UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

Form 10-K/A

(Amendment No. 2)

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2010

OR

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

Commission file number 1-34258

WEATHERFORD INTERNATIONAL LTD.

(Exact name of registrant as specified in its charter)

Switzerland	**98-0606750**
(State or other jurisdiction of incorporation or organization)	*(IRS 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:
41.22.816.1500
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Registered Shares, par value 1.16 Swiss francs per share	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 ☑

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 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.

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 Act). Yes ☐ No ☑

The aggregate market value of the voting stock held by nonaffiliates of the registrant as of June 30, 2010 was approximately $9 billion based upon the closing price on the New York Stock Exchange as of such date.

As of March 2, 2011, there were 742,121,086 shares of Weatherford registered shares, 1.16 Swiss francs par value per share, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Certain information called for by Items 10, 11, 12, 13 and 14 of Part III of this Annual Report on Form 10-K will be included in an amendment to this Form 10-K or incorporated by reference from the registrant's definitive proxy statement for the annual shareholder meeting to be held on May 25, 2011.

EXPLANATORY NOTE

On March 8, 2011 Weatherford, Inc. (the “Company”) filed with the Securities and Exchange Commission its Annual Report on Form 10-K for the fiscal year ended December 31, 2010 (the “2010 Form 10-K”). On March 11, 2011 we filed Amendment No. 1 to furnish Exhibit 101 to the Form 10-K as required by Rule 405 of Regulations S-T to furnish the Extensible Business Reporting Language (XBRL) data. The purpose of this Amendment No. 2 is to revise the disclosure in Part II, Item 8. Financial Statements and Supplementary Data — Notes to the Consolidated Financial Statements — Note 21. Quarterly Financial Data.

While preparing our amended Form 10-Q filings for each of the interim periods of 2010 to correct for previously announced errors in our accounting for income taxes, we determined that adjustments were necessary to correct the presentation of the summary Quarterly Financial Data contained in our Annual Report on Form 10-K. These adjustments appropriately allocate the full year impact of the restatement adjustments among the fiscal quarters. The revised quarterly adjustments have no effect on our full year results as previously reported in the 2010 Form 10-K.

We have also updated our risk factor related to the material weakness in accounting for income taxes. This Amendment No. 2 also includes a minor revision to the unqualified audit opinion to adjust the order of certain paragraphs. No other changes have been made to the Form 10-K other than those described above. With the exception of the updated risk factor, this Amendment No. 2 does not reflect subsequent events occurring after the original filing date of the Form 10-K or modify or update in any way the other disclosures made in the Form 10-K.

The following items have been amended:

- Part I — Item 1A. Risk Factors;
- Part II — Item 8. Financial Statements and Supplementary Data
- Part IV — Item 15. Exhibits, Financial Statement Schedules

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.

Physical dangers are inherent in our operations and may expose us to significant potential losses. Personnel and property may be harmed during the process of drilling for oil and natural gas.

Drilling for and producing hydrocarbons, and the associated products and services that we provide, include inherent dangers that may lead to property damage, personal injury, death or the discharge of hazardous materials into the environment. Many of these events are outside our control. Typically, we provide products and services at a well site where our personnel and equipment are located together with personnel and equipment of our customer and third parties, such as other service providers. At many sites, we depend on other companies and personnel to conduct drilling operations in accordance with appropriate safety standards. From time to time, personnel are injured or equipment or property is damaged or destroyed as a result of industrial accidents, failed equipment, faulty products or services, failure of safety measures, uncontained formation pressures, or other dangers inherent in drilling for oil and natural gas. Any of these events can be the result of human error. With increasing frequency, our products and services are deployed on more challenging prospects both onshore and offshore, where the occurrence of the types of events mentioned above can have an even more catastrophic impact on people, equipment and the environment. Such events may expose us to significant potential losses.

We may not be fully indemnified against financial losses in all circumstances where damage to or loss of property, personal injury, death or environmental harm occur.

As is customary in our industry, our contracts typically provide that our customers indemnify us for claims arising from the injury or death of their employees, the loss or damage of their equipment, damage to the reservoir and pollution emanating from the customer’s equipment or from the reservoir (including uncontained oil flow from a reservoir). Conversely, we typically indemnify our customers for claims arising from the injury or death of our employees, the loss or damage of our equipment, or pollution emanating from our equipment. Our contracts typically provide that our customer will indemnify us for claims arising from catastrophic events, such as a well blowout, fire or explosion.

Our indemnification arrangements may not protect us in every case. For example, from time to time we may enter into contracts with less favorable indemnities or perform work without a contract that protects us; our indemnity arrangements may be held unenforceable in some courts and jurisdictions; or we may be subject to other claims brought by third parties or government agencies. Furthermore, the parties from which we seek indemnity may not be solvent, may become bankrupt, may lack resources or insurance to honor their indemnities, or may not otherwise be able to satisfy their indemnity obligations to us. The lack of enforceable indemnification could expose us to significant potential losses.

Further, our assets are not insured against loss from political violence such as war, terrorism or civil commotion. If any of our assets are damaged or destroyed as a result of an uninsured cause, we would recognize a loss of those assets.

Our business may be exposed to uninsured claims, and litigation might result in significant potential losses.

In the ordinary course of business, we become the subject of various claims and litigation. For example, we have been named in a number of lawsuits because, along with other oilfield service companies, we provided products and services on the Deepwater Horizon in the Gulf of Mexico. We maintain liability insurance, which includes insurance against damage to people, equipment and the environment, up to maximum limits of $600 million, and subject to self-insured retentions and deductibles of $2 million, per occurrence.

Our insurance policies are subject to exclusions, limitations, and other conditions and may not apply in all cases, for example where willful wrongdoing on our part is alleged. 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, and in some cases those potential losses could be material.

Our insurance may not be sufficient to cover any particular loss, or our insurance may not cover all losses. For example, although 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. In response to the recent catastrophic accident in the Gulf of Mexico, insurance rates are volatile and increasing, and some forms of insurance may become entirely unavailable in the future or unavailable on terms that we or our customers believe are economically acceptable. Reductions in coverage, changes in the insurance markets and accidents affecting our industry may result in further increases in our cost and higher deductibles and retentions in future years and may also result in reduced activity levels in certain markets. Any of these events would have an adverse impact on our financial performance.

Our operations are subject to environmental and other laws and regulations that may expose us to significant liabilities and could reduce our business opportunities and revenues.

We are subject to various federal, state and local laws and regulations relating to the energy industry in general and the environment in particular. An environmental claim could arise with respect to one or more of our current businesses, products or services, or a business or property that one of our predecessors owned or used, and such claims could involve material expenditures. Generally, environmental laws have in recent years become more stringent and have sought to impose greater liability on a larger number of potentially responsible parties. The scope of regulation of our industry and our products and services may increase further following recent events in the Gulf of Mexico, including possible increases in liabilities or funding requirements imposed by governmental agencies. In early 2010, a moratorium was issued on new deepwater projects in the Gulf of Mexico. Although that moratorium was recently lifted, we cannot anticipate when and to what extent drilling activity in the deepwater Gulf will resume. We also cannot ensure that our future business in the deepwater Gulf, if any, will be profitable in light of new regulations that may be promulgated and in light of the current risk environment and insurance markets. Further, additional regulations on deepwater drilling elsewhere in the world could be imposed as a result of the Deepwater Horizon incident, and those regulations could limit our business where they are imposed. In addition, members of the U.S. Congress and the U.S. Environmental Protection Agency are reviewing more stringent regulation of hydraulic fracturing, a technology which is used in one of our business segments, and regulators are investigating whether any chemicals used in the fracturing process might adversely affect groundwater. A significant portion of North American service activity today is directed at prospects that require hydraulic fracturing in order to produce hydrocarbons. Additional regulation could increase the costs of conducting our business and could materially reduce our business opportunities and revenues if our customers decrease their levels of activity in response to such regulation.

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, Africa, Latin America, the Asia Pacific region and the FSU, 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;
- our inability to collect receivables;
- loss of assets in affected jurisdictions

- enactment of additional or stricter U.S. government or international sanctions; and
- limitation of our access to markets for periods of time.

In early 2011, our operations in Tunisia, Egypt and Libya have been disrupted by the political revolutions and uprisings in these countries. Political disturbances in these countries and elsewhere in the Middle East and North Africa regions, including to a lesser extent Yemen and Bahrain, are ongoing as of the end of February, 2011, and our operations in Libya have not resumed. During 2010, these five countries accounted for approximately 3% of our global revenue. In Libya, we have evacuated all of our non-Libyan employees and their families.

At December 31, 2010, we had in Libya inventory, property, plant and equipment (net) with a carrying value of approximately $141 million, as well as cash, accounts receivable and prepaid expenses of approximately $76 million. In cases where we must evacuate personnel, it may be difficult, if not impossible, for us to safeguard and recover our operating assets, and our ability to do so will depend on the local turn of events. In these areas we also may not be able to perform the work we are contracted to perform, which could lead to forfeiture of performance bonds. We currently have outstanding approximately $19 million of performance bonds related to contracts in Libya. We could suffer material losses with respect to these assets.

If political violence were to curtail our activities in other countries in the region from which we derive greater business, such as Saudi Arabia, Iraq and Algeria, and particularly if political activities were to result in prolonged violence or civil war, these political activities could have a material adverse effect on our business in the region.

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 areas of our operations.

Until 2003, we 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 have undertaken investigations of our participation in the oil-for-food program and have subpoenaed certain documents in connection with these investigations. We have cooperated fully with these investigations. We have retained legal counsel, reporting to our audit committee, to investigate this matter. We have begun negotiations with the government agencies to resolve these matters, but we cannot yet anticipate the timing, outcome or possible impact of the ultimate resolution of the investigations, financial or otherwise.

The U.S. Department of Commerce, Bureau of Industry & Security, Office of Foreign Assets Control ("OFAC"), DOJ and SEC have undertaken investigations of allegations of improper sales of products and services by the Company and its subsidiaries in certain sanctioned countries. We have cooperated fully with this investigation. We have retained legal counsel, reporting to our audit committee, to investigate these matters and to cooperate fully with these agencies. We have begun negotiations with the government agencies to resolve these matters, but we cannot yet anticipate the timing, outcome or possible impact of the ultimate resolution of the investigation, financial or otherwise.

In light of this investigation and of 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 comprehensive U.S. economic and trade sanctions, specifically Cuba, Iran, and Sudan, as well as Syria. Effective September 2007, we ceased entering into any new contracts in these countries and began an orderly discontinuation and winding down of our existing business in these sanctioned countries. Effective March 31, 2008, we substantially completed our winding down of business in these countries. We can complete the withdrawal process only pursuant to licenses issued by OFAC. Our remaining activities in Iran, Sudan and Syria include ongoing withdrawal activities such as attempts to collect accounts receivable, attempts to settle tax liabilities or legal claims and attempts to recover or liquidate assets, including equipment and funds. Certain of our 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 our compliance with the Foreign Corrupt Practices Act ("FCPA") and other laws worldwide. We have retained legal counsel, reporting to our audit committee, to investigate these matters and to cooperate fully with the DOJ and SEC. As part of our investigations, we have uncovered potential violations of U.S. law in connection with activities in West Africa. We have begun negotiations with the government agencies to resolve these matters, but we cannot yet anticipate the timing, outcome or possible impact of the ultimate resolution 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. These agencies are seeking to impose penalties against us for past conduct, but the ultimate amount of any penalties we may pay currently cannot be reasonably estimated. Under trade 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. Any injunctive relief, disgorgement, fines, penalties, sanctions or imposed modifications to business practices resulting from these investigations could adversely affect our results of operations. In addition, our historical 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 registered shares. Based on available information, we cannot predict what, if any, actions the DOJ, SEC or other authorities will take in our situation or the effect any such actions will have on our consolidated financial position or results of operations. To the extent we violated trade sanctions laws, the FCPA, or other laws or 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 effect on our business, financial condition, liquidity or results of operations.

To date, we have incurred $49 million for costs in connection with our exit from sanctioned countries and incurred $113 million for legal and professional fees in connection with complying with and conducting these on-going investigations.

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

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.

In January 2010, the Venezuelan government announced its intention to devalue its currency and move to a two tier exchange structure. The official exchange moved from 2.15 to 2.60 for essential goods and 4.30 for non-essential goods and services. In connection with this devaluation, we incurred a charge of $64 million for the remeasurement of our net monetary assets denominated in Venezuelan bolivars at the date of the devaluation, which was not tax deductible. We also recorded a $24 million tax benefit for local Venezuelan income tax purposes related to our net U.S. dollar-denominated monetary liability position in the country. We currently utilize the 4.30 Venezuelan bolivar to U.S. dollar exchange rate. At December 31, 2010, we had a net monetary asset position denominated in Venezuelan bolivars of approximately $56 million comprised primarily of cash and accounts receivable. We are continuing to explore opportunities to reduce this exposure but should another devaluation occur in the future, we may be required to take further charges related to the remeasurement of our net monetary asset position. For example, if the Venezuela bolivar devalued by an additional 10% in the future, we would record a devaluation charge of approximately $6 million. Effective January 1, 2011, the Venezuelan government again modified the fixed rate of exchange, eliminating the two tier structure and establishing 4.30 as the official exchange rate for all goods and services. This modification will not have a material impact to our financial position or results of operations.

As a result of discussions with a customer and the economic environment in Venezuela, we reviewed how the dual exchange rate might affect amounts we receive for our U.S. dollar-denominated receivables in Venezuela. We believe our contracts are legally enforceable and our customers continue to accept our invoices. However, based on the current political and economic environment in Venezuela, we believe a loss is probable. Accordingly, we recorded a reserve of $32 million against this exposure in the fourth quarter of 2010.

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.

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

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.

We operate in many dangerous countries, such as Iraq, in which acts of terrorism or political violence are a substantial and frequent risk. Such acts could result in kidnappings or the loss of life of our employees or contractors, a loss of equipment, which may or may not be insurable in all cases, or a cessation of business in an affected area. We cannot be certain that our security efforts will in all cases be sufficient to deter or prevent acts of political violence or terrorist strikes against us or our customers’ operations.

We have identified a material weakness in accounting for income taxes in our internal control over financial reporting, which, if not remedied effectively, could have a further adverse effect on our share price.

Management, through documentation, testing and assessment of our internal control over financial reporting pursuant to the rules promulgated by the SEC under Section 404 of the Sarbanes-Oxley Act of 2002 and Item 308 of Regulation S-K, has concluded that our internal control over financial reporting had a material weakness in accounting for income taxes as of December 31, 2010. See Item 9A — Controls and Procedures. If we are unable to effectively remediate this material weakness in a timely manner, we could lose investor confidence in the accuracy and completeness of our financial reports, which could have a further adverse effect on our share price.

In future periods, if the process required by Section 404 of the Sarbanes-Oxley Act reveals further material weaknesses or significant deficiencies, the correction of any such material weakness or significant deficiency could require additional remedial measures including additional personnel which could be costly and time-consuming. If a material weakness exists as of a future period year-end (including a material weakness identified prior to year-end for which there is an insufficient period of time to evaluate and confirm the effectiveness of the corrections or related new procedures), our management will be unable to report favorably as of such future period year-end to the effectiveness of our control over financial reporting. If we are unable to assert that our internal control over financial reporting is effective in any future period, or if we continue to experience material weaknesses in our internal control over financial reporting for accounting for income taxes, we could lose investor confidence in the accuracy and completeness of our financial reports, which could have a further adverse effect on our share price and potentially subject us to additional and potentially costly litigation and governmental inquiries/investigations. In March 2011, shareholders filed suit relating to the matters described above. In addition, the SEC is investigating the circumstances surrounding the material weakness and related restatement of historical financial statements. We are cooperating with the investigation.

Changes in tax laws could adversely impact our results.

On June 26, 2002, the shareholders 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. During the first quarter of 2009, we completed a transaction in which Weatherford Bermuda became a wholly-owned subsidiary of Weatherford International Ltd., a Swiss joint-stock company (“Weatherford Switzerland”), and holders of our common shares received one registered share of Weatherford Switzerland for each common share of Weatherford Bermuda that they held. 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 relocated our principal executive offices from Houston, Texas to Geneva, Switzerland. Most of our executive officers, including our Chief Executive Officer, and other key decision makers have relocated or 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 our 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 as a result 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 are governed by Swiss law and documents following the redomestication.

Following the redomestication, the rights of our shareholders are governed by Swiss law and Weatherford Switzerland’s articles of association and organizational regulations. The rights of shareholders under Swiss law 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 hold shareholder meetings in Switzerland, and our required quorum for those meetings is lower.

We hold shareholders meetings 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).

PART II

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

INDEX TO FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULE

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. and subsidiaries' internal control over financial reporting as of December 31, 2010, 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. and subsidiaries' 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.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. The following material weakness has been identified and included in management's assessment. Management has identified a material weakness in controls related to the company's accounting for income taxes at December 31, 2010. We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements of Weatherford International Ltd. and subsidiaries as of December 31, 2010 and 2009 and the related consolidated statements of income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2010. This material weakness was considered in determining the nature, timing and extent of audit tests applied in our audit of the 2010 financial statements and this report does not affect our report dated March 8, 2011, which expressed an unqualified opinion on those financial statements.

In our opinion, because of the effect of the material weakness described above on the achievement of the objectives of the control criteria, Weatherford International Ltd. and subsidiaries has not maintained effective internal control over financial reporting as of December 31, 2010, based on the COSO criteria.

/s/ Ernst & Young LLP

Houston, Texas
March 8, 2011

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, 2010 and 2009, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2010. 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, 2010 and 2009, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2010, 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 2 to the consolidated financial statements, the December 31, 2009 and 2008 consolidated financial statements have been restated to correct certain errors in the income tax accounts.

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, 2010, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 8, 2011 expressed an adverse opinion thereon.

