

Weatherford Reports First Quarter Results

\$0.10 per diluted share, before severance, exit and other adjustments

GENEVA, Switzerland, April 21, 2011 -- Weatherford International Ltd. (NYSE / SIX: WFT) today reported first quarter 2011 income of \$78 million, or \$0.10 per diluted share, excluding an after-tax loss of \$18 million. On a GAAP basis, our net income for the first quarter of 2011 was \$59 million, or \$0.08 per diluted share. The excluded after-tax loss is comprised of the following items:

- \$9 million after-tax charge incurred in connection with the termination of a corporate consulting contract;
- \$8 million in after-tax severance; and
- \$1 million for investigation costs.

(Logo: <http://photos.prnewswire.com/prnh/19990308/WEATHERFORDLOGO>)

First quarter diluted earnings per share reflect an increase of \$0.07 over the first quarter of 2010 diluted earnings per share of \$0.03, before charges. Sequentially, the company's first quarter diluted earnings per share, before charges, were \$0.06 lower than the fourth quarter of 2010.

First quarter revenues were \$2,856 million, or 23 percent higher than the same period last year, and down two percent sequentially. North America revenues increased 53 percent compared to the first quarter of 2010 while international revenues were up four percent over the same period.

Segment operating income of \$353 million improved 38 percent year-over-year but was down 17 percent sequentially. Margin performance was held back primarily due to political turmoil in the Middle East and North Africa, unfavorable weather conditions and an equity tax enacted in Colombia.

The company expects earnings per share before excluded items of approximately \$0.15 to \$0.17 in the second quarter of 2011.

North America

Revenue increased eight percent sequentially and 53 percent compared to the first quarter of 2010. Canadian activity was strong while colder winter temperatures subdued progress in the United States. Operating income of \$284 million improved \$22 million sequentially, and margins increased 20 basis points to 20.9 percent.

Middle East/North Africa/Asia

Revenue decreased \$109 million sequentially, or 16 percent, as political disruptions in the Middle East and North Africa and challenging weather events in Australia and China took a heavy toll, accounting for approximately two-thirds of the drop. Operating income declined \$38 million sequentially, on decrements of 35 percent.

Europe/West Africa/FSU

Revenue declined \$18 million, or three percent, sequentially but was up 12 percent compared to the first quarter of 2010. The winter effect in the North Sea, Russia and Caspian were primarily responsible for the decline. Operating income declined \$27 million sequentially. Contributing to the severe decrements were increased employee-related costs, as well as higher fuel and transportation costs in Russia.

Latin America

Revenue decreased eight percent, or \$36 million, on a sequential basis and declined four percent, or \$17 million, compared to the first quarter of 2010. Mexico and Venezuela led the declines. Operating income fell \$32 million sequentially. Approximately \$16 million of the decline was due to the charge for the Colombia equity tax. Adjusting for this effect, decrements were approximately 44 percent.

Net Debt

Net debt for the quarter increased \$547 million primarily as a result of an increase in working capital of \$365 million. The increase in working capital was largely driven by North America and Latin America.

Reclassifications and Non-GAAP

Non-GAAP performance measures and corresponding reconciliations to GAAP financial measures have been provided for meaningful comparisons between current results and results in prior operating periods.

Conference Call

The company will host a conference call with financial analysts to discuss the 2011 first quarter results on April 21, 2011 at 8:00 a.m. (CDT). The company invites investors to listen to a play back of the conference call and to access the call transcript at the company's website, <http://www.weatherford.com> in the "investor relations" section.

Weatherford is a Swiss-based, multi-national oilfield service company. It is one of the largest global providers of innovative mechanical solutions, technology and services for the drilling and production sectors of the oil and gas industry. Weatherford operates in over 100 countries and employs over 55,000 people worldwide.

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This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 concerning, among other things, Weatherford's prospects for its operations which are subject to certain risks, uncertainties and assumptions. These risks and uncertainties, which are more fully described in Weatherford International Ltd.'s reports and registration statements filed with the SEC, include the impact of oil and natural gas prices and worldwide economic conditions on drilling activity, the outcome of pending government investigations, the demand for and pricing of Weatherford's products and services, domestic and international economic and regulatory conditions and changes in tax and other laws affecting our business, results of our tax planning efforts, effects of extreme weather conditions and global political instability. Should one or more of these risks or uncertainties materialize, or should the assumptions prove incorrect, actual results may vary materially from those currently anticipated.

