ANNUAL REPORT 2015

Weatherford International plc

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EMPLOYEE TESTIMONIALS

DIAN CHEN
Regional Ethics and Compliance Counsel

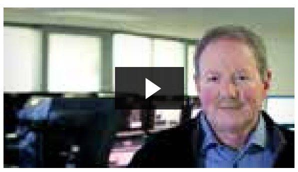
ASIA PACIFIC

MICHAEL STAFFORD HOGAN
Commercial Service Manager

ASIA PACIFIC

MAURICE LEHMAN
Director Supply Chain

CANADA



DAVID REED
Region Vice President

CANADA

WENDY WILSON
Director of QHSSE

CANADA

GEORGETA GRIGORE
Pyrotechnician

EUROPE

ION NECULA
Facilities Chief

EUROPE

CHRIS WHITWELL
Region Marketing and Communications Manager

EUROPE

YULY RAMIREZ
Sales and Application Engineer

LATIN AMERICA

PEDRO VARGAS NARANJO
Specialist of Sales II

LATIN AMERICA

FAISAL H. ALGHAMDI
Vice President - Global Account Management

MIDDLE EAST AND AFRICA

ELVIS ANGYIEMBE
Regional Ethics and Compliance Counsel

MIDDLE EAST AND AFRICA

ALAN EVES
Northern Emirates Manager

MIDDLE EAST AND AFRICA

SHEILLA OSAYOGIE
HR Manager

MIDDLE EAST AND AFRICA

CHARLOTTE WINTERBOTTOM, Ph.D.
Reservoir Geologist

MIDDLE EAST AND AFRICA

EMPLOYEE TESTIMONIALS

GHAZI HASHEM
Director of Technology

USA

MARK LAINE
Product Line Manager -
Gas Lift Systems

USA

REBECCA NYE
Global Service Line Manager -
Measurements

USA

DIENA REED
Compliance Analyst II

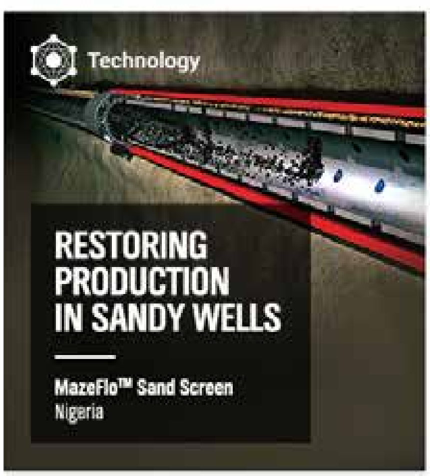
USA

TRAVIS SCHEUTZE
Field Application Engineer II

USA

ANNUAL REPORT - HIGHLIGHTS 2015

INNOVATIVE TECHNOLOGY



SAFETY AND SERVICE QUALITY

Safety

16% **REDUCTION** IN THE TOTAL RECORDABLE INCIDENT RATE (TRIR)

Global
2015

Safety

23% **REDUCTION** IN THE LOST-TIME INCIDENT RATE (LTIR)

Global
2015

Safety

33% **REDUCTION** IN THE PREVENTABLE VEHICLE INCIDENT RATE (PVIR)

Global
2015

Safety

43 **MANUFACTURING FACILITIES** ACHIEVED

No lost-time incidents

No recordable injuries

No preventable vehicle incidents

2015

Safety

HAZARDOUS SUBSTANCES SAFETY STAND-UP LAUNCHED

Global
2015

Safety

HAND AND FINGER INJURY PREVENTION PROGRAM LAUNCHED

Global
2015

Safety

BEST SAFETY RECORD IN COMPANY HISTORY

2015

Safety

API Q2 CERTIFICATION ACHIEVED BY FACILITY

St. John's Newfoundland, Canada
2015

SOCIAL ACTIVITY

Social in

One of the highlights of ADIPEC 2015: Being named Best Oilfield Services Company (International). Weatherford CEO Bernard J. Duroc-Danner shares his thoughts. **Find out more**

276 Likes **16** Comments

Social in

Weatherford is honored to receive the Environmental Stewardship award at the South Texas Energy & Economic Roundtable (STEER). **http://steer.com/**

2015 EAGLE FORD Excellence Awards
Presented by steer South Texas Energy Economic Roundtable

187 Likes **6** Comments

Social in

We are more focused on technology and talent management than ever. We are proud to present two of our top female management as they contribute to the conversation on women leadership and diversity. **Find out more**

575 Likes **49** Comments

Social in

We are proud to observe the United Nations International Anti-Corruption Day to fight corruption in all of its forms and to increase awareness of the harm it does.

751 Likes **46** Comments

Social in

Weatherford is honored to be included in the Euronext Vigeo US 50 indices which distinguishes the top 50 companies who have achieved the most advanced Environmental, Social and Governance performances in the US region.

EURONEXT
vigeo INDICES US 50

187 Likes **6** Comments

Social in

At the 14th annual World Oil awards, we were honored to receive technology awards for the EnviroLift hydraulic long-stroke pumping unit and the deepwater MPD system with MicroFlux® control system. **Find out more**

World Oil AWARDS 2015 WINNER
World Oil AWARDS 2015 WINNER

678 Likes **80** Comments

Social

Measurements Global Services Manager Rebecca Nye speaks now on depleted unconventional assets.

7 Likes **4** Retweets

Social

Weatherford Canada received the Gold Award for Canada's Safest Employer in Oil and Gas. **Find out more**

CANADA'S SAFEST EMPLOYERS

9 Likes **7** Retweets

Social

We are committed to increase the participation of women in STEM & leadership roles. **Find out more**

9 Likes **7** Retweets

Social

Weatherford is pleased to announce the development of the HeatWave™ Extreme service. **Find out more**

10 Likes **5** Retweets

SOCIAL ACTIVITY

Social

Weatherford and partners raise $438,000 in support of Camp Hope, Houston **prn.to/1LamD8K**

3 Likes **2** Retweets

Social

Weatherford is honored to be named Best Oilfield Services Company - International at the ADIPEC Awards **#ADIPEC2015**

12 Likes **10** Retweets

Social

The Weatherford team is proud to support the **@BPMS150**. To join the cause visit: **bit.ly/1xrM9Xj** **#whyWFTrides**

4 Likes **5** Retweets

Social

We are proud to be named a constituent in the 2015 MSCI Global Sustainability Index Series in acknowledgement of our environmental, social and governance performance.

129 Likes **3** Comments

Social

Saved at least $15 million in unnecessary drilling costs. **See full case study here**

170 Likes **9** Comments

Social

Through volunteering, funding and other support we aim to have a positive effect on the communities in which we operate.

40 Likes **0** Comments

Social

$7 million saved.
See full case study here

353 Likes **5** Comments

Social

Weatherford raised nearly $150,000 for the Houston Area Women's Center, featured this week in the Chronicle's "Houston Gives" section. **Find out more**

198 Likes **2** Comments

Social

We enjoyed hosting IPAA/PESA Petroleum Academies students at our Weatherford Laboratories and test rig facilities recently. Students engaged with industry experts, examined samples, got an up close look at rig operations, and received career mentoring advice.

642 Likes **15** Comments

Social

On Wednesday, November 4, clients joined us at a Weatherford facility to get first-hand insights into our industrial mission and technology depth.

163 Likes **3** Comments

AWARDS

Awards

EURONEXT VIGEO

US 50 INDICES

United States
2015

Awards

HART'S E&P MERITORIOUS AWARDS

RED EYE® SUBSEA WATER-CUT METER

Houston, United States
May 1, 2015

Awards

HART'S E&P MERITORIOUS AWARDS

RIG-FREE® LIGHT-DUTY PULLING AND JACKING UNIT

Houston, United States
May 1, 2015

Awards

MSCI

GLOBAL SUSTAINABILITY INDEX

Global
June 30, 2015

Awards

WORLD OIL AWARDS
BEST HEALTH, SAFETY, ENVIRONMENT / SUSTAINABLE DEVELOPMENT – ONSHORE AWARD

ENVIROLIFT HYDRAULIC LONG-STROKE PUMPING UNIT

Houston, United States
October 15, 2015

Awards

WORLD OIL AWARDS
BEST WELL INTEGRITY TECHNOLOGY

DEEPWATER MPD SYSTEM INCLUDING MICROFLUX® CONTROL SYSTEM

Houston, United States
October 15, 2015

Awards

ADIPEC EXCELLENCE IN ENERGY AWARDS

BEST INTERNATIONAL OILFIELD SERVICES COMPANY

Abu Dhabi International Petroleum Exhibition and Conference ("ADIPEC") UAE
November, 2015

Awards

CANADIAN OCCUPATIONAL SAFETY MAGAZINE

GOLD AWARD

Canada's Safest Employer in the Oil & Gas Industry

SILVER AWARD

Canada's Best Safety Culture in all Industries

Canada
October 30, 2015

LETTER TO SHAREHOLDERS

BERNARD J. DUROC-DANNER
Chairman of the Board, President and Chief Executive Officer

DEAR FELLOW SHAREHOLDERS,

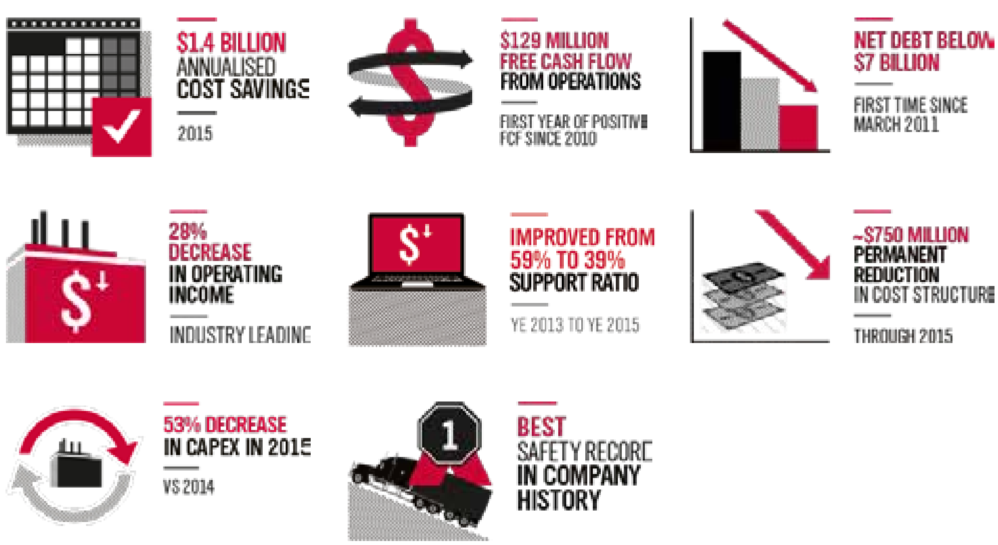
When the brutality of the current down cycle challenged our entire industry, Weatherford went deep and did not pause.

In 2015, after a year of progress on our transformational path towards improved capital efficiency, operational excellence and administrative quality, we did not hesitate. Weatherford responded to change quickly and aggressively. Intensifying our efforts within the harshest industrial context ever experienced, we navigated through what can be best described as the most challenging economic depression our industry has ever faced.

In 2015, our direction was steadfast, and our drive and intensity increased throughout the year. We focused on doing more than just rapidly and efficiently adjusting to steeply deteriorating market conditions. We also endeavored to take advantage of the extreme market conditions to establish structural efficiencies as well as implement productivity enhancements – changes that would secure for your Company a much higher level of operating and financial performance when the market turn would come. Through cycles, our actions are centered around perennially improving our cost structure, optimizing our cash generation and capital allocation as a company-wide discipline and systematically upgrading our talent bench.

Despite challenging economic conditions, we continued to pursue cutting-edge advances in our core business segments' technology and maintained our research and development initiatives. Confirming our pledge to safety, quality and reliability and despite a year of massive decline and reduction in force, Weatherford achieved the highest metric for employee safety in the Company's recorded history. Safety achievements are seldom compatible with disruptions of retrenchment, and our record is a proxy for both quality and reliability.

Results and operating metrics prove early merits of our direction. Achieved with discipline and determination, our 2015 highlights are:



A FOCUS ON CORE, COST AND CASH

The core product lines that define your Company's future have low capital intensity and high secular growth attributes.

Our position is one of leadership and high potential. Since beginning our transformational journey, we have focused exclusively on these product lines. We will build them up further and, wherever tactical, pursue different forms of integration.

The current downturn has been very painful for us, but also constructive. We lowered our cost base aggressively to mitigate the combined impact of activity and pricing reductions. We went beyond. We are in the process of permanently reforming our operating cost structure, and our organizational operations have been structurally streamlined within geographic segments. We flattened our product line reporting organization and reduced our manufacturing and service locations. We purposefully delayered our operating organization and did so with an understanding this was a permanent change. We also scaled back some of our geographic market presence, which was counter balanced by an added focus on other market segments.

One example and metric can illustrate the work under way. Our support ratio decreased from 59% in 2014, to 39% by year-end 2015. A 20% decline in support ratio is a colossal structural change in record time. To do this during a cyclical downturn is doubly difficult. In addition, our supply chain initiated a multi-year restructuring of productivity. A fundamental change in efficiencies is driving improvements in manufacturing, logistics and procurement. These proactive actions, along with market share gains in our core markets, resulted in best-in-class full-year decrementals, as compared to our peers. These results reflect our operational progress.

We are in the business to make returns for our shareholders. In 2015, we continued to intensify our focus on free cash flow. Our results have been steady and progressive – a quarter-by-quarter climb. We are doing this not only as a function of the fact we are in a downturn, but as a matter of course. In spite of severe industry conditions, 2015 was the first time we generated full year positive free cash flow since 2010. We consider free cash flow a primary marker for our success.

Over the last few years, there has been a "quantum change" within Weatherford. Our organizational structure was flattened, our support ratio lowered and our headcount reduced, with facilities closed and consolidated. Based on our fundamental progress and our disciplined approach towards guiding our Company through this violent downturn, we are ready to address any market conditions, both managing decrementals in the event of extended market declines as well as to exploit incremental gains when recovery comes.

SYSTEMIC APPROACH TO TALENT DEVELOPMENT

Human Resources has become for us a strategic competency. We believe developing and strengthening our talent bench is essential in driving incremental performance into our business.

We are now taking a highly systemic approach towards talent development. We have delayered and upgraded our middle and senior operational management. We have bolstered our financial and legal bench. How much we care about our colleagues, our people and their careers is enormously important. Focusing on building our long-term employee base, we have created and developed new company-wide career management programs, offering our young talent a structured framework upon which to grow within our Company. These initiatives are ongoing long-term commitments and our employees are the future of Weatherford.

OUR TECHNOLOGY
MINIMIZING COST, MAXIMIZING EFFICIENCY AND OPTIMIZING PERFORMANCE

Over the years, in our chosen fields of competition and in what we call our core, we have built a formidable suite of highly engineered and innovative technologies.

We have purposefully built our capabilities, step-by-step. It has taken us a fraction of the lifespan compared to our competitors to develop this broad and deep technological competency and, in more than one category, we can decisively say we are industry leaders. In addition, our drive to innovate and raise our technological capabilities has never been stronger. We understand our people and our technology make us what we can be for our clients, and we have dedicated ourselves to relentlessly develop both.

2015 has also seen a new dawn for the marketing and commercialization of our technology, and we will achieve the only recognition that truly matters: long-term and sustainable performance for our clients.

During the current downturn, our industry has shifted to a single purpose value mindset. Our customers had an urgent need for greater cost and operational efficiencies, innovative and integrated work flows as well as optimized production. Looking forward, we will aggressively focus on facets of integration in all stages of the drilling and production life cycle. We will do so wherever we can enhance the value of our clients' assets, reducing uncertainty and more efficiently exploiting hydrocarbons.

Best International Oilfield Services Company

SAFETY, QUALITY AND RELIABILITY

With a commitment to top safety performance as well as to pursuing the highest levels of service quality and reliability, we are dedicated to continuously improving our metrics.

There is no room for compromise. Successful sales and marketing on the one hand, safety, quality and reliability on the other, are interdependent: we cannot have one without the other. During 2015, we exceeded our previous safety levels and posted the best safety record in our history. Our numbers again confirm our work, and safety is a reflection of quality and reliability.

During the 2015 Abu Dhabi International Petroleum Exhibition and Conference (ADIPEC), Weatherford was awarded Best Oilfield Services Company (International) at the Excellence in Energy Awards ceremony. Finalists were measured across a range of service criteria, which included excellence at project management, adherence to timelines, cost control and overall efficiency and productivity. It is our people who made this happen. This made all of us immensely proud. We measure success through our performance for our clients.

OUR SUSTAINABILITY FOCUS:

- ETHICS AND COMPLIANCE
- ENVIRONMENTAL PROTECTION
- ON-THE-JOB INNOVATION
- COMMUNITY RELATIONS

SUSTAINABILITY
MAKING AN IMPACT

We manage our business with a commitment to sustainability at all levels of decision making. This is not a matter of social responsibility only. We understand a culture of sustainability adds value to all aspects of our business, helping us better assess risks and opportunities, ultimately leading us to improved cost savings for long-term value creation.

During 2015, and as a result of our ongoing and developing sustainability programs, we were pleased to have been named a constituent in the MSCI Global Sustainability Index as well as the Euronext Vigeo U.S. 50 Index.

We continued to support our local communities by hosting our annual Weatherford Walks charity event, launching the Weatherford WISE (Worldwide Initiative Supporting Education) program as well as donating numerous volunteer hours to other causes around the world.

As a company-wide approach, we anticipate and manage economic, environmental and social opportunities and risks by focusing on quality, innovation and productivity. We view the integration of sustainability criteria into our organization as providing us with a competitive advantage and long-term stakeholder value.

IN APPRECIATION

Through these very challenging times for our industry, I am deeply grateful to our shareholders for their commitment and their continued support of our direction.

During a year of great difficulty, low visibility and unpredictable volatility, I would also like to express my appreciation to our Board of Directors for their oversight, steadfast guidance and everything we have accomplished together.

As for our employees, your level of personal commitment and tenacity has enabled us to manage the most severe down cycle in our history, to quickly respond and capitalize on the opportunity to intensify our progress.

Thank you for all you do for Weatherford. You are Weatherford.

OUR FOCUS:

- COST RATIONALIZATION
- CASH DISCIPLINE
- SYSTEMIC TALENT UPGRADES

DRIVING AND INTENSIFYING OUR MOMENTUM

Our direction is clear to all within Weatherford. Our strict focus remains core, cost and cash.

We are strengthening our structural productivity and building on our operating progress to date with more cost rationalization, cash discipline, systemic talent upgrades and an intensified drive in helping our clients improve their own efficiencies and economics. We will not let our guard down. We will only intensify our drive.

We are methodically taking our leverage down, predictably and successfully. We will continue to de-lever our balance sheet and generate free cash flow, maintaining ample liquidity through the current industry downturn. Our recently completed equity offering protects our Company in the event of a protracted down cycle. Grounded on careful assessment and based on a disciplined strategy, our objectives are well understood, planned for and prioritized by all in the organization.

As a paramount mindset, we will maintain a culture based on safety, quality and reliability in all product lines. Our results validate our business model. Our direction will not move an inch. Our drive and intensity will only increase.

MOVING FORWARD

The long-term fundamentals of our business remain intact. The steady increase in world energy demand coupled with the acceleration of production decline rates are forcing a balance in supply and demand.

We believe this will occur in a matter of quarters, not years. But there is more. The lack of any significant spare capacity in oil bearing reservoirs ready to produce if needed, is an industry historical first. Worldwide, by our assessment, our industry is producing at full throttle and without any significant spare capacity. As strategic and essential an industry as oil remains, this is arguably not a tenable position. As we look forward, we believe oil prices will inevitably respond to the gradual tightening of the supply-demand balance, with increasing demand and diminishing supply. The present inventory overhang is not a sustainable solution and would only temporarily adjourn a recovery. When the upturn begins in earnest, we believe it will be stronger and more fundamental than current expectations suggest.

Weatherford has now changed its economics and culture. Our main focus is making our Company what it can be, and what it should be. The downturn we are going through has given us an opportunity to intensify our momentum, allowed us to accelerate our transformation and go further than we thought possible. This has everything to do with execution and discipline. We are confident in our technological capabilities, product line depth and breadth as well as market potential for organic growth. As a recovery unfolds, our performance to come will reflect our transformation in all metrics. We are a much stronger Company today.