/s/ ERNST & YOUNG LLP

Houston, Texas
March 8, 2011

WEATHERFORD INTERNATIONAL LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	December 31, 2010	December 31, 2009 (Restated)
	(In thousands, except par value)	
Current Assets:		
Cash and Cash Equivalents	$ 415,772	$ 252,519
Accounts Receivable, Net of Allowance for Uncollectible Accounts of $58,756 in 2010 and $20,466 in 2009	2,629,403	2,510,948
Inventories	2,590,008	2,238,294
Current Deferred Tax Assets	255,476	259,077
Other Current Assets	601,408	721,115
Total Current Assets	6,492,067	5,981,953
Property, Plant and Equipment		
Land, Buildings and Leasehold Improvements	1,159,442	976,274
Rental and Service Equipment	7,977,336	7,534,467
Machinery and Other	2,024,856	1,919,086
	11,161,634	10,429,827
Less: Accumulated Depreciation	4,221,880	3,440,448
	6,939,754	6,989,379
Goodwill	4,185,477	4,156,105
Other Intangible Assets	730,429	772,786
Equity Investments	539,580	533,138
Other Assets	244,347	263,329
Total Assets	$19,131,654	$18,696,690

LIABILITIES AND SHAREHOLDERS' EQUITY

	2010	2009 (Restated)
Current Liabilities:		
Short-term Borrowings and Current Portion of Long-term Debt	$ 235,392	$ 869,581
Accounts Payable	1,335,020	1,002,359
Accrued Salaries and Benefits	328,967	274,199
Income Taxes Payable	43,167	201,647
Other Current Liabilities	640,433	652,914
Total Current Liabilities	2,582,979	3,000,700
Long-term Debt	6,529,998	5,847,258
Other Liabilities	553,830	410,359
Total Liabilities	9,666,807	9,258,317
Shareholders' Equity:		
Shares, CHF 1.16 Par Value: Authorized 1,137,670 Shares Conditionally Authorized 379,223 Shares, Issued 758,447 Shares at December 31, 2010; Authorized 1,093,303 Shares, Conditionally Authorized 364,434 Shares, Issued 758,447 Shares at December 31, 2009	761,077	761,077
Capital in Excess of Par Value	4,701,797	4,642,800
Treasury Shares, at Cost	(562,906)	(616,048)
Retained Earnings	4,348,845	4,456,770
Accumulated Other Comprehensive Income	152,118	114,742
Weatherford Shareholders' Equity	9,400,931	9,359,341
Noncontrolling Interests	63,916	79,032
Total Shareholders' Equity	9,464,847	9,438,373
Total Liabilities and Shareholders' Equity	$19,131,654	$18,696,690

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,		
	2010	2009 (Restated)	2008 (Restated)
	(In thousands, except per share amounts)		
Revenues:			
Products	$ 3,579,681	$2,921,174	$3,564,636
Services	6,641,116	5,911,831	6,035,928
	10,220,797	8,833,005	9,600,564
Costs and Expenses:			
Cost of Products	2,634,666	2,307,731	2,577,254
Cost of Services	4,948,615	4,154,911	3,687,520
Research and Development	214,481	194,650	192,659
Selling, General and Administrative Attributable to Segments	1,404,421	1,261,377	1,081,032
Corporate General and Administrative	237,161	226,472	188,275
Gain on Sale of Subsidiary	—	—	(81,344)
	9,439,344	8,145,141	7,645,396
Operating Income	781,453	687,864	1,955,168
Other Income (Expense):			
Interest Expense, Net	(405,785)	(366,748)	(243,679)
Bond Tender Premium	(53,973)	—	—
Devaluation of Venezuelan Bolivar	(63,859)	—	—
Other, Net	(53,247)	(37,633)	(44,956)
Income from Continuing Operations Before Income Taxes	204,589	283,483	1,666,533
Provision for Income Taxes	(297,721)	(87,183)	(372,837)
Income (Loss) from Continuing Operations, Net of Taxes	(93,132)	196,300	1,293,696
Loss from Discontinued Operation, Net of Taxes	—	—	(12,928)
Net Income (Loss)	(93,132)	196,300	1,280,768
Net Income Attributable to Noncontrolling Interests	(14,793)	(26,159)	(34,272)
Net Income (Loss) Attributable to Weatherford	$ (107,925)	$ 170,141	$1,246,496
Basic Earnings Per Share Attributable to Weatherford:			
Income (Loss) from Continuing Operations	$ (0.15)	$ 0.24	$ 1.84
Loss from Discontinued Operation	—	—	(0.02)
Net Income (Loss)	$ (0.15)	$ 0.24	$ 1.82
Diluted Earnings Per Share Attributable to Weatherford:			
Income (Loss) from Continuing Operations	$ (0.15)	$ 0.24	$ 1.80
Loss from Discontinued Operation	—	—	(0.02)
Net Income (Loss)	$ (0.15)	$ 0.24	$ 1.78
Amounts Attributable to Weatherford:			
Income (Loss) from Continuing Operations, Net of Taxes	$ (107,925)	$ 170,141	$1,259,424
Loss from Discontinued Operation, Net of Taxes	—	—	(12,928)
Net Income (Loss)	$ (107,925)	$ 170,141	$1,246,496
Weighted Average Shares Outstanding:			
Basic	743,125	714,981	682,704
Diluted	743,125	723,449	698,178

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

WEATHERFORD INTERNATIONAL LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	Issued Shares	Capital In Excess of Par Value	Retained Earnings (Restated)	Accumulated Other Comprehensive Income (Loss)	Treasury Shares	Noncontrolling Interests	Total Shareholders' Equity (Restated)
				(In thousands)			
As Reported December 31, 2007	$727,204	$ 3,995,747	$3,170,182	$ 437,788	$(924,202)	$ 33,327	$ 7,440,046
Restatement Adjustment	—	—	(130,049)	—	—	—	(130,049)
Balance at December 31, 2007	727,204	3,995,747	3,040,133	437,788	(924,202)	33,327	7,309,997
Comprehensive Income:							
Net Income	—	—	1,246,496	—	—	34,272	1,280,768
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			1,246,496	(704,549)		34,272	576,219
Sale of Subsidiary Shares to Noncontrolling Interests	—	—	—	—	—	27,156	27,156
Dividends Paid to Noncontrolling Interests	—	—	—	—	—	(18,903)	(18,903)
Shares Issued for Acquisitions	—	(38,683)	—	—	168,817	—	130,134
Equity Awards Granted, Vested and Exercised	1,433	102,019	—	—	(2,331)	—	101,121
Excess Tax Benefit of Share-Based Compensation Plans	—	10,032	—	—	—	—	10,032
Other	52	(10,003)	—	—	(1,761)	4,549	(7,163)
Balance at December 31, 2008	728,689	4,059,112	4,286,629	(266,761)	(759,477)	80,401	8,128,593
Comprehensive Income:							
Net Income	—	—	170,141	—	—	26,159	196,300
Foreign Currency Translation Adjustment	—	—	—	377,313	—	—	377,313
Defined Benefit Pension Plans, Net of Tax	—	—	—	3,580	—	—	3,580
Other, Net of Tax	—	—	—	610	—	—	610
Comprehensive Income			170,141	381,503		26,159	577,803
Dividends Paid to Noncontrolling Interests	—	—	—	—	—	(30,464)	(30,464)
Shares Issued for Acquisitions	32,208	522,657	—	—	118,181	—	673,046
Equity Awards Granted, Vested and Exercised	—	66,786	—	—	24,817	—	91,603
Excess Tax Benefit of Share-Based Compensation Plans	—	4,197	—	—	—	—	4,197
Other	180	(9,952)	—	—	431	2,936	(6,405)
Balance at December 31, 2009	761,077	4,642,800	4,456,770	114,742	(616,048)	79,032	9,438,373
Comprehensive Income:							
Net Income (Loss)	—	—	(107,925)	—	—	14,793	(93,132)
Foreign Currency Translation Adjustment	—	—	—	4,572	—	—	4,572
Defined Benefit Pension Plans, Net of Tax	—	—	—	32,178	—	—	32,178
Other, Net of Tax	—	—	—	626	—	—	626
Comprehensive Income			(107,925)	37,376		14,793	(55,756)
Dividends Paid to Noncontrolling Interests	—	—	—	—	—	(28,683)	(28,683)
Shares Issued for Acquisitions	—	(10,649)	—	—	38,979	—	28,330
Equity Awards Granted, Vested and Exercised	—	70,127	—	—	15,509	—	85,636
Excess Tax Benefit of Share-Based Compensation Plans	—	(318)	—	—	—	—	(318)
Other	—	(163)	—	—	(1,346)	(1,226)	(2,735)
Balance at December 31, 2010	$761,077	$ 4,701,797	$4,348,845	$ 152,118	$(562,906)	$ 63,916	$ 9,464,847

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,		
	2010	2009 (Restated)	2008 (Restated)
		(In thousands)	
Cash Flows From Operating Activities:			
Net Income (Loss)	$ (93,132)	$ 196,300	$ 1,280,768
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	1,047,334	908,897	731,808
Employee Share-Based Compensation Expense	98,725	110,359	101,416
Bad Debt Expense	56,803	11,328	5,970
(Gain) Loss on Sale of Assets and Businesses, Net	30,410	(13,841)	(110,326)
Deferred Income Tax Provision (Benefit)	55,033	(130,770)	(84,310)
Excess Tax Benefits from Share-Based Compensation	(318)	(4,197)	(10,032)
Devaluation of Venezuelan Bolivar	63,859	—	—
Bond Tender Premium	53,973	—	—
Supplemental Executive Retirement Plan	38,021	—	—
Revaluation of Contingent Consideration	(12,597)	(24,273)	—
Loss from Discontinued Operation	—	—	12,928
Other, Net	(13,328)	(25,550)	(12,312)
Change in Operating Assets and Liabilities, Net of Effect of Businesses Acquired:			
Accounts Receivable	(190,304)	94,133	(461,239)
Inventories	(360,062)	(48,744)	(559,847)
Other Current Assets	80,895	(150,393)	(167,440)
Accounts Payable	298,493	41,277	230,596
Other Current Liabilities	(7,227)	(236,736)	183,911
Other, Net	(18,565)	(119,468)	(31,104)
Net Cash Provided by Operating Activities-Continuing Operations	1,128,013	608,322	1,110,787
Net Cash Used by Operating Activities-Discontinued Operation	—	—	(6,219)
Net Cash Provided by Operating Activities	1,128,013	608,322	1,104,568
Cash Flows from Investing Activities:			
Capital Expenditures for Property, Plant and Equipment for Continuing Operations	(976,544)	(1,569,477)	(2,484,163)
Acquisitions of Businesses, Net of Cash Acquired	(143,556)	(9,695)	(798,530)
Acquisition of Intellectual Property	(23,977)	(28,210)	(24,079)
Acquisition of Equity Investments in Unconsolidated Affiliates	(2,405)	(26,999)	(11,568)
Proceeds from Sale of Assets and Businesses, Net	196,927	123,445	297,285
Other Investing Activities	41,840	—	—
Net Cash Used by Investing Activities-Continuing Operations	(907,715)	(1,510,936)	(3,021,055)
Net Cash Provided by Investing Activities-Discontinued Operation	—	—	11,000
Net Cash Used by Investing Activities	(907,715)	(1,510,936)	(3,010,055)
Cash Flows From Financing Activities:			
Borrowings of Long-term Debt	1,580,548	1,240,300	1,498,874
Borrowings (Repayments) of Short-term Debt, Net	(834,310)	(392,920)	477,821
Repayments of Long-term Debt	(721,005)	(13,714)	(20,541)
Bond Tender Premium	(53,973)	—	—
Proceeds from Interest Rate Derivatives	—	63,544	(638)
Excess Tax Benefits from Share-Based Compensation	318	4,197	10,032
Other Financing Activities, Net	(9,426)	4,748	11,983
Net Cash (Used) Provided by Financing Activities-Continuing Operations	(37,848)	906,155	1,977,531
Net Cash Provided by Financing Activities-Discontinued Operations	—	—	—
Net Cash (Used) Provided by Financing Activities	(37,848)	906,155	1,977,531
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(19,197)	10,580	(4,360)
Net Increase in Cash and Cash Equivalents	163,253	14,121	67,684
Cash and Cash Equivalents at Beginning of Year	252,519	238,398	170,714
Cash and Cash Equivalents at End of Year	$ 415,772	$ 252,519	$ 238,398

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Basis of Presentation

In February 2009, Weatherford International Ltd., a Bermuda exempted company ("Weatherford Bermuda") became a wholly-owned subsidiary of Weatherford International Ltd., a Swiss joint-stock corporation ("Weatherford Switzerland") 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.

Principles of Consolidation

The consolidated financial statements include the accounts of Weatherford International Ltd., all majority-owned subsidiaries, all controlled joint ventures and variable interest entities where the Company has determined it is the primary beneficiary (collectively, "the Company"). When referring to Weatherford and using phrases such as "we," "us" and "our," the 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.

Investments in affiliates in which we exercise significant influence over operating and financial policies are accounted for using the equity method. All material intercompany accounts and transactions have been eliminated in consolidation.

Nature of Operations

We are 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.

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, we evaluate our 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. We base our 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

We consider 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. We establish an allowance for uncollectible accounts based on specific customer collection issues we have identified. Uncollectible accounts receivable are written off when a settlement is reached for an amount less than the outstanding historical balance or when we determine that it is probable the balance will not be collected.

Major Customers and Credit Risk

Substantially all of our customers are engaged in the energy industry. This concentration of customers may impact our overall exposure to credit risk, either positively or negatively, in that customers may be similarly affected by changes in economic and industry conditions. We perform ongoing credit evaluations of our customers and do not generally require collateral in support of our trade receivables. We maintain reserves for potential credit losses, and actual losses have historically been within our 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 our international sales, however, are to large international or national companies. During 2010 and 2008, no individual customer accounted for more than 10% of our consolidated revenues. Revenue from Petroleos Mexicanos ("Pemex") accounted for approximately 13% of our consolidated revenues during 2009 and is included in our Latin America segment (see Note 20).

Inventories

We value our 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

We carry our property, plant and equipment, both owned and under capital lease, at cost less accumulated depreciation. The carrying values are based on our estimates and judgments relative to capitalized costs, useful lives and salvage value, where applicable. We expense maintenance and repairs as incurred. We capitalize expenditures for renewals, replacements and improvements. We depreciate our fixed assets on a straight-line basis over their estimated useful lives, allowing for salvage value where applicable. Our depreciation expense for the years ended December 31, 2010, 2009 and 2008 was $955 million, $828 million and $669 million, respectively. We classify our rig assets as Rental and Service Equipment on the Consolidated Balance Sheets. The estimated useful lives of our major classes of property, plant and equipment are as follows:

	Estimated Useful Lives
Buildings and leasehold improvements	10-40 years or lease term
Rental and service equipment	2-20 years
Machinery and other	2-12 years

Goodwill and Indefinite-Lived Intangible Assets

We test for the impairment of goodwill and other intangible assets with indefinite lives on at least an annual basis. Our goodwill impairment test involves a comparison of the fair value of each of our reporting units with its carrying amount. Our 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

Our 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 two to 20 years, except for intangible assets with indefinite lives, which are not amortized. As many areas of our business rely on patents and proprietary technology, we seek patent protection both inside and outside the U.S. for products and methods that appear to have commercial significance. We capitalize patent defense costs when we determine that a successful defense is probable.

Long-Lived Assets

We review our long-lived assets to determine whether any events or changes in circumstances indicate the carrying amount of the assets 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, we determine whether an impairment has occurred through analysis of undiscounted cash flow of the asset at the lowest level that has an identifiable cash flow. If an impairment has occurred, we recognize a loss for the difference between the carrying amount and the fair value of the asset. We measure the fair value of the asset using market prices or, in the absence of market prices, based on an estimate of discounted cash flows. Cash flows are generally discounted using an interest rate commensurate with a weighted average cost of capital for a similar asset.

Pension and Postretirement Benefit Plans

We have defined benefit pension and other postretirement benefit plans covering certain of our 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. We review all assumptions and estimates on an ongoing basis. As of December 31, 2010 and 2009, we have recognized the overfunded or underfunded status of our 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 operations 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 our prior experience in remediation of contaminated sites.

Insurance

We are self-insured up to certain retention limits for general liability, vehicle liability, group medical and for workers' compensation claims for certain of our 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

We record derivative instruments 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 an interest rate swap that was accounted for as a hedge instrument is deferred and amortized as an adjustment to interest expense over the remaining debt term.

Foreign Currency

Results of operations for our 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 our non-U.S. subsidiaries where the functional currency is the U.S. dollar, inventories, property, plant and equipment and other non-monetary assets and liabilities, together with their related elements of expense or income, are remeasured using historical exchange rates. All other assets and liabilities are remeasured 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 our results of operations during the period incurred. We had net currency losses of $34 million, $29 million and $39 million in 2010, 2009 and 2008, respectively. The gain or loss related to individual foreign currency transactions are included in results of operations when incurred. Currency gains and losses are included in Other, Net in our Consolidated Statements of Income.

Share-Based Compensation

We account for all share-based payment awards, including shares issued under employee stock purchase plans, stock options, restricted stock and performance units by measuring these awards at the date of grant and recognizing the grant date fair value as an expense over the service period, which is usually the vesting period.

Income Taxes

Income taxes have been provided based upon the tax laws and rates in the countries in which our 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 impact of an uncertain tax position taken or expected to be taken on an income tax return are 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 or determinable and d) collectability is reasonably assured.

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

From time to time, we 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.

We incur rebillable expenses including shipping and handling, third-party inspection and repairs, and custom and duties. We recognize 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 certain 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. We 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

Basic earnings per share for all periods presented equals net income divided by the weighted average number of our shares outstanding during the period. Diluted earnings per share is computed by dividing net income by the weighted average number of our shares outstanding during the period, adjusted for the dilutive effect of our stock options, restricted shares, performance units and our outstanding warrants. The diluted earnings per share calculation excludes three million potential shares for the year ended December 31, 2010, seven million potential shares for the year ended December 31, 2009 and six million potential shares for the year ended December 31, 2008, due to their antidilutive effect. Our diluted earnings per share calculation for the year ended December 31, 2010 also excludes seven million potential shares that would have been included if we had net income for that year, but are excluded as we had a net loss and their inclusion would have been anti-dilutive.

Unvested share-based payment awards that contain nonforfeitable rights to dividends or dividend equivalents, whether paid or unpaid, are participating securities and are included in the computation of earnings per share following the two-class method. Accordingly, we now include our restricted share awards, which contain the right to vote and receive dividends, in the computation of both basic and diluted earnings per share.

In 2008, our Board of Directors approved a two-for-one split of our shares effected through a share dividend. The 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 of shares outstanding:

	Year Ended December 31,		
	2010	2009	2008
		(In thousands)	
Basic weighted average shares outstanding	743,125	714,981	682,704
Dilutive effect of:			
Warrants	—	1,858	5,720
Stock options and restricted shares	—	6,610	9,754
Diluted weighted average shares outstanding	743,125	723,449	698,178

New Accounting Pronouncements

In October 2009, the Financial Accounting Standards Board issued an update to existing guidance on revenue recognition for arrangements with multiple deliverables. This update will allow companies to allocate consideration received for qualified separate deliverables using estimated selling price for both delivered and undelivered items when vendor-specific objective evidence or third-party evidence is unavailable. Additional disclosures discussing the nature of multiple element arrangements, the types of deliverables under the arrangements, the general timing of their delivery, and significant factors and estimates used to determine estimated selling prices are required. We will adopt this update for new revenue arrangements entered into or materially modified beginning January 1, 2011. We do not expect the provisions of this update to have a material impact on our condensed consolidated financial statements.

2. Restatement of the Consolidated Financial Statements

We identified a material weakness in our internal controls over the accounting for income taxes in 2010 that resulted in the identification of certain errors in our income tax accounts. The correction of these errors resulted in restatements of our previously reported financial statements as of and for the years ended December 31, 2009 and 2008, including beginning retained earnings in 2008, and our condensed consolidated financial statements for each of the quarters within 2009 and 2010.

The most significant adjustment for the errors identified relates to the correction of our accounting for the income tax consequences of certain intercompany transactions that were inappropriately tax-effected over multiple years. This error resulted in the understatement of income tax expense by $100 million and $106 million in 2009 and 2008, respectively. A similar error was identified in 2007 that understated income tax expense by $154 million. The impact of the 2007 error is included as an adjustment to the 2008 beginning retained earnings. We also recorded other adjustments to our tax provision to correct for certain errors and items recorded in the improper period. These adjustments were not recorded previously as we concluded that they were not material to the respective periods. These other adjustments resulted in a decrease to our total tax provision in 2009 of $32 million, which is primarily comprised of an adjustment to the cumulative difference between book and tax basis of fixed assets and intangibles and an adjustment related to differences between accrued tax expense and tax expense per the filed tax returns. Our total 2008 tax provision was increased by $17 million, which is primarily comprised of an adjustment related to differences between accrued tax expense and tax expense per the filed tax returns.

In addition, we recorded other adjustments to correct for previously identified immaterial errors affecting operating income that were recorded in improper periods. These adjustments were not recorded previously as we concluded that these adjustments were not material to the respective periods. In 2008, operating income was reduced by $23 million, primarily related to an inventory reserve adjustment in North America. In 2009, operating income was reduced by $16 million primarily as a result of recognizing foreign payroll tax expense in the Middle East/North Africa and operating costs associated with an equity method joint venture in the Former Soviet Union ("FSU"). We have adjusted income tax expense for the tax effect of these adjustments. These adjustments had no impact to operating cash flows during 2008. During 2009, these adjustments resulted in a decrease to operating cash flows of $6 million and a corresponding increase to investing cash flows of the same amount.

The following tables summarize the impact of these adjustments on our previously reported annual results filed on our Annual Reports on Form 10-K. The effect of these adjustments on our 2010 quarterly results is shown in Note 21.