Weatherford International Ltd.
Consolidated Condensed Statements of Income
(Unaudited)
(In Thousands, Except Per Share Amounts)

| | Three Months Ended March 31, | |
|-------------------------------|---------------------------------|------------------|
| | 2011 | 2010 |
| Net Revenues: | | |
| North America | \$ 1,360,472 | \$ 888,579 |
| Middle East/North Africa/Asia | 575,526 | 562,056 |
| Europe/West Africa/FSU | 510,423 | 453,759 |
| Latin America | 409,765 | 426,673 |
| | <u>2,856,186</u> | <u>2,331,067</u> |

| | | |
|--|------------------|--------------------|
| Operating Income (Expense): | | |
| North America | 283,697 | 108,432 |
| Middle East/North Africa/Asia | 10,804 | 75,714 |
| Europe/West Africa/FSU | 37,504 | 46,298 |
| Latin America | 21,091 | 26,074 |
| Research and Development | (64,547) | (48,857) |
| Corporate Expenses | (55,829) | (45,058) |
| Revaluation of Contingent Consideration | - | (11,010) |
| Severance, Exit and Other Adjustments | (20,832) | (44,032) |
| | <u>211,888</u> | <u>107,561</u> |
| Other Income (Expense): | | |
| Interest Expense, Net | (112,506) | (95,339) |
| Devaluation of Venezuelan Bolivar | - | (63,859) |
| Other, Net | (18,566) | (9,218) |
| | <u>(131,072)</u> | <u>(168,416)</u> |
| Income (Loss) Before Income Taxes | 80,816 | (60,855) |
| Benefit (Provision) for Income Taxes: | | |
| Provision for Operations | (21,798) | (29,883) |
| Benefit from Devaluation of Venezuelan Bolivar | - | 23,973 |
| Benefit from Severance, Exit and Other Adjustments | 2,521 | 2,443 |
| | <u>(19,277)</u> | <u>(3,467)</u> |
| Net Income (Loss) | 61,539 | (64,322) |
| Net Income Attributable to Noncontrolling Interest | (2,338) | (4,035) |
| Net Income (Loss) Attributable to Weatherford | <u>\$ 59,201</u> | <u>\$ (68,357)</u> |
| Earnings (Loss) Per Share Attributable to Weatherford: | | |
| Basic | \$ 0.08 | \$ (0.09) |
| Diluted | \$ 0.08 | \$ (0.09) |
| Weighted Average Shares Outstanding: | | |
| Basic | 747,468 | 737,865 |
| Diluted | 757,617 | 737,865 |

Weatherford International Ltd.
Selected Income Statement Information
(Unaudited)
(In Thousands)

Three Months Ended

| | 3/31/2011 | 12/31/2010 | 9/30/2010 | 6/30/2010 | 3/31/2010 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Net Revenues: | | | | | |
| North America | \$ 1,360,472 | \$ 1,263,643 | \$ 1,096,963 | \$ 917,696 | \$ 888,579 |
| Middle East/North Africa/Asia | 575,526 | 684,630 | 601,215 | 602,602 | 562,056 |
| Europe/West Africa/FSU | 510,423 | 528,380 | 496,113 | 506,177 | 453,759 |
| Latin America | 409,765 | 446,162 | 335,461 | 410,688 | 426,673 |
| | <u>\$ 2,856,186</u> | <u>\$ 2,922,815</u> | <u>\$ 2,529,752</u> | <u>\$ 2,437,163</u> | <u>\$ 2,331,067</u> |
| Operating Income (Expense): | | | | | |
| North America | \$ 283,697 | \$ 261,145 | \$ 199,029 | \$ 127,001 | \$ 108,432 |
| Middle East/North Africa/Asia | 10,804 | 49,222 | 65,718 | 73,993 | 75,714 |
| Europe/West Africa/FSU | 37,504 | 64,398 | 63,236 | 67,366 | 46,298 |
| Latin America | 21,091 | 52,960 | 40,914 | 41,991 | 26,074 |
| Research and Development | (64,547) | (57,637) | (54,457) | (53,530) | (48,857) |
| Corporate Expenses | (55,829) | (43,283) | (41,907) | (42,670) | (45,058) |
| Revaluation of Contingent Consideration | - | 15,349 | 90,011 | (81,753) | (11,010) |
| Severance, Exit and Other Adjustments | (20,832) | (48,775) | (87,120) | (27,309) | (44,032) |
| | <u>\$ 211,888</u> | <u>\$ 293,379</u> | <u>\$ 275,424</u> | <u>\$ 105,089</u> | <u>\$ 107,561</u> |

