

Schlumberger Says Russia Operations Not Affected by U.S. Sanctions

By [The Moscow Times](#)

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Oilfield service provider Schlumberger, which drills with Rosneft on the Russian island of Sakhalin, said there was no "real impact" on its business in Russia, two days after the United States slapped sanctions on Rosneft.

Washington imposed sanctions on Rosneft, Russia's largest oil producer, and Novatek, the country's second-largest gas producer, over Moscow's role in the Ukraine crisis.

"As of now, there is no impact from sanctions," Schlumberger chief executive Paal Kibsgaard said on a post-earnings conference call.

"Whether there will be impacts in the future is a bit difficult to comment on," he said, adding that it was "business as usual" for now.

Schlumberger's shares fell as much as 3.5 percent in early trading on Friday. Analysts

attributed this fall to "unreasonable" earnings expectations from the company.

Schlumberger reported better-than-expected revenue and profit after the market closed on Thursday as drilling activity rose in the United States and offshore Gulf of Mexico.

A recovery in activity in Russia after a harsh winter also helped the company's quarterly results.

"The underlying activity outlook both offshore and on land in Russia continues to look solid, and with recent contract awards in, we expect to finish the year on a strong note," Kibsgaard said.

Schlumberger signed an agreement with Russia and Gazprom Neft earlier this year to collaborate on technology for the planned Bazhenov shale development project in the Priobskoe oilfield in Western Siberia.

Gazprom Neft is the oil-producing arm of Russian state gas company Gazprom, which is not facing any U.S. or European Union sanctions.

Schlumberger also has offshore projects in Sakhalin.

Russia accounts for less than 5 percent of Schlumberger's total revenue, Simmons & Co International analyst Bill Herbert said.

"[Sanctions against Russia are] a risk and Schlumberger is vigilant about it and I clearly think they have a contingency plan in the event that [further] sanctions do unfold," he said.

Further sanctions against Russia are likely if an investigation establishes the country's links to the downing of a Malaysian airliner on Thursday, the Washington-based Institute of International Finance said.

Schlumberger's shares were down 1.5 percent at \$112.91 in late morning trading on the New York Stock Exchange.

See also:

[Rosneft Warns Sanctions Will Damage International Shareholders](https://www.themoscowtimes.com/2014/07/20/schlumberger-says-russia-operations-not-affected-by-u-s-sanctions-a37477)

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