The effects of the restatements on our consolidated income statement for the year ended December 31, 2009 follows:

	Year Ended December 31, 2009		
	Previously Reported	Adjustments	Restated
	(In thousands, except per share amounts)		
Revenues:			
Products	$2,921,174	$ —	$2,921,174
Services	5,905,759	6,072	5,911,831
	8,826,933	6,072	8,833,005
Costs and Expenses:			
Cost of Products	2,311,068	(3,337)	2,307,731
Cost of Services	4,152,268	2,643	4,154,911
Research and Development	194,650	—	194,650
Selling, General and Administrative Attributable to Segments	1,241,920	19,457	1,261,377
Corporate General and Administrative	223,172	3,300	226,472
	8,123,078	22,063	8,145,141
Operating Income	703,855	(15,991)	687,864
Other Income (Expense):			
Interest Expense, Net	(366,748)	—	(366,748)
Other, Net	(37,633)	—	(37,633)
Income from Continuing Operations Before Income Taxes	299,474	(15,991)	283,483
Provision for Income Taxes	(19,549)	(67,634)	(87,183)
Net Income	279,925	(83,625)	196,300
Net Income Attributable to Noncontrolling Interests	(26,159)	—	(26,159)
Net Income Attributable to Weatherford	$ 253,766	$ (83,625)	$ 170,141
Earnings Per Share Attributable to Weatherford:			
Basic	$ 0.35	$ (0.11)	$ 0.24
Diluted	$ 0.35	$ (0.11)	$ 0.24
Weighted Average Shares Outstanding:			
Basic	714,981	—	714,981
Diluted	723,449	—	723,449

The effects of the restatements on our consolidated income statement for the year ended December 31, 2008 follows:

	Year Ended December 31, 2008		
	Previously Reported	Adjustments	Restated
	(In thousands, except per share amounts)		
Revenues:			
Products	$3,564,636	$ —	$3,564,636
Services	6,035,928	—	6,035,928
	9,600,564	—	9,600,564
Costs and Expenses:			
Cost of Products	2,555,965	21,289	2,577,254
Cost of Services	3,686,495	1,025	3,687,520
Research and Development	192,659	—	192,659
Selling, General and Administrative Attributable to Segments	1,081,165	(133)	1,081,032
Corporate General and Administrative	187,075	1,200	188,275
Gain on Sale of Subsidiary	(81,344)	—	(81,344)
	7,622,015	23,381	7,645,396
Operating Income	1,978,549	(23,381)	1,955,168
Other Income (Expense):			
Interest Expense, Net	(243,679)	—	(243,679)
Other, Net	(44,956)	—	(44,956)
Income from Continuing Operations Before Income Taxes	1,689,914	(23,381)	1,666,533
Provision for Income Taxes	(249,561)	(123,276)	(372,837)
Income from Continuing Operations, Net of Taxes	1,440,353	(146,657)	1,293,696
Loss from Discontinued Operation, Net of Taxes	(12,928)	—	(12,928)
Net Income	1,427,425	(146,657)	1,280,768
Net Income Attributable to Noncontrolling Interests	(34,272)	—	(34,272)
Net Income Attributable to Weatherford	$1,393,153	$ (146,657)	$1,246,496
Basic Earnings Per Share Attributable to Weatherford:			
Income from Continuing Operations	$ 2.06	$ (0.22)	$ 1.84
Loss from Discontinued Operation	(0.02)	—	(0.02)
Net Income	$ 2.04	$ (0.22)	$ 1.82
Diluted Earnings Per Share Attributable to Weatherford:			
Income from Continuing Operations	$ 2.01	$ (0.21)	$ 1.80
Loss from Discontinued Operation	(0.02)	—	(0.02)
Net Income	$ 1.99	$ (0.21)	$ 1.78
Amounts Attributable to Weatherford:			
Income from Continuing Operations, Net of Taxes	$1,406,081	$ (146,657)	$1,259,424
Loss from Discontinued Operation, Net of Taxes	(12,928)	—	(12,928)
Net Income	$1,393,153	$ (146,657)	$1,246,496
Weighted Average Shares Outstanding:			
Basic	682,704	—	682,704
Diluted	698,178	—	698,178

The effects of the restatements on our consolidated balance sheet for the year ended December 31, 2009 follows:

	Year Ended December 31, 2009		
	Previously Reported	Adjustments	Restated
	(In thousands, except par value)		
Current Assets:			
Cash and Cash Equivalents	$ 252,519	$ —	$ 252,519
Accounts Receivable	2,504,876	6,072	2,510,948
Inventories	2,239,762	(1,468)	2,238,294
Current Deferred Tax Assets	259,077	—	259,077
Other Current Assets	884,372	(163,257)	721,115
Total Current Assets	6,140,606	(158,653)	5,981,953
Property, Plant and Equipment			
Land, Buildings and Leasehold Improvements	976,274	—	976,274
Rental and Service Equipment	7,534,467	—	7,534,467
Machinery and Other	1,919,086	—	1,919,086
	10,429,827	—	10,429,827
Less: Accumulated Depreciation	3,438,248	2,200	3,440,448
	6,991,579	(2,200)	6,989,379
Goodwill	4,156,105	—	4,156,105
Other Intangible Assets	778,786	(6,000)	772,786
Equity Investments	542,667	(9,529)	533,138
Other Assets	256,440	6,889	263,329
Total Assets	$18,866,183	$ (169,493)	$18,696,690
Current Liabilities:			
Short-term Borrowings and Current Portion of Long-term Debt	$ 869,581	$ —	$ 869,581
Accounts Payable	1,002,359	—	1,002,359
Accrued Salaries and Benefits	274,199	—	274,199
Income Taxes Payable	—	201,647	201,647
Other Current Liabilities	650,749	2,165	652,914
Total Current Liabilities	2,796,888	203,812	3,000,700
Long-term Debt	5,847,258	—	5,847,258
Other Liabilities	423,333	(12,974)	410,359
Total Liabilities	9,067,479	190,838	9,258,317
Shareholders’ Equity:			
Shares	761,077	—	761,077
Capital in Excess of Par Value	4,642,800	—	4,642,800
Treasury Shares, at Cost	(616,048)	—	(616,048)
Retained Earnings	4,817,101	(360,331)	4,456,770
Accumulated Other Comprehensive Income	114,742	—	114,742
Weatherford Shareholders’ Equity	9,719,672	(360,331)	9,359,341
Noncontrolling Interests	79,032	—	79,032
Total Shareholders’ Equity	9,798,704	(360,331)	9,438,373
Total Liabilities and Shareholders’ Equity	$18,866,183	$ (169,493)	$18,696,690

The effects of the restatements on our consolidated balance sheet for the year ended December 31, 2008 follows:

	Year Ended December 31, 2008		
	Previously Reported	Adjustments	Restated
	(In thousands, except par value)		
Current Assets:			
Cash and Cash Equivalents	$ 238,398	$ —	$ 238,398
Accounts Receivable	2,442,848	—	2,442,848
Inventories	2,088,342	(4,182)	2,084,160
Current Deferred Tax Assets	270,252	—	270,252
Other Current Assets	530,442	(700)	529,742
Total Current Assets	5,570,282	(4,882)	5,565,400
Property, Plant and Equipment			
Land, Buildings and Leasehold Improvements	756,416	—	756,416
Rental and Service Equipment	6,246,278	—	6,246,278
Machinery and Other	1,610,474	—	1,610,474
	8,613,168	—	8,613,168
Less: Accumulated Depreciation	2,690,996	—	2,690,996
	5,922,172	—	5,922,172
Goodwill	3,530,915	—	3,530,915
Other Intangible Assets	701,483	—	701,483
Equity Investments	515,770	(6,245)	509,525
Other Assets	235,891	4,801	240,692
Total Assets	$16,476,513	$ (6,326)	$16,470,187
Current Liabilities:			
Short-term Borrowings and Current Portion of Long-term Debt	$ 1,255,947	$ —	$ 1,255,947
Accounts Payable	886,104	—	886,104
Accrued Salaries and Benefits	257,016	—	257,016
Income Taxes Payable	74,052	272,319	346,371
Other Current Liabilities	548,974	(7,322)	541,652
Total Current Liabilities	3,022,093	264,997	3,287,090
Long-term Debt	4,564,255	—	4,564,255
Other Liabilities	484,866	5,383	490,249
Total Liabilities	8,071,214	270,380	8,341,594
Shareholders' Equity:			
Shares	728,689	—	728,689
Capital in Excess of Par Value	4,059,112	—	4,059,112
Treasury Shares, at Cost	(759,477)	—	(759,477)
Retained Earnings	4,563,335	(276,706)	4,286,629
Accumulated Other Comprehensive Income	(266,761)	—	(266,761)
Weatherford Shareholders' Equity	8,324,898	(276,706)	8,048,192
Noncontrolling Interests	80,401	—	80,401
Total Shareholders' Equity	8,405,299	(276,706)	8,128,593
Total Liabilities and Shareholders' Equity	$16,476,513	$ (6,326)	$16,470,187

The effects of the restatements on our consolidated cash flow for the year ended December 31, 2009 follows:

	Year Ended December 31, 2009		
	Previously Reported	Adjustments (In thousands)	Restated
Cash Flows From Operating Activities:			
Net Income	$ 279,925	$ (83,625)	$ 196,300
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	906,697	2,200	908,897
Employee Share-Based Compensation Expense	110,359	—	110,359
Bad Debt Expense	11,328	—	11,328
(Gain) Loss on Sale of Assets and Businesses, Net	(13,841)	—	(13,841)
Deferred Income Tax Provision (Benefit)	(110,324)	(20,446)	(130,770)
Excess Tax Benefits from Share-Based Compensation	(4,197)	—	(4,197)
Revaluation of Contingent Consideration	(21,073)	(3,200)	(24,273)
Other, Net	(28,835)	3,285	(25,550)
Change in Operating Assets and Liabilities, Net of Effect of Businesses Acquired:			
Accounts Receivable	100,205	(6,072)	94,133
Inventories	(46,030)	(2,714)	(48,744)
Other Current Assets	(312,950)	162,557	(150,393)
Accounts Payable	41,277	—	41,277
Other Current Liabilities	(178,751)	(57,985)	(236,736)
Other, Net	(119,468)	—	(119,468)
Net Cash Provided by Operating Activities	614,322	(6,000)	608,322
Cash Flows from Investing Activities:			
Capital Expenditures for Property, Plant and Equipment for Continuing Operations	(1,569,477)	—	(1,569,477)
Acquisitions of Businesses, Net of Cash Acquired	(9,695)	—	(9,695)
Acquisition of Intellectual Property	(34,210)	6,000	(28,210)
Acquisition of Equity Investments in Unconsolidated Affiliates	(26,999)	—	(26,999)
Proceeds from Sale of Assets and Businesses, Net	123,445	—	123,445
Net Cash Used by Investing Activities	(1,516,936)	6,000	(1,510,936)
Cash Flows From Financing Activities:			
Borrowings of Long-term Debt	1,240,300	—	1,240,300
Borrowings (Repayments) of Short-term Debt, Net	(392,920)	—	(392,920)
Repayments of Long-term Debt	(13,714)	—	(13,714)
Proceeds from Interest Rate Derivatives	63,544	—	63,544
Excess Tax Benefits from Share-Based Compensation	4,197	—	4,197
Other Financing Activities, Net	4,748	—	4,748
Net Cash (Used) Provided by Financing Activities	906,155	—	906,155
Effect of Exchange Rate Changes on Cash and Cash Equivalents	10,580	—	10,580
Net Increase in Cash and Cash Equivalents	14,121	—	14,121
Cash and Cash Equivalents at Beginning of Year	238,398	—	238,398
Cash and Cash Equivalents at End of Year	$ 252,519	$ —	$ 252,519

The effects of the restatements on our consolidated cash flow for the year ended December 31, 2008 follows:

	Year Ended December 31, 2008		
	Previously Reported	Adjustments	Restated
		(In thousands)	
Cash Flows From Operating Activities:			
Net Income	$ 1,427,425	$ (146,657)	$ 1,280,768
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	731,808	—	731,808
Employee Share-Based Compensation Expense	101,416	—	101,416
Bad Debt Expense	5,970	—	5,970
(Gain) Loss on Sale of Assets and Businesses, Net	(110,326)	—	(110,326)
Deferred Income Tax Provision (Benefit)	(80,692)	(3,618)	(84,310)
Excess Tax Benefits from Share-Based Compensation	(10,032)	—	(10,032)
Loss from Discontinued Operation	12,928	—	12,928
Other, Net	(18,557)	6,245	(12,312)
Change in Operating Assets and Liabilities, Net of Effect of Businesses Acquired:			
Accounts Receivable	(461,239)	—	(461,239)
Inventories	(581,981)	22,134	(559,847)
Other Current Assets	(168,140)	700	(167,440)
Accounts Payable	230,596	—	230,596
Other Current Liabilities	62,715	121,196	183,911
Other, Net	(31,104)	—	(31,104)
Net Cash Provided by Operating Activities-Continuing Operations	1,110,787	—	1,110,787
Net Cash Used by Operating Activities-Discontinued Operation	(6,219)	—	(6,219)
Net Cash Provided by Operating Activities	1,104,568	—	1,104,568
Cash Flows from Investing Activities:			
Capital Expenditures for Property, Plant and Equipment for Continuing Operations	(2,484,163)	—	(2,484,163)
Acquisitions of Businesses, Net of Cash Acquired	(798,530)	—	(798,530)
Acquisition of Intellectual Property	(24,079)	—	(24,079)
Acquisition of Equity Investments in Unconsolidated Affiliates	(11,568)	—	(11,568)
Proceeds from Sale of Assets and Businesses, Net	297,285	—	297,285
Net Cash Used by Investing Activities-Continuing Operations	(3,021,055)	—	(3,021,055)
Net Cash Provided by Investing Activities-Discontinued Operation	11,000	—	11,000
Net Cash Used by Investing Activities	(3,010,055)	—	(3,010,055)
Cash Flows From Financing Activities:			
Borrowings of Long-term Debt	1,498,874	—	1,498,874
Borrowings (Repayments) of Short-term Debt, Net	477,821	—	477,821
Repayments of Long-term Debt	(20,541)	—	(20,541)
Proceeds from Interest Rate Derivatives	(638)	—	(638)
Excess Tax Benefits from Share-Based Compensation	10,032	—	10,032
Other Financing Activities, Net	11,983	—	11,983
Net Cash (Used) Provided by Financing Activities-Continuing Operations	1,977,531	—	1,977,531
Net Cash Provided by Financing Activities-Discontinued Operations	—	—	—
Net Cash (Used) Provided by Financing Activities	1,977,531	—	1,977,531
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(4,360)	—	(4,360)
Net Increase in Cash and Cash Equivalents	67,684	—	67,684
Cash and Cash Equivalents at Beginning of Year	170,714	—	170,714
Cash and Cash Equivalents at End of Year	$ 238,398	$ —	$ 238,398

3. Business Combinations

Effective January 1, 2009, we adopted a new accounting standard for business combinations. This standard established principles and requirements for how a company recognizes assets acquired, liabilities assumed, contingencies and contingent consideration measured at fair value at the acquisition date. The statement also established disclosure requirements that enable users to evaluate the nature and financial effect of business combinations.

We have acquired businesses we feel are important to our 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 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. The purchase price is allocated to the net assets acquired based upon their estimated fair values at the date of acquisition.

In July 2009, we acquired the Oilfield Services Division ("OFS") of TNK-BP. In this transaction, we acquired drilling, well workover and cementing services operations in West Siberia, East Siberia and the Volga-Urals region. We issued 24.3 million shares valued at approximately $450 million. Under our sale and purchase agreement dated May 29, 2009, if TNK-BP sold the shares it received in consideration for the transaction for a price less than $18.50 per share prior to June 29, 2010, we were 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. On June 24, 2010, we entered into an amendment that modified the provisions relating to the value guarantee mechanism to allow the parties additional time to settle the amount of consideration received by TNK-BP under the agreement. The settlement date was extended from June 29, 2010 to the earlier of (a) December 1, 2010, or (b) 30 days after the third business day following our public announcement of our quarterly earnings for the third quarter of 2010. In addition, the base dollar amount used to calculate potential guarantee payments was increased from $18.50 to $19.50.

The accounting guidance for business combinations requires contingent consideration to be recognized at its acquisition date fair value. Based on the terms of the arrangement, we classified the contingent consideration for the OFS acquisition as a liability. Such liabilities are required to be remeasured to fair value at each reporting date until the contingency is resolved, with any changes in fair value recognized in earnings. We estimated the fair value of the contingent consideration for the OFS acquisition to be a liability of $84 million at the date of acquisition and $60 million at December 31, 2009. The valuation of the contingent consideration was determined using a lattice-based model incorporating the term of the contingency, the price of our shares over the relevant periods and the volatility of our stock price. In November 2010, TNK-BP informed us that 23.1 million shares issued to them had been sold below the guaranteed share price at a weighted average price of $17.47. In accordance with the contingent consideration arrangement we paid TNK-BP approximately $47 million and recognized a gain of approximately $13 million on settlement. All remeasurement gains and losses have been recorded in the Selling, General and Administrative Attributable to Segments line in the Condensed Consolidated Statements of Income. In 2010, we also paid TNK-BP $44 million in accordance with the working capital adjustment provisions of the OFS acquisition agreement and, in the third quarter of 2010, finalized the valuation of the assets and liabilities acquired in the OFS acquisition.

In November 2008, we acquired a group of affiliated companies 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. Additional consideration of up to $65 million was contingent on the occurrence of future events and circumstances. In December 2010, we paid $5 million under the contingent consideration provisions and recorded it as an addition to goodwill in our Latin America segment in accordance with the accounting guidance in effect on the date of acquisition.

In August 2008, we acquired International Logging, Inc. (“ILI”), a provider of surface logging and formation and evaluation and drilling related services for approximately $400 million. We allocated approximately $140 million of the purchase price to intangible assets (See Note 9).

We also acquired various other businesses during the years ended December 31, 2010, 2009 and 2008 for cash consideration of approximately $52 million, $54 million and $380 million, respectively. In addition, other 2010 acquisitions included the issuance of approximately two million shares valued at $28 million, other 2009 acquisitions included the issuance of approximately 11 million shares valued at $222 million and other 2008 acquisitions included the issuance of approximately two million shares valued at approximately $65 million.

4. 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 an electric submersible pump manufacturer. In January 2008, we sold our 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 our ownership percentage to 38.5%. In September 2009, we converted a $38 million note plus accrued interest due from PBS for an additional equity investment. Our ownership percentage was unchanged as the other joint venture partner also converted its notes receivable for an additional equity investment.

5. Discontinued Operation

In June 2007, our management approved a plan to sell our oil and gas development and production business. We finalized the divestiture of the business in 2008. The results of operations and cash flows of the business have been characterized in the consolidated financial statements as a discontinued operation for the year ended December 31, 2008.

Operating results of the oil and gas development and production business for the year ended December 31, 2008 were as follows (in thousands):

Revenues	$ 556
Loss Before Income Taxes	$25,811
Benefit for Income Taxes	12,883
Loss from Discontinued Operation, Net of Taxes	$12,928

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.

6. 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 our exit from sanctioned countries, an $81 million gain recognized in connection with the sale of a 50% interest in a subsidiary we control to Qatar Petroleum and $48 million in gains related to our divestiture of other assets and businesses.

Non-cash Activities

We issued approximately two million shares valued at $28 million in connection with acquisitions during the year ended December 31, 2010, 35 million shares valued at approximately $673 million in connection with acquisitions during the year ended December 31, 2009 and eight million shares valued at approximately $130 million in connection with acquisitions during the year ended December 31, 2008.

During the year ended December 31, 2009, there were non-cash investing activities of approximately $18 million related to investment securities received in exchange for our sale of a business, which we liquidated in 2010. During the year ended December 31, 2008, there was a non-cash investing activity of $75 million related to our consideration for an acquisition.

Supplemental Cash Flow Information

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

	Year Ended December 31,		
	2010	2009	2008
	(In thousands)		
Interest paid, net of capitalized interest	$403,055	$331,862	$233,468
Income taxes paid, net of refunds	350,603	389,652	271,418

7. Inventories

Inventories by category were as follows:

	December 31,	
	2010	2009 (Restated)
	(In thousands)	
Raw materials, components and supplies	$ 383,639	$ 328,253
Work in process	114,266	115,564
Finished goods	2,092,103	1,794,477
	$2,590,008	$2,238,294

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

8. Goodwill

Goodwill is evaluated for impairment on at least an annual basis. Our goodwill impairment test involves a comparison of the fair value of each of our reporting units with its carrying amount. Our reporting units are based on our regional structure and consist of the United States, Canada, Latin America, Europe, West Africa, FSU, Middle East/North Africa and Asia Pacific. We perform our annual goodwill impairment test as of October 1. Our 2010 impairment test indicated goodwill was not impaired. We will continue to test our 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 two years ended December 31, 2010 were as follows:

	North America	Middle East/ North Africa/ Asia	Europe/ West Africa/ FSU	Latin America	Total
			(In thousands)		
Balance at December 31, 2008	$1,813,710	$ 675,558	$ 734,930	$306,717	$3,530,915
Acquisitions	146,504	—	245,571	—	392,075
Disposals	(6,648)	(2,659)	—	(534)	(9,841)
Purchase price and other adjustments	14,000	10,672	8,554	(16)	33,210
Foreign currency translation	129,983	15,325	56,522	7,916	209,746
Balance at December 31, 2009	2,097,549	698,896	1,045,577	314,083	4,156,105
Acquisitions	4,169	24,114	1,246	—	29,529
Disposals	—	(862)	—	—	(862)
Purchase price and other adjustments	(361)	(635)	(19,374)	(1,364)	(21,734)
Foreign currency translation	31,663	10,315	(19,844)	305	22,439
Balance at December 31, 2010	$2,133,020	$ 731,828	$1,007,605	$313,024	$4,185,477

9. Other Intangible Assets

The components of intangible assets were as follows:

	December 31, 2010			December 31, 2009		
	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount (Restated)	Accumulated Amortization (Restated)	Net (Restated)
			(In thousands)			
Acquired technology	$ 412,744	$ (144,752)	$267,992	$ 410,115	$ (109,134)	$300,981
Licenses	269,802	(119,971)	149,831	259,930	(101,884)	158,046
Patents	215,293	(80,461)	134,832	204,702	(68,086)	136,616
Customer relationships and contracts	165,701	(54,885)	110,816	160,556	(35,818)	124,738
Other	119,812	(52,854)	66,958	96,535	(44,130)	52,405
	$1,183,352	$ (452,923)	$730,429	$1,131,838	$ (359,052)	$772,786

Intangibles obtained through acquisitions are initially recorded at estimated fair value based on preliminary information. Final valuations are obtained within one year from the date of acquisition. The acquired technology and customer relationships are being amortized over estimated useful lives ranging from three to 15 years.

We have trademarks that are considered to have indefinite lives as we have the ability and intent to renew them indefinitely. These trademarks had a carrying value of $19 million and $20 million as of December 31, 2010 and December 31, 2009, respectively, and are included in the Other caption in the table above.

Amortization expense was $92 million, $81 million and $63 million for the years ended December 31, 2010, 2009 and 2008, respectively. Future estimated amortization expense for the carrying amount of intangible assets as of December 31, 2010 is expected to be as follows (in thousands):

2011	$89,206
2012	86,315
2013	84,045
2014	80,005
2015	67,658

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

	December 31, 2010	December 31, 2009
	(In thousands)	
Revolving credit facility	$ —	$798,500
Commercial paper program	—	—
Other short-term bank loans	18,001	53,007
Total short-term borrowings	18,001	851,507
Current portion of long-term debt	217,391	18,074
Short-term borrowings and current portion of long-term debt	$235,392	$869,581
Weighted average interest rate on short-term borrowings outstanding at end of year	8.96%	1.39%

Prior to October 2010, we maintained two revolving credit facilities with syndicates of banks available for a combination of borrowings, support for our commercial paper program and issuances of letters of credit. These facilities allowed for an aggregate availability of $1.75 billion and were scheduled to mature in May 2011. In October 2010, we entered into a $1.75 billion unsecured, revolving credit agreement (the "Credit Agreement") with JPMorgan Chase Bank, N.A., as administrative agent. The Credit Agreement replaced our existing revolving credit facilities. The Credit Agreement has a scheduled maturity date of October 15, 2013, subject to extension, and can be used for a combination of borrowings, support for our commercial paper program and issuances of letters of credit. Consistent with our prior facilities, the Credit Agreement requires us to maintain a debt-to-capitalization ratio of less than 60%. We are in compliance with these covenants at December 31, 2010. There were $64 million in outstanding letters of credit under these facilities at December 31, 2010.

We have a $1.5 billion commercial paper program under which we may from time to time issue short-term unsecured notes. The commercial paper program is supported by our revolving credit facilities.

We have short-term borrowings with various domestic and international institutions pursuant to uncommitted facilities. At December 31, 2010, we had $18 million in short-term borrowings under these arrangements with a weighted average interest rate of 9%. In addition, we had $361 million of letters of credit and bid and performance bonds under these uncommitted facilities. The carrying value of our short-term borrowings approximates their fair value as of December 31, 2010.

11. Long-term Debt

We have issued various senior notes, all of which rank equally with our existing and future senior unsecured indebtedness, have semi-annual interest payments and no sinking fund requirements. Our long-term debt consisted of the following:

	December 31, 2010	December 31, 2009
	(In thousands)	
6.625% Senior Notes due 2011	$ 183,647	$ 352,872
5.95% Senior Notes due 2012	272,897	599,380
5.15% Senior Notes due 2013	298,586	511,273
4.95% Senior Notes due 2013	252,412	253,203
5.50% Senior Notes due 2016	358,208	359,585
6.35% Senior Notes due 2017	599,656	599,615
6.00% Senior Notes due 2018	498,050	497,782
9.625% Senior Notes due 2019	1,032,959	1,033,818
5.125% Senior Notes due 2020	798,917	—
6.50% Senior Notes due 2036	595,940	595,880
6.80% Senior Notes due 2037	298,215	298,192
7.00% Senior Notes due 2038	498,433	498,376
9.875% Senior Notes due 2039	247,136	247,118
6.75% Senior Notes due 2040	597,570	—
4.80% Secured Borrowing	172,004	—
Foreign bank and other debt denominated in foreign currencies	15,299	12,933
Capital and Other Lease Obligations	23,660	2,548
Other	3,800	2,757
	6,747,389	5,865,332
Less amounts due in one year	217,391	18,074
Long-term debt	$6,529,998	$5,847,258

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

2011	$ 217,391
2012	324,386
2013	572,687
2014	28,187
2015	29,634
Thereafter	5,575,104
	$6,747,389

In September 2010, we completed a $1.4 billion long-term debt offering comprised of (i) $800 million of 5.125% Senior Notes due in 2020 ("5.125% Senior Notes") and (ii) $600 million of 6.75% Senior Notes due in 2040 ("6.75% Senior Notes"). Net proceeds of $1.386 billion were used to fund our bond tender offer that commenced in September 2010 and repay short-term borrowings on our revolving credit facilities.

In September 2010, we commenced a cash tender offer for up to $700 million aggregate principal amount of specified series of our outstanding debt. Pursuant to the tender-offer terms, we repurchased $167 million of our 6.625% senior notes due 2011 and incurred an expense of $11 million for the premium we paid on the repurchase. In October 2010, we completed the tender offer by repurchasing $327 million and $206 million of our 5.95% senior notes due 2012 and 5.15% senior notes due 2013, respectively. We paid a $44 million premium on these bonds tendered and incurred a charge of $43 million in the fourth quarter of 2010.

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”).

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”).

The weighted average effective interest rates on our Senior Notes for 2010 was 6.67%. The effective rate was determined after giving consideration to the effect of interest rate derivatives accounted for as hedges and the amortization of any discounts (See Note 13).

In June 2010, we entered into a secured loan agreement with a third-party financial institution and received proceeds of $180 million. The note bears interest at a rate of 4.8% and will be repaid in monthly installments over seven years. The loan is secured by equipment located in the United States, and is included in long-term debt on our Consolidated Balance Sheet.

12. Fair Value of Financial Instruments

Accounts Receivable Factoring

We have entered into an accounts receivable sales program to sell accounts receivable related to Latin America to third party financial institutions. We sold approximately $395 million under this program during 2010. We received cash totaling $363 million and recognized a loss of $10 million on these sales. These transactions qualified for sale accounting under the accounting standards. The remaining amounts due to us will be paid as the third party financial institution collects on the receivables. These deferred amounts are recorded as Other Current Assets in the Condensed Consolidated Balance Sheet. The proceeds received on the initial sale and $16 million for collection on the deferred amounts through December 31, 2010 are included in operating cash flows in our Consolidated Statement of Cash Flows.

Financial Instruments Measured and Recognized at Fair Value

There is a hierarchy that classifies valuation inputs into three broad levels. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument. Level 3 inputs are unobservable inputs based upon our own assumptions used to measure assets and liabilities at fair value. Classification of a financial asset or liability within the hierarchy is determined based on the lowest level of input that is significant to the fair value measurement.

At December 31, 2010, we did not have non-derivative assets or liabilities measured and recognized at fair value on a recurring basis. The following table presents our non-derivative assets and liabilities that are measured and recognized at fair value on a recurring basis as of December 31, 2009:

	December 31, 2009			
	Level 1	Level 2	Level 3 (Restated)	Total (Restated)
	(In thousands)			
Other Assets:				
Other investments	$ —	$40,822	$ —	$ 40,822
Other Current Liabilities:				
Contingent consideration on acquisition (See Note 3)	—	—	59,563	59,563

During the first quarter of 2010, we received proceeds of approximately $42 million from the redemption of our other investments recorded at fair value at December 31, 2009. The proceeds are included in investing activities in the Condensed Consolidated Statement of Cash Flows for the period ended March 31, 2010.

The following table provides a summary of changes in fair value of our Level 3 financial liability as of December 31, 2010 and 2009:

	Year Ended December 31,	
	2010	2009 (Restated)
	(In thousands)	
Balance at beginning of period	$ 59,563	$ —
Contingent consideration on acquisition (See Note 3)	—	83,836
Payment of contingent consideration on acquisition	(46,966)	—
Gain on contingent consideration on acquisition included in earnings	(12,597)	(24,273)
Balance at end of period	$ —	$ 59,563

The gains recorded during 2010 and 2009 are included in the Selling, General and Administrative Attributable to Segments line in the Consolidated Statements of Income.

Fair Value of Other Financial Instruments

Our other financial instruments include cash and cash equivalents, foreign currency exchange contracts, interest rate swaps, accounts receivable, notes receivable, accounts payable and short and long-term debt. With the exception of long-term debt, the carrying value of these financial instruments approximates their fair value.

The fair value of outstanding debt fluctuates with changes in applicable interest rates. Fair value will exceed carrying value when the current market interest rate is lower than the interest rate at which the debt was originally issued. The fair value of a company's debt is a measure of its current value under present market conditions. It does not impact the financial statements under current accounting rules. The fair value of our long-term debt was established based on quoted market prices.

The fair value and carrying value of the our long-term debt and current portion of long-term debt is provided as follows:

	December 31, 2010	December 31, 2009
	(In thousands)	
Fair value	$7,329,299	$6,303,203
Carrying value	6,747,389	5,865,332

13. Derivative Instruments

We are 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. We manage our debt portfolio to achieve an overall desired position of fixed and floating rates and we 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. In light of 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, which are multinational commercial banks.

The fair values of all our outstanding derivative instruments are determined using a model with Level 2 inputs including quoted market prices for contracts with similar terms and maturity dates.

Interest Rate Swaps

We use interest rate swaps to help mitigate exposures related to interest rate movements. Amounts paid or received upon termination of the interest rate swaps accounted for as fair value hedges 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 amortized as a reduction (in the case of gains) or as an increase (in the case of losses) to interest expense over the remaining term of the debt. As of December 31, 2010 and 2009, we had net unamortized gains of $55 million and $68 million, respectively, associated with interest rate swap terminations.

Cash Flow Hedges

In 2008, we entered into interest rate derivative instruments to hedge projected exposures to interest rates in anticipation of a debt offering. Those hedges were terminated at the time of the issuance of the debt and the loss on these hedges is being amortized from Accumulated Other Comprehensive Income to interest expense over the remaining term of the debt. As of December 31, 2010 and 2009, we had net unamortized losses of $13 million associated with our cash flow hedge terminations.

Other Derivative Instruments

As of December 31, 2010 and 2009, we had foreign currency forward contracts with notional amounts aggregating to $925 million and $1,062 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 and amounts owed associated with closed contracts resulted in a net liability of approximately $14 million and $9 million at December 31, 2010 and 2009, respectively. 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 Consolidated Statements of Income.

We have cross-currency swaps between the U.S. dollar and Canadian dollar to hedge certain exposures to the Canadian dollar. At December 31, 2010 and 2009, we had notional amounts outstanding of $215 million and

$263 million, respectively. The total estimated fair value of these contracts at December 31, 2010 and 2009 resulted in a liability of $35 million and $26 million, respectively. 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 Consolidated Statements of Income.

The fair values of outstanding derivative instruments are summarized as follows:

	December 31, 2010	December 31, 2009	Classifications
	(In thousands)		
Derivative assets not designated as hedges:			
Foreign exchange contracts	$ 8,155	$ 9,831	Other Current Assets
Derivative liabilities not designated as hedges:			
Foreign exchange contracts	21,664	18,939	Other Current Liabilities
Cross-currency swap contracts	34,783	26,170	Other Liabilities

14. Shareholders' Equity

Accumulated other comprehensive income is comprised of the following:

	December 31, 2010	December 31, 2009	December 31, 2008
		(In thousands)	
Cumulative translation adjustment	$193,077	$188,768	$(190,317)
Cumulative defined benefit plan adjustments	(28,195)	(60,636)	(62,444)
Deferred loss on derivative instruments, net of amortization	(12,764)	(13,390)	(14,000)
	$152,118	$114,742	$(266,761)

Changes in our Issued and Treasury shares during the years ended December 31, 2010, 2009 and 2008 were as follows:

	Issued	Treasury
	(In thousands)	
Balance at December 31, 2007	727,204	(49,018)
Shares issued for acquisitions	—	7,709
Equity awards granted, vested and exercised	1,433	924
Other	52	18
Balance at December 31, 2008	728,689	(40,367)
Shares issued for acquisitions	29,578	5,398
Equity awards granted, vested and exercised	—	6,030
Other	180	138
Balance at December 31, 2009	758,447	(28,801)
Shares issued for acquisitions	—	1,780
Equity awards granted, vested and exercised	—	4,181
Other	—	202
Balance at December 31, 2010	758,447	(22,638)

Authorized Shares

At December 31, 2010, we were authorized to issue 1,137,669,955 registered shares and conditionally authorized to issue 379,223,318 registered shares.

Warrants

At December 31, 2010, we had outstanding warrants to purchase up to 12.9 million of our shares at a price of $15.00 per share. The warrants remain exercisable until February 28, 2012 and are subject to adjustment for changes in our capital structure or the issuance of dividends in cash, securities or property. Upon exercise by the holders, settlement may occur through physical delivery, net share settlement, net cash settlement or a combination of those choices. The net cash settlement option upon exercise is at our sole discretion.

15. Share-Based Compensation

Incentive Plans

The Weatherford International Ltd. 2006 Omnibus Incentive Plan ("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 our non-employee directors. In June 2010, the Weatherford International Ltd. 2010 Omnibus Incentive Plan ("2010 Omnibus Plan") was approved by our shareholders. This plan permits the grant of options, stock appreciation rights, restricted share awards, restricted share units, performance share awards, performance unit awards, other share-based awards and cash-based awards to any employee, non-employee director and other individual service providers or any affiliate. The 2010 Omnibus Plan is similar to our 2006 Omnibus Plan.

The provisions of each award vary based on the type of award granted and are specified by the Compensation Committee of our Board of Directors. Those awards, such as stock options that are based on a specific contractual term, will be granted with a term not to exceed ten years. Upon 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 do not have the rights of a shareholder until such date as the shares are issued or transferred to the recipient. As of December 31, 2010, approximately 8.4 million shares were available for grant under the 2010 Omnibus Plan and approximately 1.8 million shares were available for grant under the 2006 Omnibus Plan.

Share-Based Compensation Expense

We recognized the following employee share-based compensation expense during the years ended December 31, 2010, 2009 and 2008:

	Year Ended December 31,		
	2010	2009	2008
	(In thousands)		
Share-based compensation	$98,725	$110,359	$101,416
Related tax benefit	34,554	38,626	35,496

Options

A summary of option activity for the year ended December 31, 2010, is presented below:

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (In years)	Aggregate Intrinsic Value (In thousands)
Outstanding at December 31, 2009	12,848,036	$ 8.42	5.08	$ 124,787
Granted	—	—		
Exercised	(1,008,492)	4.78		
Forfeited	(20,000)	23.75		
Outstanding at December 31, 2010	11,819,544	8.70	4.20	166,624
Vested or Expected to Vest at December 31, 2010	11,819,544	8.70	4.20	166,624
Exercisable at December 31, 2010	11,482,894	8.37	4.18	165,698

Stock options are granted with an exercise price equal to or greater than the fair market value of our shares as of the date of grant. We use the Black-Scholes option pricing model to determine the fair value of stock options awarded. The estimated fair value of our stock options is expensed over their vesting period, which is generally one to four years. There were no stock options granted during 2010, 2009 or 2008. The intrinsic value of stock options exercised during 2010, 2009 and 2008 was $12 million, $18 million and $46 million, respectively. As of December 31, 2010, there was less than $1 million of unrecognized compensation expense related to our unvested stock options, which is expected to be recognized over a weighted average period of less than one year.

Restricted Share Awards and Restricted Share Units

A summary of RSAs and RSUs activity for the year ended December 31, 2010 is presented below:

	RSA	Weighted Average Grant Date Fair Value	RSU	Weighted Average Grant Date Fair Value
Non-Vested at December 31, 2009	6,541,985	$ 22.84	6,292,484	$ 23.20
Granted	523,800	15.99	852,311	16.74
Vested	(2,367,280)	21.56	(2,014,697)	22.58
Forfeited	(430,412)	24.73	(914,670)	20.43
Non-Vested at December 31, 2010	4,268,093	22.59	4,215,428	22.76

RSAs and RSUs vest based on continued employment, generally over a two to five-year period. The fair value of RSAs and RSUs is determined based on the closing price of our shares on the date of grant. The total fair value, less assumed forfeitures, is expensed over the vesting period. The weighted-average grant date fair value of RSAs and RSUs granted during the years ended 2010, 2009 and 2008 was $16.45, $13.67 and $32.55, respectively. The total fair value of RSAs and RSUs vested during the years ended 2010, 2009 and 2008 was $96 million, $99 million and $40 million, respectively. As of December 31, 2010, there was $144 million of unrecognized compensation expense related to unvested RSAs and RSUs, which is expected to be recognized over a weighted average period of two years.

Performance Units

During 2010, we issued performance units, which will vest ratably over a three-year period assuming continued employment and if the Company meets certain market-based performance goals. The weighted average grant date fair value of our performance units was determined through use of the Monte Carlo simulation method. As of December 31, 2010, there was $8 million of unrecognized compensation expense related to performance units.

A summary of performance unit activity for the year ended December 31, 2010 is presented below:

	Performance Units	Weighted Average Grant Date Fair Value
Granted	1,089,517	$ 12.41
Forfeited	(103,062)	13.19
Non-Vested at December 31, 2010	986,455	12.32

Executive Deferred Compensation Plan

Under our Executive Deferred Compensation Stock Ownership Plan (the "EDC Plan"), a portion of the compensation for certain key employees, including officers and employee directors, can be deferred for payment after retirement or termination of employment. We established a grantor trust to fund the benefits under the EDC Plan. The funds provided to such trust are invested by an independent trustee in shares of our stock, which are purchased by the trustee on the open market. The assets of the trust are available to satisfy the claims of all our general creditors in the event of bankruptcy or insolvency. Accordingly, the shares held by the trust and our liability under the EDC Plan are included in the accompanying Consolidated Balance Sheets as Treasury Shares. Effective December 31, 2008, we 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 our Board of Directors determines otherwise.

16. Retirement and Employee Benefit Plans

We have defined contribution plans covering certain employees. Contribution expenses related to these plans totaled $43 million, $36 million and $32 million in 2010, 2009 and 2008, respectively.

Effective for the year ended December 31, 2009, we adopted an update to existing accounting standards that amends the requirements for employers' disclosures about plan assets for defined benefit pension and other postretirement plans. The objectives of this update are to provide users of financial statements with an understanding of how investment allocation decisions are made, the major categories of 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.

We have defined benefit pension and other postretirement 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 changes in benefit obligations were as follows:

	Year Ended December 31,			
	2010		2009	
	United States	International	United States	International
	(In thousands)			
Benefit obligation at beginning of year	$143,399	$ 130,686	$121,922	$ 143,408
Adjustment to beginning of year benefit obligation(1)	—	—	—	(34,139)
Service cost	1,032	5,205	3,085	6,964
Interest cost	4,634	6,858	7,805	7,195
Plan participants' contributions	—	—	—	227
Amendments	—	150	30,244	—
Curtailments	(34,143)	(1,608)	(1,341)	(176)
Settlements	(32,779)	(3,044)	(12,881)	—
Divestitures	—	(902)	—	—
Actuarial (gain)/loss	7,905	17,637	(4,312)	(7,273)
Currency fluctuations	—	(4,007)	—	16,871
Benefits paid	(836)	(3,524)	(1,123)	(2,391)
Benefit obligation at end of year	$ 89,212	$ 147,451	$143,399	$ 130,686

(1) See note following change in plan assets.

We have a supplemental executive retirement plan ("SERP"), which provides pension benefits to certain executives upon retirement. This plan is a nonqualified, unfunded retirement plan and was amended effective March 31, 2010, to freeze the benefits under the plan. This resulted in the curtailment shown above for the U.S. The SERP was further amended effective April 8, 2010, to allow participants a one-time option to convert their vested, fixed-amount, dollar-denominated benefits under the SERP into equity-denominated benefits. The amendment permitted participants in the SERP to make a one-time irrevocable election before June 7, 2010 to convert between 50% and 100% of their cash balance under the plan into units representing the right to receive registered shares in the Company. During May 2010, the remaining participants elected to convert approximately $76 million of their cash entitlement into approximately 4.7 million shares, which was based on the closing share price on the date of the election. In addition, during 2010, four executives in the plan left the Company resulting in the settlement shown above for the U.S. At December 31, 2010, the projected benefit obligation of the SERP was $77 million.

The changes in plan assets were as follows:

	Year Ended December 31,			
	2010		2009	
	United States	International	United States	International
	(In thousands)			
Fair value of plan assets at beginning of year	$ 8,176	$ 89,553	$ 7,096	$ 96,593
Adjustment to beginning of year fair value of plan assets(1)	—	—	—	(34,139)
Actual return on plan assets	1,073	6,564	1,715	8,212
Employer contributions	526	7,273	341	8,383
Plan participants' contributions	—	—	—	227
Settlements	—	(3,044)	—	—
Divestitures	—	(430)	—	—
Currency fluctuations	—	(3,275)	—	12,140
Benefits paid	(836)	(2,737)	(976)	(1,863)
Fair value of plan assets at end of year	8,939	93,904	8,176	89,553
Funded status	$(80,273)	$ (53,547)	$(135,223)	$ (41,133)

(1) Effective January 1, 2009, our disclosures for one of our international plans reflect the defined benefit related amounts only. In previous years, the plan calculations included both the defined benefit obligations and assets and the defined contribution obligations and assets as the plan is not formally divided. In an effort to provide clarity to the defined benefit obligation specifically, we requested that the actuary begin to capture the data separately starting in 2009. As a result, the defined contribution obligation and assets were carved out of the disclosure as shown above and only the true defined benefit obligations and assets remain. In addition, the expense shown in the defined benefit disclosure for the year ended December 31, 2009, is only the defined benefit related expense for this plan and the defined contribution related expense for this plan is disclosed with our other sponsored defined contribution plans at the beginning of this footnote.

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

	December 31,			
	2010		2009	
	United States	International	United States	International
	(In thousands)			
Noncurrent assets	$ —	$ 2,642	$ —	$ 4,526
Current liabilities	(66)	(826)	(10,886)	(542)
Noncurrent liabilities	(80,207)	(55,363)	(124,337)	(45,117)

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

	December 31, 2010 United States	December 31, 2010 International	December 31, 2009 United States	December 31, 2009 International
	(In thousands)			
Net loss	$14,506	$ 25,988	$41,113	$ 10,903
Net prior service costs (credit)	498	(601)	40,631	(811)
Net transition asset	—	—	—	(16)
Total accumulated other comprehensive income	$15,004	$ 25,387	$81,744	$ 10,076

The accumulated benefit obligation for defined benefit pension plans was $84 million and $104 million at December 31, 2010 and 2009, respectively, for the U.S. plans and $129 million and $116 million at December 31, 2010 and 2009, 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, 2010 and 2009 were as follows:

	2010 United States	2010 International	2009 United States	2009 International
	(In thousands)			
Plans with projected benefit obligation in excess of plan assets:				
Projected benefit obligation	$89,212	$116,617	$143,399	$100,953
Fair value of plan assets	8,939	60,428	8,176	55,295
Plans with accumulated benefit obligation in excess of plan assets:				
Accumulated benefit obligation	83,877	73,728	103,752	69,750
Fair value of plan assets	8,939	32,665	8,176	32,362

The components of net periodic benefit cost during the years ended December 31, 2010, 2009 and 2008 were as follows:

	2010 United States	2010 International	2009 United States	2009 International	2008 United States	2008 International
	(In thousands)					
Service cost	$ 1,032	$ 5,205	$ 3,085	$ 6,964	$ 2,879	$ 13,557
Interest cost	4,634	6,858	7,805	7,195	6,017	9,905
Expected return on plan assets	(595)	(4,712)	(630)	(4,031)	(687)	(8,700)
Amortization of transition asset	—	—	—	(4)	—	(4)
Amortization of prior service cost (credit)	1,578	(42)	3,908	(48)	1,833	(47)
Settlements/curtailments	37,126	(1,188)	4,760	—	5,621	(126)
Amortization of net loss	1,320	(76)	6,340	993	3,862	319
Net periodic benefit cost	$45,095	$ 6,045	$25,268	$ 11,069	$19,525	$ 14,904

Other changes in plan assets and benefit obligations recognized in other comprehensive income during the years ended December 31, 2010 and 2009 were as follows:

	2010		2009	
	United States	International	United States	International
	(In thousands)			
New Activity:				
Net (gain) loss for the year	$(26,716)	$ 14,177	$ (6,738)	$ (11,550)
Net prior service cost for the year	—	150	30,244	—
Reclassification Adjustments:				
Net loss	109	1,250	(10,037)	(993)
Prior service credit (cost)	(40,133)	42	(4,971)	48
Transition asset	—	14	—	4
Total other comprehensive income	$(66,740)	$ 15,633	$ 8,498	$ (12,491)

Amounts in accumulated other comprehensive income expected to be recognized as components of net periodic benefit cost in 2011 are as follows:

	United States	International
	(In thousands)	
Net loss	$734	$821
Prior service costs (credit)	88	(63)

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,	
	2010	2009
Discount rate:		
United States plans	3.25 - 4.50%	5.25%
International plans	1.59 - 7.50	1.68 - 8.00
Rate of compensation increase:		
United States plans	—	6.00
International plans	2.00 - 4.50	2.00 - 4.70

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

	Year Ended December 31,		
	2010	2009	2008
Discount rate:			
United States plans	5.25%	5.75 - 6.25%	5.75 - 6.00%
International plans	1.68 - 8.00	1.68 - 6.00	1.94 - 5.60
Expected return on plan assets:			
United States plans	7.00	7.00	7.00
International plans	4.60 - 6.46	4.20 - 7.05	4.20 - 7.34
Rate of compensation increase:			
United States plans	—	8.00	8.00
International plans	2.00 - 4.70	2.00 - 5.15	2.00 - 4.77

In determining the overall expected long-term rate of return for plan assets, we take 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 following table presents the fair values of the Company's pension plan assets as of December 31, 2010. United States and International plans are combined below as there is only one United States plan with assets. For an explanation of the various levels, see Note 12.

	Level 1	Level 2 (In thousands)	Total
Investment funds(1)	$ —	$ 93,904	$ 93,904
Common/collective trust funds(2)	—	8,939	8,939
Total assets at fair value	$ —	$102,843	$102,843

(1) These international funds invest in the following: 5% cash, 9% U.S. equities, 39% non-U.S. equities, 37% non-U.S. fixed income securities, 6% property and 4% other.

(2) These U.S. funds invest in 63% equities and 37% fixed income securities.

The following table presents the fair values of the Company's pension plan assets as of December 31, 2009. United States and International plans are combined below as there is only one United States plan with assets. For an explanation of the various levels, see Note 12.

	Level 1	Level 2 (In thousands)	Total
Investment funds(1)	$ —	$86,765	$86,765
Common/collective trust funds(2)	—	8,176	8,176
Cash	2,788	—	2,788
Total assets at fair value	$2,788	$94,941	$97,729

(1) These international funds invest in the following: 4% cash, 6% U.S. equities, 39% non-U.S. equities, 41% non-U.S. fixed income securities, 7% property and 3% other.

(2) These U.S. funds invest in 62% equities and 38% fixed income securities.

Common/collective trust funds are valued at the net asset value of shares in the fund as determined by the issuer which are based on the fair value of the underlying assets. Investment funds are valued by the issuer based on the fair value of the underlying assets.

In the U.S., our 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. Our pension investment strategy worldwide prohibits a direct investment in our own stock.

In 2011, we expect to contribute less than $1 million in the U.S. and $8 million internationally to our 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:

	United States	International
	(In thousands)	
2011	$ 10,546	$ 2,941
2012	8,411	2,035
2013	7,806	3,709
2014	7,051	3,088
2015	6,554	4,045
2016-2020	53,876	25,397

17. Income Taxes

As discussed in Note 2, we have restated our provision for income taxes and related balance sheet accounts for 2009 and 2008 in the following tables below. The components of Income from Continuing Operations Before Income Taxes were as follows:

	Year Ended December 31,		
	2010	2009 (Restated)	2008 (Restated)
		(In thousands)	
Domestic	$ 18,104	$(470,793)	$ 519,074
Foreign	186,485	754,276	1,147,459
	$204,589	$ 283,483	$1,666,533

Our income tax benefit (provision) from continuing operations consisted of the following:

	Year Ended December 31,		
	2010	2009 (Restated)	2008 (Restated)
		(In thousands)	
Current;			
U.S. federal and state income taxes	$ (34,898)	$ 75,532	$(118,446)
Foreign	(207,790)	(293,485)	(338,701)
Total current	(242,688)	(217,953)	(457,147)
Deferred:			
U.S. federal	(72,370)	69,221	73,837
Foreign	17,337	61,549	10,473
Total deferred	(55,033)	130,770	84,310
	$(297,721)	$ (87,183)	$(372,837)

The restatement increased our provision for income taxes by $68 million in 2009 and $123 million in 2008, primarily due to the income tax consequences of certain intercompany transactions inappropriately tax-effected. The correction of the tax-effect of these intercompany transactions resulted in an increase to our current tax expense of $100 million in 2009 and an increase of $106 million in 2008. In addition, we recorded other adjustments to our tax provision to correct for certain errors and items recorded in the improper period. These other adjustments resulted in a decrease to our total tax provision in 2009 of $32 million, which is primarily comprised of an adjustment to the cumulative differences between book and tax basis of fixed assets and intangibles and an adjustment related to differences between accrued tax expense and tax expense per the filed tax returns. Our total 2008 tax provision was increased by $17 million, which is primarily comprised of an adjustment related to differences between accrued tax expense and tax expense per the filed tax returns.

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 for the three years ended December 31, 2010 is analyzed below:

	Year Ended December 31,		
	2010	2009 (Restated)	2008 (Restated)
		(In thousands)	
Statutory federal income tax rate	$ (71,606)	$(99,219)	$(583,287)
Effect of state income tax, net and alternative minimum tax	(6,693)	(8,268)	(11,177)
Effect of domestic non-deductible expenses	(8,873)	(11,005)	(20,610)
Change in valuation allowance	(31,641)	(636)	(4,574)
Effect of foreign income tax, net	(153,754)	37,159	258,222
Change in income tax reserve	(20,615)	(7,101)	(9,302)
Effect of change in statutory rates	(1,428)	6,365	(1,782)
Other	(3,111)	(4,478)	(327)
	$(297,721)	$(87,183)	$(372,837)

The effect of foreign income taxes for 2009 and 2008 above includes the effect of the restatement for the intercompany transactions inappropriately tax-effected.

During 2010, we recorded expense of approximately $124 million related to the restructuring of our Latin America operations. 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. Both of these adjustments are presented in effect of foreign income tax, net for 2010 and 2008.

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 we have 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,	
	2010	2009 (Restated)
	(In thousands)	
Deferred tax assets:		
Domestic and foreign operating losses	$ 525,163	$ 447,521
Accrued liabilities and reserves	136,809	157,429
Tax credits	52,348	102,289
Other differences between financial and tax basis	49,028	98,247
Differences between financial and tax basis inventory	62,057	47,258
Valuation allowance	(102,794)	(70,349)
Total deferred tax assets	722,611	782,395
Deferred tax liabilities:		
Property, plant and equipment	(316,682)	(275,475)
Goodwill and other intangibles	(192,906)	(179,413)
Unremitted foreign earnings	—	(22,585)
Other differences between financial and tax basis	(50,231)	(60,940)
Total deferred tax liabilities	(559,819)	(538,413)
Net deferred tax assets	$ 162,792	$ 243,982

The overall increase in the valuation allowance in 2010 is primarily attributable to the establishment of a valuation allowance against net operating losses (“NOLs”) and tax credits in various jurisdictions. Management’s assessment is that the character and nature of future taxable income may not allow us to realize the tax benefits of the NOLs and tax credits within the allowable carryforward period. Therefore, an appropriate valuation allowance has been made.

In 2010, we did not provide additional taxes for the anticipated repatriation of earnings of our foreign subsidiaries because their earnings are deemed to be indefinitely reinvested, which represents a change from the prior year. As a result of this change, we recognized a tax benefit in 2010 of $23 million. If the earnings in our foreign subsidiaries were not indefinitely reinvested as of December 31, 2010, the estimated tax expense would be approximately $144 million, net.

At December 31, 2010, we had approximately $1.7 billion of NOLs, $85 million of which were generated by certain domestic subsidiaries prior to their acquisition by us. 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 2011 through 2030.

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

	Year Ended December 31,		
	2010	2009 (Restated)	2008 (Restated)
		(In thousands)	
Balance at beginning of year	$ 63,466	$ 55,979	$ 44,577
Additions as a result of tax positions taken during a prior period	20,059	13,007	11,263
Reductions as a result of tax positions taken during a prior period	(15,526)	(2,259)	(71)
Additions as a result of tax positions taken during the current period	4,106	1,991	2,977
Reductions relating to settlements with taxing authorities	(9,397)	(3,933)	(2,767)
Reductions as a result of a lapse of the applicable statute of limitations	(1,986)	(1,319)	—
Balance at end of year	$ 60,722	$ 63,466	$ 55,979

Our tabular reconciliation of unrecognized tax benefits above has been restated primarily to correct for unrecognized tax benefits that had been inappropriately included in current income taxes payable. This resulted in an increase to the beginning balance of unrecognized tax benefits of $11 million in 2009 and $7 million in 2008.

All of the unrecognized tax benefits, if recognized in future periods, would impact our effective tax rate.

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 us that is a continuation of our historical policy and will continue to be consistently applied in the future. We recognized a benefit of approximately $4 million relating to interest for the period ended December 31, 2010. We recognized $8 million and $2 million of expense relating to interest for the periods ended December 31, 2009 and 2008, respectively. We recognized approximately $1 million and $5 million of penalties for the years ended December 31, 2010 and 2009 respectively. Penalties during the year ended December 31, 2008 were immaterial. The amounts in the table above exclude accrued interest and penalties of $23 million, $28 million and $14 million at December 31, 2010, 2009 and 2008, respectively.

We are subject to income tax in many of the approximately 100 countries where we operate including major operations in the United States, the United Kingdom, and Canada. Many of our subsidiaries are open to examination in the United Kingdom and Canada dating from 2003 through December 31, 2010. We are open to examination in the United States for tax years ended December 31, 2005 through December 31, 2009.

We do not anticipate a significant change in the balance of unrecognized tax benefits within the next 12 months.

18. Disputes, Litigation and Contingencies

U.S. Government and Internal Investigations

We are currently involved in government and internal investigations involving various areas of our operations.

Until 2003, we 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 have undertaken investigations of our participation in the oil-for-food program and have subpoenaed certain documents in connection with these investigations. We have cooperated fully with these investigations. We have retained legal counsel, reporting to our audit committee, to investigate this matter. We have begun negotiations with the government agencies to resolve these matters, but we cannot yet anticipate the timing, outcome or possible impact of the ultimate resolution of the investigations, financial or otherwise.

The U.S. Department of Commerce, Bureau of Industry & Security, Office of Foreign Assets Control (“OFAC”), DOJ and SEC have undertaken investigations of allegations of improper sales of products and services by the Company and its subsidiaries in certain sanctioned countries. We have cooperated fully with this investigation. We have retained legal counsel, reporting to our audit committee, to investigate these matters and to cooperate fully with these agencies. We have begun negotiations with the government agencies to resolve these matters, but we cannot yet anticipate the timing, outcome or possible impact of the ultimate resolution of the investigation, financial or otherwise.

In light of this investigation and of 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 comprehensive U.S. economic and trade sanctions, specifically Cuba, Iran, and Sudan, as well as Syria. Effective September 2007, we ceased entering into any new contracts in these countries and began an orderly discontinuation and winding down of our existing business in these sanctioned countries. Effective March 31, 2008, we substantially completed our winding down of business in these countries. We can complete the withdrawal process only pursuant to licenses issued by OFAC. Our remaining activities in Iran, Sudan and Syria include ongoing withdrawal activities such as attempts to collect accounts receivable, attempts to settle tax liabilities or legal claims and attempts to recover or liquidate assets, including equipment and funds. Certain of our 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 our compliance with the Foreign Corrupt Practices Act (“FCPA”) and other laws worldwide. We have retained legal counsel, reporting to our audit committee, to investigate these matters and to cooperate fully with the DOJ and SEC. As part of our investigations, we have uncovered potential violations of U.S. law in connection with activities in West Africa. We have begun negotiations with the government agencies to resolve these matters, but we cannot yet anticipate the timing, outcome or possible impact of the ultimate resolution 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. These agencies are seeking to impose penalties against us for past conduct, but the ultimate amount of any penalties we may pay currently cannot be reasonably estimated. Under trade 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. Any injunctive relief, disgorgement, fines, penalties, sanctions or imposed modifications to business practices resulting from these investigations could adversely affect our results of operations. In addition, our historical 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 registered shares. Based on available information, we cannot predict what, if any, actions the DOJ, SEC or other authorities will take in our situation or the effect any such actions will have on our consolidated financial position or results of operations. To the extent we violated trade sanctions laws, the FCPA, or other laws or 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 effect on our business, financial condition, liquidity or results of operations.

To date, we have incurred $49 million for costs in connection with our exit from sanctioned countries and incurred $113 million for legal and professional fees in connection with complying with and conducting these on-going investigations.

Macondo Litigation

On April 20, 2010, the Deepwater Horizon rig operating under contract with BP at the Macondo well in the Gulf of Mexico exploded and sank, resulting in 11 deaths, several injuries and significant damages to property and the environment.

Weatherford provided the following services and products to BP on the Macondo well: (1) connected and tightened four intermediate casing strings and one tapered production string (“long string”); (2) furnished a liner hanger on one casing string; (3) furnished centralizers, most of which were not used in the well, and (4) provided float equipment on the long string. The float equipment consisted of a reamer shoe, a float collar and wiper plugs. The float collar is designed to control backflow or ingress of the cement through the shoe track while the cement hardens. At the time of the explosion, Weatherford had two employees on the Deepwater Horizon; they sustained minor injuries.

As a result of the explosion, approximately 400 lawsuits were filed, mainly for personal injuries, wrongful death and pollution damage. Weatherford is currently named, along with BP and other defendants, in several dozen of these lawsuits. The United States Judicial Panel on Multidistrict Litigation issued an order centralizing most of these cases in the Federal District Court for the Eastern District of Louisiana. The pollution damage complaints generally refer to the Oil Pollution Act of 1990 (“OPA”) and allege, among other things, negligence and gross negligence by Weatherford and other defendants. They allege that Weatherford and the other defendants are responsible for property damage, trespass, nuisance and economic loss as a result of environmental pollution and generally seek awards of unspecified economic, compensatory, and punitive damages, as well as injunctive relief. Additional lawsuits may be filed in the future relating to the Macondo incident.

Weatherford was not designated as a “Responsible Party,” as that term is defined by OPA. Therefore, Weatherford was not charged with responsibility for cleaning up the oil or handling any claims. The Responsible Party may make a claim for contribution against any other party it alleges contributed to the oil spill. Since Weatherford has not been named a Responsible Party, we intend to seek to be dismissed from any and all OPA-related claims and to seek indemnity from any and all liability under OPA.

In the master service contract between BP and Weatherford, under which Weatherford provided products and services to BP related to the Macondo well, BP agreed to “save, indemnify, release, defend and hold harmless [Weatherford, its subcontractors and their affiliates, directors, officers and employees] from and against any claim of whatsoever nature arising from pollution and/or contamination including without limitation such pollution or contamination from the reservoir”. BP further agreed to “save, indemnify, release, defend and hold harmless [Weatherford, its subcontractors and their affiliates, directors, officers and employees] from and against any claims, losses, damages, costs (including legal costs) expenses and liabilities resulting from...blowout, fire, explosion, cratering or any uncontrolled well condition (including the costs to control a wild well and the removal of debris)”. These indemnity provisions include direct claims asserted against Weatherford by third parties and any claim by BP for contribution under OPA. These indemnities apply regardless of the cause of the condition giving rise to the claim. The indemnities exclude claims for injury to Weatherford’s employees and subcontractors. However, as injuries to our two employees were minor, we do not anticipate any significant liabilities with respect to our employees.

We believe that the indemnification obligations of BP are valid and enforceable. However, BP may seek to avoid its indemnification obligations. Should a court determine that the wrongful death and personal injury indemnity provisions are unenforceable, Weatherford might be liable for injuries to, or the death of, BP personnel and personnel of third party contractors if a case is adversely determined. The cause of the Macondo incident remains under investigation and has yet to be determined.

If BP were to avoid its indemnities regarding personal injury and a case is adversely determined against Weatherford with respect to the Macondo incident, Weatherford believes its exposure to personal injury/death claims is within the limits of its insurance coverage. Weatherford has a self-insured retention of $2 million. Above that amount, Weatherford has aggregate liability insurance coverage with limits of $303 million. Weatherford believes all claims for personal injury made against Weatherford, even if they are not covered by indemnity from BP, are covered under its various liability insurance policies, up to the $303 million in limits. Weatherford has met individually with its insurers to discuss this matter. While some of our insurers have sent notices stating that they lack sufficient information to adequately assess coverage issues at this time, we do not currently anticipate there will be a substantive coverage dispute amongst Weatherford and its insurers.

We do not expect that we will have liability for these claims, but the litigation surrounding these matters is complex and likely to continue for some time, and the damages claimed are significant. We cannot predict the ultimate outcome of these claims.

Weatherford is cooperating fully with the investigations of the accident initiated by various agencies of the U.S. Government and, to the extent requested, has responded to several subpoenas, information and document requests, and requests for testimony of employees.

Shareholder Litigation

In June and July 2010, shareholders filed suit in Weatherford's name against those directors in place before June 2010 and certain current and former members of management relating to the U.S. government and internal investigations disclosed above and in our SEC filings since 2007. In March 2011, shareholders filed suit relating to the matters described in Note 2 above and Item 9A of our Form 10-K below. We will investigate these claims appropriately. We cannot predict the ultimate outcome of these claims.

Other Disputes

As a result of discussions with a customer, we reviewed how the dual exchange rate might affect amounts we receive for our U.S. dollar-denominated receivables in Venezuela. We believe our contracts are legally enforceable and our customers continue to accept our invoices. However, based on the current political and economic environment in Venezuela, we believe a loss is probable. Accordingly, we recorded a reserve of $32 million against this exposure in the fourth quarter of 2010.

Our former Senior Vice President and General Counsel (the "Executive") left the Company in June 2009. The Executive had employment agreements with us that terminated on his departure. There is currently a dispute between the Executive and us as to the amount of compensation we are obligated to pay under these employment agreements based on the Executive's separation. This dispute has not resulted in a lawsuit being filed. It is our belief that an unfavorable outcome regarding this dispute is not probable, and as such, we have not accrued for $9 million of the Executive's claimed severance and other benefits.

Additionally, we are aware of various disputes and potential claims and are a party in various litigation involving claims against us, some of which are covered by insurance. For claims, disputes and pending litigation in which we believe a negative outcome is probable and a loss can be reasonably estimated, we have recorded a liability for the expected loss. These liabilities are immaterial to our financial condition and results of operations. In addition we have certain claims, disputes and pending litigation in which we do not believe a negative outcome is probable. If one or more negative outcomes were to occur, the impact to our financial condition could be as high as $180 million.

19. Commitments

We are 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 noncancellable operating leases are as follows (in thousands):

2011	$115,679
2012	88,466
2013	60,152
2014	45,099
2015	34,368
Thereafter	188,164
	$531,928

Total rent expense incurred under operating leases was approximately $321 million, $367 million and $188 million for the years ended December 31, 2010, 2009 and 2008, respectively.

20. Segment Information

Reporting Segments

We report the following regions as separate, distinct reporting segments: (1) North America, (2) Middle East/North Africa/Asia, (3) Europe/West Africa/FSU and (4) Latin America. 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 total assets and capital expenditures for the years ended December 31, 2010, 2009 and 2008, do not include the assets or activity of our discontinued operation. The accounting policies of the segments are the same as those described in the summary of significant accounting policies. Results for 2009 and 2008 have been restated to correct for previously identified immaterial errors affecting operating income that were recorded in improper periods (See Note 2).

	Year Ended December 31, 2010				
	Net Operating Revenues	Income from Operations	Depreciation and Amortization	Capital Expenditures	Total Assets at December 31, 2010
	(In thousands)				
North America	$ 4,166,881	$ 695,607	$ 327,539	$ 242,235	$ 6,569,694
Middle East/North Africa/Asia	2,450,503	264,647	304,993	380,581	4,921,588
Europe/West Africa/FSU	1,984,429	241,298	212,010	106,050	3,626,904
Latin America(a)	1,618,984	53,843	181,136	219,661	2,728,061
	10,220,797	1,255,395	1,025,678	948,527	17,846,247
Corporate and Research and Development	—	(387,399)	21,656	28,017	1,285,407
Revaluation of Contingent Consideration	—	12,597	—	—	—
Other(b)	—	(99,140)	—	—	—
Total	$10,220,797	$ 781,453	$1,047,334	$ 976,544	$19,131,654

	Year Ended December 31, 2009				
	Net Operating Revenues (Restated)	Income from Operations (Restated)	Depreciation and Amortization (Restated)	Capital Expenditures	Total Assets at December 31, 2009 (Restated)
			(In thousands)		
North America	$2,762,264	$ 190,877	$ 315,746	$ 276,457	$ 6,347,978
Middle East/North Africa/Asia	2,372,798	440,371	257,065	817,635	4,572,498
Europe/West Africa/FSU	1,618,664	224,666	167,308	206,559	3,586,895
Latin America	2,079,279	279,888	152,567	228,180	3,125,376
	8,833,005	1,135,802	892,686	1,528,831	17,632,747
Corporate and Research and Development	—	(371,645)	16,211	40,646	1,063,943
Revaluation of Contingent Consideration	—	24,273	—	—	—
Other(c)	—	(100,566)	—	—	—
Total	$8,833,005	$ 687,864	$ 908,897	$1,569,477	$18,696,690

	Year Ended December 31, 2008				
	Net Operating Revenues	Income from Operations (Restated)	Depreciation and Amortization	Capital Expenditures	Total Assets at December 31, 2008 (Restated)
			(In thousands)		
North America	$4,460,147	$1,105,924	$ 310,054	$ 602,876	$ 6,536,410
Middle East/North Africa/Asia	2,391,520	563,438	196,443	1,123,751	4,322,475
Europe/West Africa/FSU	1,539,190	374,888	119,957	393,532	2,631,648
Latin America	1,209,707	279,646	93,942	312,382	2,010,313
	9,600,564	2,323,896	720,396	2,432,541	15,500,846
Corporate and Research and Development	—	(328,871)	11,412	51,622	969,341
Other(d)	—	(39,857)	—	—	—
Total	$9,600,564	$1,955,168	$ 731,808	$2,484,163	$16,470,187

(a) Latin America for the year ended December 31, 2010 includes a $76 million charge for revisions to our profitability estimates on our project management contracts in Mexico and a $32 million reserve taken against accounts receivable balances in Venezuela in light of the country's economic prognosis.

(b) Other for the year ended December 31, 2010 includes a $38 million charge related to our SERP which was frozen on March 31, 2010, $61 million for severance and facility closure costs and $7 million for legal and professional fees incurred in connection with our on-going investigations. These charges were offset by a $7 million benefit related to the reversal of prior cost accruals for our exit from certain sanctioned countries.

(c) Other for the year ended December 31, 2009 includes $45 million for legal and professional fees incurred in connection with on-going investigations by the U.S. government, $52 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) Other for the year ended December 31, 2008 includes $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.

Products and Services

We are 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 composition of our consolidated revenues by product line is as follows:

	Year Ended December 31, 2010	2009	2008
Drilling Services	17%	16%	16%
Artificial Lift Systems	15	14	17
Well Construction	14	15	15
Integrated Drilling	12	14	6
Stimulation & Chemicals	12	8	7
Completion Systems	8	11	10
Drilling Tools	8	8	11
Wireline	6	6	8
Re-entry & Fishing	6	6	7
Pipeline & Specialty Services	2	2	3
Total	100%	100%	100%

Geographic Areas

Financial information by geographic area for each of the three years ended December 31, 2010, is summarized below. Long-lived assets are long-term assets excluding deferred tax assets of $107 million, $74 million and $40 million at December 31, 2010, 2009 and 2008, respectively.

	Revenues from Unaffiliated Customers			Long-lived Assets		
	2010	2009 (Restated)	2008	2010	2009 (Restated)	2008 (Restated)
	(In thousands)					
United States	$ 3,197,064	$2,118,922	$3,392,945	$ 4,209,399	$ 4,317,191	$ 4,156,196
Mexico	617,350	1,230,605	293,224	372,238	407,603	356,210
Canada	969,818	643,342	1,067,202	1,187,136	1,197,723	1,039,899
Other Countries	5,436,565	4,840,136	4,847,193	6,763,399	6,717,822	5,312,038
	$10,220,797	$8,833,005	$9,600,564	$12,532,172	$12,640,339	$10,864,343

21. Quarterly Financial Data (Unaudited)

Restated results for 2010 include a reduction to net income of approximately $28 million, $21 million and $50 million for the first, second and third quarters, respectively, primarily attributable to the error in determining the tax consequences of intercompany amounts over multiple years (See Note 2).

Restated results for 2009 include a reduction to net income of approximately $37 million, $21 million and $46 million for the first, second and third quarters, respectively, primarily attributable to the error in determining the tax consequences of intercompany amounts over multiple years (See Note 2). Net income for the fourth quarter of 2009 increased $20 million as a result of the restatement. The increase in the fourth quarter was primarily the result of income tax benefits related to basis difference adjustments between the book and tax basis of fixed assets and intangibles, partially offset by income tax expense related to an adjustment to correct an error in the calculation of the tax consequences of intercompany amounts. Results for 2010 and 2009 have been restated from our previously filed Form 10-K to correct the allocation of the full year impact of the restatement adjustments among the fiscal quarters.

	Quarter				
	First (Restated)	Second (Restated)	Third (Restated)	Fourth (Restated)	Total
	(In thousands, except per share amounts)				
2010					
Revenues	$2,331,067	$2,437,163	$2,529,752	$2,922,815	$10,220,797
Gross Profit	578,607	630,412	633,896	794,601	2,637,516
Net Income (Loss) Attributable to Weatherford	(68,357)	(47,890)	94,653	(86,331)	(107,925)
Basic Earnings (Loss) Per Share	$ (0.09)	$ (0.06)	$ 0.13	$ (0.12)	$ (0.15)
Diluted Earnings (Loss) Per Share	$ (0.09)	$ (0.06)	$ 0.13	$ (0.12)	$ (0.15)

	Quarter				
	First (Restated)	Second (Restated)	Third (Restated)	Fourth (Restated)	Total (Restated)
	(In thousands, except per share amounts)				
2009					
Revenues	$2,254,631	$1,998,427	$2,144,947	$2,435,000	$8,833,005
Gross Profit	716,019	549,623	546,048	558,673	2,370,363
Net Income (Loss) Attributable to Weatherford	128,008	20,935	31,754	(10,556)	170,141
Basic Earnings (Loss) Per Share	$ 0.18	$ 0.03	$ 0.04	$ (0.01)	$ 0.24
Diluted Earnings (Loss) Per Share	$ 0.18	$ 0.03	$ 0.04	$ (0.01)	$ 0.24

22. Other Disclosures Required by Swiss Law

Balance Sheet Item

Information regarding insurance coverage on our property, plant and equipment is presented in Note 15 (Insurance) in the Weatherford International Ltd. stand-alone statutory financial statements.

Statement of Income Item

Information regarding our personnel expenses is presented in Note 16 (Personnel Expenses) in the Weatherford International Ltd. stand-alone statutory financial statements.

Compensation and Security Ownership of Board Members and Executive Officers

The compensation and security ownership of members of the Board of Directors of Weatherford International Ltd. and of Weatherford executive officers is presented in Note 8 (Board of Directors Compensation), Note 9 (Executive Management Compensation) and Note 10 (Share Ownership — Board of Directors and Executive Management) in the Weatherford International Ltd. stand-alone statutory financial statements.

Risk Assessment

Weatherford International Ltd.'s risk assessment is presented in Note 11 (Risk Assessment Disclosure) of the Weatherford International Ltd. stand-alone statutory financial statements.

23. Consolidating Financial Statements

As discussed in Note 2, we have restated financial information for 2009 and 2008.

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 of the Weatherford group ("Parent"). The Parent 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 as of December 31, 2010 and 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 December 31, 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.

In September 2010, Weatherford Bermuda issued $800 million of 5.125% Senior Notes due 2020 and $600 million of 6.75% Senior Notes due 2040, both of which are guaranteed by Weatherford Delaware. As a result of these transactions, the following obligations of Weatherford Bermuda were guaranteed by Weatherford Delaware at December 31, 2010: (i) the revolving credit facility, (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, (x) the 5.125% Senior Notes, (xi) the 6.75% Senior Notes and (xii) issuances of notes under the commercial paper program.

As a result of these guarantee arrangements, we are 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 our 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.

Condensed Consolidating Balance Sheet
December 31, 2010
(In thousands)

	Parent	Bermuda	Delaware	Other Subsidiaries	Eliminations	Consolidation
ASSETS						
Current Assets:						
Cash and Cash Equivalents	$ 124	$ 113,443	$ 11,433	$ 290,772	$ —	$ 415,772
Other Current Assets	10,018	9,107	85,342	5,971,828	—	6,076,295
Total Current Assets	10,142	122,550	96,775	6,262,600	—	6,492,067
Equity Investments in Affiliates	9,143,623	15,304,005	7,401,552	11,308,896	(43,158,076)	—
Shares Held in Parent	—	—	94,105	468,801	(562,906)	—
Intercompany Receivables, Net	—	2,233,910	420,066	—	(2,653,976)	—
Other Assets	8,124	39,318	294,821	12,297,324	—	12,639,587
Total Assets	$9,161,889	$17,699,783	$8,307,319	$30,337,621	$(46,374,958)	$ 19,131,654
LIABILITIES AND SHAREHOLDERS' EQUITY						
Current Liabilities:						
Short-term Borrowings and Current Portion of Long-Term Debt	$ —	$ 7,887	$ 201,676	$ 25,829	$ —	$ 235,392
Accounts Payable and Other Current Liabilities	21,657	133,850	114,023	2,078,057	—	2,347,587
Total Current Liabilities	21,657	141,737	315,699	2,103,886	—	2,582,979
Long-term Debt	—	5,170,323	1,324,743	34,932	—	6,529,998
Intercompany Payables, Net	226,167	—	—	2,427,809	(2,653,976)	—
Other Long-term Liabilities	5,924	77,049	2,115	468,742	—	553,830
Total Liabilities	253,748	5,389,109	1,642,557	5,035,369	(2,653,976)	9,666,807
Weatherford Shareholders' Equity	8,908,141	12,310,674	6,664,762	25,238,336	(43,720,982)	9,400,931
Noncontrolling Interests	—	—	—	63,916	—	63,916
Total Liabilities and Shareholders' Equity	$9,161,889	$17,699,783	$8,307,319	$30,337,621	$(46,374,958)	$ 19,131,654

Condensed Consolidating Balance Sheet
December 31, 2009
(Restated)
(In thousands)

	Parent	Bermuda	Delaware	Other Subsidiaries	Eliminations	Consolidation
ASSETS						
Current Assets:						
Cash and Cash Equivalents	$ 102	$ 47	$ 421	$ 251,949	$ —	$ 252,519
Other Current Assets	496	11,163	98,033	5,619,742	—	5,729,434
Total Current Assets	598	11,210	98,454	5,871,691	—	5,981,953
Equity Investments in Affiliates	9,183,803	14,952,128	6,527,676	11,441,274	(42,104,881)	—
Shares Held in Parent	—	—	108,268	507,780	(616,048)	—
Intercompany Receivables, Net	—	1,671,487	1,017,215	—	(2,688,702)	—
Other Assets	9,376	68,960	190,174	12,446,227	—	12,714,737
Total Assets	$9,193,777	$16,703,785	$7,941,787	$30,266,972	$(45,409,631)	$ 18,696,690
LIABILITIES AND SHAREHOLDERS' EQUITY						
Current Liabilities:						
Short-term Borrowings and Current Portion of Long-Term Debt	$ —	$ 352,373	$ 1,868	$ 515,340	$ —	$ 869,581
Accounts Payable and Other Current Liabilities	46,160	107,984	116,404	1,860,571	—	2,131,119
Total Current Liabilities	46,160	460,357	118,272	2,375,911	—	3,000,700
Long-term Debt	—	3,988,162	1,848,191	10,905	—	5,847,258
Intercompany Payables, Net	36,611	—	—	2,652,091	(2,688,702)	—
Other Long-term Liabilities	8,132	132,155	2,309	267,763	—	410,359
Total Liabilities	90,903	4,580,674	1,968,772	5,306,670	(2,688,702)	9,258,317
Weatherford Shareholders' Equity	9,102,874	12,123,111	5,973,015	24,881,270	(42,720,929)	9,359,341
Noncontrolling Interests	—	—	—	79,032	—	79,032
Total Liabilities and Shareholders' Equity	$9,193,777	$16,703,785	$7,941,787	$30,266,972	$(45,409,631)	$ 18,696,690

Condensed Consolidating Statement of Income
Year Ended December 31, 2010
(In thousands)

	Parent	Bermuda	Delaware	Other Subsidiaries	Eliminations	Consolidation
Revenues	$ —	$ —	$ —	$10,220,797	$ —	$ 10,220,797
Costs and Expenses	(39,534)	(45,767)	(2,993)	(9,351,050)	—	(9,439,344)
Operating Income (Loss)	(39,534)	(45,767)	(2,993)	869,747	—	781,453
Other Income (Expense):						
Interest Expense, Net	(982)	(285,705)	(113,343)	(5,755)	—	(405,785)
Bond Tender Premium	—	(15,447)	(38,526)	—	—	(53,973)
Devaluation of Venezuelan Bolivar	—	—	—	(63,859)	—	(63,859)
Intercompany Charges, Net	(27,143)	2,858	(187,546)	211,831	—	—
Equity in Subsidiary Income	(40,180)	22,424	1,070,951	—	(1,053,195)	—
Other, Net	(86)	239,347	(884)	(291,624)	—	(53,247)
Income (Loss) Before Income Taxes	(107,925)	(82,290)	727,659	720,340	(1,053,195)	204,589
Provision for Income Taxes	—	(5)	119,545	(417,261)	—	(297,721)
Net Income (Loss)	(107,925)	(82,295)	847,204	303,079	(1,053,195)	(93,132)
Noncontrolling Interests	—	—	—	(14,793)	—	(14,793)
Net Income Attributable to Weatherford	$(107,925)	$ (82,295)	$ 847,204	$ 288,286	$(1,053,195)	$ (107,925)

Condensed Consolidating Statement of Income
Year Ended December 31, 2009
(Restated)
(In thousands)

	Parent	Bermuda	Delaware	Other Subsidiaries	Eliminations	Consolidation
Revenues	$ —	$ —	$ —	$ 8,833,005	$ —	$ 8,833,005
Costs and Expenses	(10,609)	(25,914)	(3,011)	(8,105,607)	—	(8,145,141)
Operating Income (Loss)	(10,609)	(25,914)	(3,011)	727,398	—	687,864
Other Income (Expense):						
Interest Expense, Net	(86)	(253,403)	(114,874)	1,615	—	(366,748)
Intercompany Charges, Net	(20,776)	5,430	(143,689)	159,035	—	—
Equity in Subsidiary Income	201,603	249,409	404,287	—	(855,299)	—
Other, Net	9	208,493	(591)	(245,544)	—	(37,633)
Income (Loss) Before Income Taxes	170,141	184,015	142,122	642,504	(855,299)	283,483
Provision for Income Taxes	—	—	89,404	(176,587)	—	(87,183)
Net Income (Loss)	170,141	184,015	231,526	465,917	(855,299)	196,300
Noncontrolling Interests	—	—	—	(26,159)	—	(26,159)
Net Income Attributable to Weatherford	$170,141	$ 184,015	$ 231,526	$ 439,758	$ (855,299)	$ 170,141

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

	Bermuda	Delaware	Other Subsidiaries	Eliminations	Consolidation
Revenues	$ —	$ —	$ 9,600,564	$ —	$ 9,600,564
Costs and Expenses	(35,899)	(1,684)	(7,607,813)	—	(7,645,396)
Operating Income (Loss)	(35,899)	(1,684)	1,992,751	—	1,955,168
Other Income (Expense):					
Interest Expense, Net	(127,684)	(115,721)	(274)	—	(243,679)
Intercompany Charges, Net	128,198	—	(128,198)	—	—
Equity in Subsidiary Income	1,286,557	1,371,167	—	(2,657,724)	—
Other, Net	(6,676)	(1,783)	(36,497)	—	(44,956)
Income (Loss) from Continuing Operations Before Income Taxes	1,244,496	1,251,979	1,827,782	(2,657,724)	1,666,533
Provision for Income Taxes	—	34,578	(407,415)	—	(372,837)
Income (Loss) from Continuing Operations	1,244,496	1,286,557	1,420,367	(2,657,724)	1,293,696
Income (Loss) from Discontinued Operation, Net of Taxes	2,000	—	(14,928)	—	(12,928)
Net Income (Loss)	1,246,496	1,286,557	1,405,439	(2,657,724)	1,280,768
Noncontrolling Interests	—	—	(34,272)	—	(34,272)
Net Income Attributable to Weatherford	$1,246,496	$1,286,557	$ 1,371,167	$(2,657,724)	$ 1,246,496

Condensed Consolidating Statement of Cash Flows
Year Ended December 31, 2010
(In thousands)

	Parent	Bermuda	Delaware	Other Subsidiaries	Eliminations	Consolidation
Cash Flows from Operating Activities:						
Net Income (Loss)	$(107,925)	$ (82,295)	$ 847,204	$ 303,079	$(1,053,195)	$ (93,132)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Charges from Parent or Subsidiary	27,143	(2,858)	187,546	(211,831)	—	—
Equity in (Earnings) Loss of Affiliates	40,180	(22,424)	(1,070,951)	—	1,053,195	—
Deferred Income Tax Benefit	—	—	(119,558)	174,591	—	55,033
Other Adjustments	11,149	(127,298)	(274)	1,282,535	—	1,166,112
Net Cash Provided (Used) by Operating Activities	(29,453)	(234,875)	(156,033)	1,548,374	—	1,128,013
Cash Flows from Investing Activities:						
Acquisitions of Businesses, Net of Cash Acquired	(91,455)	—	—	(52,101)	—	(143,556)
Capital Expenditures for Property, Plant and Equipment	—	—	—	(976,544)	—	(976,544)
Acquisition of Intellectual Property	—	—	—	(23,977)	—	(23,977)
Purchase of Equity Investment in Unconsolidated Affiliates	—	—	—	(2,405)	—	(2,405)
Proceeds from Sale of Assets and Businesses, Net	—	—	—	196,927	—	196,927
Capital Contribution to Subsidiary	—	(12,671)	(25)	—	12,696	—
Other Investing Activities	—	41,840	—	—	—	41,840
Net Cash Provided (Used) by Investing Activities	(91,455)	29,169	(25)	(858,100)	12,696	(907,715)
Cash Flows from Financing Activities:						
Borrowings (Repayments) Short-term Debt, Net	—	(344,485)	(835)	(488,990)	—	(834,310)
Borrowings (Repayments) Long-term Debt, Net	—	1,180,007	(501,269)	180,805	—	859,543
Borrowings (Repayments) Between Subsidiaries, Net	120,930	(497,066)	706,249	(330,113)	—	—
Proceeds from Capital Contribution	—	—	—	12,696	(12,696)	—
Other, Net	—	(19,354)	(37,075)	(6,652)	—	(63,081)
Net Cash Provided (Used) by Financing Activities	120,930	319,102	167,070	(632,254)	(12,696)	(37,848)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	—	—	—	(19,197)	—	(19,197)
Net Increase in Cash and Cash Equivalents	22	113,396	11,012	38,823	—	163,253
Cash and Cash Equivalents at Beginning of Year	102	47	421	251,949	—	252,519
Cash and Cash Equivalents at End of Year	$ 124	$ 113,443	$ 11,433	$ 290,772	$ —	$ 415,772

Condensed Consolidating Statement of Cash Flows
Year Ended December 31, 2009
(Restated)
(In thousands)

	Parent	Bermuda	Delaware	Other Subsidiaries	Eliminations	Consolidation
Cash Flows from Operating Activities:						
Net Income (Loss)	$ 170,141	$ 184,015	$ 231,526	$ 465,917	$ (855,299)	$ 196,300
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Charges from Parent or Subsidiary	20,776	(5,430)	143,689	(159,035)	—	—
Equity in (Earnings) Loss of Affiliates	(201,603)	(249,409)	(404,287)	—	855,299	—
Deferred Income Tax Benefit	—	—	(10,008)	(120,762)	—	(130,770)
Other Adjustments	7,718	(166,010)	161,307	539,777	—	542,792
Net Cash Provided (Used) by Operating Activities	(2,968)	(236,834)	122,227	725,897	—	608,322
Cash Flows from Investing Activities:						
Acquisitions of Businesses, Net of Cash Acquired	—	—	—	(9,695)	—	(9,695)
Capital Expenditures for Property, Plant and Equipment	—	—	—	(1,569,477)	—	(1,569,477)
Acquisition of Intellectual Property	—	—	—	(28,210)	—	(28,210)
Purchase of Equity Investment in Unconsolidated Affiliates	—	—	—	(26,999)	—	(26,999)
Proceeds from Sale of Assets and Businesses, Net	—	—	—	123,445	—	123,445
Capital Contribution to Subsidiary	—	(474,465)	(39)	—	474,504	—
Net Cash Provided (Used) by Investing Activities	—	(474,465)	(39)	(1,510,936)	474,504	(1,510,936)
Cash Flows from Financing Activities:						
Borrowings (Repayments) Short-term Debt, Net	—	(429,070)	110	36,040	—	(392,920)
Borrowings (Repayments) Long-term Debt, Net	—	1,233,365	—	(6,779)	—	1,226,586
Borrowings (Repayments) Between Subsidiaries, Net	2,968	(92,973)	(194,416)	284,421	—	—
Proceeds from Capital Contribution	—	—	—	474,504	(474,504)	—
Other, Net	—	—	72,489	—	—	72,489
Net Cash Provided (Used) by Financing Activities	2,968	711,322	(121,817)	788,186	(474,504)	906,155
Effect of Exchange Rate Changes on Cash and Cash Equivalents	—	—	—	10,580	—	10,580
Net Increase in Cash and Cash Equivalents	—	23	371	13,727	—	14,121
Cash and Cash Equivalents at Beginning of Year	102	24	50	238,222	—	238,398
Cash and Cash Equivalents at End of Year	$ 102	$ 47	$ 421	$ 251,949	$ —	$ 252,519

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

	Bermuda	Delaware	Other Subsidiaries	Eliminations	Consolidation
Cash Flows from Operating Activities:					
Net Income (Loss)	$ 1,246,496	$ 1,286,557	$ 1,405,439	$(2,657,724)	$ 1,280,768
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 Operation	(2,000)	—	14,928	—	12,928
Equity in (Earnings) Loss of Affiliates	(1,286,557)	(1,371,167)	—	2,657,724	—
Deferred Income Tax Benefit	—	(15,687)	(68,623)	—	(84,310)
Other Adjustments	(21,284)	(120,321)	43,006	—	(98,599)
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 Operation	—	—	(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 Operation	(350,966)	(5,050)	(3,021,055)	356,016	(3,021,055)
Net Cash Provided by Investing Activities — Discontinued Operation	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 (Repayments) Short-term Debt, Net	199,054	(23,096)	301,863	—	477,821
Borrowings (Repayments) Long-term Debt, Net	1,483,931	(1,166)	(4,432)	—	1,478,333
Borrowings (Repayments) Between Subsidiaries, Net	(1,151,147)	226,581	924,566	—	—
Proceeds from Capital Contribution	—	—	356,016	(356,016)	—
Other, Net	(533)	21,910	—	—	21,377
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 Operation	—	—	—	—	—
Net Cash Provided (Used) by Financing Activities	531,305	224,229	1,578,013	(356,016)	1,977,531
Effect of Exchange Rate Changes on Cash and Cash Equivalents	—	—	(4,360)	—	(4,360)
Net Increase (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

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 7 of this report.
2. The financial statement schedule on page 73 of this report.
3. The exhibits of the Company listed below under Item 15(b).

(b) *Exhibits***:**

Exhibit Number	Description
1.1	Underwriting Agreement, dated September 16, 2010, among Weatherford International Ltd., a Bermuda exempted company, Weatherford International Ltd., a Swiss joint-stock corporation, Weatherford International, Inc., a Delaware corporation, and Deutsche Bank Securities Inc., Morgan Stanley & Co. Incorporated, UBS Securities LLC and JP Morgan Securities LLC, as representatives of the several underwriters named therein (incorporated by reference to Exhibit 1.1 to the Registrant's Current report on Form 8-K (File No. 1-34258) filed September 22. 2010).
2.1	Stock Purchase Agreement dated June 6, 2005 by and between Precision Drilling Corporation and Weatherford International Ltd. (incorporated by reference to Exhibit 2.1 to Amendment No. 1 to the Registrant's Current Report on Form 8-K dated June 6, 2005 on Form 8-K/A (File No. 1-31339) filed June 9, 2005).
2.2	Agreement and Plan of Merger dated May 8, 2002, among Weatherford International, Inc., Weatherford Merger, Inc., Weatherford International Ltd. and Weatherford U.S. Holdings LLC (incorporated by reference to Exhibit 2.1 to Amendment No. 1 to the Registration Statement on Form S-4 (Reg. No. 333-85644) filed on May 22, 2002).
2.3	Share Exchange Agreement dated as of December 10, 2008, among Weatherford International, Ltd., a Bermuda exempted company, and Weatherford International Ltd., a Swiss joint-stock corporation (incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K (File No. 1-31339) filed December 10, 2008).
2.4	Sale and Purchase Agreement, dated as of May 29, 2009 between Weatherford International Ltd. and Novy Investments Limited (incorporated by reference to Exhibit 99.1 to the Registrant's Current Report on Form 8-K/A (File No. 1-34258) filed June 3, 2009).
3.1	Second Amendment dated June 24, 2010 to Sale and Purchase Agreement between Weatherford International Ltd. And Novy Investments Limited dated May 29, 2009 (incorporated by reference to Exhibit 99.1 to the Registrant's Current Report on Form 8-K (File No. 1-34258) filed June 28, 2010).
3.2	Organizational Regulations of Weatherford International Ltd. (incorporated by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K (File No. 1-34258) filed February 26, 2009).
3.3	Articles of Association of Weatherford International Ltd. (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K (File No. 1-34258) filed June 23, 2010)
4.1	Guarantee, dated as of October 25, 2005, of Weatherford International, Inc. for the benefit of holders of any notes issued by Weatherford International Ltd., from time to time pursuant to the Issuing and Paying Agent Agreement, dated as of October 25, 2005, between Weatherford International Ltd., Weatherford International, Inc. and JPMorgan Chase Bank, National Association (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K (File No. 1-31339) filed October 31, 2005).
4.2	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 (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K (File No. 1-31339) filed May 5, 2006).

Exhibit Number	Description
4.3	Notice of Commitment Increase dated as of November 14, 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 (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K (File No. 1-31339) filed November 16, 2006.
4.4	Omnibus Consent and Amendment to Second Amended and Restated Credit Agreement dated January 9, 2009 (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K (File No. 1-31339) filed January 15, 2009).
4.5	Credit Agreement, dated March 19, 2008, among Weatherford International Ltd., as borrower, Weatherford International, Inc. as guarantor, and Deutsche Bank AG Cayman Islands Branch as administrative agent, and the other lenders party thereto (incorporated by reference to Exhibit 4.6 to the Registrant's Current Report on Form 8-K (File No. 1-31339) filed March 25, 2008).
4.6	Omnibus Consent and Amendment to Credit Agreement dated January 9, 2009 (incorporated by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K (File No. 1-31339) filed January 15, 2009).
4.7	Indenture dated May 17, 1996, between Weatherford Enterra, Inc. and Bank of Montreal Trust Company, as Trustee (incorporated by reference to Exhibit 4.1 to Weatherford Enterra, Inc.'s Current Report on Form 8-K (File No. 1-7867) filed May 31, 1996).
4.8	Third Supplemental Indenture dated November 16, 2001, between Weatherford International, Inc. and The Bank of New York, as Trustee (incorporated by reference to Exhibit 4.11 to the Registration Statement on Form S-3 (Reg. No. 333-73770) filed November 20, 2001).
4.9	Fourth Supplemental Indenture dated June 26, 2002, among Weatherford International, Inc., Weatherford International Ltd. and The Bank of New York (as successor in interest to Bank of Montreal Trust Company) (incorporated by reference to Exhibit 4.7 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2002 (File No. 1-13086) filed August 14, 2002).
4.10	Indenture, dated October 1, 2003, among Weatherford International Ltd., Weatherford International, Inc., and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K (File No. 1-31339) filed October 2, 2003).
4.11	Officers' Certificate dated as of February 17, 2006, establishing the series of 5.50% Senior Notes due 2016 (incorporated by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K (File No. 1-31339) filed February 17, 2006).
4.12	Officer's Certificate, dated August 7, 2006, establishing the series of 6.50% Senior Notes due 2036 (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K (File No. 1-31339) filed August 7, 2006).
4.13	First Supplemental Indenture, dated March 25, 2008 among Weatherford International Ltd., Weatherford International, Inc., and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K (File No. 1-31339) filed March 25, 2008).
4.14	Indenture, dated June 18, 2007, among Weatherford International, Inc., as issuer, Weatherford International Ltd., as guarantor, and Deutsche Bank Trust Company Americas, as trustee, (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K (File No. 1-31339) filed on June 18, 2007).
4.15	First Supplemental Indenture, dated June 18, 2007, among Weatherford International, Inc., as issuer, Weatherford International Ltd., as guarantor, and Deutsche Bank Trust Company Americas, as trustee (including forms of notes) (incorporated by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K (File No. 1-31339) filed on June 18, 2007).
4.16	Second Supplemental Indenture, dated as of January 8, 2009, among Weatherford International Ltd., Weatherford International, Inc., and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K (File No. 1-31339) filed January 8, 2009).

Exhibit Number	Description
4.17	Form of global note for 5.95% Senior Notes due 2012 (incorporated by reference to Exhibit 4.15 to the Registrant's Registration Statement on Form S-4 (Registration No. 333-146695) filed November 8, 2007).
4.18	Form of global note for 5.15% Senior Notes due 2013 (incorporated by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K (File No. 1-31339) filed March 25, 2008).
4.19	Form of global note for 4.95% Senior Notes due 2013 (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K (File No. 1-31339) filed October 7, 2003).
4.20	Form of global note for 5.50% Senior Notes due 2016 (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K (File No. 1-31339) filed February 17, 2006).
4.21	Form of global note for 6.00% Senior Notes due 2018 (incorporated by reference to Exhibit 4.3 to the Registrant's Current Report on Form 8-K (File No. 1-31339) filed March 25, 2008).
4.22	Form of global note for 9.625% Senior Notes due 2019 (incorporated by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K (File No. 1-31339) filed January 8, 2009).
4.23	Form of $500,000 global note for 6.50% Senior Notes due 2036 (incorporated by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K (File No. 1-31339) filed August 7, 2006).
4.24	Form of $100,000 global note for 6.50% Senior Notes due 2036 (incorporated by reference to Exhibit 4.3 to the Registrant's Current Report on Form 8-K (File No. 1-31339) filed August 7, 2006).
4.25	Form of global note for 6.80% Senior Notes due 2037 (incorporated by reference to Exhibit 4.17 to the Registrant's Registration Statement on Form S-4 (Registration No. 333-146695) filed November 8, 2007).
4.26	Form of global note for 7.00% Senior Notes due 2038 (incorporated by reference to Exhibit 4.4 to the Registrant's Current Report on Form 8-K (File No. 1-31339) filed March 25, 2008).
4.27	Form of global note for 9.875% Senior Notes due 2039 (incorporated by reference to Exhibit 4.3 to the Registrant's Current Report on Form 8-K (File No. 1-31339) filed January 8, 2009).
4.28	Amended and Restated Warrant Agreement, dated effective as of July 12, 2006, by and among Weatherford International Ltd., Weatherford International, Inc. and Shell Technology Ventures, Inc. (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K (File No. 1-31339) filed July 14, 2006).
4.29	Fifth Supplemental Indenture, dated as of February 26, 2009, among Weatherford International, Inc., a Delaware corporation, Weatherford International Ltd., a Bermuda exempted company, Weatherford International Ltd., a Swiss joint-stock corporation, and The Bank of New York, as successor trustee, to the Indenture dated as of May 17, 1996 (the "1996 Indenture") (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K (File No. 1-34258) filed February 26, 2009).
4.30	Third Supplemental Indenture, dated as of February 26, 2009, among Weatherford International Ltd., a Bermuda exempted company, Weatherford International, Inc., Weatherford International Ltd., a Swiss joint-stock corporation, and Deutsche Bank Trust Company Americas, as trustee, to the Indenture dated as of October 1, 2003 (the "2003 Indenture") (incorporated by reference to Exhibit 4.2 to the Registrant's Current Report on Form 8-K (File No. 1-34258) filed February 26, 2009).
4.31	Second Supplemental Indenture, dated as of February 26, 2009, among Weatherford International, Inc., Weatherford International Ltd., a Bermuda exempted company, Weatherford International Ltd., a Swiss joint-stock corporation, and Deutsche Bank Trust Company Americas, as trustee, to the Indenture dated as of June 18, 2007 (the "2007 Indenture") (incorporated by reference to Exhibit 4.3 to the Registrant's Current Report on Form 8-K (File No. 1-34258) filed February 26, 2009).
4.32	Registration Rights Agreement, dated as of July 27, 2009 between Weatherford International Ltd. and Novy Investments Limited (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K (File No. 1-34258) filed July 27, 2009).
4.33	Registration Rights Agreement, dated as of September 16, 2009 between Weatherford International Ltd. and Integrity Energy International, LLC. (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K (File No. 1-34258) filed September 17, 2009).

Exhibit Number	Description
4.34	Fourth Supplemental Indenture, dated September 23, 2010, among Weatherford International Ltd., a Bermuda exempted company, Weatherford International Ltd., a Swiss joint-stock corporation, Weatherford International, Inc. and Deutsche Bank Trust Company Americas (incorporated by reference to Exhibit 4.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2010 (File No. 1-34258) filed November 2, 2010).
4.35	Form of global note for 5.125% Senior Notes due 2020 (incorporated by reference to Exhibit 4.3 to the Registrant's Current Report on Form 8-K (File No. 1-34258) filed September 22, 2010).
4.36	Form of global note for 6.750% Senior Notes due 2040 (incorporated by reference to Exhibit 4.4 to the Registrant's Current Report on Form 8-K (File No. 1-34258) filed September 22, 2010).
4.37	Form of guarantee notation (incorporated by reference to Exhibit 4.5 to the Registrant's Current Report on Form 8-K (File No. 1034258) filed September 22, 2010).
10.1	Issuing and Paying Agent Agreement, dated as of October 25, 2005, among Weatherford International Ltd., Weatherford International, Inc. and JPMorgan Chase Bank, National Association (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 1-31339) filed October 31, 2005).
10.2	Commercial Paper Dealer Agreement, dated as of October 25, 2005, among Weatherford International Ltd., Weatherford International, Inc. and JPMorgan Securities Inc. (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K (File No. 1-31339) filed October 31, 2005).
10.3	Commercial Paper Dealer Agreement, dated as of October 25, 2005, among Weatherford International Ltd., Weatherford International, Inc. and Goldman, Sachs & Co. (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K (File No. 1-31339) filed October 31, 2005).
10.4	Commercial Paper Dealer Agreement, dated as of October 25, 2005, among Weatherford International Ltd., Weatherford International, Inc. and Merrill Lynch Money Markets Inc. (for notes with maturities up to 270 days) and Merrill Lynch, Pierce, Fenner & Smith Incorporated, (for notes with maturities over 270 days up to 397 days) (incorporated by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K (File No. 1-31339) filed October 31, 2005).
*10.5	Weatherford International Ltd. Restricted Share Plan, including form of agreement for officers and non-officers (incorporated by reference to Exhibit 10.2 to Amendment No. 1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2004 on Form 10-Q/A (File No. 1-31339) filed September 15, 2004).
*10.6	Trust under Weatherford International Ltd. Nonqualified Executive Retirement Plan dated March 23, 2004 (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2004 (File No. 1-31339) filed May 6, 2004).
*10.7	Amended and Restated Non-Employee Director Stock Option Plan (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1995 (File No. 1-13086) filed August 12, 1995).
*10.8	General Amendment of Employee Stock Option Programs of Weatherford International, Inc. dated May 9, 2003 (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003 (File No. 1-31339) filed August 14, 2003).
*10.9	General Amendment of Director's Stock Option Plans and Agreements dated May 9, 2003 (incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003 (File No. 1-31339) filed August 14, 2003).
*10.10	Weatherford International, Inc. 1998 Employee Stock Option Plan, as amended, including form of agreement for officers (incorporated by reference to Exhibit 10.18 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2003 (File No. 1-13086) filed March 24, 2004).
*10.11	Amendment to Stock Option Programs (incorporated by reference to Exhibit 4.19 to the Registrant's Registration Statement on Form S-8 (Reg. No. 333-36598) filed May 19, 2000).
*10.12	Indemnification Agreement, dated as of September 29, 2005, between Weatherford International Ltd. and Andrew P. Becnel (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K (File No. 1-31339) filed October 5, 2005).

Exhibit Number	Description
*10.13	Indemnification Agreements with Robert K. Moses, Jr. (incorporated by reference to Exhibit 10.10 to Weatherford Enterra, Inc.'s Annual Report on Form 10-K for the year ended December 31, 1987 (File No. 1-7867)); and William E. Macaulay (incorporated by reference to Exhibit 10.2 to Weatherford Enterra, Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 1995 (File No. 1-7867)).
*10.14	Indemnification Agreements with each of Bernard J. Duroc-Danner, Burt M. Martin, Stuart E. Ferguson, David J. Butters, Robert A. Rayne, Robert K. Moses, Jr., Robert B. Millard, and William E. Macaulay (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2002 (File No. 1-13086) filed November 13, 2002).
*10.15	Form of Stock Option Agreement for Non-Employee Directors dated September 8, 1998 (incorporated by reference to Exhibit 10.23 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1998 (File No. 1-13086) filed March 31, 1999).
*10.16	Form of Amendment to Stock Option Agreements dated September 8, 1998 for Non-Employee Directors (incorporated by reference to Exhibit 4.17 to the Registration Statement on Form S-8 (Reg. No. 333-36598) filed May 9, 2000).
*10.17	Form of Stock Option Agreement for Non-employee Directors dated July 5, 2000 (incorporated by reference to Exhibit 4.16 to the Registration Statement on Form S-8 (Reg. No. 333-48322) filed October 20, 2000).
*10.18	Form of Stock Option Agreement for Non-employee Directors dated September 26, 2001 (incorporated by reference to Exhibit 4.19 to the Registration Statement on Form S-8 (Reg. No. 333-81678) filed January 30, 2002).
*10.19	Assumption and General Amendment of Directors' Stock Option and Benefit Programs and General Amendment of Employee Stock Option and Benefit Programs of Weatherford International, Inc. dated June 26, 2002 (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2002 (File No. 1-13086) filed August 14, 2002).
*10.20	Indemnification Agreement dated October 27, 2006, between Weatherford International Ltd. and Jessica Abarca (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K (File No. 1-31339) filed October 27, 2006).
*10.21	Form of Restricted Share Unit Award Agreement for Officers pursuant to Weatherford International Ltd. 2006 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.45 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2006 (File No. 1-31339) filed February 23, 2007).
*10.22	Form of Stock Option Award Agreement for Officers pursuant to Weatherford International Ltd. 2006 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.46 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2006 (File No. 1-31339) filed February 23, 2007).
*10.23	Form of Restricted Share Award Agreement for Non-employee Directors pursuant to Weatherford International Ltd. 2006 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.47 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2006 (File No. 1-31339) filed February 23, 2007).
*10.24	Form of Restricted Share Award Agreement for Officers pursuant to Weatherford International Ltd. 2006 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.48 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2006 (File No. 1-31339) filed February 23, 2007).
*10.25	Form of Stock Option Award Agreement for Non-Employee Directors pursuant to Weatherford International Ltd. 2006 Omnibus Plan (incorporated by reference to Exhibit 10.49 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2006 (File No. 1-31339) filed February 23, 2007).
*10.26	Indemnification Agreement, dated as of June 11, 2007, between Weatherford International Ltd. and Keith R. Morley (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K (File No. 1-31339) filed June 11, 2007).

Exhibit Number	Description
*10.27	Amended and Restated Employment Agreements dated December 31, 2008, between Weatherford International Ltd. and each of Jessica Abarca, Andrew P. Becnel, M. David Colley, Bernard J. Duroc-Danner, Stuart E. Ferguson, Burt M. Martin and Keith R. Morley (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 1-31339) filed December 31, 2008).
*10.28	Employment Agreements effective as of January 1, 2009, between Weatherford International, Inc. and each of Jessica Abarca, Andrew P. Becnel, M. David Colley, Bernard J. Duroc-Danner, Stuart E. Ferguson, Burt M. Martin and Keith R. Morley (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K (File No. 1-31339) filed December 31, 2008).
*10.29	Weatherford International, Inc. Executive Deferred Compensation Stock Ownership Plan, as amended and restated as of December 31, 2008 (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K (File No. 1-31339) filed December 31, 2008).
*10.30	Weatherford International, Inc. Foreign Executive Deferred Compensation Stock Plan, as amended and restated as of December 31, 2008 (incorporated by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K (File No. 1-31339) filed December 31, 2008).
*10.31	Weatherford International Ltd. Non-Employee Director Deferred Compensation, as amended and restated as of December 31, 2008 (incorporated by reference to Exhibit 10.5 to the Registrant's Current Report on Form 8-K (File No. 1-31339) filed December 31, 2008).
*10.32	Weatherford International Ltd. Non-Employee Director Retirement Plan, as amended and restated as of December 31, 2008 (incorporated by reference to Exhibit 10.6 to the Registrant's Current Report on Form 8-K (File No. 1-31339) filed December 31, 2008).
*10.33	Weatherford Management Incentive Plan, including Form of Award Letter, as amended and restated as of December 31, 2008 (incorporated by reference to Exhibit 10.7 to the Registrant's Current Report on Form 8-K (File No. 1-31339) filed December 31, 2008).
*10.34	Amended and Restated Weatherford International Ltd. Nonqualified Executive Retirement Plan (incorporated by reference to Exhibit 10.8 to the Registrant's Current Report on Form 8-K (File No. 1-31339) filed December 31, 2008).
*10.35	Weatherford International, Inc. Supplemental Retirement Plan (incorporated by reference to Exhibit 10.9 to the Registrant's Current Report on Form 8-K (File No. 1-31339) filed December 31, 2008).
*10.36	Weatherford International Ltd. 2006 Omnibus Incentive Plan, as amended (incorporated by reference to Exhibit 10.10 to the Registrant's Current Report on Form 8-K (File No. 1-31339) filed December 31, 2008).
*10.37	Amendment to Weatherford International, Inc. 1998 Employee Stock Option Plan (incorporated by reference to Exhibit 10.11 to the Registrant's Current Report on Form 8-K (File No. 1-31339) filed December 31, 2008).
*10.38	Amendment to Weatherford International Ltd. Non-Employee Director Stock Option Agreements (incorporated by reference to Exhibit 10.12 to the Registrant's Current Report on Form 8-K (File No. 1-31339) filed December 31, 2008).
*10.39	Amended and Restated Employment Agreement, dated December 31, 2008, between Weatherford International Ltd. and Carel W. Hoyer (incorporated by reference to Exhibit 10.39 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2008 (File No. 1-31339) filed February 24, 2009).
*10.40	Employment Agreement, dated February 2, 2009, between Weatherford International, Inc. and Carel W. Hoyer (incorporated by reference to Exhibit 10.40 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2008 (File No. 1-31339) filed February 24, 2009).
*10.41	Indemnification Agreement, dated as of February 9, 2009, between Weatherford International Ltd. and Carel W. Hoyer (incorporated by reference to Exhibit 10.41 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2008 (File No. 1-31339) filed February 24, 2009).
*10.42	Indemnification Agreement, dated as of February 9, 2009, between Weatherford International, Inc. and Carel W. Hoyer (incorporated by reference to Exhibit 10.42 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2008 (File No. 1-31339) filed February 24, 2009).

Exhibit Number	Description
*10.43	Amended and Restated Employment Agreement, dated December 31, 2008, between Weatherford International Ltd. and James M. Hudgins (incorporated by reference to Exhibit 10.43 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2008 (File No. 1-31339) filed February 24, 2009).
*10.44	Employment Agreement, dated February 9, 2009, between Weatherford International, Inc. and James M. Hudgins (incorporated by reference to Exhibit 10.44 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2008 (File No. 1-31339) filed February 24, 2009).
*10.45	Indemnification Agreement, dated as of September 4, 2002, between Weatherford International Ltd. and James M. Hudgins (incorporated by reference to Exhibit 10.45 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2008 (File No. 1-31339) filed February 24, 2009).
*10.46	Indemnification Agreement, dated as of September 4, 2002, between Weatherford International, Inc. and James M. Hudgins (incorporated by reference to Exhibit 10.46 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2008 (File No. 1-31339) filed February 24, 2009).
10.47	Warrant Assignment and Assumption Agreement, dated February 26, 2009, between Weatherford International Ltd., a Bermuda exempted company, and Weatherford International Ltd., a Swiss joint-stock corporation (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 1-34258) filed February 26, 2009).
10.48	Guaranty Agreement, dated as of February 26, 2009, by Weatherford International Ltd., a Swiss joint-stock corporation, in favor of the lenders and certain other parties under the Second Amended and Restated Credit Agreement dated as of May 2, 2006, among Weatherford International Ltd., a Bermuda exempted company, Weatherford International, Inc., Weatherford Liquidity Management Hungary Limited Liability Company, JPMorgan Chase Bank, as administrative agent, and the other Lenders party thereto (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K (File No. 1-34258) filed February 26, 2009).
10.49	Guaranty Agreement, dated as of February 26, 2009, by Weatherford International Ltd., a Swiss joint-stock corporation, in favor of the lenders and certain other parties under the Credit Agreement dated as of March 19, 2008, among Weatherford International Ltd., a Bermuda exempted company, Weatherford International, Inc., Deutsche Bank AG Cayman Islands Branch, as administrative agent, and the other Lenders party thereto (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K (File No. 1-34258) filed February 26, 2009).
10.50	Guaranty Agreement, dated as of February 26, 2009, by Weatherford International Ltd., a Swiss joint-stock corporation, in favor of the lenders and certain other parties under the Credit Agreement dated as of October 20, 2008, among Weatherford International Ltd., a Bermuda exempted company, Weatherford International, Inc., UBS AG, Stamford Branc, as administrative agent, and the other Lenders party thereto (incorporated by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K (File No. 1-34258) filed February 26, 2009).
10.51	Assumption and General Amendment Agreement, dated February 25, 2009, between Weatherford International Ltd., a Bermuda exempted company, and Weatherford International Ltd., a Swiss joint-stock corporation (incorporated by reference to Exhibit 10.5 to the Registrant's Current Report on Form 8-K (File No. 1-34258) filed February 26, 2009).
10.52	Form of Indemnification Agreement of Weatherford International Ltd., a Swiss joint-stock corporation, for use with directors and executive officers (incorporated by reference to Exhibit 10.6 to the Registrant's Current Report on Form 8-K (File No. 1-34258) filed February 26, 2009).
*10.53	Employment Agreement, dated as of June 8, 2009, between Weatherford International Ltd. and Joseph C. Henry (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 1-34258) filed June 9, 2009).
*10.54	Employment Agreement, dated as of June 8, 2009, between Weatherford International, Inc. and Joseph C. Henry (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K (File No. 1-34258) filed June 9, 2009).
*10.55	Indemnification Agreement, dated as of February 26, 2009, between Weatherford International Ltd. and Joseph C. Henry (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K (File No. 1-34258) filed June 9, 2009).

Exhibit Number	Description
*10.56	Employment Agreement, dated as of March 30, 2009, between Weatherford International Ltd. and William B. Jacobson (incorporated by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K (File No. 1-34258) filed June 9, 2009).
*10.57	Employment Agreement, dated as of March 30, 2009, between Weatherford International, Inc. and William B. Jacobson (incorporated by reference to Exhibit 10.5 to the Registrant's Current Report on Form 8-K (File No. 1-34258) filed June 9, 2009).
*10.58	Indemnification Agreement, dated as of March 30, 2009 between Weatherford International Ltd. and William B. Jacobson (incorporated by reference to Exhibit 10.6 to the Registrant's Current Report on Form 8-K (File No. 1-34258) filed June 9, 2009).
*10.59	Employment Agreement, dated as of July 21, 2009, between Weatherford International Ltd. and Peter T. Fontana (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 1-34258) filed July 22, 2009).
*10.60	Employment Agreement, dated as of July 21, 2009, between Weatherford International, Inc. and Peter T. Fontana (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K (File No. 1-34258) filed July 22, 2009).
*10.61	Indemnification Agreement, dated as of July 21, 2009, between Weatherford International Ltd. and Peter T. Fontana (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K (File No. 1-34258) filed July 22, 2009).
*10.62	Form of Employment Agreement, between Weatherford International Ltd. and each of Jessica Abarca, Andrew P. Becnel, M. David Colley, Stuart E. Ferguson, and Keith R. Morley (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 1-34258) filed December 31, 2009).
*10.63	Supplemental Executive Retirement Plan effective as of January 1, 2010, between Weatherford International Ltd. and each of Jessica Abarca, Andrew P. Becnel, M. David Colley, Bernard J. Duroc-Danner, Stuart E. Ferguson and Keith R. Morley (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K (File No. 1-34258) filed December 31, 2009).
*10.64	First amendment to the Weatherford International Ltd., Supplemental Executive Retirement Plan, effective March 31, 2010 (incorporated by reference to Exhibit 10.1 to the Registrant's Current report on Form 8-K (File No. 1-34258) filed March 23, 2010).
*10.65	Weatherford International Ltd. Performance Unit Award Agreement, (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K (File No. 1-34258) filed March 23, 2010).
*10.66	Second amendment to the Weatherford International Ltd. Supplemental Executive Retirement Plan, effective April 8, 2010 (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 1-34258) filed April 9, 2010).
*10.67	Form of amended and restated Employment Agreement, between Weatherford International Ltd. and each of Bernard J. Duroc-Danner, Peter T. Fontana, Nicholas W. Gee, Joseph C. Henry, Carel W. J. Hoyer, James M. Hudgins and William B. Jacobson (incorporated by reference to the Registrant's Current Report on Form 8-K (File No. 1-34258) filed April 13, 2010).
*10.68	Form of Performance Unit Award Agreement pursuant to Weatherford International Ltd. 2010 Omnibus Incentive Plan (incorporated by references to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2010 (File No. 1-34258) filed August 3, 2010).
*10.69	Employment Agreement, dated September 14, 2010, between Andrew P. Becnel and Weatherford International Ltd. (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 1-34258) filed September 15, 2010).
10.70	Credit Agreement, dated as of October 15, 2010, among Weatherford International Ltd., a Bermuda exempted company, Weatherford International Ltd., a Swiss joint-stock corporation, and other Borrowers party thereto, and Wells Fargo Bank, National Association, as a Swingline Lender, JP Morgan Chase Bank, N.A., as Administrative Agent and a Swingline Lender and the other parties thereto (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 1-34258) filed October 19, 2010).

Exhibit Number	Description
10.71	Guarantee Agreement, dated October 15, 2010 among Weatherford International Ltd., Weatherford International, Inc. and JP Morgan Chase Bank, N.A. as administrative agent (incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2010 (File No. 1-34258) filed November 2, 2010).
*10.72	Weatherford International Ltd. 2010 Omnibus incentive Plan (incorporated by reference to Annex C of the Registrant's Proxy Statement (File No. 1-34258) filed May 13, 2010).
*10.73	Form of Performance Unit Award Agreement for use under the Weatherford International Ltd. 2010 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 1-34258) filed February 22, 2011).
*10.74	Form of Restricted Share Unit Award Agreement for use under the Weatherford International Ltd. 2010 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.2 to the Registrant's Current report on Form 8-K (File No. 1-34258) filed February 22, 2011).
*10.75	Form of Restricted Share Unit Award Agreement (U.K. version) for use under the Weatherford International Ltd. 2010 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.3 to the Registrant's Current Report on Form 8-K (File No. 1-34258) filed February 22, 2011).
*10.76	Form of Restricted Share Award Agreement for use under the Weatherford International Ltd. 2006 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K (File No. 1-34258) filed February 22, 2011).
*10.77	Weatherford International Ltd. Non-Equity Incentive Compensation Plan (incorporated by reference to Exhibit 10.5 to the Registrant's Current Report on Form 8-K (File No. 1-34258) filed February 22, 2011).
21.1	Subsidiaries of Weatherford International, Ltd. (incorporated by reference to Exhibit 21.1 to the Registrant's Annual Report of Form 10-K (File No. 1-34258 filed March 8, 2011).
†23.1	Consent of Ernst & Young LLP.
†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.
**101	The following materials from Weatherford International Ltd.'s Annual Report on Form 10-K/A for the year ended December 31, 2010, formatted in XBRL (Extensible Business Reporting Language): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Income, (iii) the Consolidated Statements of Cash Flows, (iv) the Consolidated Statements of Shareholders' Equity and (v) related notes to the Consolidated Financial Statements.

* Management contract or compensatory plan or arrangement.

† Filed with this Form 10-K/A.

** Furnished with this Form 10-K/A

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. We will furnish a copy of any of such instruments to the Securities and Exchange Commission upon request.

We will furnish to any requesting shareholder 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, 2010

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, 2010:					
Allowance for uncollectible accounts receivable	$20,466	$56,803	$ 213	$(18,726)	$58,756
Year Ended December 31, 2009:					
Allowance for uncollectible accounts receivable	16,425	11,328	28	(7,315)	20,466
Year Ended December 31, 2008:					
Allowance for uncollectible accounts receivable	13,760	5,970	4,975	(8,280)	16,425

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.

WEATHERFORD INTERNATIONAL LTD.

By: /s/ Andrew P. Becnel

Andrew P. Becnel
Senior Vice President and
Chief Financial Officer,
(Principal Financial Officer)

Date: April 13, 2011

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

Registration Statement Form S-3 (No. 333-150764-01) of Weatherford International Ltd.,

Registration Statement Form S-3 (No. 333-135244-02) of Weatherford International Ltd.,

Registration Statement Form S-3 (No. 333-169400) of Weatherford International Ltd.,

Registration Statement Form S-8 (No. 033-65790-99-100) pertaining to the Weatherford International, Inc. Executive Deferred Compensation Stock Ownership Plan,

Registration Statement Form S-8 (No. 033-64349-99-100) pertaining to the Weatherford International Ltd. Amended and Restated Non-Employee Director Stock Option Plan,

Registration Statement Form S-8 (No. 333-13531-99-100) pertaining to the Weatherford International, Inc. Executive Deferred Compensation Stock Ownership Plan; and Weatherford International, Inc. Foreign Executive Deferred Compensation Stock Plan,

Registration Statement Form S-8 (No. 333-36598-99-100) pertaining to the Weatherford International, Inc. 1998 Employee Stock Option Plan; Weatherford International, Inc. 401(k) Savings Plan; and Stock Option Agreements dated September 8, 1998 with Non-employee Directors,

Registration Statement Form S-8 (No. 333-48320-99-100) pertaining to the Weatherford International, Inc. 1998 Employee Stock Option Plan,

Registration Statement Form S-8 (No. 333-48322-99-100) pertaining to the Weatherford Stock Option Agreements dated July 5, 2000 with Non-Employee Directors,

Registration Statement Form S-8 (No. 333-53633-99-100) pertaining to the Weatherford International Ltd. Amended and Restated Non-Employee Director Stock Option Plan,

Registration Statement Form S-8 (No. 333-81678-99-100) pertaining to the Weatherford International, Inc. 1998 Employee Stock Option Plan,

Registration Statement Form S-8 (No. 333-81676-99-100) pertaining to the Stock Option Agreements dated September 26, 2001 with Non-Employee Directors of Weatherford International Ltd.,

Registration Statement Form S-8 (No. 333-112378-01) pertaining to the Weatherford International, Inc. Non-Employee Director Deferred Compensation Plan; Weatherford International, Inc. Foreign Executive Deferred Compensation Stock Plan; Weatherford International Ltd. Restricted Shares Plan; Weatherford International, Inc. 401(k) Savings Plan,

Registration Statement Form S-8 (No. 333-134425-01) pertaining to the Weatherford International Ltd. 2006 Omnibus Incentive Plan, and

Registration Statement Form S-8 (No. 333-167959) pertaining to the Weatherford International Ltd. 2010 Omnibus Incentive Plan;

of our reports dated March 8, 2011, with respect to the consolidated financial statements and schedule of Weatherford International Ltd. and subsidiaries, and the effectiveness of internal control over financial reporting of Weatherford International Ltd. and subsidiaries, included in this Annual Report (Form 10-K/A) of Weatherford International Ltd. and subsidiaries for the year ended December 31, 2010.

/s/ Ernst & Young
Houston, Texas
April 12, 2011

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/A 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: April 13, 2011

/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/A 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: April 13, 2011

/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/A of Weatherford International Ltd. (the “Company”) for the period ended December 31, 2010 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: April 13, 2011

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/A of Weatherford International Ltd. (the "Company") for the period ended December 31, 2010 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: April 13, 2011

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.