Supplemental Information
(Unaudited)
(In Thousands)

| | Three Months Ended | | | | |
|---------------------------------------|--------------------|-------------------|-------------------|-------------------|-------------------|
| | 3/31/2011 | 12/31/2010 | 9/30/2010 | 6/30/2010 | 3/31/2010 |
| Depreciation and Amortization: | | | | | |
| North America | \$ 87,793 | \$ 83,996 | \$ 81,843 | \$ 81,040 | \$ 80,660 |
| Middle East/North Africa/Asia | 81,380 | 81,596 | 75,968 | 75,139 | 72,290 |
| Europe/West Africa/FSU | 56,594 | 53,408 | 56,960 | 52,371 | 49,271 |
| Latin America | 46,388 | 47,377 | 46,527 | 44,753 | 42,479 |
| Research and Development | 1,964 | 2,398 | 2,420 | 2,324 | 2,224 |
| Corporate | 2,936 | 3,075 | 3,491 | 2,943 | 2,781 |
| | <u>\$ 277,055</u> | <u>\$ 271,850</u> | <u>\$ 267,209</u> | <u>\$ 258,570</u> | <u>\$ 249,705</u> |

We report our financial results in accordance with generally accepted accounting principles (GAAP). However, Weatherford's management believes that certain non-GAAP performance measures and ratios may provide users of this financial information additional meaningful comparisons between current results and results in prior operating periods. One such non-GAAP financial measure we may present from time to time is operating income or income from continuing operations excluding certain charges or amounts. This adjusted income amount is not a measure of financial performance under GAAP. Accordingly, it should not be considered as a substitute for operating income, net income or other income data prepared in accordance with GAAP. See the table below for supplemental financial data and corresponding reconciliations to GAAP financial measures for the three months ended March 31, 2011, December 31, 2010, and March 31, 2010. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the Company's reported results prepared in accordance with GAAP.

Reconciliation of GAAP to Non-GAAP Financial Measures

(Unaudited)

(In Thousands, Except Per Share Amounts)

| | Three Months Ended | | |
|---|--------------------|----------------------|--------------------|
| | March 31, 2011 | December 31, 2010 | March 31, 2010 |
| Operating Income: | | | |
| GAAP Operating Income | \$ 211,888 | \$ 293,379 | \$ 107,561 |
| Severance, Exit and Other Adjustments | 20,832 | 48,775 | 44,032 |
| Revaluation of Contingent Consideration | - | (15,349) | 11,010 |
| Non-GAAP Operating Income | <u>\$ 232,720</u> | <u>\$ 326,805</u> | <u>\$ 162,603</u> |
| Income (Loss) Before Income Taxes: | | | |
| GAAP Income (Loss) Before Income Taxes | \$ 80,816 | \$ 117,162 | \$ (60,855) |
| Severance, Exit and Other Adjustments | 20,832 | 48,775 | 44,032 |
| Revaluation of Contingent Consideration | - | (15,349) | 11,010 |
| Devaluation of Venezuelan Bolivar | - | - | 63,859 |
| Bond Tender Premium | - | 43,242 | - |
| Non-GAAP Income (Loss) Before Income Taxes | <u>\$ 101,648</u> | <u>\$ 193,830</u> | <u>\$ 58,046</u> |
| Benefit (Provision) for Income Taxes: | | | |
| GAAP Benefit (Provision) for Income Taxes | \$ (19,277) | \$ (200,337) | \$ (3,467) |
| Legal Entity Reorganization Charges | - | 157,699 | - |
| Devaluation of Venezuelan Bolivar | - | - | (23,973) |
| Bond Tender, Severance, Exit and Other Adjustments | (2,521) | (24,301) | (2,443) |
| Non-GAAP Benefit (Provision) for Income Taxes | <u>\$ (21,798)</u> | <u>\$ (66,939)</u> | <u>\$ (29,883)</u> |
| Net Income (Loss) Attributable to Weatherford: | | | |
| GAAP Net Income (Loss) | \$ 59,201 | \$ (86,331) | \$ (68,357) |
| Total Charges, net of tax | 18,311 (a) | 210,066 (b) | 92,485 (c) |
| Non-GAAP Net Income | <u>\$ 77,512</u> | <u>\$ 123,735</u> | <u>\$ 24,128</u> |
| Diluted Earnings (Loss) Per Share Attributable to Weatherford: | | | |
| GAAP Diluted Earnings (Loss) per Share | \$ 0.08 | \$ (0.12) | \$ (0.09) |

| | | | | | | |
|-------------------------------------|---------|-----|---------|-----|---------|-----|
| Total Charges, net of tax | 0.02 | (a) | 0.28 | (b) | 0.12 | (c) |
| Non-GAAP Diluted Earnings per Share | \$ 0.10 | | \$ 0.16 | | \$ 0.03 | |

Note (a): This amount is comprised of a \$9 million charge associated with terminating a corporate consulting contract and \$8 million for severance costs. We also incurred investigation costs in connection with on-going investigations by the U.S. government.

Note (b): This amount is comprised of a \$34 million premium paid on tendering a portion of our senior notes, severance costs, a \$21 million reserve taken against accounts receivable balances in Venezuela due to the country's economic prognosis and a \$15 million gain on the settlement of contingent consideration included as part of our acquisition of the Oilfield Services Division ("OFS") of TNK-BP. We also incurred investigation costs in connection with on-going investigations by the U.S. government. In addition, we incurred a tax charge of \$158 million primarily as a result of a tax reorganization initiative completed during the fourth quarter of 2010.

Note (c): This amount is primarily comprised of a \$38 million charge, net of tax, related to our supplemental executive retirement plan that was frozen on March 31, 2010 and a \$40 million charge, net of tax, related to the devaluation of the Venezuelan Bolivar. In addition, we incurred a charge of \$11 million for the revaluation of contingent consideration included as part of our OFS acquisition. We also incurred investigation costs in connection with on-going investigations by the U.S. government and severance charges and facility closure costs.

Weatherford International Ltd.
Consolidated Condensed Balance Sheet
(Unaudited)
(In Thousands)

| | March 31, 2011 | December 31, 2010 |
|---|----------------------|----------------------|
| Current Assets: | | |
| Cash and Cash Equivalents | \$ 249,317 | \$ 415,772 |
| Accounts Receivable, Net | 2,923,062 | 2,629,403 |
| Inventories | 2,759,569 | 2,590,008 |
| Other Current Assets | 963,919 | 856,884 |
| | <u>6,895,867</u> | <u>6,492,067</u> |
| Long-Term Assets: | | |
| Property, Plant and Equipment, Net | 7,117,261 | 6,939,754 |
| Goodwill | 4,260,025 | 4,185,477 |
| Other Intangibles, Net | 735,494 | 730,429 |
| Equity Investments | 551,686 | 539,580 |
| Other Assets | 261,588 | 244,347 |
| | <u>12,926,054</u> | <u>12,639,587</u> |
| Total Assets | <u>\$ 19,821,921</u> | <u>\$ 19,131,654</u> |
| Current Liabilities: | | |
| Short-term Borrowings and Current Portion of Long-term Debt | \$ 619,490 | \$ 235,392 |
| Accounts Payable | 1,433,259 | 1,335,020 |
| Other Current Liabilities | 939,560 | 1,012,567 |
| | <u>2,992,309</u> | <u>2,583,079</u> |

| | | |
|--|----------------------|----------------------|
| | <u>2,992,309</u> | <u>2,582,979</u> |
| Long-term Liabilities: | | |
| Long-term Debt | 6,526,464 | 6,529,998 |
| Other Liabilities | <u>590,765</u> | <u>553,830</u> |
| | <u>7,117,229</u> | <u>7,083,828</u> |
| | | |
| Total Liabilities | <u>10,109,538</u> | <u>9,666,807</u> |
| | | |
| Shareholders' Equity: | | |
| Weatherford Shareholders' Equity | 9,650,984 | 9,400,931 |
| Noncontrolling Interest | <u>61,399</u> | <u>63,916</u> |
| Total Shareholders' Equity | <u>9,712,383</u> | <u>9,464,847</u> |
| | | |
| Total Liabilities and Shareholders' Equity | <u>\$ 19,821,921</u> | <u>\$ 19,131,654</u> |

Weatherford International Ltd.

Net Debt

(Unaudited)

(In Thousands)

Change in Net Debt for the Three Months Ended March 31, 2011:

| | |
|---|-----------------------|
| Net Debt at December 31, 2010 | \$ (6,349,618) |
| Operating Income | 211,888 |
| Depreciation and Amortization | 277,055 |
| Severance, Exit and Other Adjustments | 20,832 |
| Capital Expenditures | (355,650) |
| Increase in Working Capital | (299,723) |
| Income Taxes Paid | (65,532) |
| Interest Paid | (175,925) |
| Acquisitions and Divestitures of Assets and Businesses, Net | (19,389) |
| Foreign Currency Contract Settlements | (54,128) |
| Other | <u>(86,447)</u> |
| Net Debt at March 31, 2011 | <u>\$ (6,896,637)</u> |

| | | |
|---|-----------------------|-----------------------|
| | March 31, | December 31, |
| | <u>2011</u> | <u>2010</u> |
| Components of Net Debt | | |
| Cash | \$ 249,317 | \$ 415,772 |
| Short-term Borrowings and Current Portion of Long-Term Debt | (619,490) | (235,392) |
| Long-term Debt | <u>(6,526,464)</u> | <u>(6,529,998)</u> |
| Net Debt | <u>\$ (6,896,637)</u> | <u>\$ (6,349,618)</u> |

"Net Debt" is debt less cash. Management believes that Net Debt provides useful information regarding the level of Weatherford indebtedness by reflecting cash that could be used to repay debt.

Working capital is defined as accounts receivable plus inventory less accounts payable.

SOURCE Weatherford International Ltd.