Respectfully,

Bernard J. Duroc-Danner

OUR CLIENT FOCUS

CONVENTIONAL

DRILLING
COMPLETIONS
PRODUCTION
ABANDONMENT

UNCONVENTIONAL

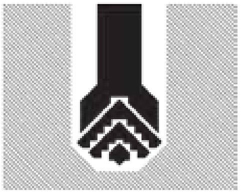
DRILLING
COMPLETIONS
PRODUCTION

OFFSHORE / DEEPWATER

DRILLING
COMPLETIONS
PRODUCTION
ABANDONMENT

CONVENTIONAL DRILLING

OVERVIEW



Conventional wells traditionally have vertical and deviated profiles, but more recently, horizontal wells are becoming the norm. A large number of conventional horizontal boreholes are drilled as infill development wells, often in older fields that have experienced reservoir depletion and are therefore more prone to mud losses. This type of operation requires an understanding of present-day pore pressure, fracture gradient, and wellbore stability mechanisms - as well as the resulting safe-drilling margin.

CHALLENGES

MITIGATE **LOST CIRCULATION** AND KICKS

Managing the relationship between hydraulics and borehole geology

AVOID **STUCK** PIPE

Reducing risk of stuck pipe and lost downhole tools

MAINTAIN **DRILLSTRING** INTEGRITY

Monitoring vibration, torque, and drag values to ensure they stay within safe operational limits

DRILL WITHIN **TIGHT** MARGINS

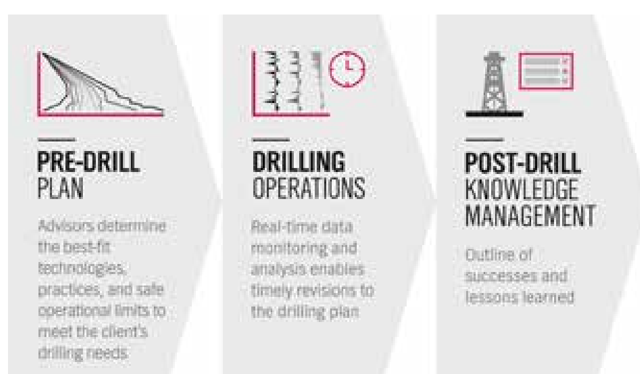
Determining and navigating the safe operating window

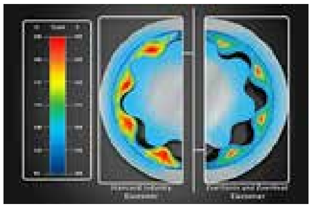
MAXIMIZE **RATE OF** PENETRATION

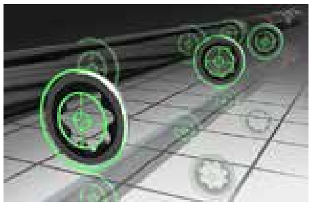
Achieving maximum ROP without compromising wellbore integrity

DRILLING INTEGRATED APPROACH

After recognizing the challenges and risks of conventional drilling, the critical task is how to avoid, manage, and/or mitigate them. The Drilling Advisor solution - which combines drilling optimization, wellbore stability, and drilling hazard management - offers a proven methodology that is effective in all types of fields.







The Drilling Advisor solution is a collaborative effort with our clients that results in an in-depth knowledge of the drilling risks and solutions associated with a given well or field.

PRE-DRILL PLAN

Due to the typically close placement of infill wells, directional and anti-collision analyses as well as effective well mapping are critical. Historical well-data analysis is equally important to identify drilling hazards and to build geomechanics and drilling-optimization models. These analyses enable us to create an enhanced drilling plan. Drilling within the appropriate margins is critical to avoid kicks, losses, and hole problems when drilling infill wells.

DRILLING OPERATIONS

Effective execution of the drilling program requires good drilling practices combined with industry-leading technologies - from imaging services to directional-drilling equipment to managed pressure drilling systems - to provide valuable downhole feedback and deliver a cost effective well. Situational awareness through real-time monitoring and evaluation enables our team to identify deviations between models and actual drilling data. This comparison provides early warnings of possible drilling hazards before they happen, and enables us to make appropriate adjustments as necessary to minimize non-productive time.

POST-DRILL KNOWLEDGE MANAGEMENT

Knowledge management is critical in all well types. This process captures the lessons learned in an end-of-well report that outlines key performance indicators (KPI), details opportunities for improvement, and makes recommendations for future projects.

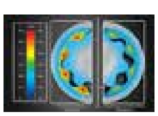
TECHNOLOGIES

Technology is at the heart of our approach to meeting clients' needs. We constantly update and refine our technologies to solve new challenges encountered in the field.

REVOLUTION® ROTARY-STEERABLE SYSTEM (RSS)

The Revolution RSS suite includes directional-drilling tools with industry-leading dogleg and high-pressure, high-temperature capabilities. With the ability to execute deep kickoffs and high-angle builds, the Revolution RSS delivers maximum reservoir exposure in less time.

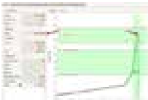
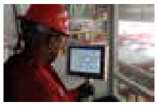
http://www.weatherford.com/en/products-services/drilling-formation-evaluation/drilling-services/rotary-steerable-systems



DIRECTIONAL-DRILLING MOTORS

Our mud motors incorporate WorkWise® power sections, which are rated for high pressures and temperatures. With a proprietary elastomer and a track record of more than 1 million operating hours, these motors help our clients reliably maximize ROP in challenging wells.

http://www.weatherford.com/en/products-services/drilling-formation-evaluation/drilling-services/directional-drilling-motors

JAMPRO™ NET TORQUE-TURN MONITORING SYSTEM

The JAMPro Net system enables remote, real-time monitoring of torque, turns, and speed data during tubular makeup. When combined with TorkPro 3™ software, the same data can be recorded, analyzed, and evaluated from anywhere.

http://www.weatherford.com/en/products-services/well-construction/tubular-running-services/conventional-tubular-running-services

REVEAL 360™ IMAGE-PROCESSING TECHNOLOGY

Our patented processing technique reconstructs gaps in wireline logging images, replacing missing data with values consistent with the structural and textural information in the measured parts of the image. Even in varied and complex geologies, the technology provides a complete picture of the wellbore.

http://www.weatherford.com/en/products-services/drilling-formation-evaluation/wireline-services/interpretation-and-processing-services

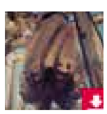
MEASUREMENT-WHILE-DRILLING (MWD) SYSTEMS

As deviated and horizontal drilling has become the norm, so has the industry's need for cost-effective, reliable MWD systems that can deliver accurate directional azimuth, inclination, and toolface data in all types of drilling environments.

http://www.weatherford.com/en/products-services/drilling-formation-evaluation/drilling-services/measurement-while-drilling

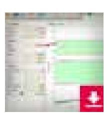
CASE STUDIES

The combination of our industry-leading technologies and our disciplined approach has produced measurable value for our clients.



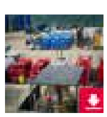
REVOLUTION® CORE RSS CUTS DRILLING TIME BY 4 DAYS

http://www.weatherford.com/doc/wft301113



JAMPRO™ NET AND TORKPRO 3™ EVALUATE CONNECTION INTEGRITY

http://www.weatherford.com/doc/wft285883

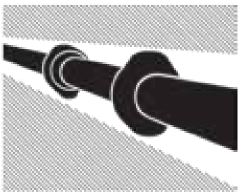


MPD SAVES CLIENT $1.4 MILLION

http://www.weatherford.com/doc/wft303059

CONVENTIONAL COMPLETIONS

OVERVIEW



As production from conventional wells in existing fields has declined, operators are focused on optimizing the output of these aging wells. Production rates typically will taper off over time, leading to an increase in the cost needed to produce the same amount of hydrocarbons. Rather than forcing the operator to choose between costly workovers and deferred production, Weatherford has developed new alternatives using completions technologies that help rejuvenate the wellbore, address declining production rates, and minimize operational costs.

CHALLENGES

ASSURE **WELL** INTEGRITY

Helping to protect our clients' investments with reliable life-of-well technologies and solutions

LOWER **PRODUCTION** COSTS

Providing technologies that reduce the need for intervention and reduce overall NPT

OPTIMIZE **RECOVERY**

Rejuvenating aging wells with the least amount of intervention

COMPLETIONS INTEGRATED APPROACH

Weatherford is the market leader in providing solutions to the challenges of aging reservoirs. Whether the issue is deferred production, safety-valve failure, or a completely shut-in well, Weatherford has a range of innovative products and services to meet our clients' needs.

We work with clients to determine whether the problem is best addressed by updating the lift method, remedying liquid loading, restoring safety valve functionality, or managing high sand production. Our portfolio of technologies – including a revolutionary self-mitigating sand screen – combined with our completions expertise, enables operators to get the utmost out of their assets. These solutions can be customized to address the unique challenges of each conventional field.

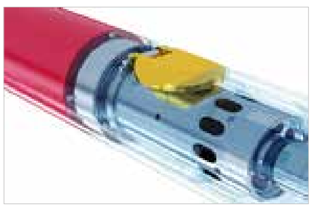
TECHNOLOGIES

Technology is at the heart of our approach to meeting clients' needs.
We constantly update and refine our technologies to solve new challenges encountered in the field.

MAZEFLO™ SAND SCREEN

Developed jointly with ExxonMobil Upstream Research Company, this self-mitigating, standalone screen system incorporates a maze design to constrain local sand ingress caused by screen damage. Using a tortuous flow path that moves fluids through two separate screen compartments, the MazeFlo screen filters out sand without interrupting well production. In the event of sand-control loss in the primary filter, solids pack inside a secondary chamber. This design protects the wellbore from further sand production - without surface intervention.

http://www.weatherford.com/en/products-services/completion-and-stimulation/sand-control



RENAISSANCE™ SAFETY-VALVE SYSTEMS

Our Renaissance systems include a series of complementary technologies that enhance production rates and increase total recoverable reserves in brownfield assets with minimal workover costs.

http://www.weatherford.com/en/products-services/completion-and-stimulation/upper-completions/renaissance-systems

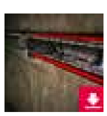
INVERSE GAS LIFT SYSTEM (IGLS)

The IGLS is a method of gas injection via an insert string. Installed using traditional intervention techniques rather than a workover rig, the system is a cost effective way to increase production in an aging well.

http://www.weatherford.com/en/products-services/completion-and-stimulation/upper-completions/renaissance-systems

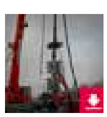
CASE STUDIES

The combination of our industry-leading technologies and our disciplined approach has produced measurable value for our clients.



MAZEFLO™ SCREENS INCREASE OIL PRODUCTION

http://www.weatherford.com/doc/wft244798



RENAISSANCE® SYSTEM RESTORES OIL PRODUCTION

http://www.weatherford.com/doc/wft284395

CONVENTIONAL PRODUCTION

OVERVIEW

The drop in oil prices did not reduce the importance of conventional assets in meeting global oil demands; in fact, the decline in drilling has increased the expectations for production from existing assets. With a comprehensive portfolio of production technologies and integrated services, Weatherford offers solutions for operators looking to produce more oil at a lower cost for a longer period of time. Our customized solutions for conventional assets include artificial-lift optimization, integrated asset modeling, field rejuvenation, and digital-oilfield planning and execution.

CHALLENGES

ACCURATELY **FORECAST PRODUCTION**

Improving forecasting using an integrated model of the entire production system

OPTIMIZE **USE OF** SURFACE PRODUCTION EQUIPTMENT

Applying a detailed surface production facility model to identify bottlenecks

PLAN FOR **FIELD** REJUVENATION

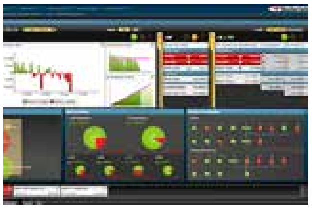
Creating an optimum investment strategy based on detailed reservoir and production analysis

REACT TO **PRODUCTION** AND PRESSURE DECLINES

Extending the life of the well with lift technologies designed for low-pressure wells

PRODUCTION INTEGRATED APPROACH

Weatherford offers a proactive, integrated approach for managing our clients' conventional assets through the Production Advisor solution. The solution follows a proven, three-step methodology that applies to every stage in an asset's life. First, the advisory team builds an integrated model that incorporates information at the reservoir, well, and production-facility levels. The model is enhanced by adding real-time monitoring and optimization software to create a comprehensive asset-management dashboard. During the last part of an asset's life, advisors put additional emphasis on the price and cost of production per barrel.



INTEGRATED ASSET MODEL

The process begins with an integrated asset model that follows the flow of gas, oil, and water from the reservoir to the separator. This comprehensive model enables engineers to perform accurate production forecasting.

REAL-TIME PRODUCTION MANAGEMENT

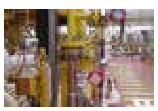
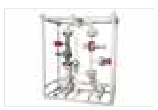
Next, the asset management team assesses the performance of the field using i-DO® software, which enables proactive asset management.

FIELD REJUVENATION

As the asset reaches maturity, advisors turn their attention to field rejuvenation. Leveraging detailed knowledge about trapped oil, the team determines the most cost-effective production methods as well as the overall investment strategy.

TECHNOLOGIES

Technology is at the heart of our approach to meeting clients' needs. We constantly update and refine our technologies to solve new challenges encountered in the field.

MULTIPHASE FLOW MEASUREMENT

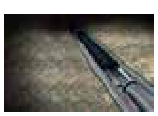
It is vital to accurately track flow rates at every step of production. The combination of an Alpha multiphase flowmeter and the Red Eye® MP water-cut meter delivers robust, full-range measurement of gas, oil/condensate, and water rates.

http://www.weatherford.com/en/products-services/production/flow-measurement/multiphase-flow-measurement

MOBILE I-DO® AND CYGNET® APPLICATIONS

Our powerful CygNet enterprise operations platform and i-DO software are now available for smart phones and tablets. Mobile access to these solutions enables clients to collaborate and make informed decisions in real time.

http://www.weatherford.com/en/products-services/production/software/real-time-field-optimization-and-operations




SAND-TOLERANT PUMP

Our sand-tolerant pump restores economic viability to sandy, rod-pumped wells by lubricating the plunger/barrel interface with filtered production fluid. Based on ongoing tests, the sand-tolerant pump works in sandy conditions up to 5.5 times longer than conventional rod pumps – reducing workover costs and optimizing production.

http://www.weatherford.com/en/products-services/production/artificial-lift-systems/reciprocating-rod-lift-systems/sand-tolerant-pump

WELLPILOT® OPTIMIZATION CONTROLLER

The WellPilot optimization controller delivers remote, real-time control and optimization of artificially lifted wells. The system continuously monitors performance and automatically makes adjustments. It is often deployed in combination with the LOWIS™ life-of-well information software, which performs real-time analysis to increase production and reduce costs.

http://www.weatherford.com/en/products-services/production/automation-and-control

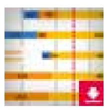
MAXIMIZER® III PUMPING UNIT

The latest Maximizer pumping unit is a consequence of decades of experience and exceptional results. The conventional geometry design combines our established, industry-proven structure with the robust Maximizer gear reducer. The Maximizer III unit uses common components, which enables operators to minimize spare-parts inventory and maintenance costs.

http://www.weatherford.com/en/products-services/production/artificial-lift-systems/reciprocating-rod-lift-systems

CASE STUDIES

The combination of our industry-leading technologies and our disciplined approach has produced measurable value for our clients.



PRODUCTION OPTIMIZATION CONSULTING SERVICES REDUCE DOWNTIME 60%, SAVE $5 MILLION

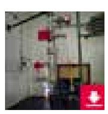
http://www.weatherford.com/doc/wft303053

LOWIS™ SOFTWARE PROVIDES CENTRALIZED REAL-TIME OPTIMIZATION FOR 14,000 WELLS, ELIMINATES 1 MILLION+ DAMAGING STROKES

http://www.weatherford.com/doc/wft270464

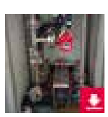
SAND-TOLERANT PUMP (STP) INCREASES RUN LIFE BY 450% IN 56 SANDY, ROD-PUMPED WELLS

http://www.weatherford.com/doc/wft304287



ALPHA VSRD MULTIPHASE METER TRIAL DEMONSTRATES ACCURATE FLOW RATES AND WATER-CUT MEASUREMENTS

http://www.weatherford.com/doc/wft158496

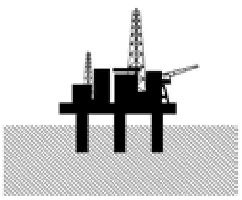


RED EYE® 2G WATER-CUT METER PROVES RELIABLE IN HIGH-WAX, POLYMER-INJECTED WELLS

http://www.weatherford.com/doc/wft292513

CONVENTIONAL ABANDONMENT

OVERVIEW



There are thousands of conventional oil and gas wells that date back to the early part of the last century. These wells suffer extensive corrosion and metal loss. As newer wells – especially those in unconventional fields – are drilled and completed in close proximity, the resulting fractures may create unintended communication pathways with older wells in the area. Proper plug and abandonment (P&A) of older conventional wells mitigates this issue.

With decades of experience, a global footprint, and the broadest set of well-abandonment technologies in the industry, Weatherford provides a comprehensive solution scoped and managed by a single company. Our offerings help to reduce the complexity of P&A operations and ultimately lower costs.

CHALLENGES

LOWER **ABANDONMENT** COSTS

Reducing initial abandonment costs as well as the probability of cost escalation due to scope creep

TACKLE **INVENTORY** BACKLOG

Addressing the backlogged inventory that has built up over the past 60 years

IMPROVE **ASSET** MANAGEMENT

Standardizing competencies and practices to enhance efficiency and reduce P&A costs

REDUCE **PROJECT MANAGEMENT** COMPLEXITY

Meeting the challenge of increasing work volumes with a single service provider

WELL ABANDONMENT INTEGRATED APPROACH

Our portfolio of differentiated technologies, broad onshore expertise, and flexible commercial models give us a unique approach to abandonment projects – represented by the Well Abandonment Advisor solution. Leveraging our significant knowledge base, we have developed a risk-based software tool that helps clients to more accurately plan and budget abandonment projects. As a single-source provider, we can enter the P&A process at any stage and manage the project to completion safely, on time, and on budget.

Our three-step process enables proper scoping and risk assessment at the outset.

PLAN

Through careful analysis of the well files, our team is able to develop an appropriate plan based on a modified turnkey model. This reduces the risk of scope creep and also distributes the risk so that the client is not left with a large, unanticipated bill toward the end of the project.

MOBILIZE

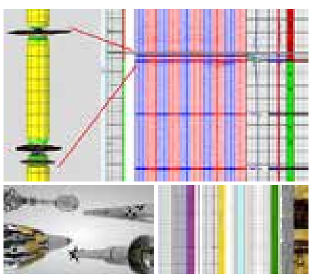
With an appropriately scoped plan in place, we engage third parties as needed to source specialized equipment and services. We also file applications with regulatory authorities as needed.

EXECUTE

Finally, we oversee the execution of the project, from rig-up to close-out.

TECHNOLOGIES

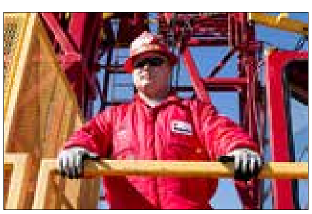
Technology is at the heart of our approach to meeting clients' needs. We constantly update and refine our technologies to solve new challenges encountered in the field.



SECUREVIEW® CASED-HOLE DIAGNOSTIC SERVICE

The SecureView service enhances the visibility of well-integrity issues by delivering a high-resolution view of cement and casing. Weatherford is the only service provider that can capture this level of quality data in a single trip. If the SecureView service reveals a problem, we prepare the wellbore for remediation or abandonment using our comprehensive fishing, milling, and pulling equipment.

http://www.weatherford.com/en/products-services/drilling-formation-evaluation/wireline-services/cased-hole-wireline/well-integrity-services



ENDURA® DUAL-STRING SECTION MILL

A critical element in compliant abandonment is establishing a rock-to-rock hydraulic seal across the borehole that mimics natural bedding. The Endura section mill cuts through and removes both inner and outer casing strings in a single trip using uniquely designed cutter blades, improving efficiency and making the wellbore easier to seal.

http://www.weatherford.com/en/products-services/well-construction/well-abandonment-and-intervention-services/endura-dual-string-section-mill

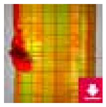
QUICKCUT℠ PRO CASING-EXIT SERVICE

The QuickCut Pro service combines field-proven QuickCut casing-exit technologies with our patented and secure data tracking and transmission package: the AccuView™ system. This integrated solution delivers actionable real-time data and consulting from subject-matter experts to plan and execute precise casing-exit operations. The service can be applied to land and offshore abandonment operations

http://www.weatherford.com/en/products-services/well-construction/re-entry-services/quickcut-pro-service

CASE STUDIES

The combination of our industry-leading technologies and our disciplined approach has produced measurable value for our clients.



SECUREVIEW® SERVICE PROVIDES HIGH-RESOLUTION CASING- AND CEMENT-INTEGRITY LOG, ENSURES REGULATORY COMPLIANCE

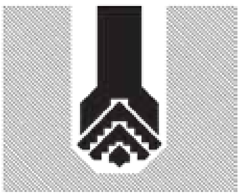
http://www.weatherford.com/doc/wft303554

ULTRAVIEW™ TOOL AVERTS UNNEEDED REMEDIATION, SAVES $800,000 BY PROVIDING ACCURATE WELL INTEGRITY DATA

http://www.weatherford.com/doc/wft265592

UNCONVENTIONAL DRILLING

OVERVIEW



Unconventional reservoirs are traditionally defined as tight formations with very low permeability. However, this phrase may also be used to describe shale, coalbed methane, heavy oil and tar sands, and gas-hydrate reservoirs. These reservoirs typically require horizontal well profiles with relatively long laterals. In many cases, the optimal drilling plan is to drill the curve and lateral intervals in a single run at the highest possible rate of penetration (ROP).

CHALLENGES

MAXIMIZE **RATE OF** PENETRATION

Achieving maximum ROP without compromising wellbore integrity

IMPROVE **GEOSTEERING**

Landing and navigating the well into the geological reservoir target and staying within zone

AVOID **STUCK** PIPE

Reducing risk of stuck pipe and lost downhole tools

MITIGATE **LOST CIRCULATION** AND KICKS

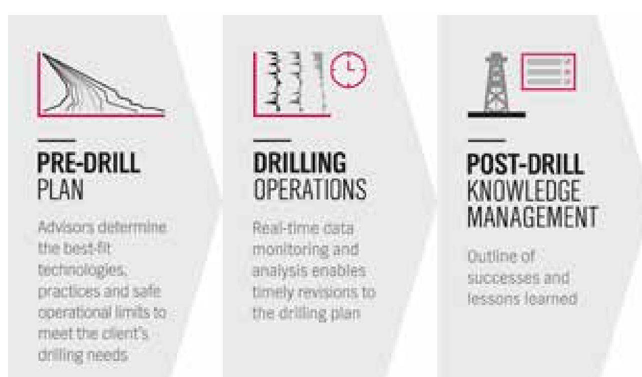
Managing the relationship between hydraulics and borehole geology

MAINTAIN **DRILLSTRING** INTEGRITY

Monitoring key metrics to stay within safe operating parameters

DRILLING INTEGRATED APPROACH

After recognizing the challenges and risks of drilling in unconventional fields, the critical task is how to avoid, manage, and/or mitigate them. The Drilling Advisor solution – which combines drilling optimization, wellbore stability, and drilling hazard management – offers a proven methodology that is effective in all types of fields.



The Drilling Advisor solution is a collaborative effort with our clients that results in an in-depth knowledge of the drilling risks and solutions associated with a given well or field.

PRE-DRILL PLAN

After building field-appropriate geomechanics and drilling-optimization models, we create an enhanced drilling plan that determines the optimal drilling margins. Drilling within the appropriate margins helps to avoid kicks, losses, and hole problems, particularly in the vertical sections drilled before long laterals. The plan is enhanced by accurate initial models and drilling-hazard-avoidance strategies that help assure safe, fast, and efficient drilling of lateral sections — which is critical to cost management.before long laterals. The plan is enhanced by accurate initial models and drilling-hazard-avoidance strategies that help assure safe, fast, and efficient drilling of lateral sections – which is critical to cost management.

DRILLING OPERATIONS

The financial success of an unconventional well depends on efficient drilling. This means not only drilling quickly but also maintaining constant vigilance about safety and wellbore quality. The combination of good drilling practices and the most appropriate technologies – such as logging-while-drilling (LWD) tools and accurate directional-drilling and geosteering services – results in a well that taps into the most productive reservoir rock. Real-time monitoring and evaluation enables our team to identify deviations between models and actual drilling data. This comparison facilitates continuous situational awareness and provides early warnings of possible drilling hazards before they happen, and enables us to make appropriate adjustments as necessary to minimize non-productive time.

POST-DRILL KNOWLEDGE MANAGEMENT

Knowledge management is critical in all well types. This process captures the lessons learned in an end-of-well report that outlines key performance indicators (KPI), details opportunities for improvement, and makes recommendations for future projects.

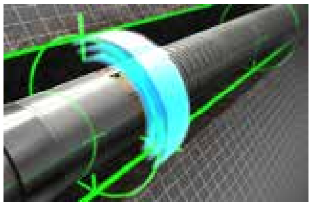
TECHNOLOGIES

Technology is at the heart of our approach to meeting clients' needs. We constantly update and refine our technologies to solve new challenges encountered in the field.

REVOLUTION® ROTARY-STEERABLE SYSTEM (RSS)

The Revolution RSS suite includes directional-drilling tools with industry-leading dogleg and high-pressure, high-temperature capabilities. With the ability to execute deep kickoffs and high-angle builds, the Revolution RSS delivers maximum reservoir exposure in less time.

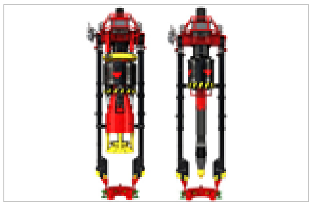
http://www.weatherford.com/en/products-services/drilling-formation-evaluation/drilling-services/rotary-steerable-systems



REAL-TIME LOGGING-WHILE-DRILLING (LWD) SENSORS

Our advanced LWD sensors, including the CrossWave® azimuthal sonic tool, provide accurate, real-time data that improves the quality of pore-pressure and geomechanical evaluation. Real-time evaluation helps to mitigate hole-instability risks, increase operational safety, and reduce formation damage – all of which increases productivity and reduces NPT for our clients.

http://www.weatherford.com/en/products-services/drilling-formation-evaluation/drilling-services/lwd-geomechanics



TORKDRIVE™ COMPACT CASING-RUNNING AND DRILLING TOOL

Combining several traditional casing-running tools in one, the TorkDrive can push down, reciprocate, circulate, and rotate casing without the need for manual handling. The TorkDrive tool can interface with any top-drive system and can be installed quickly, without modifications, to the top drive or rig structure.

http://www.weatherford.com/en/products-services/well-construction/tubular-running-services/total-depth-services/top-drive-casing-running-and-drilling

INTEGRATED DSSL CABIN

Inadequate or faulty information about a reservoir can be incredibly costly. With an integrated drilling services and surface logging (DSSL) cabin at the wellsite, we provide enhanced cuttings characterization, advanced gas measurements, and cutting-edge LWD technologies that reduce geological uncertainty, maximize reservoir contact, and identify optimal production targets.

http://www.weatherford.com/en/products-services/drilling-formation-evaluation/surface-logging-systems

ROCKVAULT™ CORE TRANSPORTATION SYSTEM

The moment a core is brought to the surface, it begins to change. Mechanical damage and desiccation results in inaccurate data, which can jeopardize critical decisions about wellbore placement and fracture staging. The RockVault core transportation system helps to ensure proper handling and stabilization of unconventional core samples so that they can be preserved and analyzed.

http://labs.weatherford.com/play-types/unconventional#page2

CASE STUDIES

The combination of our industry-leading technologies and our disciplined approach has produced measurable value for our clients.

GUIDEWAVE® TOOL REVEALS OPTIMAL HYDROCARBON ZONE

http://weatherford.com/doc/wft283521

OVERDRIVE™ SYSTEM ENSURES INTEGRITY

http://www.weatherford.com/doc/wft284287

GC-TRACER™ DETECTOR IDENTIFIES FLUIDS IN EAGLE FORD

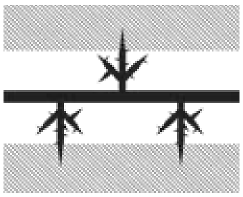
http://www.weatherford.com/doc/wft227233

TANDEM DDV® SYSTEM ACHIEVES ZERO NPT

http://www.weatherford.com/doc/wft303413

UNCONVENTIONAL COMPLETIONS

OVERVIEW



Horizontal completions are the most costly part of onshore unconventional projects – often consuming 60% or more of a well's budget. While technology for directional drilling in unconventional fields has seen marked improvement in recent years, unconventional completion capabilities have not increased as quickly. Weatherford aims to raise the bar on unconventional completions with an integrated solution that combines our hydraulic fracturing, completion, formation evaluation, and reservoir engineering technologies and expertise to improve well productivity and hydrocarbon recovery.

CHALLENGES

INCREASE **PRODUCTION** EFFICIENCY

Optimizing stage design and perforation placement based on critical data

OPTIMIZE **PRODUCTION** RATES

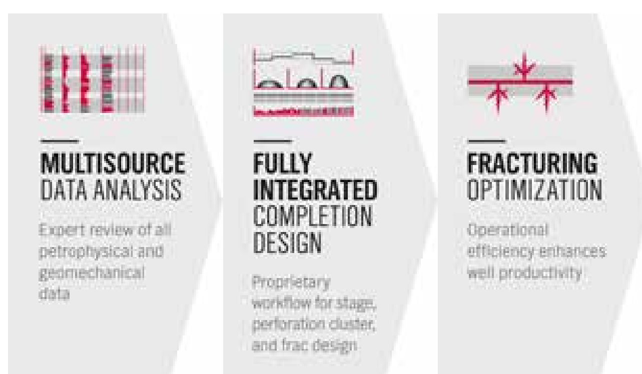
Determining the cause of rapid production drops and chronically underperforming wells

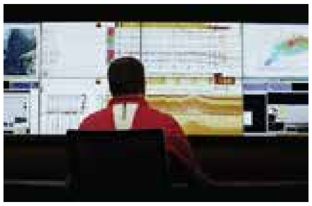
REDUCE **COMPLETION** COST

Selecting the right equipment to minimize the cost of completing long laterals

COMPLETIONS INTEGRATED APPROACH

Our integrated approach to optimizing completion design and, ultimately, production in unconventional fields is exemplified through our FracAdvisor® solution. The FracAdvisor solution leverages Weatherford's experience in unconventional fields to deliver geo-engineered completion designs.





MULTISOURCE DATA ANALYSIS

The FracAdvisor solution integrates data from a range of sources including wireline and logging-while-drilling (LWD) logs, lab tests, and core analysis. Our proprietary, basin-specific algorithms provide consistent stage and perforation placement and are validated using production records from nearby wells.

FULLY INTEGRATED COMPLETION DESIGN

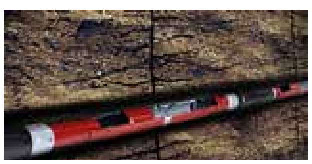
Leveraging the knowledge gained during the data analysis step, we determine perforation and/or packer placement alongside stage-by-stage frac modeling.

FRACTURING OPTIMIZATION

Once the optimal design is ready to put in place, we select the right proppant type and loading. Biodegradable agents further enhance perforation-cluster efficiency and provide the temporary zonal pressure isolation necessary for well refracturing.

TECHNOLOGIES

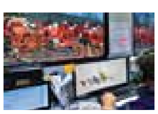
Technology is at the heart of our approach to meeting clients' needs. We constantly update and refine our technologies to solve new challenges encountered in the field.



ZONESELECT® COMPLETION SYSTEM

The ZoneSelect system is a unique family of lower-completion technologies, including mechanical and swellable packers, high-torque frac sleeves, and durable composite plugs. The suite comprises solutions for openhole completions, coiled-tubing stimulation, and multizone fracturing treatments.

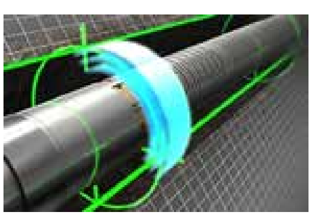
http://www.weatherford.com/en/products-services/completion-and-stimulation/lower-completions

TBLOCKSURE® DIVERTING AGENT

The TBlockSure temporary diverting and fluid-loss-control agent enhances zonal isolation during stimulation and workover applications. The agent is made of a degradable mesh that provides temporary mechanical diversion and then dissolves, minimizing cleanup and shortening the time to production.

http://www.weatherford.com/en/products-services/completion-and-stimulation/pressure-pumping-services/reservoir-stimulation-services/fluid-systems/tblocksure-degradable-diverting-agent

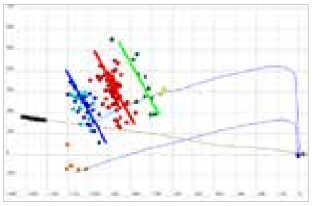


CROSSWAVE® AZIMUTHAL SONIC TOOL

Sonic logs are among the most important data sets when determining the presence and character of natural fractures. The CrossWave azimuthal tool captures 360° borehole images that reveal compressional and shear waveforms as well as rock mechanical properties. By enhancing the amount of information available to completion engineers, these logs enable more efficient fracturing operations without adding to the total rig time.

http://www.weatherford.com/doc/wft256294

SLIMWAVE MICROSEISMIC ARRAY TOOL



The SlimWave array tool acquires microseismic data that is used to produce a "frac map" – a visual representation of the height, length, and azimuth of the area affected by a hydraulic fracturing job. From this detailed picture, completion engineers can determine where the rock is breaking and estimate how far into the reservoir the proppant has traveled.

http://www.weatherford.com/en/products-services/drilling-formation-evaluation/wireline-services/borehole-seismic-services

STEALTHFRAC® LARGE-BORE COMPLETION SYSTEM

The StealthFrac system combines multiple features to optimize plug-and-perf completions in large-bore and extended-reach applications. The large inner diameter enhances flow, the ability to remain downhole throughout production enables access to longer laterals, and the metallic hybrid InvisiBall™ stimulation ball eliminates the need for millout.

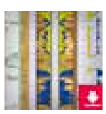
http://www.weatherford.com/en/products-services/completion-and-stimulation/lower-completions/composite-plugs

CASE STUDIES

The combination of our industry-leading technologies and our disciplined approach has produced measurable value for our clients.

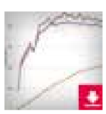
ZONESELECT® SYSTEM INCREASES STAGE COUNT

http://www.weatherford.com/doc/wft305444



TBLOCKSURE® AGENT ENABLES RIG-FREE RESTIMULATION

http://www.weatherford.com/doc/wft301166



TBLOCKSURE® AGENT IMPROVES PRODUCTION BY 83%

http://www.weatherford.com/doc/wft299186

SLIMWAVE TOOLS MAP FRACTURING TREATMENTS

http://www.weatherford.com/doc/wft255766

STEALTHFRAC® SYSTEM UNLOCKS 6 PAY ZONES

http://www.weatherford.com/doc/wft289129

UNCONVENTIONAL PRODUCTION

OVERVIEW

During the current industry downturn, no area has been as closely scrutinized as unconventionals, primarily because of the higher production cost. Weatherford offers fully integrated solutions for all forms of artificial lift used to produce unconventional shale assets. Our production optimization consulting team helps operators to select the right artificial-lift system at the right time – and to operate at optimum set points to maximize production and minimize operating cost. These products and services complement the FracAdvisor® solution, which guides operators to create a more effective frac design along the horizontal section.

CHALLENGES

MINIMIZE
PRODUCTION
DECLINE RATES

Adopting flexible artificial-lift systems

REDUCE
PRODUCTION
COSTS

Monitoring and optimizing artificial-lift operations

INCREASE
FIELD
PRODUCTIVITY

Analyzing production profiles and reservoir conditions to execute a re-fracking program

MANAGE
PRODUCED
FLUID

Deploying artificial-lift systems that tolerate sand, gas, and chemicals

PRODUCTION INTEGRATED APPROACH

The rapid decline in production rates, especially during the first year, complicates the task of managing the total production cost of shale assets. Several steps must be taken in coordination to maximize return on investment.

Weatherford helps clients to select the most cost-effective artificial-lift method; monitor production and equipment performance on a daily basis; use performance data to optimize operations; determine the optimal end-life of the lift system; proactively plan the transition to the new system with minimal downtime; jointly analyze fracking and production information to identify candidate wells for refracturing; and undertake additional tasks as needed. The subject-matter experts from the production optimization consulting team use multi-lift optimization software as needed to help operators manage each step in an efficient manner.

TECHNOLOGIES

Technology is at the heart of our approach to meeting clients' needs. We constantly update and refine our technologies to solve new challenges encountered in the field.


JET-PUMP LIFTING SYSTEMS

Frequently used in frac-flowback operations, jet-pump lifting systems deliver quick and cost-effective recovery of fracturing fluids from the wellbore and high initial production rates. Hydraulic jet-pump systems minimize repair costs by delivering reliable, high-volume performance and long run life in extreme conditions.

http://www.weatherford.com/en/products-services/production/artificial-lift-systems/jet-pump-lifting-systems

ROTAFLEX® LONG-STROKE PUMPING UNIT

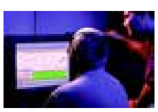
The Rotaflex unit reduces both energy costs and well-workover time compared to conventional units and electrical submersible pumps. It provides greater efficiency and cost effectiveness for sustained production of deep and high-volume unconventional wells.

http://www.weatherford.com/en/products-services/production/artificial-lift-systems/reciprocating-rod-lift-systems


GAS-LIFT OPTIMIZED SYSTEM

Gas lift is the most effective lift method for high-productivity wells with high gas content. Our gas-lift system is further optimized by the WellPilot® gas-lift controller, which monitors well performance and automatically makes control adjustments.

http://www.weatherford.com/en/products-services/production/artificial-lift-systems/gas-lift-systems




LOWIS™ LIFE-OF-WELL INFORMATION SOFTWARE

LOWIS software can be used to monitor and control any type of lift. Equipped with a well-service manager module, the software provides continuous improvements in operational efficiency and contributes to increased production and cost reduction for the life of the well.

http://www.weatherford.com/en/products-services/production/software/real-time-well-optimization-and-operations

CAPILLARY INJECTION TUBING ANCHOR

This tubing anchor enables control and chemical-injection lines below the anchor without damage. It expands the options available for chemical treatment and downhole monitoring, and thereby helps optimize the production of unconventional wells on any form of artificial lift.

http://www.weatherford.com/en/products-services/production/artificial-lift-systems/capillary-injection-systems

CASE STUDIES

The combination of our industry-leading technologies and our disciplined approach has produced measurable value for our clients.

HYDRAULIC JET PUMP SAVES TIME AND MONEY FOR FRAC FLUID RECOVERY

http://www.weatherford.com/doc/wft161195

ROTAFLEX® LONG-STROKE PUMPING UNIT INCREASED OIL PRODUCTION BY 126% IN HIGH WATER-CUT AREAS

http://www.weatherford.com/doc/wft285881

XTRA-LIFT GAS-LIFT SYSTEM PRODUCES COMPARABLY TO ESP, SAVES MORE THAN $100,000 IN INTERVENTION COSTS

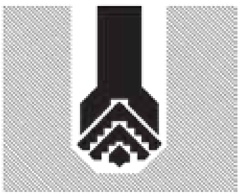
http://www.weatherford.com/doc/wft307572

CAPILLARY INJECTION TUBING ANCHOR INCREASES CHEMICALRETURNS, REDUCES MONTHLY CHEMICAL COST BY $2,800 PER WELL

http://www.weatherford.com/doc/wft255740

OFFSHORE / DEEPWATER DRILLING

OVERVIEW



Designing and safely drilling offshore and deepwater wells requires a deep understanding of pore pressure, fracture gradient, and the often-narrow window between the two. The benefit of drilling a hydraulically stable hole is great both in terms of safety and economics. Risks such as shallow-flow hazards, kicks, losses, and borehole instability are therefore most critical in the deepwater domain. If not addressed, these hazards could lead to nonproductive time (NPT) in an environment where daily operational expenses often exceed $1,000,000.

CHALLENGES

DRILL WITHIN
TIGHT
MARGINS

Determining and navigating the safe operating window

MITIGATE
LOST CIRCULATION
AND KICKS

Managing the relationship between hydraulics and borehole geology

ASSURE
WELLBORE
INTEGRITY

Understanding and managing the causes of borehole instability

AVOID
STUCK
PIPE

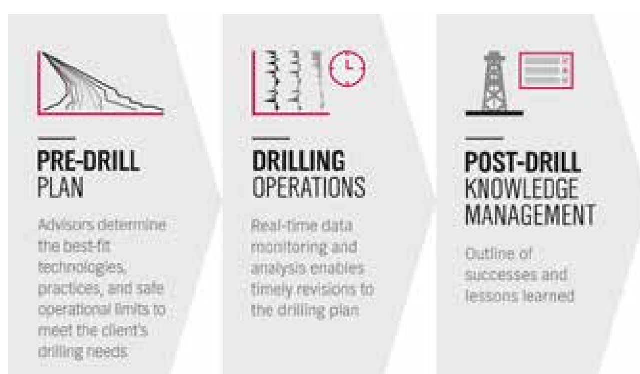
Reducing risk of stuck pipe and lost downhole tools

MAINTAIN
DRILLSTRING
INTEGRITY

Monitoring key metrics to stay within safe operating parameters

DRILLING INTEGRATED APPROACH

After recognizing the challenges and risks of offshore and deepwater drilling, the critical task is how to avoid, manage, and/or mitigate them. The Drilling Advisor solution - which combines drilling optimization, wellbore stability, and drilling hazard management - offers a proven methodology that is effective in all types of fields.



PRE-DRILL PLAN

By analyzing historical well data to identify drilling hazards and to build geomechanics and drilling-optimization models, we create an enhanced drilling plan. Drilling within the appropriate margins (between the pore pressure, rock failure, and fracture gradient) helps to avoid kicks, losses, hole problems, and shallow-flow hazards that are prevalent in deepwater operations.

DRILLING OPERATIONS

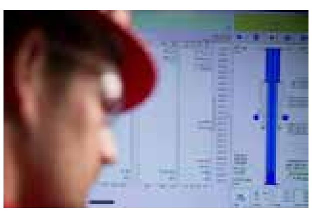
During drilling, industry-leading Weatherford products–from logging-while-drilling (LWD) tools to the MicroFlux® managed pressure drilling (MPD) system - provide valuable downhole feedback that facilitates drilling hazard management analysis. Real-time monitoring through our Virtual Well Monitoring® service enables our team to identify deviations between models and actual drilling data. This comparison provides situational awareness of possible drilling hazards before they happen, and enables us to make appropriate adjustments as necessary to minimize NPT.

POST-DRILL KNOWLEDGE MANAGEMENT

Finally, our knowledge management process captures the lessons learned in an end-of-well report that outlines key performance indicators (KPI), details opportunities for improvement, and makes recommendations for future projects.

TECHNOLOGIES

Technology is at the heart of our approach to meeting clients' needs. We constantly update and refine our technologies to solve new challenges encountered in the field.



MICROFLUX® CONTROL SYSTEM

The Microflux managed pressure drilling (MPD) control system enables real-time detection and control of minute downhole influxes and losses to minimize NPT spent managing well-control issues. This technology has been used extensively in deepwater fields, including the pre-salt fields of offshore Brazil and West Africa. MPD techniques can be incorporated into the well design to address downhole challenges beyond the capabilities of conventional technology, and to improve drilling efficiency and well integrity.

http://www.weatherford.com/en/products-services/drilling-formation-evaluation/secure-drilling-services/managed-pressure-drilling/microflux-control-system

SWAGEHAMMER™ INTEGRATED LINER-HANGER SYSTEM

Deepwater wells require reliable liner systems capable of withstanding extreme pressures and temperatures. The SwageHammer system eliminates leak paths and other common points of failure to form a gas-tight seal for the life of the well.

http://www.weatherford.com/en/products-services/well-construction/liner-systems

VARIFORM® CENTRALIZER

The robust VariForm centralizer is able to withstand demanding run-in conditions and provides maximum standoff during cementing operations in a wide variety of wellbore profiles. It enhances the quality of the cement job and promotes life-of-well integrity.

http://www.weatherford.com/en/products-services/well-construction/cementing-products/centralizers

RIPTIDE® RFID DRILLING REAMER

Commonly, when drilling in deep water, there is a need to enlarge the hole beyond the previous casing diameter to run a subsequent string. In these cases, the RipTide reamer provides a flexible, efficient solution. RFID activation means that the reamer can be opened and closed multiple times and can ream different sections of the hole during a single trip.

http://www.weatherford.com/en/products-services/well-construction/drilling-tools-and-rental-equipment/performance-drilling-tools/riptide-drilling-reamer

LANDING STRING STRIPS (LSS) 1250

The remotely-operated LSS 1250 enables safe handling of heavy, deepwater landing strings from the driller's cabin. In 2015, this tool enabled Weatherford to land a 1,180-ton (2,360,700-lb) casing string in the Gulf of Mexico - a world record. It is now rated to handle up to 1,500 tons.

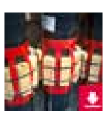
http://www.weatherford.com/en/products-services/well-construction/tubular-running-services/rig-system-services

CASE STUDIES

The combination of our industry-leading technologies and our disciplined approach has produced measurable value for our clients.

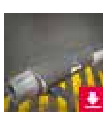
MICROFLUX SYSTEM REVIVES PRE-SALT WELL

http://www.weatherford.com/doc/wft266871



VARIFORM CENTRALIZERS SET LINER IN GOM WELL

http://www.weatherford.com/doc/wft298566

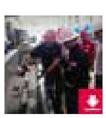


RIPTIDE REAMER ENLARGES WELLBORE IN 1 TRIP

http://www.weatherford.com/doc/wft283535

LSS 1250 SAVES $15 MILLION

http://www.weatherford.com/doc/wft298716

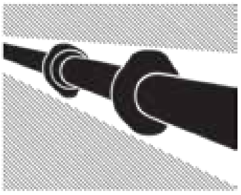


HEATWAVE EXTREME SERVICE LOGS 22 OFFSHORE WELLS

http://www.weatherford.com/doc/wft309063

OFFSHORE / DEEPWATER COMPLETIONS

OVERVIEW



Rather than adapting existing products for new applications, Weatherford has redefined modern completion architecture based on extensive studies of the successes and failures of older technologies – particularly in the arena of offshore and deepwater operations. Our offshore completions technologies leverage the latest in downhole technology, integrate multiple components to increase efficiency, excel in extreme environments, and are supported by our decades of experience.

CHALLENGES

REDUCE **RISK**

Increasing safety and mitigating the need for intervention

MINIMIZE **COST**

Providing offshore completions products that decrease rig time, thereby saving operators millions of dollars

ENHANCE **OPERATIONAL** CAPABILITY

Testing and qualifying products to the highest standards necessary to meet the ever-changing requirements of our global client base

COMPLETIONS INTEGRATED APPROACH

Weatherford upper and lower completion systems are fully offshore capable. We offer an integrated portfolio of products specifically designed to withstand the high pressures and temperatures of offshore fields, and manufactured to meet and exceed the highest industry standards.

Our field-proven technologies are the result of our focus on high quality in every area, from research and design to manufacturing. All of our completions products share the common goals of enhancing operational efficiency, minimizing costs, and reducing risks. Our global footprint allows us to deploy our solutions anywhere. We work with our clients to determine the completion systems that best suit the unique needs of each well and campaign. This collaborative approach demonstrates our commitment to exploring new avenues by which clients can achieve their goals efficiently and cost effectively, and with as few risks as possible.

TECHNOLOGIES

Technology is at the heart of our approach to meeting clients' needs. We constantly update and refine our technologies to solve new challenges encountered in the field.

OPTIMAX™ SERIES SAFETY VALVES

The safety of the people, assets, and environment involved in an offshore operation all depend on reliable safety valves. The Optimax series eliminates historic points of failure in valve design and is tested beyond API 14A standards to deliver a highly reliable well barrier. To date, we have deployed more than 6,800 Optimax series safety valves for a total of more than 15,000 years of cumulative service life – with no failures attributed to the design.

http://www.weatherford.com/en/products-services/completion-and-stimulation/upper-completions/safety-systems

WFXO™ GRAVEL-PACK SYSTEMS

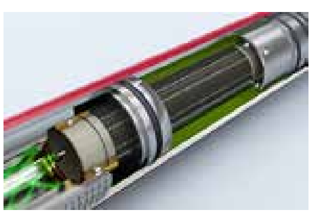
The WFX0 system is the first fully V0-rated gravel pack system. Incorporating a 10,000-psi-rated packer, WFX0 quick connect, and WFX0 gravel-pack sliding sleeve, the system eliminates the need for a dedicated deep-set barrier run with a packer and ball valve. This saves two to three days of rig time, which is especially valuable in offshore and deepwater applications.

http://www.weatherford.com/en/products-services/completion-and-stimulation/sand-control/gravel-pack-systems

TERRAFORM™ OPENHOLE PACKER

Designed for deployment in the most critical deepwater wells, our TerraForm openhole packer uses proprietary cup-seal technology to conform to non-uniform wellbores and provide life-of-well zonal isolation. By enabling openhole completions in a deepwater environment, this technology saves several days of rig time valued at millions of dollars.

http://www.weatherford.com/doc/wft308391



RFID-ENABLED TECHNOLOGY

Virtually all of our completion systems can be operated remotely and on demand using radio-frequency identification (RFID) technology. Weatherford downhole RFID tools have been successfully deployed in offshore fields worldwide, bringing value to our clients by reducing trips, interventions, rig time, and overall costs.

http://www.weatherford.com/en/products-services/well-construction/drilling-tools-and-rental-equipment/rfid-enabled-tools

OPTIPKR™ PRODUCTION PACKER

The OptiPkr production packer combines the robust performance of a permanent packer with the flexibility of a retrievable packer. The simple design minimizes the number of components while exceeding ISO 14310 standards. Providing a reliable, V0-rated seal between production tubing and casing, the OptiPkr production packer can withstand the most demanding subsea environments.

http://www.weatherford.com/en/products-services/completion-and-stimulation/upper-completions/production-packers/optipkr-production-packer

OFFSHORE / DEEPWATER PRODUCTION

OVERVIEW

With return on investment at the top of clients' minds, the value of integrated production optimization solutions in cost-intensive offshore and deepwater assets has never been greater. Weatherford continues to be at the forefront of developing and enhancing such solutions, providing everything from artificial-lift design and facilities optimization to real-time integrated asset management and associated consulting services.

CHALLENGES

REDUCE
COST
PER BARREL

Lowering operating cost using production optimization to increase efficiency and reliability

MINIMIZE
UNPLANNED
PRODUCTION DISRUPTION

Adopting integrated asset models for proactive asset management to reduce downtime and OPEX

MANAGE
SOLIDS
PRODUCTION (FLOW ASSURANCE)

Integrating real-time monitoring of wells and production facilities

ADDRESS
HIGH PRESSURES
& TEMPERATURES

Deploying sensors and artificial-lift systems rated for extreme conditions

PRODUCTION INTEGRATED APPROACH

In offshore and deepwater assets, a reliable, integrated production model requires high-quality data acquired directly from the seabed and reservoir. This includes water-production information – provided by the award-winning Red Eye® subsea water-cut meter – which can help operators refine their subsea water management strategy and significantly lower operating costs. Downhole pressure and temperature information from the OmniWell® reservoir monitoring product suite further closes the knowledge gaps.

TECHNOLOGIES

Technology is at the heart of our approach to meeting clients' needs. We constantly update and refine our technologies to solve new challenges encountered in the field.


ULTRALIFT™ DEEPWATER GAS-LIFT SYSTEM

By combining a new high-reliability valve designed to handle extreme pressures with our proven DVX™ mandrel, the UltraLift deepwater gas-lift system enables gas injection deeper in the well. The system enhances production and completion integrity in ultra-high-pressure lift applications, which minimizes risk and maximizes profitability.

http://www.weatherford.com/en/products-services/production/artificial-lift-systems/gas-lift-systems

OMNIWELL® PRODUCTION AND RESERVOIR MONITORING SOLUTIONS

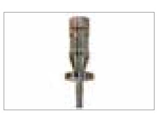
OmniWell solutions include a range of proven in-well optical and quartz sensors with diverse real-time measurement capabilities. Data from OmniWell monitoring solutions enables operators to make better reservoir decisions that increase the recovery, profitability, and lifespan of offshore wells. Weatherford has installed more than 15,000 OmniWell sensors around the world.

http://www.weatherford.com/en/products-services/production/production-and-reservoir-monitoring

WELLVISTA® DOWNHOLE-DATA VISUALIZATION SOFTWARE

The WellVista software unifies and processes a wide variety of data from various sources in real time. It works exceptionally well in conjunction with OmniWell reservoir-monitoring tools, enabling accurate data acquisition, information management, analysis, and decision making for any type of well.

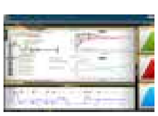
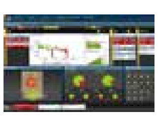
http://www.weatherford.com/en/products-services/production/production-and-reservoir-monitoring

RED EYE® SUBSEA WATER-CUT METER

Designed to operate in harsh environments, the Red Eye subsea water-cut meter provides extremely sensitive onset water detection and tracking for optimal reservoir management and monitors hydrate-inhibitor levels for flow assurance. It is the industry's only water-cut meter that is not affected by free gas and can operate in a full range of multiphase flows.

http://www.weatherford.com/en/products-services/production/flow-measurement/water-cut-meters

I-DO® INTELLIGENT DAILY OPERATIONS SOFTWARE

i-DO software provides clients with detailed visibility of current asset production performance and provides intelligent recommendations. With remote access to the latest data and analysis, i-DO software makes it easy to manage full-field optimization and automation for reservoirs, wells, and surface networks.

http://www.weatherford.com/en/products-services/production/software/real-time-field-optimization-and-operations

CASE STUDIES

The combination of our industry-leading technologies and our disciplined approach has produced measurable value for our clients.

i-DO® SOFTWARE'S REAL-TIME OPTIMIZATION INTERFACE REDUCES DOWNTIME, INCREASES PRODUCTION

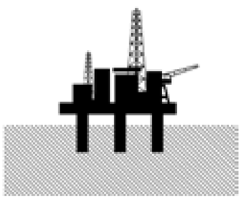
http://www.weatherford.com/doc/wft157916

OMNIWELL® PERMANENT DOWNHOLE OPTICAL MONITORING SYSTEM PROVIDES REAL-TIME PRODUCTION MONITORING, OPTIMIZATION, AND DAILY ALLOCATION

http://www.weatherford.com/doc/wft265480

OFFSHORE / DEEPWATER ABANDONMENT

OVERVIEW



Weatherford offers the broadest set of well-abandonment solutions in the industry. Further, we have a global footprint with decades of experience in this market. Over the past year, we have bolstered our capabilities in the areas of specialty rigs, project management, technologies, and heavy-lift equipment – all of which enhance the success of offshore abandonment operations. We are constantly increasing our abandonment portfolio in the interest of providing our clients with a comprehensive solution scoped and managed by a single company. We will even interface with regulatory bodies on our clients' behalf.

CHALLENGES

LOWER **ABANDONMENT** COSTS

Reducing initial abandonment costs as well as the probability of cost escalation due to scope creep

TACKLE **INVENTORY** BACKLOG

Addressing the backlog of shut-in shallow-water wells and preparing for the first generation of deepwater wells to reach the age of abandonment

IMPROVE **ASSET** MANAGEMENT

Standardizing competencies and practices to enhance efficiency and reduce offshore abandonment costs

REDUCE **PROJECT MANAGEMENT** COMPLEXITY

Meeting the challenge of increasing work volumes with a single service provider

WELL ABANDONMENT INTEGRATED APPROACH

Leveraging our broad portfolio of offshore abandonment tools and services alongside computer models as well as best practices developed over years of plug and abandonment P&A project management, our Well Abandonment Advisor solution offers a comprehensive approach. We use risk-based software to analyze available well data, weigh risks, and suggest contingencies to ensure the job is done safely, on time and budget. These offerings, in addition to our risk-based contract model, have made Weatherford a go-to offshore abandonment provider for clients worldwide.

Our three-step process enables proper scoping and risk assessment at the outset.

PLAN

Through careful analysis of the well files, our team is able to develop an appropriate plan based on a modified turnkey model. This reduces the risk of scope creep and also distributes the risk so that the client is not left with a large, unanticipated bill toward the end of the project.

MOBILIZE

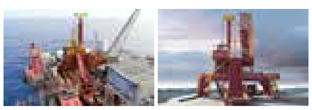
With an appropriately scoped plan in place, we engage third parties as needed to source specialized equipment and services. We also file applications with regulatory authorities as needed.

EXECUTE

Finally, we oversee the execution of the project, from rig-up to close-out.

TECHNOLOGIES

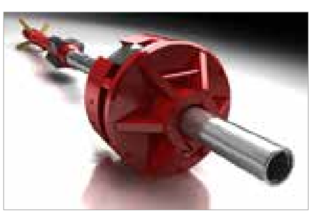
Technology is at the heart of our approach to meeting clients' needs. We constantly update and refine our technologies to solve new challenges encountered in the field.



RIG-FREE® INTERVENTION AND ABANDONMENT TECHNOLOGY

Our unique family of Rig-Free units replace costly jackups, workover rigs, and snubbing units – thereby dramatically reducing the operational time and cost of critical offshore late-stage interventions, production revitalization, and abandonment. Using an innovative self-clamping skidding system, each Rig-Free pulling and jacking unit can access multiple wells from a single rig-up.

http://www.weatherford.com/en/products-services/well-construction/well-abandonment-and-intervention-services/rigless-intervention-abandonment-technology



MECHANICAL OUTSIDE-LATCH SINGLE-TRIP (M.O.S.T.) TOOL

The M.O.S.T. tool is designed specifically for abandoning offshore wells, where operators face the challenge of needing to remove the subsea wellhead from the ocean floor. The M.O.S.T. tool enables cutting and recovery of multiple casing strings below the mud line in a single trip, which saves rig time and minimizes damage to seal surfaces.

http://www.weatherford.com/en/products-services/well-construction/well-abandonment-and-intervention-services/most-tool

ENDURA® DUAL-STRING SECTION MILL

A critical element in compliant abandonment is establishing a rock-to-rock hydraulic seal across the borehole that mimics natural bedding. The Endura section mill cuts through and removes both inner and outer casing strings in a single trip using uniquely designed cutter blades, improving efficiency and making the wellbore easier to seal.

http://www.weatherford.com/en/products-services/well-construction/well-abandonment-and-intervention-services/endura-dual-string-section-mill

CASE STUDIES

The combination of our industry-leading technologies and our disciplined approach has produced measurable value for our clients.

GOM: WEATHERFORD WELL ABANDONMENT SERVICES SAVE OPERATOR $6.7 MILLION ON HURRICANE-DAMAGED PLATFORM

http://www.weatherford.com/doc/wft156556

SINGLE-SOURCE SOLUTION ENABLES OPERATOR TO ABANDON WELL SAFELY,SAVE A FULL DAY OF RIG TIME, INCUR ZERO INCIDENTS

http://www.weatherford.com/doc/wft265933

WEATHERFORD ASIA-PACIFIC SUCCESSFULLY COMPLETES ABANDONMENT OF OFFSHORE JAPANESE PLATFORM IN 62 DAYS

http://www.weatherford.com/doc/wft085567

RIG-FREE® UNIT COMPLETES LATE-STAGE WORKOVER IN FOUR OFFSHORE WELLS, IMPROVES PRODUCTION BY ≥300%

http://apps.weatherford.com/results/pdf/WFT270465.pdf

WELL ABANDONMENT SERVICES PROVIDES PERMANENT ABANDONMENT FOR 32 WELLS, FINISHES 150 DAYS EARLY

http://www.weatherford.com/doc/wft303808

SAFETY AND SERVICE QUALITY

RECORD-SETTING SAFETY PERFORMANCE

Our vision is to be a company that is incident free, delivers on our promises, and leaves the environments in which we operate better than we found them.

We are proud to say that 2015 was our safest year yet.

16%↓ reduction in the **total recordable incident** rate (TRIR)

23%↓ reduction in the **lost-time incident** rate (LTIR)

43 manufacturing facilities achieved **no lost-time incidents, no recordable injuries,** and **no preventable vehicle incidents**

33%↓ reduction in the **preventable vehicle incident** rate (PVIR)

№ 02 **Security Program** in the Energy Sector from Security Magazine's Security **500 Rankings Global, 2015**

GOLD AWARD

CANADA'S SAFEST EMPLOYER IN THE OIL AND GAS INDUSTRY

SILVER AWARD

CANADA'S BEST SAFETY CULTURE IN ALL INDUSTRIES

From Thomson Reuters' Canadian Occupational Safety magazine
Canada

BEST BASIC BEHAVIOR SAFETY

From Chevron
Cabinda / Angola

PEOPLE'S CHOICE SAFETY AWARD

From the Australian Petroleum Production & Exploration Association (APPEA)
Australia

EAGLE FORD EXCELLENCE AWARD FOR ENVIRONMENTAL STEWARDSHIP

From the South Texas Energy & Economic Roundtable ("STEER")
Corpus Christi, Texas

OUTSTANDING PARTICIPATION IN HSE

From Total
Bolivia

2016 SPECIAL MERITORIOUS AWARD FOR ENGINEERING INNOVATION

HSE HAND AND FINGER INJURY PREVENTION PROGRAM

From Hart's E&P
Houston, Texas

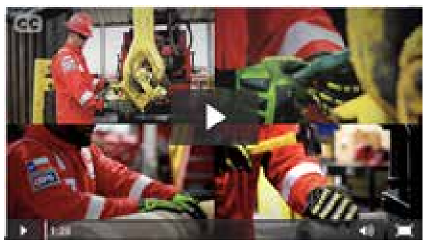
AWARD-WINNING HAND AND FINGER INJURY PREVENTION PROGRAM

The statistics say it all — 35% of our injuries are hand and finger related. This is a problem not only for Weatherford, but the industry at large.

In 2015, we created and implemented a new Hand and Finger Injury Prevention Program to actively address the issue and keep our employees safe. We are proud to have received the Hart's E&P 2016 Special Meritorious Award for Engineering Innovation in recognition of this program's success.

The team worked together to create materials that were not only educational, but also appealed to the emotions of our employees — emphasizing how often we use our hands in our daily lives. This targeted training was designed to reinforce the use of higher level risk management controls based on our hierarchy of control model. We provided our employees with access to reference materials — such as our standards, technical work instructions, an in-depth instructional presentation, a safety booklet and a video series — that strategically tie into this model.

The program has sparked discussions that are continuing today about how each of us can become safer in our daily work. Following the program, we saw reduction in hand and finger injuries in the first quarter of implementation alone.



We strategically identified the areas where hand and finger injuries are most prevalent and focused our efforts on educating employees about how to reduce the number of these types of incidents. These activities were performed in a controlled environment so as not to put the employees or anyone around them at risk.

HAZARDOUS SUBSTANCES PROGRAM

The nature of our business means employees may work directly with or have exposure to many different hazardous substances, including explosives, lithium batteries, and workplace chemicals.

It is important for our employees to be aware of the hazards and understand the risks these substances pose and the controls needed to use them safely. In 2015, we launched a Hazardous Substances Program — one of the pillars in our Eight GEMS (Getting Everyone Managing Safety) program — that was conducted at facilities around the world to reinforce the safe handling and storage of hazardous substances. We held a global Safety Stand-up, distributing a podcast and several resources including our standards, technical work instructions, facility posters, and more. Each Safety Stand-up culminated in conducting a facility hazard hunt, putting the program learnings into action. This program is just another measure we take to ensure that our employees return home safely at the end of each day.

DELIVERING SERVICE QUALITY

Our reach, like that of our clients, is not confined to any single state, country, or region.

Delivering on service quality and reliability is a primary focus for Weatherford. We maintain API Q1 and Q2-certified facilities throughout the world, which enables us to meet the specific needs of our clients, and we continue to grow our capabilities.

In keeping with that tradition, in 2015, we achieved better service quality and reliability in three ways:

1. **Maintaining focus on the rollout of our OEPS management system and associated standards**
2. **Improving technical reporting**
3. **Maintaining corporate verification**

St. John's Newfoundland, Canada - API Q2 Facility

By keeping our focus on the rollout of OEPS and other global standards, we were able to drive improvement and standardization of our organization to superior levels. Weatherford is proud to have the first facility in Canada qualified to API Q2 — the highest international standard for quality management systems.

We will continue to certify locations to API Q2 as part of our commitment to meeting the demand of the industry and our clients. In 2016, we anticipate the certification of product lines and facilities in Edmonton, Canada; Lafayette, Louisiana; Macae, Brazil; and Aberdeen, Scotland.

In 2015, we improved our technical reporting, which allowed us to perform detailed operational and root-cause analysis using live data dashboards. We increased our job reporting by 25%, which dramatically enhanced our ability to monitor performance. This enabled us to define relevant key performance indicators (KPIs), dedicate resources where they were needed, adjust faster to a dynamic marketplace, and be proactive with our clients through more detailed Service Quality Reviews. Additional advantages of the new technical reporting process include an improved understanding of our product line performance and the establishment of KPIs that drive continuous improvement for our core services.

Weatherford is actively conducting internal verification of its processes and management system implementation through local self-verification audits and corporate-sponsored audits. The verification program drives global uniformity and lessons learned to continuously improve our processes.

Following the implementation of our OEPS online system, we have seen significant service delivery enhancements in our operations:

Revolution® Rotary Steerable System (RSS) Global Record Obtained

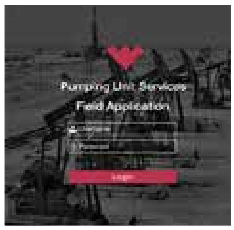
Revolution® Rotary Steerable System

On January 6, 2015, Weatherford commenced drilling with the Revolution RSS at 6,484 ft measured depth and reached a total depth (TD) of 22,430 ft on January 16, 2015. Downhole temperatures approaching 330°F were encountered and mitigated by circulating mud to cool the wellbore. A total one-run footage of 15,946 ft was achieved, setting a new global record for the Revolution RSS.

Field Service Modernized

Demonstrating our solid commitment to service quality, we have proceeded to drive the modernization of field service by bringing mobility innovations to the market, first with our Surface Pumping Unit Reliability (SPUR) tablet application and Pumping Unit Maintenance Tracking (PUMT) portal.

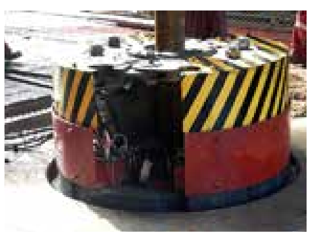
The SPUR application provides our workforce with all relevant task-risk assessed Technical Work Instructions — enabling access to the latest, safest, most efficient procedural steps at their fingertips, removing the manual change management process of hard copy transfer, and minimizing operational disruption. A Job Hazard Analysis form within the SPUR application enables us to thoroughly document on-site hazards, controls, and responsible parties at the well site as efficiently as possible.



The SPUR application also contains the pumping unit preventative maintenance and inspection data collection forms. This inspection data is then made visible in the PUMT portal, providing Weatherford and our clients visibility of asset conditions, including criticality, which helps minimize lost production time and expedite the service order process.

World's Heaviest Casing String Landed

Weatherford was approached to help a client run the world's heaviest casing string to TD. The rig spider was only rated to 1,000 tons and the string weighed a record-high 1,180 tons (1,070,478 kg). Weatherford deployed the landing-string slips (LSS) 1250, which can carry loads of up to 1,250 tons (1,133,981 kg). Weatherford engineers provided slip-crush calculations to verify that the pipe could reach TD without incurring damage from excess stress. The team then ran the casing and landing string to TD without issue. The final hookload was 2,360,700 lb (1,070,796 kg).



The LSS 1250 enabled the client to complete the well with the planned casing and landing string. Without this high-load-capacity solution, the client would have needed to drill a second hole section and run two separate casing strings at an approximate cost of US $15 million.

PROFESSIONAL PEOPLE, PROFESSIONAL PROCESS

By building a trained and qualified workforce, competence assurance helps to prevent service disruptions, improve safety, mitigate environmental risk, and meet client requirements.

Competence assurance is also a key factor in the continued development and increased morale of our people. The Weatherford Competence Assurance Process has evolved through risk-based evaluation and gap analysis to ensure the right personnel are selected for each task. This process integrates the onboarding of short-service employees with a tailored approach to technical training, supervision, and progression throughout an employee's career.

OUR PEOPLE

We are focused on our people now more than ever.

This section is a dedication to their hard work, compelling stories, and creativity.

OUR CULTURE

TELLING OUR STORY

EMPLOYEE PHOTO CONTEST

OUR CULTURE

A CULTURE THAT SETS US APART

At a time when it is easy to focus exclusively on market conditions, we understand that it is our people that will be the true game changers.

We are investing in our talent and providing opportunities for advancement. We have a culture where strong performance is rewarded, and the best people rise to the top. We are also focused on developing an effective organizational structure, to ensure we are well positioned when the market turns around. These actions will help ensure we have the right talent in place and are driving a financially healthy organization.

Our NextGen program illustrates our philosophy and approach to sourcing and developing the next generation of Weatherford leadership. The program includes rotations in our varied product and service areas, as well as opportunities to work in some of our 1,100 locations. From entry-level talent to executive-level management, our leadership development program helps potential employees evolve to take on new and greater challenges. We provide the training and tools needed to create each individual's vision of a successful career.

As the market evolved, we made the difficult decision to reduce our workforce, and in doing so achieved nearly $1B in annual savings in 2015 alone. We are now a much more efficient organization — lean in size, efficient in our operations, and prepared with a strong foundation.

ANNUAL REPORT 2015 - OUR PEOPLE

TELLING OUR STORY

The stories depicted here are straight from our employees and unscripted. We traveled the globe in search of stories that highlight the vast knowledge of our tenured employees, some of whom have been with us for more than 30 years, and the energy and passion of those that are just beginning to see their careers take shape.

ASIA PACIFIC

DIAN CHEN

Regional Ethics and Compliance Counsel

MICHAEL STAFFORD HOGAN

Commercial Service Manager

CANADA

MAURICE LEHMAN

Director of Supply Chain

DAVID REED

Region Vice President

WENDY WILSON

Director of QHSSE

EUROPE

GEORGETA GRIGORE
Pyrotechnician

ION NECULA
Facilities Chief

CHRIS WHITWELL
Region Marketing and Communications Manager

LATIN AMERICA

YULY RAMIREZ
Sales and Applications Engineer

PEDRO VARGAS NARANJO
Specialist Sales II

MIDDLE EAST AND AFRICA

FAISAL H. ALGHAMDI
Vice President - Global Account Management

ELVIS ANGYIEMBE
Regional Ethics and Compliance Counsel

ALAN EVES

Northern Emirates Manager

SHEILLA OSAYOGIE

HR Manager

CHARLOTTE WINTERBOTTOM, Ph.D.

Reservoir Geologist

USA

GHAZI HASHEM
Director of Technology

MARK LAINE
Product Line Manager - Gas Lift Systems

REBECCA NYE
Global Service Line Manager - Measurements

DIENA REED
Compliance Analyst II

TRAVIS SCHUETZE
Field Application Engineer II

EMPLOYEE PHOTO CONTEST

Our employees are at the center of everything we do. They are the driving force that keeps us moving. They are our boots on the ground and our innovators. It is a pleasure to share their creativity and outlook on our company through these images.

With more than 600 photos submitted by our employees around the world, selecting the winner was a difficult task. We narrowed the images down to the top 25 with the assistance of our leadership teams. Then, we polled our employees and Facebook followers alike. More than 8,300 people responded to help us select our winner. This photo embodies the vibrant spirit of our employees.

ALL THE PHOTOS FEATURED HERE, AND 90% of the photos used in the ANNUAL REPORT were taken by our employees

WINNER

DARYA KULESHOVA

Technical Sales Manager Engineered Chemistry
Moscow, Russia
4.5 years of service

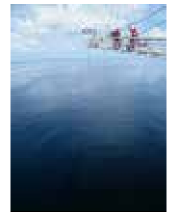
"This photo was taken on Mount Elbrus which has an elevation of 5,642m making it the highest mountain on the European continent, located in Russia. To me, this photo symbolizes that Weatherford is always on top!"

FINALISTS


JUAN FREITES


PHIL LAMBERT


HAMMAD HASSAN TARIQ


KOMKRICH PHETAR


IAN RYDER

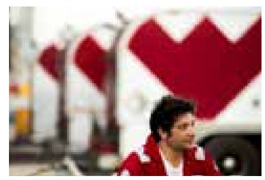

JARROD JAMES RADCLIFFE

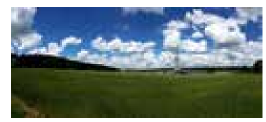

URIEL SUAREZ


RICARDO MALDONADO CRUZ


YALCHIN NURALIYEV

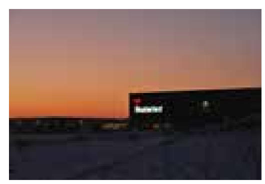

ANDREW SNYDER

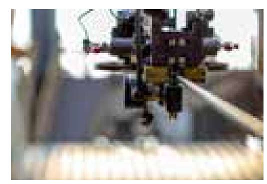

IAN RYDER


ANDREI MANOLACHE

CARLO SERRES


RAVICHANDRAN GURRAPU

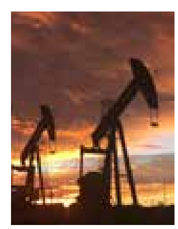

MICHAEL HENKE


IAN RYDER


REINALDO GONZALEZ QUINTERO

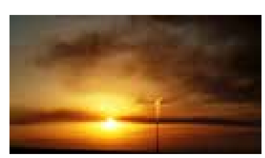

AZIZI AHMAD

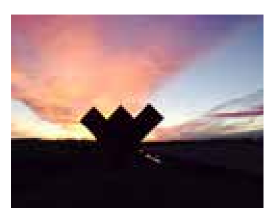

IAN RYDER


CHRISTOPHER HAND

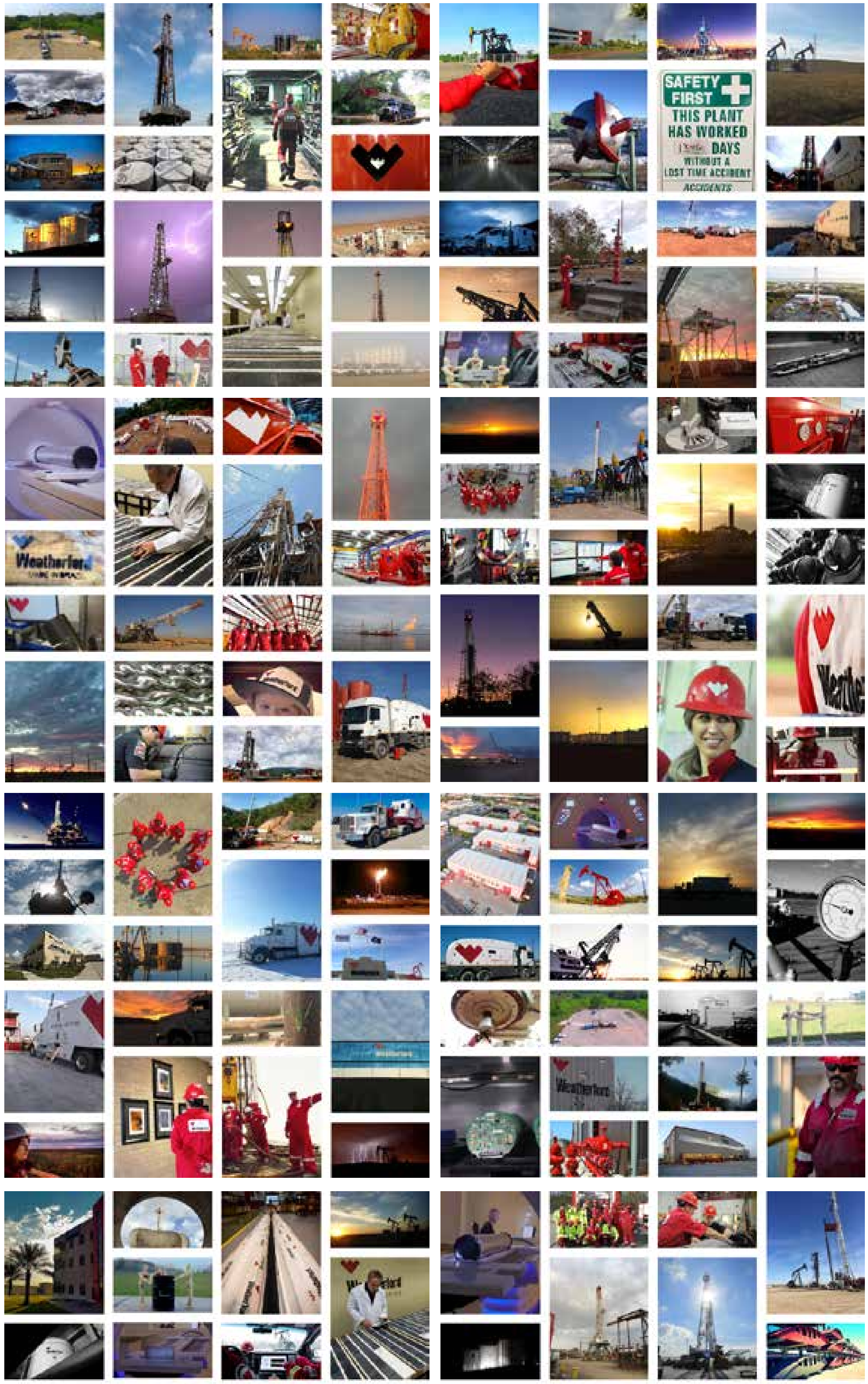

KALA MERASTY


PANU PHUMTABTIM


NASSER ELWAKIL


KARLEN LINK

ALL ENTRIES


SAFETY FIRST
THIS PLANT
HAS WORKED
DAYS
WITHOUT A
LOST TIME ACCIDENT

OUR SUSTAINABILITY

Weatherford as a company and its employees are determined to meet the challenge of sustainability.

We are reducing greenhouse gas emissions as well as our consumption of water and energy. Our aim is excellence in the quality of our work, in the safety of our employees, and in our efforts to protect the environment as we help provide energy vital to economic development and quality of life.

We are committed to the best standards of corporate citizenship. This section of the report details some of our particular achievements and these examples of best practice are being cascaded through the company's operations globally.

As a company, we are focused and committed to corporate citizenship: operating in a conscientious and sustainable manner across all areas including compliance and ethical integrity, environmental protection, on-the-job innovation, and community relations.

In 2015, we were honored to be recognized for high environmental, social, and governance performance with a constituency on the **2015 MSCI Global Sustainability Index Series**.

We were also included in the **Euronext Vigeo US 50 Index**, which distinguishes the top 50 companies who have achieved the most advanced environmental, social, and governance performances in the US region.

ETHICS AND COMPLIANCE

ENVIRONMENT

ON-THE-JOB INNOVATION

COMMUNITY RELATIONS

ETHICS AND COMPLIANCE

OUR CODE

As a company, we are supplying essential energy to power an ever-changing world.

Our Code of Business Conduct helps us meet this responsibility. We revised our Code in 2015 to ensure that its design and content communicate our commitment to growth, health, and sustainability. We provided Code of Business Conduct training globally in 17 different languages, demonstrating real-life scenarios and requiring all employees to commit to our practice. We also implemented an Anti-Corruption Standard in 17 languages to provide our employees with the tools and resources needed to conduct business ethically.

WE ARE:

DRIVEN to work smarter and safer to deliver on the promises we make.

RESPECTFUL of our people, our planet, and every perspective and contribution.

PASSIONATE about the work we do and the people for whom we do it.

MOTIVATED to do things the right way, the first time, every time, for the right reasons.

ACCOUNTABLE for our individual actions, for the consequences of our decisions, and for our collective achievements because at our core, success without respect and integrity is no success at all.

**AT OUR CORE,
WE ARE ONE,
& THIS IS OUR CODE.**

2015 COMPLIANCE AWARDS

We celebrate our community of compliance each year. This year, we invited our employees to participate in our 2015 Compliance Awards by submitting videos demonstrating how they live the values of our Code. We had so many wonderful submissions, and want to share one of the winning videos, which truly resonates with our Company's mission. The team that completed the video is from our Wireline base in Duri, Indonesia.

This video was selected as one of the winners because it exemplifies our employees' commitment to working safely and with integrity every day.

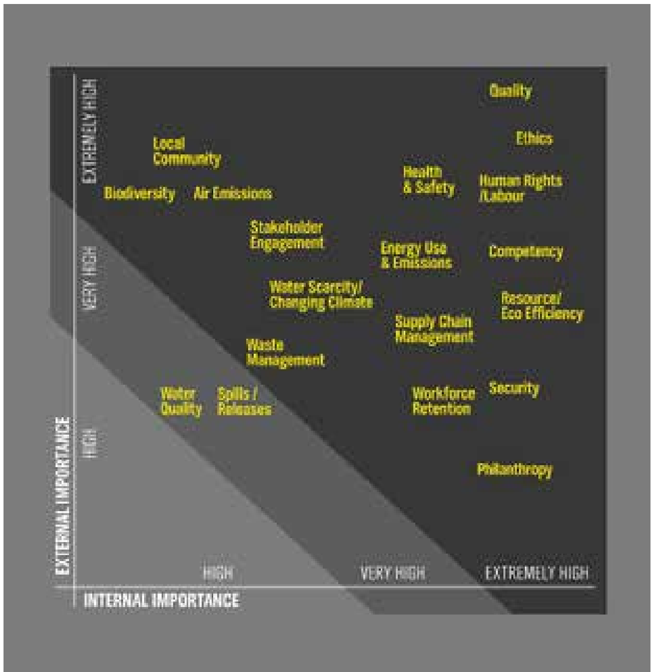
RECOGNIZING INTERNATIONAL ANTI-CORRUPTION DAY

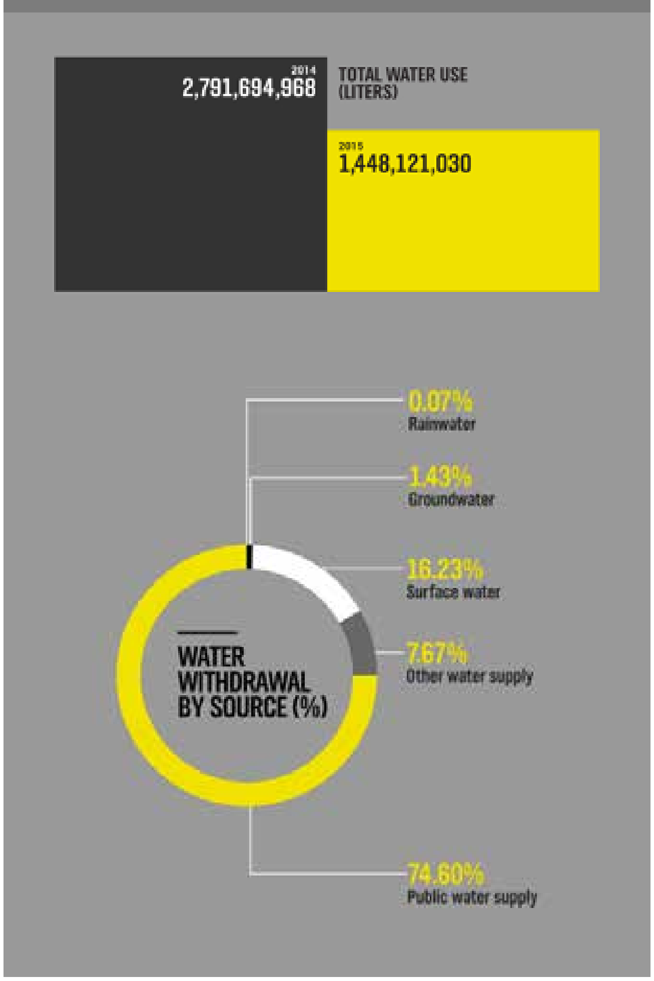
We observed the United Nations International Anti-Corruption Day through a global campaign aimed at fighting corruption in all of its forms and increasing awareness of the harm it does to families, companies, and society.

Corruption is a complex social, political, and economic phenomenon that affects all countries and communities. This year's United Nations "Break the Corruption Chain" campaign focused on how corruption undermines democracy and the rule of law and threatens human security and human rights.

This video demonstrates our Company's commitment to breaking the corruption chain.

ENVIRONMENT





MATERIALITY - DRIVING OUR FOCUS

Three years ago, we formally identified the key environmental and waste management issues that affect our Company. Through this process, our Four Tenets program was born.

The Four Tenets program - which encompasses the management of our waste, water, land, and energy resources - is underpinned by global management standards and, along with our health and safety, social, and governance programs, forms the basis of our sustainability approach.

REDUCING OUR WATER USE

Weatherford encourages all employees to reduce water use at both Weatherford and client sites.

Each year, we become more efficient in our approach to reducing water use. In 2015, we achieved a 32% reduction in our water use compared to 2014 and normalized for revenue.

RECYCLING WATER WHEREVER POSSIBLE

We increasingly focused on recycling water in our wash bays. This is especially important in areas of water scarcity or where wash-water discharge has the potential to impact water quality, or puts pressure on local infrastructure or treatment systems.

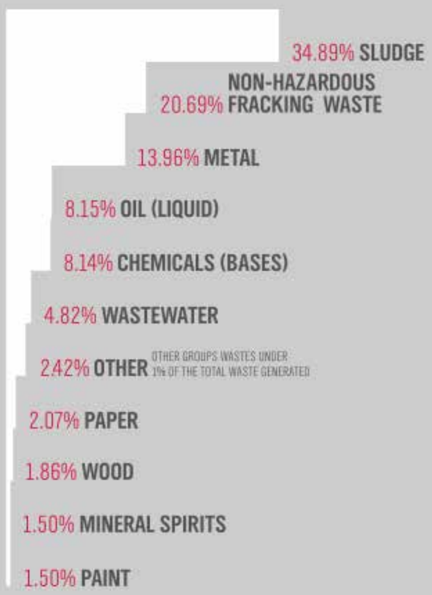
CASE STUDY

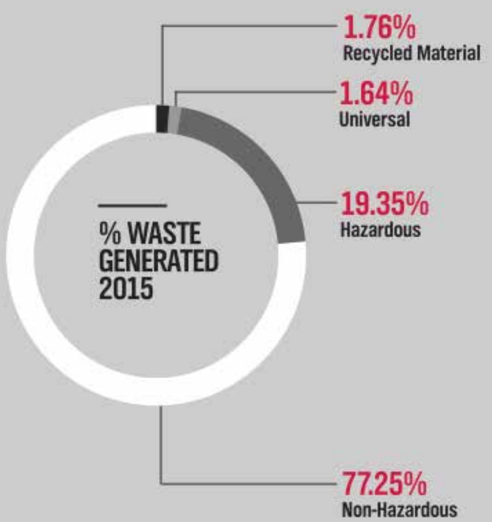
REDUCING WATER CONSUMPTON IN COLOMBIA

At one of our facilities in Colombia, we frequently clean oil-based muds (OBMs) from our drill pipe and tools. The waste water from wash bays contains suspended solids, diesel, and mineral oils, which are collected in each workshop and stored in large separators designed to American Petroleum Institute (API) standards. In the past, a third-party vendor would treat and dispose of the waste water every 25-30 days.

To increase efficiency, we installed a portable closed-loop system employing physical, chemical, and mechanical methods of treatment that now allows us to reuse the oily water as many times as we want, reducing not only the water consumption, but also the impacts and costs of disposal. Since its introduction, we have saved more than $69,000 and reduced our fresh water use by 80%.

MAJOR WASTES BY TYPE





MANAGING OUR WASTE RESPONSIBLY

In 2014, we introduced a new waste data system that enables us to identify specific types of waste generated at each site, and across Weatherford as a whole.

This data is used in conjunction with our Waste Management Standard's Waste Hierarchy, which lists avoidance and reduction as the first measures to take. Our process then calls for any remaining waste to be reused, recycled, or recovered - in that order. Only once those options have been fully exhausted will we send waste to a landfill for disposal.

In addition, our people look for ways to reduce the amount of hazardous waste generated, such as changing out hazardous materials for non-hazardous ones or changing processes to eliminate or reduce the need for hazardous materials. For example, using eco-friendly degreasers rather than solvent-based ones reduces the associated hazardous waste from contaminated rags or containers.

SAVES
AN ANNUAL AVERAGE OF
250,000 lbs
GOING TO LANDFILL

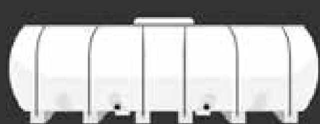
CASE STUDY

RECYCLING ELASTOMER BY-PRODUCT AT ARTIFICIAL LIFT SYSTEMS FACILITY

We manufacture positive displacement motors (PDM) for artificial-lift systems at one of our facilities in Texas.

The product is put through an extrusion process in which raw elastomer is fed into a large extrusion machine and is heated until it becomes soft and easy to form. As the PDM stator is formed, an average of 75 lb of elastomer waste is generated as the result of excess elastomer left in the machine after extrusion. This by-product is unable to be reused due to its size, shape, and property change. With this in mind, we knew we needed to come up with a more sustainable solution for managing the waste.

The facility engaged a recycling vendor that manufactures many different rubber and urethane products to collect and recycle the elastomer by-product. This approach will save an average of 250,000 lbs. of elastomer by-product from ending up in a landfill annually.



BULK TANKS
REDUCE TOTE USAGE BY
80%

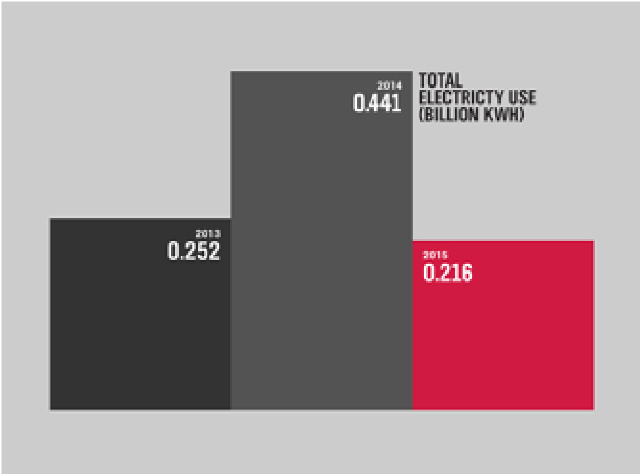
CASE STUDY

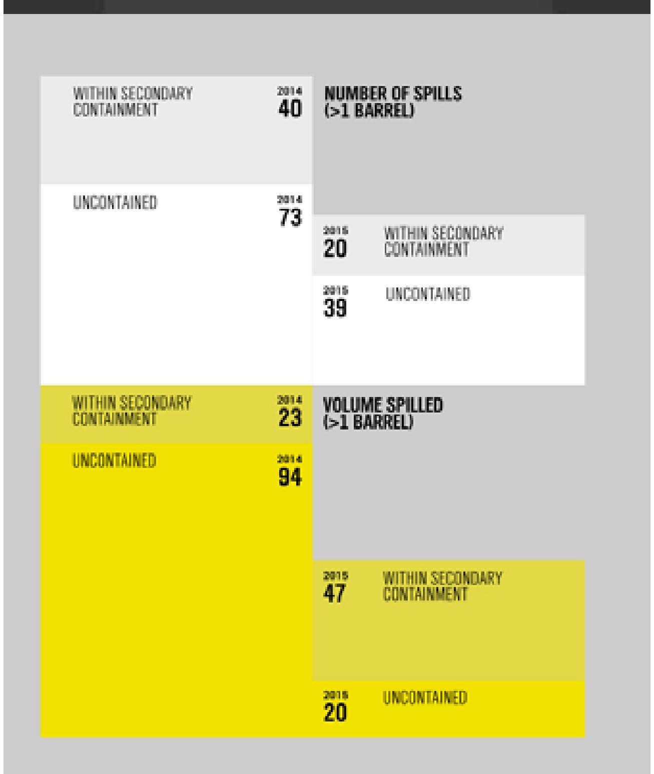
TEXAS FACILITY REDUCES CHEMICAL USAGE

A pressure-pumping services facility in the Eagle Ford shale area changed how it handles bulk chemicals for pressure-pumping jobs. A typical pressure-pumping operation can use more than 100,000 gallons of chemicals supplied in 330-gallon one-way totes, resulting in more than 300 totes per job that must be disposed of after the job is complete.

The facility replaced totes with bulk storage tanks, thereby eliminating more than 80% of the totes previously used. This effort reduced the amount of hazardous waste generated, minimized the potential for spills, limited exposure to employees during transport, and increased efficiencies on the job. Additionally, the new process will save more than $17,000 per job on average due to reduced cost of bulk chemicals.

This innovation was awarded second prize in our 2015 Environmental Entrepreneurs Award for Most Financial Benefit.





REDUCING OUR ENERGY USE

In 2015 we launched our Energy Wise program, which engaged our entire workforce in identifying opportunities to reduce energy use in our buildings. Implementation of those opportunities has helped us achieve a nearly 36% reduction in electricity use normalized for revenue and a reduction of over 55% in natural gas and propane usage normalized for revenue, leading to significant reductions in our greenhouse gas (GHG) emissions and substantial cost savings.

CASE STUDY

ENERGY REDUCTION INITIATIVES IN COLOMBIA

Simple but key energy-reduction initiatives at one of our bases in Colombia resulted in a savings of more than $48,000 and a decrease in electricity consumption of 13% in 2015.

Actions included designating a person to be responsible for electricity; reducing the number of lights in the workshop; bringing the remaining lights lower to provide better light coverage; separating the lights into three circuits to enable individual operation; and employing a maintenance routine for the compressed-air systems.

MINIMIZING IMPACTS TO LAND

We strengthened our spill-reporting procedures in 2014 with the launch of our global Land Impacts Management Standard, which reduced the reporting threshold and clarified what constitutes a spill (i.e. an uncontrolled release). The implementation of this standard has helped reduce our number of spills greater than one barrel by 32% and reduce the total volume released by 58% in 2015. More than 70% percent of the volume released was retained within secondary containment in 2015, compared to only 20% in 2014, for spills over one barrel.

Our spill-factor analysis indicates that equipment failure, loading or handling of liquids, and liquid transfer operations are the prime contributing factors. We focused our efforts in 2015 on mitigating these issues and saw substantial improvement in terms of spills on customer locations where we reduced the total number of spills over one barrel by approximately 49% and the volume spilled by 75%

Many of our facilities are installing secondary containment systems to serve equipment during refurbishment and maintenance activities.

CASE STUDY

SPILL REDUCTION IN RUSSIA

One of our facilities in Russia built its own containment system to serve large pieces of equipment during the maintenance process.

CASE STUDY

SPILL REDUCTION IN CHINA

A facility in China constructed a catchment system around the breaker unit.

ON-THE-JOB INNOVATION

RECOGNIZED FOR ENVIRONMENTAL STEWARDSHIP

Water conservation is a primary focus for Weatherford, and we were proud to accept the 2015 Eagle Ford Excellence Award for Environmental Stewardship from the South Texas Energy & Economic Roundtable ("STEER") for our water recycling program at one of our facilities in Texas.

We supply oil and gas producers with drill pipe for use during onshore drilling operations. The drill pipe is often lubricated using oil-base muds, which may contain diesel or mineral oil and which can be difficult to clean from the pipe after the operation is complete. We had historically relied on third-party contractors to clean the used drill pipe but decided to bring the process in house, designing and installing a customized wastewater treatment and recycling system at our facility. The water recycling program has drastically reduced the facility's freshwater requirements from 2.2 million gallons per year to 17,000 gallons per year.

In addition, the recycling system has eliminated the need to discharge wastewater to the city sewer, thereby reducing environmental liability while also realizing savings on water use, sewer fees, and potential discharge permitting.

USING 100% PRODUCED WATER IN FRACTURING OPERATIONS

We are constantly looking for ways to reduce our footprint and conserve water.

Our WaterSure® fluid system enables fracturing with 100% produced or flowback water - either filtered or unfiltered - without sacrificing stimulation performance. When freshwater supplies are limited or water quality is inconsistent, use of the WaterSure system conserves freshwater supplies, reduces wastewater disposal, and reduces water costs.

The system adds an environmentally friendly gelling agent and crosslinker to any available water at the wellsite. The result is a low-residue stimulation fluid that is unaffected by flowback additives and can handle waters high in salinity, total dissolved solids, divalent ions, and boron. WaterSure fluids imitate the conductivity and permeability of fresh water, which protects formations from damage.

REDUCING CUSTOMER EMISSIONS FOOTPRINT

As part of our commitment to reducing our carbon footprint through management of energy, we switched to non-diesel generators that used the gas venting from the well at a Shell location in Argentina.

This reduced the potential for spills during transportation and fueling, reduced the amount of methane emissions, and reduced GHG emissions by 18.06 tons of CO_2 equivalent per month from the venting process. This has eliminated approximately 6,600 liters of diesel use per month with an estimated cost savings for Shell each month of $10,900.

This achievement was celebrated internally; the project received our 2015 Environmental Entrepreneurs Award for Most Innovative Environmental Project which recognizes employee-driven initiatives that demonstrate commitment to environmental stewardship leading to cost savings and revenue generation.

INNOVATIVE TECHNOLOGY RECOGNIZED BY INDUSTRY AWARDS

We were honored to receive the Best Health, Safety, Environment / Sustainable Development - Onshore Award from World Oil for our EnviroLift hydraulic long-stroke pumping unit.

With specific features for enhanced safety, environmental protection, space efficiency, and cost effectiveness, the EnviroLift system has evolved from earlier hydraulic rod-lift designs with features that make it suitable for multi-well pads and populated areas. Typical pumping units include a stuffing box, which has the potential to leak, but the EnviroLift system is free from stuffing boxes. The system uses an environmentally friendly hydraulic fluid to power the pump, and is attached directly to the wellhead, freeing it from the need for guy wires. Furthermore, all moving parts are encapsulated within the cylinder and the power unit is contained in a lockable enclosure, increasing the safety of the crew servicing the unit.

INDUSTRY THOUGHT LEADER

The Society of Petroleum Engineers (SPE) recognized Bill Lane, Vice President of Emerging Technologies for Artificial Lift, with the Gulf Coast Regional Production and Operations Award for his outstanding contributions to SPE and dedicated service to the Gulf Coast Region.

For nearly 40 years, Bill's contributions to the oil and gas industry have helped shape the artificial lift business into what it is today. We are privileged to have had his technical expertise contribute to our organization for more than 20 of those years.

COMMUNITY RELATIONS

Across the globe, our employees share a passion for community outreach, donating their time and resources to a number of wonderful causes.

In 2015, we launched a branded education program entitled Weatherford WISE (Worldwide Initiative Supporting Education), focusing on STEM (Science, Technology, Engineering, and Mathematics) and educating women in energy.

Weatherford WISE Worldwide Initiative Supporting Education

UNITED STATES

WALKING IN SUPPORT OF OUR VETERAN COMMUNITY

We are proud to have presented a donation of $438,000 to Camp Hope, Houston, at the annual Weatherford Walks community outreach event held in Houston, Texas.

Camp Hope is a non-profit organization that provides peer counseling, free interim housing, and other services for veterans with combat-related post-traumatic stress disorder (PTSD). Houston is home to the second largest veteran population in the United States. Demonstrating our support and appreciation of the veteran community, more than 1,200 participants registered to walk a two-mile race track. The walk was followed by a donation ceremony and family day with music, games, and lunch. We had tremendous support from our partners and, continuing our tradition from last year, Weatherford made a dollar-for-dollar match of Weatherford Walks donations.

Weatherford 2015 Walks

WEATHERFORD DONATED

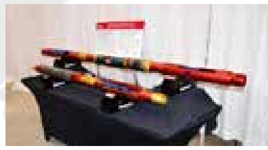
$438,000

Listen to our employees and David Maulsby, Camp Hope Director, talk about the impact Weatherford Walks has made for this organization.

CANADA

RAISING FUNDS FOR CRITICALLY INJURED PATIENTS

Weatherford is a proud supporter of the STARS air ambulance in Canada. The organization helps transport severely ill and critically injured patients from remote areas and challenging conditions to the lifesaving medical attention they need. Weatherford donated a MZOH tool to a live auction, raising $75,000 for the cause.



WEATHERFORD RAISED
$75,000

EUROPE & CASPIAN

RUNNING, CYCLING, AND FUNDRAISING TO RAISE AWARENESS FOR CANCER SUPPORT

We value our community outreach partnership with CLAN Cancer Support, an independent charity for anyone affected by any type of cancer at any time from diagnosis onwards, and are constantly finding ways to get our employees engaged in the cause.

We hosted our annual Cycle Challenge and annual Run Balmoral event to raise money for the charity. The cycling event encompasses entrants cycling 40 miles from Ballater to Duthie Park while the run takes employees through a 5K race within the estate grounds of Balmoral Castle and a 10K through the Highland scenery. We were honored to raise $6,800 for CLAN Cancer Support with these events.

CLAN
cancer support for all

MIDDLE EAST & AFRICA

WEATHERFORD PARTICIPATES IN YOUNG ADIPEC AND LAUNCHES PLACE2BE INITIATIVE AT ADIPEC 2015

Weatherford was proud to support the Young ADIPEC initiative at ADIPEC 2015. The Young ADIPEC program provides exciting educational opportunities for children aged 14-17 in the United Arab Emirates (UAE), exposing them to the vast opportunities that a career in the oil and gas industry offers.

We also announced our community outreach partnership with Place2Be - a school-based family counseling initiative that provides mental health support services to children, families, and teachers within the school environment - at ADIPEC 2015. Weatherford's support for Place2Be training activities in the UAE will include the Talented Teacher Program which equips teachers with the skills needed to understand and assist children with unique mental health challenges, as well as a youth mentoring program. Place2Be facilitated a series of conference sessions with students and faculty from local schools during the Young ADIPEC program to develop a program tailored for them to understand the cultural context and develop an effective program.

Students tour Weatherford facilities as part of the Young ADIPEC youth mentoring program.

RUSSIA

SUPPORTING YOUNG EDUCATION INITIATIVES

Weatherford has a strong tradition of supporting local youth in Russia. In 2015, we sponsored the International Scientific and Practical Conference Oil and Gas Horizons event. This event is arranged annually by Gubkin State University of Oil and Gas for talented students and young scientists from many different countries, providing them opportunities to collaborate with business professionals.

WEATHERFORD SUPPORTS
LOCAL YOUTH EDUCATION

LATIN AMERICA

INVESTING IN EDUCATION

We supported various academic initiatives to stimulate future Argentinian college students' interest in the oil and gas industry. One such initiative was a joint effort between a regional syndicate and the Labor Ministry to create an introductory three-month course for 25 high-school-graduate students on the hydrocarbons sector. The course included expert-guided tours to some of our service facilities as well as mentoring presentations regarding industry careers and labor options.

WEATHERFORD SUPPORTS
COLLEGE STUDENTS' INTEREST IN THE OIL AND GAS INDUSTRY

OUR LEADERSHIP

BOARD OF DIRECTORS

CORPORATE OFFICERS

BOARD OF DIRECTORS

Chairman of the Board, President and Chief Executive Officer

BERNARD J. DUROC-DANNER

Relevant Qualifications and Experience:

- In less than three decades, grew Weatherford into one of the largest global oilfield service companies in the industry
- 40+ years of global oilfield services industry expertise
- University of Pennsylvania (Wharton), M.B.A. in Finance and Ph.D. in Economics

Strategic Impact:

- Anticipated market trends, built a corresponding portfolio of core products and services
- Led Weatherford's transformation to a more focused, lean and efficient organization
- Leads Weatherford's client-centric culture

Chairman, President and CEO, Navigator Holdings, Ltd.

Committees: Corporate Governance and Nominating (Chair), Audit

DAVID J. BUTTERS

Relevant Qualifications and Experience:

- Served as Managing Director of Lehman Brothers Inc. and is current Chairman, President and CEO of an international shipping company
- Extensive finance and investment banking knowledge and in-depth oil and gas sector experience
- Boston College, B.S.; Columbia University Business School, M.B.A.

Strategic Impact:

- Led the search and nominating process of three new Board members over the last few years
- In-depth knowledge and expertise in corporate finance and capital markets
- Robust and long-term knowledge of Weatherford's business

Chancellor, Aberystwyth University

Committees: Health, Safety and Environment (Chair), Corporate Governance and Nominating

EMYR JONES PARRY

Relevant Qualifications and Experience:

- Held numerous diplomatic positions, including U.K. Permanent Representative to the U.N. and U.K. Ambassador to NATO
- Specialized in European Union affairs, including energy policy
- University of Cardiff, B.Sc. in Theoretical Physics; University of Cambridge, Ph.D. in Polymer Physics

Strategic Impact:

- Exceptional caliber of experience in diplomacy, negotiation and government relations
- Critical international, public and social policy perspective, with an emphasis on European markets
- Focused commitment to social responsibility, sustainability and human rights

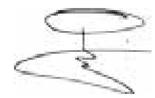
GUILLERMO ORTIZ

Relevant Qualifications and Experience:

- Former President and Chairman of Banorte, Governor of the Bank Mexico, Chairman of the Board of the Bank for International Settlements, Secretary of Finance and Public Credit of Mexico, Executive Director of the International Monetary Fund
- National Autonomous University of Mexico, B.A in Economics; Stanford University, M.Sc. and Ph.D.

Strategic Impact:

- Deep and broad understanding of global economic and financial issues as an active member of the Group of Thirty, an international body of leading financiers and academics
- Extensive international capital markets and financial background in the public and private sectors
- Diverse and comprehensive experience, providing valuable and constructive insights in assessing company and industry risks and opportunities



Partner and Chairman, BTG Pactual Mexico

Committees: Audit, Compensation

ROBERT A. RAYNE

Relevant Qualifications and Experience:

- Vast oilfield service industry expertise, high-level financial and investment knowledge in a wide range of sectors, including real estate, media, consumer and technology industries
- Various Chief Executive and leadership positions as well as other public company board and governance experience; served as CEO and Chairman of LMS Capital
- Malvern College; New York Institute of Finance, Diploma in Accounting, Law and Working in the Stock Exchange

Strategic Impact:

- Corporate governance expertise and a thorough understanding of effective Board oversight functions
- Instrumental in guiding and supporting management's long-term objective to create a leaner, de-levered and more effective Weatherford
- Multi-national experience, including exposure to commodity cyclicality, applicable to Weatherford's risk assessment and management processes

Chairman, Derwent London plc

Committees: Audit (Vice Chair), Corporate Governance and Nominating, Health, Safety and Environment

WILLIAM E. MACAULAY

Relevant Qualifications and Experience:

- Chairman and Co-Chief Executive Officer of one of the largest global private-equity and infrastructure firms focused on the energy industry
- Over four decades of experience in the energy and oilfield service sectors
- City College of New York, B.B.A.; University of Pennsylvania (Wharton), M.B.A.

Strategic Impact:

- As Chair of our Compensation Committee, notably contributed to restructuring and upgrading our compensation policies and procedures
- Core expertise in financing and in acquiring and divesting assets
- In-depth understanding of macro and micro-industry trends, and successful navigation of industry cycles

Chairman and Co-CEO First Reserve

Committee: Compensation (Chair)

JOHN D. GASS

Vice President (Retired), Chevron Corporation

Committees:
Compensation, Health, Safety and Environment

Relevant Qualifications and Experience:

- 38 years experience in the energy exploration and production industry
- Wide-ranging global operational experience
- Vanderbilt University, B.E. in Civil Engineering; Tulane University, M.E. in Civil Engineering

Strategic Impact:

- Brings a unique client perspective and comprehensive oil and gas industry expertise
- Strengthened oversight of Weatherford's health, safety and service quality to further align our offering with client expectations
- As a new Director, brings a fresh perspective to the Weatherford Board and contributes to enhanced Board operations and practices

ROBERT K. MOSES, JR.

Private Investor, Black Jack Resources, Inc.

Committees: Audit, Compensation, Health, Safety and Environment

Relevant Qualifications and Experience:

- 40+ years experience in the oilfield service industry, along with serving as Chairman of the Board of Weatherford Enterra from 1989 to 1992
- Significant energy sector and investment experience, with a broad understanding of market fundamentals
- University of Texas at Austin, B.A. in Economics

Strategic Impact:

- In-depth understanding of oilfield life cycle, including identifying value opportunities
- Committed and effective client ambassador for Weatherford
- Dedicated to enhancing and improving the communities in which our Company operates

FRANCIS S. KALMAN

EVP and CFO (Retired), McDermott International Inc.

Committees: Audit (Chair), Corporate Governance and Nominating

Relevant Qualifications and Experience:

- Served as Executive Vice President of McDermott International and is currently Senior Advisor to a subsidiary of Tudor, Pickering and Holt and Co., LLC, a private energy investment firm
- Senior executive, corporate leadership and strategic planning experience
- Long Island University, B.S. in Accounting

Strategic Impact:

- Oversaw remediation of the material weakness in internal controls over income tax accounting
- Broad and comprehensive high-level experience in accounting, tax and finance, aiding in the oversight of Weatherford's financial reporting, policies and procedures
- Strategic planning and executive experience specializing in upstream, midstream and oilfield service companies

Chairman (Retired), Schlumberger - Middle East and Asia

Committees: Corporate Governance and Nominating, Health, Safety and Environment

MOHAMED A. AWAD

Relevant Qualifications and Experience:

- 30+ years hands-on experience with Schlumberger in the oilfield service industry across the world with particular focus on the Middle East and National Oil Companies
- Brings deep insight and thorough understanding in the areas of QHSSE, marketing, product development, research, operations, long-term planning and management in wireline, well services and drilling and measurements that are all well supported by a solid reservoir engineering and drilling background
- Cairo University, B.S. in Petroleum Engineering; University of Tulsa, M.S. in Petroleum Engineering

Strategic Impact:

- Initiated inaugural Board Technology Event, fluent in technology development, commercialization and integrated product line strategy
- Special expertise in Middle East and Asia regions, critical in guiding business strategy
- Highly committed to supporting and helping guide Weatherford's talent and career progression programs

M. A. Awad

CORPORATE OFFICERS

Chairman of the Board, President and Chief Executive Officer

BERNARD J. DUROC-DANNER

Dr. Duroc-Danner joined EVI, Inc., Weatherford's predecessor company, at its inception in May 1987 and was directly responsible for the growth of EVI, Inc.'s oilfield service and equipment business. He has directed the growth of the Company since that time.

He was elected EVI's President and Chief Executive Officer in 1990. Subsequent to the merger of EVI, Inc. with Weatherford Enterra, Inc. on May 27, 1998, Dr. Duroc-Danner was elected as our Chairman of the Board. Dr. Duroc-Danner's family has been in the oil business for two generations. He holds an M.B.A. and a Ph.D. in Economics from Wharton (University of Pennsylvania). Prior to the start-up of EVI, Dr. Duroc-Danner held positions at Arthur D. Little Inc. and Mobil Oil Inc. Dr. Duroc-Danner has been a director of LMS Capital plc, an investment company listed on the London Stock Exchange, since 2006. Dr. Duroc-Danner also serves on the National Petroleum Council and is a member of the Society of Petroleum Engineers. Dr. Duroc-Danner was the recipient of Ernst & Young's 2008 Entrepreneur of the Year in Energy, Chemicals and Mining category.

During the past five years, Dr. Duroc-Danner also was a director of Helix Energy Solutions Group, Inc.

"Operating metrics, organizational development and financial resilience have proven the early merits of our direction. I would like to thank our shareholders, clients, and employees for their continued commitment and support."

Executive Vice President and Chief Financial Officer

KRISHNA SHIVRAM

Krishna Shivram was appointed Executive Vice President, Chief Financial Officer in November 2013.

Mr. Shivram has over 25 years of financial and operational management experience in the oilfield service industry and previously worked for Schlumberger Ltd. in a variety of roles across the globe. Immediately prior to joining Weatherford, Mr. Shivram had served as Vice President and Treasurer of Schlumberger Ltd. since January 2011. Prior to his serving as Vice President and Treasurer, Mr. Shivram held a number of senior management positions at Schlumberger. Mr. Shivram is a Chartered Accountant and has expertise in financial accounting, income taxes and treasury operations, along with a strong background in corporate finance and mergers and acquisitions.

"Leadership and lasting cultural changes in 2015 will help us to stay cash flow positive, reduce debt, maximize ROI, and compete effectively. We have used the down cycle well."

Executive Vice President, General Counsel and Corporate Secretary

CHRISTINA M. IBRAHIM

Ms. Christina M. Ibrahim is the Executive Vice President, General Counsel and Corporate Secretary at Weatherford.

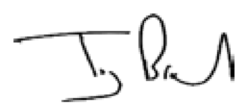
Prior to this role, Ms. Ibrahim was Vice President, Chief Commercial Counsel - Western Hemisphere and Corporate Secretary of Halliburton Company with additional responsibility for the global Procurement, Employment and Real Estate practice groups. She previously held several other positions at Halliburton, including Vice President, Corporate Secretary and General Counsel for a Halliburton joint venture company. She also served in the practice areas of Governance, Commercial, Regulatory and Employment law. Prior to joining Halliburton, she was a Litigation Attorney with the law firm Wickliff and Hall, PC. Ms. Ibrahim holds a Bachelor of Science in Business Management from Virginia Tech and a Juris Doctorate from Texas Southern University.

President - Regional Operations

ANTONY J. BRANCH

Antony J. Branch currently serves as President of Regional Operations and is responsible for all of Weatherford's Regions in both hemispheres. Before, he served as President of Global Product Lines. Mr. Branch joined Weatherford in 2005, and has held numerous management positions.

Previously Mr. Branch served as Vice President - Europe Caspian Region and Global Director for Drilling Services. With more than 25 years of oil and gas experience, Mr. Branch has held management positions with Precision Drilling Corporation, where he gained tremendous experience in the Latin America and Middle East regions as well as Sperry - Sun Drilling Services, where he spent more than a decade in various global positions focused on the Drilling Service Product Line. Mr. Branch holds a B.Sc. Honors degree in Petroleum Geology from the University of Aberdeen and has published several papers for the Society of Petroleum Engineers.



President - Global Sales

LANCE R. MARKLINGER

Lance R. Marklinger, currently President of Global Sales and previously President of Eastern Hemisphere, began his Weatherford career in 2010 as Region Vice President for Russia and later became Vice President of Well Construction and Completion.

Prior to joining Weatherford, he held various leadership positions with Schlumberger in North America and Russia. With more than 30 years of experience in the oil and gas industry, Mr. Marklinger has gained extensive global aptitude through his numerous assignments around the world. He holds a degree in Petroleum Technology from Southern Alberta Institute of Technology.

Vice President and Chief Accounting Officer

DOUGLAS M. MILLS

Douglas M. Mills was appointed Vice President and Chief Accounting Officer in June 2013 and serves as the Company's principal accounting officer.

Mr. Mills joined Weatherford in 2003 and has served in various financial reporting capacities, including Vice President of Corporate Accounting since 2011, and has had other corporate and regional controller positions of increasing responsibility while at Weatherford. Mr. Mills has over five years of public accounting experience with the firms of Ernst and Young and Arthur Andersen. He is a certified public accountant and holds a MPA/BBA from the University of Texas.

Chief Compliance Officer

NATALIA G. SHEHADEH

Natalia G. Shehadeh is the Chief Compliance Officer for Weatherford. She previously in addition held the position of Interim General Counsel and Corporate Secretary.

In this role Ms. Shehadeh leads a global team of lawyers and compliance professionals responsible for daily ethics, anticorruption, antitrust, import, export, trade sanctions and boycott compliance for Weatherford global operations. She joined Weatherford in August 2009 as Senior Counsel and Director of Trade Compliance from Shell Oil Company where she was Senior Counsel for Export Controls and Sanctions Compliance. Prior to joining Shell in June 2007, Ms. Shehadeh was Of Counsel with the Washington D.C. office of the law firm Greenberg Traurig, LLP where she advised domestic and multinational clients on export controls, trade sanctions, antiboycott and antibribery compliance matters.

"In 2015, we enhanced our Code of Business Conduct as we strive for excellence in all we do for the long-term benefit of our shareholders, clients, and employees."

President - Completion and Production

E. KYLE CHAPMAN

E. Kyle Chapman serves as President of Completion and Production for Weatherford. He was previously the President of Well Construction, Completion and Pressure Pumping. He began his Weatherford tenure in 1999 as a Design Engineer in the U.S. and moved to the Latin American region in 2001.

Mr. Chapman served as the Vice President of Western Hemisphere, Vice President of Latin America, Country Manager and Central Area Manager for Mexico, Country Manager for Trinidad and Tobago and Region Business Unit Manager for the main well construction product lines throughout Latin America. He has lived in Brazil, Venezuela, Argentina, Trinidad and Mexico, and is fluent in Spanish and Portuguese. He holds a Bachelor of Science in Mechanical Engineering from Texas Tech University.

Vice President - Audit Services

JENNIFER L. PRESNALL

Jennifer L. Presnall is the Vice President of Audit Services for Weatherford. She obtained her Bachelors of Business Administration in Accounting from Cleveland State University and began her career as an auditor for The University of Texas Medical Branch in Galveston, Texas.

After a short stint at Ernst and Young LLP she joined Weatherford in 1998 as an Internal Audit Manager and was promoted to Director in 2000. After serving as Director for more than five years, she took the position of Corporate Controller - Internal Reporting from mid-2007 to mid-2010. She returned to Internal Audit in May of 2010 and was again promoted to Vice President of Audit Services in May 2011. Ms. Presnall is a Certified Information Systems Auditor as well as a member of the Houston Chapter of the Institute of Internal Auditors and Information Systems Audit and Control Association.

JPresnall

Vice President -
Human Resources

JAMES D. LUKEY

James D. Lukey joined Weatherford International in 2007 and currently serves as the company's Vice President of Human Resources based in Houston.

In his current capacity, he leads the global human resources function across all regions and global product lines in addition to all corporate functions. Mr. Lukey initially served as the company's Human Resources Director in Perth with responsibility for the Australian markets and in 2009 was named Human Resources Director for Weatherford's Asia Pacific region where he served until 2013. Prior to joining Weatherford, Mr. Lukey spent over 15 years in a broad range of human resource and labor relations roles including five years in the mining sector at Iluka Resources, a major producer of Titanium Dioxide based in Perth, Western Australia, and global mining house Rio Tinto Group in Perth, Australia. Mr. Lukey holds a Bachelor of Arts degree in Industrial Relations from The University of Western Australia.

"Human Resources has become a strategic competency. We believe developing and strengthening our talent bench is essential in driving incremental performance into our business."

Vice President - Tax

JAMES C. PARENT

James C. Parent is the Vice President of Tax where he is responsible for all areas of income tax, including global tax planning and compliance.

Mr. Parent began his tenure at Weatherford in 2012. While at Pricewaterhouse Coopers from 1993 to 2006, he pursued several roles from a Consultant, Senior Manager and eventually, Tax Director. Mr. Parent was in the Consumer Industrial Products Group serving multinational corporations. He was responsible for providing, coordinating and identifying tax opportunities for clients that increased shareholder value and promoted simplification and quality. In 2006, Jim took an opportunity at Tyco International based out of Princeton, New Jersey, as Vice President of Tax Reporting responsible for the global tax accounting, tax compliance and tax technology function. During his tenure he built and managed a tax group of approximately 45 staff which was responsible for remediating the tax material weakness identified in early 2007 as well as facilitating the spin-off of both Tyco's 2007 separation of Covidien plc and TE Connectivity and Tyco's 2012 separation of Tyco Flow Control International Ltd and ADT Corporation.

Vice President - Investor Relations, Corporate Marketing and Communications

KAREN DAVID-GREEN

Karen David-Green is the Vice President of Investor Relations, Corporate Marketing and Communications for Weatherford after having served as Vice President of Investor Relations and Corporate Communications for several years. Prior to joining Weatherford in June 2010, Ms. David-Green held the role of Vice President of Equity Research covering the U.S. Oil Services and Equipment Industry at Oppenheimer, CLSA, and The Royal Bank of Canada.

Ms. David-Green also held the position of Director of Fixed Income Research at American General Corporation where she was responsible for both the investment grade and high yield chemical portfolio analysis and allocations. Following her Wall Street career, Ms. David-Green served as the head of Global Market Research and Strategy, at Baker Hughes. Ms. David-Green received her Bachelor of Business Administration from the University of Texas at Austin where she majored in Finance.

CORPORATE INFORMATION

Weatherford operates in over 100 countries and has a network of approximately 1,100 locations, including manufacturing, service, research and development and training facilities.

CORPORATE INFORMATION

Weatherford International Plc

Bahnhofstrasse 1
6340 Baar, Switzerland

4-6 Rue Jean-François Bartholoni
1204 Geneva, Switzerland

Stock Exchange

NYSE:WFT

2015 Independent Registered Accounting Firm

KPMG LLP
811 Main Street
Suite 4500
Houston, TX 77002
USA

2015 Irish Chartered Accountants

KPMG
1 Stokes Pl., St. Stephen's Green
Dublin 2,
D02 DE03
Ireland

Financial Information

For further financial information about Weatherford International plc, please contact our U.S. Investor Relations department at:
2000 St. James Place, Houston, TX 77056, USA,
or visit our website at
ir.weatherford.com/IR/home.

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Bogota, Colombia

Middle East, North Africa
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Sheikh Zayed Road
Al-Khaimah Building II
Dubai UAE

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USA

ACKNOWLEDGEMENTS

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Michelle O'Neill
Silvia Vasiliu
Chris Whitwell

Latin America
Eduardo Aranha
Liliana Ávila
Jorge Holguin
Javier Quintero
Ligibeth Rey

Middle East
Aita Bijaripour
Mohamed Galal
Enaam Khamis
Deepa M Satheesh
Mohamed Shazad Younes
Naji B Younes
Peter-Jan Van As

USA
John Alexander
Ellen Chin
Tom Hernandez
Chris Tull

ONE CAMERA MAN
TWENTY SEVEN EMPLOYEES
3 LANGUAGES
30 DAYS
FOUR CONTINENTS
6 REGIONS TO CREATE THIS FILM

VIDEO SUPPORT TEAM

THANK YOU

ALL BUSINESS UNITS REPRESENTED
48 PRODUCT-LINE TECHNOLOGIES SHOWCASED
TWENTY EIGHT EMPLOYEES
6 DEPARTMENTS

TECHNOLOGY TEAM

Houston
Crystal Alavarces
Amanda Baucum
Sara Bedekar
Rob Christie
Donna Collum
Gabriel Costa
Patrick Emshoff
Ashok Dixit
Rob Fulks
Britani Gallagher
Kerry Gayle
Alice Gomez
Mark Hopmann
Rich Lewis
Candace Massengill
Yvonne McAnally
Bethany McFarlane
Islam M Mitwally
Manoj Nimbalkar
Oluwatosin A Odunlami
Delaney Olstad
Jonathan Osei-Kuffour
Rakesh Rai
Oscar Rivera
Constance Salvo-Shook
Kim Shook
Mark Smith
Pat York

FORM 10-K 2015

FOR THE YEAR ENDED
DECEMBER 31

Weatherford International plc

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

(Mark One)

Form 10-K

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2015

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from ____________ to ____________

Commission file number 001-36504

Weatherford International public limited company

(Exact name of registrant as specified in its charter)

Ireland	**98-0606750**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
Bahnhofstrasse 1, 6340 Baar, Switzerland	**CH 6340**
(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
Ordinary Shares, par value $0.001 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 ☐ 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 non-affiliates of the registrant as of June 30, 2015 was approximately $7.5 billion based upon the closing price on the New York Stock Exchange as of such date.

The registrant had 779,491,546 ordinary shares outstanding as of February 9, 2016.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's proxy statement for the 2016 Annual General Meeting of Shareholders to be held on June 15, 2016 are incorporated into Part III of this Form 10-K.

WEATHERFORD INTERNATIONAL PLC
FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 2015
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FORWARD-LOOKING STATEMENTS

This report contains various statements relating to future financial performance and results, including certain projections, business trends and other statements that are not historical facts. These statements constitute "Forward-Looking Statements" as defined in the Securities Act of 1933, as amended (the "Securities Act") and the Private Securities Litigation Reform Act of 1995. These forward-looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "estimate," "intend," "budget," "strategy," "plan," "guidance," "outlook," "may," "should," "could," "will," "would," "will be," "will continue," "will likely result," and similar expressions, although not all forward-looking statements contain these identifying words.

Forward-looking statements reflect our beliefs and expectations based on current estimates and projections. While we believe these expectations, and the estimates and projections on which they are based, are reasonable and were made in good faith, these statements are subject to numerous risks and uncertainties. Accordingly, our actual outcomes and results may differ materially from what we have expressed or forecasted in the forward-looking statements. Furthermore, from time to time, we update the various factors we consider in making our forward-looking statements and the assumptions we use in those statements. However, we undertake no obligation to correct, update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise, except to the extent required under federal securities laws. The following sets forth various risks and uncertainties relating to those statements. Certain of these risks and uncertainties may cause actual results to be materially different from projected results contained in forward-looking statements in this report and in our other disclosures. These risks and uncertainties include, but are not limited to, those described below under "Item 1A. – Risk Factors" and the following:

- the price volatility of oil, natural gas and natural gas liquids, including the impact of the significant prolonged decline in the price of these commodities on our financial condition and results of operations;
- our ability to realize expected revenues and profitability levels from current and future contracts;
- our high level of indebtedness and our ability to service our indebtedness;
- global political, economic and market conditions, political disturbances, war, terrorist attacks, changes in global trade policies, and international currency fluctuations;
- nonrealization of expected benefits from our acquisitions or business dispositions and our ability to execute such acquisitions and dispositions;
- our ability to manage our workforce, supply chain and business processes, information technology systems and technological innovation and commercialization, including the impact of our 2014, 2015 and 2016 cost reduction plans;
- increases in the prices and availability of our raw materials;
- potential non-cash asset impairment charges for long-lived assets, goodwill, intangible assets or other assets;
- changes to our effective tax rate;
- potential charges arising out of the U.S. Securities and Exchange Commission ("SEC") and Department of Justice ("DOJ") investigation into the circumstances surrounding the prior material weakness in our internal controls over financial reporting for income taxes and the restatements of our historical financial statements in 2011 and 2012;
- downturns in our industry which could further affect the carrying value of our goodwill;
- member-country quota compliance within the Organization of Petroleum Exporting Countries ("OPEC");
- adverse weather conditions in certain regions of our operations;
- our ability to realize the expected benefits from our 2014 redomestication from Switzerland to Ireland and to maintain our Swiss tax residency;
- failure to ensure on-going compliance with current and future laws and government regulations, including but not limited to environmental, tax and accounting laws, rules and regulations; and
- limited access to capital, significantly higher cost of capital, or difficulty raising additional funds in the equity or debt capital markets.

Finally, our future results will depend upon various other risks and uncertainties, including, but not limited to, those detailed in our other filings with the SEC under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and the Securities Act. For additional information regarding risks and uncertainties, see our other filings with the SEC.

PART I

ITEM 1. BUSINESS

Weatherford International plc, an Irish public limited company, together with its subsidiaries ("Weatherford," the "Company," "we," "us" and "our"), is a multinational oilfield service company. Weatherford is one of the world's leading providers of equipment and services used in the drilling, evaluation, completion, production and intervention of oil and natural gas wells. Many of our businesses, including those of our predecessor companies, have been operating for more than 50 years.

We conduct operations in over 100 countries and have service and sales locations in nearly all of the oil and natural gas producing regions in the world. Our operational performance is reviewed on a geographic basis and we report the following regions as separate, distinct reporting segments: North America, Latin America, Europe/Sub-Sahara Africa ("SSA")/Russia, Middle East/North Africa ("MENA")/Asia Pacific and Land Drilling Rigs.

Our headquarters are located at Bahnhofstrasse 1, 6340 Baar, Switzerland and our telephone number at that location is +41.22.816.1500. Our internet address is www.weatherford.com. General information about us, including our corporate governance policies, code of business conduct and charters for the committees of our Board of Directors, can be found on our web site under the "Investor Relations" section. On our web site we make available, free of charge, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we electronically file or furnish them to the SEC. The public may read and copy any materials we have filed with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. The SEC maintains a web site that contains our reports, proxy and information statements, and our other SEC filings. The address of that site is www.sec.gov. Our ordinary shares are listed on the NYSE under the symbol "WFT".

STRATEGY

Our primary objective is to build stakeholder value through profitable growth in our core product lines with disciplined use of capital and a strong customer focus.

Principal components of our strategy include:

- Continuously improving the efficiency, productivity and quality of our products and services and their respective delivery to our customers, in order to grow revenues and operating margins and generate free cash flow from our core operations (Formation Evaluation and Well Construction and Completion and Production) and Land Drilling Rigs operations in all of our geographic markets at a rate exceeding underlying market activity;
- A commitment to the innovation, invention and integration, development and commercialization of new products and services that meet the evolving needs of our customers across the reservoir lifecycle; and
- Further extending the process, productivity, quality, safety and competency across our global infrastructure to meet client demands for our core products and services in an operationally efficient manner.

MARKETS

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

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

PRODUCT OFFERINGS

Our principal business is to provide equipment and services to the oil and natural gas exploration and production industry, both on land and offshore, through our three business groups: (1) Formation Evaluation and Well Construction, (2) Completion and Production and (3) Land Drilling Rigs, which together include 14 product lines.

- ***Formation Evaluation and Well Construction*** includes Managed-Pressure Drilling, Drilling Services, Tubular Running Services, Drilling Tools, Wireline Services, Testing and Production Services, Re-entry and Fishing Services, Cementing, Liner Systems, Integrated Laboratory Services and Surface Logging Systems.
- ***Completion and Production*** includes Artificial Lift Systems, Stimulation and Completion Systems.
- ***Land Drilling Rigs*** encompasses our land drilling rigs business, including the products and services ancillary thereto.

FORMATION EVALUATION AND WELL CONSTRUCTION

Within the Formation Evaluation and Well Construction business group we provide formation evaluation services from early well planning to reservoir management services, including core analysis, surface logging, well site geochemistry, logging while drilling and wireline services. Our full suite of formation evaluation services has broad applications across all types of reservoirs. We also provide well construction services to help clients ensure well integrity for the full life cycle of the well using reliable casing and tubing strings, cementation design, reliable liner top isolation and methods that ensure the well reaches total depth in the best condition possible. Further descriptions of our product lines are as follows:

Managed-Pressure Drilling consists of several drilling techniques including closed-loop drilling, air drilling, managed-pressure drilling and underbalanced drilling.

Drilling Services includes directional drilling, logging while drilling, measurement while drilling and rotary steerable systems. This service line also includes our full range of downhole equipment including high temperature motors, wireline steering tools, air rotary hammer drills, casing exit systems, downhole deployment valves and downhole data acquisition equipment.

Tubular Running Services consists of a wide variety of tubular connection and installation services for the drilling, completion and workover of an oil or natural gas well, including liner systems, solid expandable systems, zonal isolation products and swellable well-construction technologies. We also specialize in critical-service installations.

Drilling Tools includes our patented drilling jars, underreamers, rotating control devices, downhole tools, drillpipe and related tools, tubular handling equipment and other pressure-control equipment used in drilling oil and natural gas wells. We also offer wellhead systems to reduce time in changing wellhead sizes while increasing safety procedures, production monitoring and optimization, and flow measurement which measures how much oil, water and gas is flowing in a well.

Wireline Services includes open hole and cased-hole logging services to measure the physical properties of underground formations and help determine the location and potential deliverability of oil and gas from a reservoir. It also includes production and produced water systems for fracturing, production disposal and enhanced oil recovery operations. We also offer global petroleum consulting services in the geoscience and engineering domain.

Testing and Production Services include drillstem test tools, early production facilities, life-of-field production facilities, produced-water systems, tubing conveyed perforating systems and well testing systems.

Re-entry and Fishing Services provides re-entry services, fishing services, thru-tubing services, well abandonment services and wellbore cleaning services.

Cementing operations comprise one of the most expensive phases of well completion. We produce specialized equipment that allows operators to centralize the casing throughout the wellbore and control the displacement of cement and other fluids for proper zonal isolation. Our cementing engineers also analyze complex wells and provide all job requirements from pre-job planning to installation.

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

Integrated Laboratory Services provides support for fluid reservoir characterization, specialized core and fluid testing, enhanced oil recovery, rock strength and characterization, sour richness and maturity, sorption properties assessment and reservoir flow studies.

Surface Logging Systems provide advanced gas analysis, drilling instrumentation, mud logging services and wellsite consultants.

COMPLETION AND PRODUCTION

The Completion and Production business group provides a comprehensive line of products and services, plus specialized technologies, for stimulating and completing wells effectively in all types of reservoirs. Our completion products, reservoir stimulation design and engineering capabilities are delivered to unlock reserves in deepwater, unconventional and aging reservoirs. Our suite of production optimization services boosts field productivity and profitability through our artificial lift portfolio as well as production workflows and optimization software. Further descriptions are as follows:

Artificial Lift Systems are installed in oil and gas wells without sufficient reservoir pressure to produce oil or natural gas from the well. We provide most forms of lift, including reciprocating rod lift systems which create a pumping action via a downhole rod pump, progressing cavity pumping for predominantly heavy oil, coal-bed methane and medium crude oil applications, gas lift systems for producing reservoirs or in wells that have stopped working, hydraulic lift systems to operate a downhole hydraulic pump (jet or piston), plunger lift systems primarily for dewatering liquid loaded gas wells and hybrid lift systems for special applications.

Stimulation offers clients advanced chemical technology and services for safer and more effective production enhancement. These products and services include: a full fleet of pressure pumping services, which include cementing services, coiled tubing services equipment designed to ensure effective results during operations that require coiled tubing intervention, and reservoir stimulation hydraulic fracturing services for oil and natural gas wells in low-permeability reservoirs.

Completion Systems offers clients a comprehensive line of completion tools such as cased hole and flow control systems, well screens, industrial screens and sand screens. We also offer a full range of completion services including upper completions, lower completions and reservoir monitoring.

LAND DRILLING RIGS

The Land Drilling Rigs business group provides onshore contract drilling services and related operations globally for the oil and gas industry. We operate a fleet of land drilling and workover rigs in most major oil and gas producing regions with the concentration in the Middle East and North Africa. With our technologically diverse fleet, we have the capabilities to perform a broad range of advanced drilling projects that include multi-well pad drilling, high pressure high temperature drilling, deep gas drilling, special well design and other unconventional drilling methods in various climatic conditions.

OTHER BUSINESS DATA

COMPETITION

We provide our products and services worldwide and compete in a variety of distinct segments with a number of competitors. Our principal competitors include Schlumberger, Halliburton, Baker Hughes, National Oilwell Varco, Cameron International, Noble Energy, Nabors Industries and Frank's International. We also compete with various other regional suppliers that provide a limited range of equipment and services tailored for local markets. Competition is based on a number of factors, including performance, safety, quality, reliability, service, price, response time and, in some cases, breadth of products. See "Item 1A. – Risk Factors – The oilfield services business is highly competitive, which may adversely affect our ability to succeed. Additionally, the impact of consolidation and acquisitions of our competitors is difficult to predict and may harm our business."

RAW MATERIALS

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

CUSTOMERS

Substantially all of our customers are engaged in the energy industry. Most of our international sales are to large international or national oil companies and these sales have resulted in a concentration of receivables from certain national oil companies worldwide, especially in Latin America. As of December 31, 2015, our receivables from Latin America customers accounted for 38% of our net outstanding accounts receivable balance with $205 million due from Petroleos de Venezuela, S.A. ("PDVSA") and $47 million from Petroleos Mexicanos ("Pemex"). During 2015, 2014 and 2013, no individual customer accounted for 10% or more of our consolidated revenues.

BACKLOG

Our services are usually short-term in nature, day-rate based and cancellable should our customer wish to alter the scope of work. Consequently, our backlog of firm orders is not material to the Company.

RESEARCH, DEVELOPMENT AND PATENTS

We maintain world-class technology and training centers throughout the world. Additionally, we have research, development and engineering facilities that are focused on improving existing products and services and developing new technologies to meet customer demands for improved drilling performance and enhanced reservoir productivity. Our expenditures for research and development totaled $231 million in 2015, $290 million in 2014 and $265 million in 2013.

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 amortize patents over the years that we expect to benefit from their existence, which is limited by the life of the patent, and ranges from three to 20 years.

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

SEASONALITY

Weather and natural phenomena can temporarily affect the level of demand for our products and services. Spring months in Canada and winter months in the North Sea and Russia can affect our operations negatively. Additionally, heavy rains or an exceedingly cold winter in a given region or climate changes may impact our results. The unpredictable impact of climate changes or unusually harsh weather conditions could lengthen the periods of reduced activity and have a detrimental impact to our results of operations. The widespread geographical locations of our operations serve to mitigate the overall impact of the seasonal nature of our business.

FEDERAL REGULATION AND ENVIRONMENTAL MATTERS

Our operations are subject to federal, state and local laws and regulations relating to the energy industry in general and the environment in particular. Our 2015 expenditures to comply with environmental laws and regulations were not material, and we currently do not expect the cost of compliance with environmental laws and regulations for 2016 to be material.

EMPLOYEES

At December 31, 2015, we employed approximately 39,500 employees. Certain of our operations are subject to union contracts. These contracts cover approximately 17% of our employees. We believe that our relationship with our employees is generally satisfactory.

In response to the significant decline in the price of crude oil and a lower level of exploration and production spending, starting in 2014 and throughout 2015, we reduced our overall costs and workforce to better align with anticipated activity levels. The workforce reductions in 2014 and throughout 2015 totaled approximately 20,300 employees. In response to continued decline and lower prices of crude oil and natural gas and the continued decline in the anticipated level of exploration and production spending in 2016, we initiated a reduction in force plan to reduce our overall costs and workforce to align with the anticipated activity levels and expect to complete a further workforce reduction of 6,000 employees in the first half of 2016.

ITEM 1A. RISK FACTORS

An investment in our securities involves various risks. You should consider carefully all of the risk factors described below, the matters discussed herein under "Forward-Looking Statements" and other information included and incorporated by reference in this Form 10-K, as well as in other reports and materials that we file with the SEC. If any of the risks described below or elsewhere in this Form 10-K were to materialize, our business, financial condition, results of operations, cash flows or prospects could be materially adversely affected. In such case, the trading price of our common stock could decline and you could lose part or all of your investment. Additional risks and uncertainties not currently known to us or that we currently deem immaterial may also materially adversely affect our financial condition, results of operations and cash flows.

Demand for our services and products is affected by fluctuations in oil and natural gas prices, especially a substantial or extended decline, which, in turn, affect the level of exploration, development and production activity of our customers and could have a material adverse effect on our business, financial condition, results of operations and impede our growth.

Demand for our services and products is tied to the level of exploration, development and production activity and the corresponding capital expenditures by oil and natural gas companies, including national oil companies. The level of exploration, development and production activity is directly affected by fluctuations in oil and natural gas prices, which historically have been volatile and are likely to continue to be volatile in the future, especially given current geopolitical and economic conditions. Therefore, declines in oil and natural gas prices (as has occurred since late 2014) or customer perceptions that oil and natural gas prices will remain depressed or further decrease in the future could result in a reduction in the demand and pricing for our equipment and will likely result in lower rates for our services.

Prices for oil and natural gas are highly volatile and are subject to large fluctuations in response to relatively minor changes in the supply of and demand for oil and natural gas. For example, during 2015 oil prices fluctuated from a high of $61.82 per barrel in mid-June to a low of $35.81 per barrel in late December for West Texas Intermediate ("WTI") crude. As recently as February 2016, a barrel of WTI crude traded below $27.00 per barrel on the New York Mercantile Exchange. Factors that can or could cause these price fluctuations include: excess supply of crude oil relative to demand; domestic and international drilling activity; global market uncertainty; the risk of slowing economic growth or recession in the United States, China, Europe or emerging markets; the ability of OPEC to set and maintain production levels for oil; the decision of OPEC to abandon production quotas and/or member-country quota compliance within OPEC; oil and gas production levels by non-OPEC countries; the nature and extent of governmental regulation, including environmental regulation; technological advances affecting energy consumption; adverse weather conditions and a variety of other economic factors that are beyond our control. Any perceived or actual further reduction in oil and natural gas prices will depress the immediate levels of exploration, development and production activity and decrease spending by our customers, which could have a material adverse effect on our business, financial condition and results of operations.

The substantial decline in oil and natural gas prices has led to a significant decrease in spending by our customers, and further decreases in oil and natural gas prices could lead to further cuts in spending. Our customers also take into account the volatility of energy prices and other risk factors when determining whether to pursue capital projects and higher perceived risks generally mandate higher required returns. Any of these factors could affect the demand for oil and natural gas and could have a material adverse effect on our business, financial condition, results of operations and cash flow.

Our business is dependent on capital spending by our customers, and reductions in capital spending by our customers has had and could continue to have an adverse effect on our business, financial condition and results of operations.

The substantial decline in oil and natural gas prices has led to a significant decrease in capital expenditures by our customers. Most of our contracts can be cancelled by our customer at any time. The declines in commodity prices, the short-term tenor of most of our contracts and the extreme financial stress experienced by our customers (some of whom may have to seek bankruptcy protection) have combined to generate demands by many of our customers for significant reductions in the prices of our products and services. Further reductions in capital spending or requests for further cost reductions by our customers could directly impact our business by reducing demand for our services and products and have a material adverse effect on our business, financial condition, results of operations and prospects. Spending by exploration and production companies can also be impacted by conditions in the capital markets, which have been highly volatile in recent months. Limitations on the availability of capital or higher costs of capital may cause exploration and production companies to make additional reductions to capital budgets even if oil and natural gas prices increase from current levels. Any such cuts in spending will curtail drilling programs as well as discretionary spending on well services, which may result in a reduction in the demand for our services, the rates we can charge and the utilization of our assets. Moreover, reduced discovery rates of new oil and natural gas reserves or a decrease in the development rate of reserves in our market areas, whether due to increased governmental regulation, limitations on exploration and drilling activity or other factors, could also have a material adverse impact on our business, even in a stronger oil and natural gas price environment. With respect to national oil company customers, we are also subject to risk of policy, regime, currency and budgetary changes all of which may affect their capital expenditures.

The credit risks of our concentrated customer base in the energy industry could result in losses.

The concentration of our customer base in the energy industry may impact our overall exposure to credit risk as our customers may be similarly affected by prolonged changes in economic and industry conditions. Some of our customers are experiencing extreme financial distress as a result of falling commodity prices and may be forced to seek protection under applicable bankruptcy laws. Furthermore, countries that rely heavily upon income from hydrocarbon exports have been negatively and significantly affected by the drop in oil prices, which could affect our ability to collect from our customers in these countries, particularly national oil companies. Laws in some jurisdictions in which we operate could make collection difficult or time consuming. We perform on-going 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. Additionally, in the event of a bankruptcy of any of our customers, we may be treated as an unsecured creditor and may collect substantially less, or none, of the amounts owed to us by such customer.

Seasonal and weather conditions could adversely affect demand for our services and operations.

Variation from normal weather patterns, such as cooler or warmer summers and winters, can have a significant impact on demand. Adverse weather conditions, such as hurricanes in the Gulf of Mexico or extreme winter conditions in Canada, Russia and the North Sea, may interrupt or curtail our operations, or our customers' operations, cause supply disruptions or loss of productivity or result in a loss of revenue or damage to our equipment and facilities, which may or may not be insured. Any of these outcomes could have a material adverse effect on our business, financial condition and results of operations.

The oilfield services business is highly competitive, which may adversely affect our ability to succeed. