other(a)	—	(299,757)	9,826	37,238	656,876
Total	$7,832,062	$1,624,336	$ 606,226	$1,635,041	$13,164,755

	Year Ended December 31, 2006				
	Net Operating Revenues	Income From Operations	Depreciation and Amortization	Capital Expenditures	Total Assets at December 31, 2006
			(In thousands)		
North America	$3,672,630	$1,035,804	$ 223,895	$ 525,248	$ 5,290,389
Latin America	726,197	132,616	64,864	85,393	959,141
Europe/West Africa/CIS	827,343	171,437	65,540	102,259	1,272,906
Middle East/North Africa/Asia	1,352,758	279,852	117,599	304,553	2,330,911
	6,578,928	1,619,709	471,898	1,017,453	9,853,347
Corporate and Other(a)	—	(265,022)	11,050	33,647	252,408
Total	$6,578,928	$1,354,687	$ 482,948	$1,051,100	$ 10,105,755

	Year Ended December 31, 2005				
	Net Operating Revenues	Income From Operations(b)	Depreciation and Amortization	Capital Expenditures	Total Assets at December 31, 2005
			(In thousands)		
North America	$2,400,705	$ 460,880	$ 161,336	$ 249,430	$ 4,471,451
Latin America	423,974	58,463	38,981	48,076	783,869
Europe/West Africa/CIS	659,308	117,489	55,679	56,236	1,073,728
Middle East/North Africa/Asia	849,240	151,018	70,396	149,758	1,818,234
	4,333,227	787,850	326,392	503,500	8,147,282
Corporate and Other(a)	—	(217,252)	7,938	19,341	420,519
Total	$4,333,227	$ 570,598	$ 334,330	$ 522,841	$ 8,567,801

(a) Includes research and development expenses which are not allocated geographically.

(b) Includes exit costs and restructuring charges of approximately $59 million, $4 million, $9 million, $9 million and $33 million in North America, Latin America, Europe/West Africa/CIS, Middle East/North Africa/Asia and Corporate, respectively.

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Products and Services

The Company is a diversified international energy service and manufacturing company that provides a variety of services and equipment to the exploration, production and transmission sectors of the oil and natural gas industry. The Company operates in virtually every oil and natural gas exploration and production region in the world. The composition of the Company's consolidated revenues by product line is as follows:

	Year Ended December 31,		
	2007	2006	2005
Artificial Lift Systems	18%	18%	21%
Well Construction	16	15	17
Drilling Services	15	15	12
Drilling Tools	12	12	13
Completion Systems	10	10	13
Wireline	8	10	7
Re-entry & Fishing	8	8	7
Stimulation & Chemicals	6	6	6
Integrated Drilling	5	5	2
Pipeline & Specialty Services	2	1	2
Total	100%	100%	100%

Geographic Areas

Financial information by geographic area for each of the three years ended December 31, 2007, is summarized below. Long-lived assets are long-term assets excluding deferred tax assets of $46.0 million, $34.0 million and $47.1 million at December 31, 2007, 2006 and 2005, respectively.

	Revenues from Unaffiliated Customers			Long-Lived Assets		
	2007	2006	2005	2007	2006	2005
	(In thousands)					
United States	$2,955,108	$2,512,840	$1,609,209	$3,612,886	$2,925,719	$1,294,118
Canada	982,348	1,159,790	791,496	1,259,620	1,290,986	1,515,343
Other Countries	3,894,606	2,906,298	1,932,522	3,800,718	2,496,787	3,072,410
	$7,832,062	$6,578,928	$4,333,227	$8,673,224	$6,713,492	$5,881,871

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

22. Quarterly Financial Data (Unaudited)

The following tabulation sets forth unaudited quarterly financial data for 2007 and 2006:

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Total
	(In thousands, except per share amounts)				
2007					
Revenues	$1,852,285	$1,815,945	$1,971,991	$2,191,841	$7,832,062
Gross Profit	687,929	623,477	698,744	764,302	2,774,452
Income from Continuing Operations	283,819	176,480	294,924	336,752	1,091,975
Loss from Discontinued Operations	(2,247)	(11,170)	(2,211)	(5,741)	(21,369)
Net Income	281,572	165,310	292,713	331,011	1,070,606
Basic Earnings Per Share:					
Continuing Operations	$ 0.84	$ 0.52	$ 0.87	$ 0.99	$ 3.23
Discontinued Operation	(0.01)	(0.03)	(0.00)	(0.01)	(0.07)
Net Income	$ 0.83	$ 0.49	$ 0.87	$ 0.98	$ 3.16
Diluted Earnings Per Share:					
Continuing Operations	$ 0.82	$ 0.51	$ 0.85	$ 0.97	$ 3.14
Discontinued Operation	(0.01)	(0.03)	(0.01)	(0.02)	(0.06)
Net Income	$ 0.81	$ 0.48	$ 0.84	$ 0.95	$ 3.08
2006					
Revenues	$1,536,011	$1,538,576	$1,696,753	$1,807,588	$6,578,928
Gross Profit	551,649	540,304	618,907	655,235	2,366,095
Income from Continuing Operations	206,524	188,495	236,142	274,945	906,106
Loss from Discontinued Operations	(3,207)	(1,648)	(1,939)	(2,943)	(9,737)
Net Income	203,317	186,847	234,203	272,002	896,369
Basic Earnings Per Share:					
Continuing Operations	$ 0.59	$ 0.54	$ 0.68	$ 0.81	$ 2.62
Discontinued Operation	(0.01)	(0.00)	(0.00)	(0.01)	(0.03)
Net Income	$ 0.58	$ 0.54	$ 0.68	$ 0.80	$ 2.59
Diluted Earnings Per Share:					
Continuing Operations	$ 0.58	$ 0.53	$ 0.67	$ 0.79	$ 2.55
Discontinued Operation	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)
Net Income	$ 0.57	$ 0.52	$ 0.66	$ 0.78	$ 2.53

23. Subsequent Events

The Company sold its electrical submersible pumps product line to PBS in January of 2008. The assets and liabilities of this product line have been classified as held for sale at December 31, 2007 and are included in Other Current Assets and Other Current Liabilities in the Consolidated Balance Sheet. In addition, the Company agreed in January 2008 to enter into a long-term joint venture with Qatar Petroleum Company with respect to the Company's directional, wireline, tubular running services and re-entry & fishing product lines in Qatar.

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

24. Consolidating Financial Statements

Effective June 26, 2002, Weatherford Limited became the parent holding company of Weatherford International, Inc. following a corporate reorganization. Weatherford International, Inc. continues to exist as an indirect, wholly owned subsidiary of Weatherford Limited. Weatherford Limited and its subsidiaries continue to conduct the business previously conducted by Weatherford International, Inc. and its subsidiaries. The reorganization has been accounted for as a reorganization of entities under common control, and accordingly, did not result in any changes to the consolidated amounts of assets, liabilities or shareholders' equity. As part of the reorganization, Weatherford Limited ("Parent") and Weatherford International, Inc. ("Issuer") each guaranteed, on a full and unconditional basis, certain indebtedness of the Company.

The following obligations of the Issuer were guaranteed by the Parent as of December 31, 2007: (i) the 6.625% Senior Notes, (ii) the 5.95% Senior Notes, (iii) the 6.35% Senior Notes and (iv) the 6.80% Senior Notes. As of December 31, 2006, the 6.625% Senior Notes of the Issuer were guaranteed by the Parent.

The following obligations of the Parent were guaranteed by the Issuer as of December 31, 2007 and 2006: (i) the Revolving Credit Facility, (ii) the 4.95% Senior Notes, (iii) the 5.50% Senior Notes, (iv) the 6.50% Senior Notes and (v) issuances of notes under the commercial paper program.

As a result of these guarantee arrangements, the Company is required to present the following condensed consolidating financial information. The accompanying guarantor financial information is presented on the equity method of accounting for all periods presented. Under this method, investments in subsidiaries are recorded at cost and adjusted for the Company's share in the subsidiaries' cumulative results of operations, capital contributions and distributions and other changes in equity. Elimination entries relate primarily to the elimination of investments in subsidiaries and associated intercompany balances and transactions.

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
Condensed Consolidating Balance Sheet
December 31, 2007

	Parent	Issuer	Other Subsidiaries	Eliminations	Consolidation
			(In thousands)		
ASSETS					
Current Assets:					
Cash and Cash Equivalents	$ 228	$ 1,489	$ 168,997	$ —	$ 170,714
Other Current Assets	13,591	2,537	4,284,927	—	4,301,055
	13,819	4,026	4,453,924	—	4,471,769
Equity Investments in Affiliates	12,008,907	4,696,938	13,600,365	(30,306,210)	—
Shares Held in Parent	—	129,428	794,774	(924,202)	—
Intercompany Receivables, Net	(127,594)	1,233,846	—	(1,106,252)	—
Other Assets	52,031	34,186	8,632,971	—	8,719,188
	$11,947,163	$6,098,424	$27,482,034	$(32,336,664)	$13,190,957
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities:					
Short-term Borrowings and Current Portion of Long-term Debt	$ 582,389	$ 24,854	$ 166,977	$ —	$ 774,220
Accounts Payable and Other Current Liabilities	47,574	7,959	1,372,612	—	1,428,145
	629,963	32,813	1,539,589	—	2,202,365
Long-term Debt	1,198,418	1,850,594	17,323	—	3,066,335
Intercompany Payables, Net	—	—	1,106,252	(1,106,252)	—
Other Long-term Liabilities	91,392	22,556	401,590	—	515,538
Shareholders' Equity	10,027,390	4,192,461	24,417,280	(31,230,412)	7,406,719
	$11,947,163	$6,098,424	$27,482,034	$(32,336,664)	$13,190,957

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
Condensed Consolidating Balance Sheet
December 31, 2006

	Parent	Issuer	Other Subsidiaries	Eliminations	Consolidation
			(In thousands)		
ASSETS					
Current Assets:					
Cash and Cash Equivalents	$ 35	$ 2,271	$ 123,981	$ —	$ 126,287
Other Current Assets	131	3,739	3,261,618	—	3,265,488
	166	6,010	3,385,599	—	3,391,775
Equity Investments in Affiliates	10,009,855	3,502,589	12,935,625	(26,448,069)	—
Shares Held in Parent	—	132,541	548,575	(681,116)	—
Intercompany Receivables, Net	329,237	1,333,181	—	(1,662,418)	—
Other Assets	40,897	8,517	6,698,059	—	6,747,473
	$10,380,155	$4,982,838	$23,567,858	$(28,791,603)	$10,139,248
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities:					
Short-term Borrowings and Current Portion of Long-term Debt	$ 491,542	$ 9,272	$ 147,922	$ —	$ 648,736
Accounts Payable and Other Current Liabilities	33,788	3,887	1,356,734	—	1,394,409
	525,330	13,159	1,504,656	—	2,043,145
Long-term Debt	1,198,973	355,318	10,309	—	1,564,600
Intercompany Payables, Net	—	—	1,662,418	(1,662,418)	—
Other Long-term Liabilities	72,789	57,119	226,796	—	356,704
Shareholders' Equity	8,583,063	4,557,242	20,163,679	(27,129,185)	6,174,799
	$10,380,155	$4,982,838	$23,567,858	$(28,791,603)	$10,139,248

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
Condensed Consolidating Statement of Operations
Year Ended December 31, 2007

	Parent	Issuer	Other Subsidiaries	Eliminations	Consolidation
			(In thousands)		
Revenues	$ —	$ —	$ 7,832,062	$ —	$ 7,832,062
Costs and Expenses	(15,400)	(3,641)	(6,188,685)	—	(6,207,726)
Operating Income (Loss)	(15,400)	(3,641)	1,643,377	—	1,624,336
Other Income (Expense):					
Interest Expense, Net	(95,568)	(73,428)	(2,285)	—	(171,281)
Intercompany Charges, Net	(100,538)	206,371	(105,833)	—	—
Equity in Subsidiary Income	1,262,288	1,177,140	—	(2,439,428)	—
Other, Net	7,709	1,101	(17,379)	—	(8,569)
Income (Loss) from Continuing Operations Before Income Taxes and Minority Interest	1,058,491	1,307,543	1,517,880	(2,439,428)	1,444,486
Provision for Income Taxes	—	(45,255)	(287,505)	—	(332,760)
Income (Loss) from Continuing Operations Before Minority Interest	1,058,491	1,262,288	1,230,375	(2,439,428)	1,111,726
Minority Interest, Net	—	—	(19,751)	—	(19,751)
Income (Loss) from Continuing Operations	1,058,491	1,262,288	1,210,624	(2,439,428)	1,091,975
Income (Loss) from Discontinued Operation, Net of Taxes	12,115	—	(33,484)	—	(21,369)
Net Income (Loss)	$1,070,606	$1,262,288	$ 1,177,140	$(2,439,428)	$ 1,070,606

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
Condensed Consolidating Statement of Operations
Year Ended December 31, 2006

	Parent	Issuer	Other Subsidiaries	Eliminations	Consolidation
			(In thousands)		
Revenues	$ —	$ —	$ 6,578,928	$ —	$ 6,578,928
Costs and Expenses	(16,872)	(1,013)	(5,206,356)	—	(5,224,241)
Operating Income (Loss)	(16,872)	(1,013)	1,372,572	—	1,354,687
Other Income (Expense):					
Interest Expense, Net	(74,669)	(26,337)	(1,554)	—	(102,560)
Intercompany Charges, Net	(42,732)	67,923	(25,191)	—	—
Equity in Subsidiary Income	1,030,970	1,006,190	—	(2,037,160)	—
Other, Net	(325)	(864)	(12,029)	—	(13,218)
Income (Loss) from Continuing Operations Before Income Taxes and Minority Interest	896,372	1,045,899	1,333,798	(2,037,160)	1,238,909
Provision for Income Taxes	(3)	(14,929)	(306,541)	—	(321,473)
Income (Loss) from Continuing Operations Before Minority Interest	896,369	1,030,970	1,027,257	(2,037,160)	917,436
Minority Interest, Net	—	—	(11,330)	—	(11,330)
Income (Loss) from Continuing Operations	896,369	1,030,970	1,015,927	(2,037,160)	906,106
Loss from Discontinued Operation, Net of Taxes	—	—	(9,737)	—	(9,737)
Net Income (Loss)	$ 896,369	$1,030,970	$ 1,006,190	$(2,037,160)	$ 896,369

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
Condensed Consolidating Statement of Operations
Year Ended December 31, 2005

	Parent	Issuer	Other Subsidiaries	Eliminations	Consolidation
			(In thousands)		
Revenues	$ —	$ —	$ 4,333,227	$ —	$ 4,333,227
Costs and Expenses	(16,524)	(912)	(3,745,193)	—	(3,762,629)
Operating Income (Loss)	(16,524)	(912)	588,034	—	570,598
Other Income (Expense):					
Gain on Sale of Universal Common Stock	115,456	—	—	—	115,456
Debt Redemption Expense	—	(4,733)	—	—	(4,733)
Interest Expense, Net	(22,953)	(43,324)	(2,704)	—	(68,981)
Intercompany Charges, Net	(35,500)	104,146	(68,646)	—	—
Equity in Subsidiary Income	411,695	376,282	—	(787,977)	—
Other, Net	15,598	(315)	4,494	—	19,777
Income (Loss) from Continuing Operations Before Income Taxes and Minority Interest	467,772	431,144	521,178	(787,977)	632,117
Provision for Income Taxes	(352)	(19,449)	(141,404)	—	(161,205)
Income (Loss) from Continuing Operations Before Minority Interest	467,420	411,695	379,774	(787,977)	470,912
Minority Interest, Net	—	—	(817)	—	(817)
Income (Loss) from Continuing Operations	467,420	411,695	378,957	(787,977)	470,095
Loss from Discontinued Operation, Net of Taxes	—	—	(2,675)	—	(2,675)
Net Income (Loss)	$467,420	$411,695	$ 376,282	$ (787,977)	$ 467,420

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
Condensed Consolidating Statement of Cash Flows
Year Ended December 31, 2007

	Parent	Issuer	Other Subsidiaries	Eliminations	Consolidation
			(In thousands)		
Cash Flows from Operating Activities:					
Net Income (Loss)	$ 1,070,606	$ 1,262,288	$ 1,177,140	$(2,439,428)	$ 1,070,606
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Charges from Parent or Subsidiary	100,538	(206,371)	105,833	—	—
(Income) Loss from Discontinued Operations	(12,115)	—	33,484	—	21,369
Equity in (Earnings) Loss of Affiliates	(1,262,288)	(1,177,140)	—	2,439,428	—
Deferred Income Tax Provision (Benefit)	—	(16,788)	45,661	—	28,873
Other Adjustments	413,899	(115,003)	(537,089)	—	(238,193)
Net Cash Provided (Used) by Operating Activities — Continuing Operations	310,640	(253,014)	825,029	—	882,655
Net Cash Used by Operating Activities — Discontinued Operation	—	—	(10,149)	—	(10,149)
Net Cash Provided (Used) by Operating Activities	310,640	(253,014)	814,880	—	872,506
Cash Flows from Investing Activities:					
Acquisitions of Businesses, Net of Cash Acquired	—	—	(275,149)	—	(275,149)
Purchase of Equity Investments in Unconsolidated Affiliates	—	—	(335,220)	—	(335,220)
Capital Expenditures for Property, Plant and Equipment	—	—	(1,635,041)	—	(1,635,041)
Acquisition of Intellectual Property	—	—	(23,035)	—	(23,035)
Proceeds from Sale of Assets and Businesses, Net	—	—	84,476	—	84,476
Capital Contribution to Subsidiary	(736,748)	(36,147)	—	772,895	—
Distribution of Earnings from Subsidiary	—	(1,486,365)	1,486,365	—	—
Other Investing Activities	—	—	(38,500)	—	(38,500)
Net Cash Provided (Used) by Investing Activities — Continuing Operations	(736,748)	(1,522,512)	(736,104)	772,895	(2,222,469)
Net Cash Used by Investing Activities — Discontinued Operation	—	—	(10,579)	—	(10,579)
Net Cash Provided (Used) by Investing Activities	(736,748)	(1,522,512)	(746,683)	772,895	(2,233,048)
Cash Flows from Financing Activities:					
Borrowings of (Repayments on) Short-term Debt, Net	(299,187)	16,361	400,691	—	117,865
Borrowings of (Repayments on) Long-term Debt, Net	—	1,485,497	(14,734)	—	1,470,763
Borrowings (Repayments) Between Subsidiaries, Net	725,488	213,695	(939,183)	—	—
Purchase of Treasury Shares	—	—	(246,190)	—	(246,190)
Proceeds from Exercise of Stock Options	—	34,192	—	—	34,192
Proceeds from Capital Contribution	—	—	772,895	(772,895)	—
Other, Net	—	24,999	—	—	24,999
Net Cash Provided (Used) by Financing Activities — Continuing Operations	426,301	1,774,744	(26,521)	(772,895)	1,401,629
Net Cash Provided by Financing Activities — Discontinued Operations	—	—	—	—	—
Net Cash Provided (Used) by Financing Activities	426,301	1,774,744	(26,521)	(772,895)	1,401,629
Effect of Exchange Rate Changes on Cash and Cash Equivalents	—	—	3,340	—	3,340
Net Increase (Decrease) in Cash and Cash Equivalents	193	(782)	45,016	—	44,427
Cash and Cash Equivalents at Beginning of Year	35	2,271	123,981	—	126,287
Cash and Cash Equivalents at End of Year	$ 228	$ 1,489	$ 168,997	$ —	$ 170,714

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
Condensed Consolidating Statement of Cash Flows
Year Ended December 31, 2006

	Parent	Issuer	Other Subsidiaries	Eliminations	Consolidation
			(In thousands)		
Cash Flows from Operating Activities:					
Net Income (Loss)	$ 896,369	$ 1,030,970	$ 1,006,190	$(2,037,160)	$ 896,369
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided (Used) by Operating Activities Loss from Discontinued Operations	—	—	9,737	—	9,737
Equity in (Earnings) Loss of Affiliates	(1,030,970)	(1,006,190)	—	2,037,160	—
Charges from Parent or Subsidiary	42,732	(67,923)	25,191	—	—
Deferred Income Tax Provision (Benefit)	—	(22,662)	71,075	—	48,413
Other Adjustments	95,020	22,774	21,593	—	139,387
Net Cash Provided (Used) by Operating Activities-Continuing Operations	3,151	(43,031)	1,133,786	—	1,093,906
Net Cash Used by Operating Activities- Discontinued Operations	—	—	(6,887)	—	(6,887)
Net Cash Provided (Used) by Operating Activities	3,151	(43,031)	1,126,899	—	1,087,019
Cash Flows from Investing Activities:					
Acquisitions of Businesses, Net of Cash Acquired	—	—	(194,314)	—	(194,314)
Capital Expenditures for Property, Plant and Equipment	—	—	(1,051,100)	—	(1,051,100)
Acquisition of Intellectual Property	—	—	(31,201)	—	(31,201)
Proceeds from Sale of Assets and Business, Net	—	—	39,860	—	39,860
Capital Contribution to Subsidiary	(942,765)	(23,015)	—	965,780	—
Other, Net	—	—	14,240	—	14,240
Net Cash Provided (Used) by Investing Activities-Continuing Operations	(942,765)	(23,015)	(1,222,515)	965,780	(1,222,515)
Net Cash Used by Investing Activities- Discontinued Operations	—	—	(19,984)	—	(19,984)
Net Cash Provided (Used) by Investing Activities	(942,765)	(23,015)	(1,242,499)	965,780	(1,242,499)
Cash Flows from Financing Activities:					
Borrowings of (Repayments on) Short-term Debt, Net	(226,119)	4,954	111,675	—	(109,490)
Borrowings of (Repayments on) Long-term Debt, Net	944,216	(200,860)	(11,341)	—	732,015
Purchase of Treasury Shares	—	—	(548,575)	—	(548,575)
Proceeds from Exercise of Stock Options	—	55,438	—	—	55,438
Borrowings (Repayments) Between Subsidiaries, Net	221,479	189,838	(411,317)	—	—
Proceeds from Capital Contribution	—	—	965,780	(965,780)	—
Other, Net	(51)	15,775	—	—	15,724
Net Cash Provided (Used) by Financing Activities-Continuing Operations	939,525	65,145	106,222	(965,780)	145,112
Net Cash Provided by Financing Activities- Discontinued	—	—	—	—	—
Net Cash Provided (Used) by Financing Activities	939,525	65,145	106,222	(965,780)	145,112
Effect of Exchange Rate Changes on Cash and Cash Equivalents	—	—	2,410	—	2,410
Net Decrease in Cash and Cash Equivalents	(89)	(901)	(6,968)	—	(7,958)
Cash and Cash Equivalents at Beginning of Year	124	3,172	130,949	—	134,245
Cash and Cash Equivalents at End of Year	$ 35	$ 2,271	$ 123,981	$ —	$ 126,287

WEATHERFORD INTERNATIONAL, LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
Condensed Consolidating Statement of Cash Flows
Year Ended December 31, 2005

	Parent	Issuer	Other Subsidiaries	Eliminations	Consolidation
			(In thousands)		
Cash Flows from Operating Activities:					
Net Income (Loss)	$ 467,420	$ 411,695	$ 376,282	$ (787,977)	$ 467,420
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Loss from Discontinued Operations	—	—	2,675	—	2,675
Gain on Sale of Universal Common Stock	(115,456)	—	—	—	(115,456)
Non-cash Portion of Exit Costs and Restructuring Charges	8,191	—	57,009	—	65,200
Charges from Parent or Subsidiary	35,500	(104,146)	68,646	—	—
Equity in (Earnings) Loss of Affiliates	(411,695)	(376,282)	—	787,977	—
Deferred Income Tax Provision	—	19,839	10,977	—	30,816
Other Adjustments	(172,771)	(177,042)	406,680	—	56,867
Net Cash Provided (Used) by Operating Activities-Continuing Operations	(188,811)	(225,936)	922,269	—	507,522
Net Cash Used by Operating Activities- Discontinued Operations	—	—	(4,428)	—	(4,428)
Net Cash Provided (Used) by Operating Activities	(188,811)	(225,936)	917,841	—	503,094
Cash Flows from Investing Activities:					
Acquisitions of Businesses, Net of Cash Acquired	—	—	(991,067)	—	(991,067)
Capital Expenditures for Property, Plant and Equipment	—	—	(522,841)	—	(522,841)
Acquisition of Intellectual Property	—	—	(13,423)	—	(13,423)
Proceeds from Sale of Universal Common Stock	276,750	—	—	—	276,750
Proceeds from Sale of Assets and Businesses, Net	—	—	15,874	—	15,874
Other, Net	—	—	(16,424)	—	(16,424)
Net Cash Provided (Used) by Investing Activities-Continuing Operations	276,750	—	(1,527,881)	—	(1,251,131)
Net Cash Used by Investing Activities — Discontinued Operations	—	—	(3,777)	—	(3,777)
Net Cash Provided (Used) by Investing Activities	276,750	—	(1,531,658)	—	(1,254,908)
Cash Flows from Financing Activities:					
Borrowings of Short-term Debt, Net	716,927	1,885	12,320	—	731,132
Borrowings of (Repayments on) Long-term Debt, Net	—	1,736	(4,110)	—	(2,374)
Redemption of Convertible Debentures	—	(348,816)	—	—	(348,816)
Proceeds from Exercise of Stock Options	—	191,127	—	—	191,127
Borrowings (Repayments) Between Subsidiaries, Net	(943,721)	309,596	634,125	—	—
Other, Net	—	(473)	(487)	—	(960)
Net Cash Provided (Used) by Financing Activities-Continuing Operations	(226,794)	155,055	641,848	—	570,109
Net Cash Provided by Financing Activities- Discontinued Operations	—	—	—	—	—
Net Cash Provided (Used) by Financing Activities	(226,794)	155,055	641,848	—	570,109
Effect of Exchange Rate Changes on Cash and Cash Equivalents	—	—	(1,489)	—	(1,489)
Net Increase (Decrease) in Cash and Cash Equivalents	(138,855)	(70,881)	26,542	—	(183,194)
Cash and Cash Equivalents at Beginning of Year	138,979	74,053	104,407	—	317,439
Cash and Cash Equivalents at End of Year	$ 124	$ 3,172	$ 130,949	$ —	$ 134,245

SCHEDULE II
WEATHERFORD INTERNATIONAL LTD. AND SUBSIDIARIES

VALUATION AND QUALIFYING ACCOUNTS AND ALLOWANCES
FOR THE THREE YEARS ENDED DECEMBER 31, 2007

Description	Balance at Beginning of Period	Additions: Charged to Costs and Expenses	Additions: Collections	Deductions	Balance at End of Period
			(In thousands)		
Year Ended December 31, 2007:					
Allowance for uncollectible accounts receivable	$ 13,452	$ 6,984	$ 523	$ (7,199)	$ 13,760
Year Ended December 31, 2006:					
Allowance for uncollectible accounts receivable	$ 12,210	$ 6,242	$ 881	$ (5,881)	$ 13,452
Year Ended December 31, 2005:					
Allowance for uncollectible accounts receivable	$ 15,910	$ 3,291	$ 824	$ (7,815)	$ 12,210

All other schedules are omitted because they are not required or because the information is included in the financial statements or notes thereto.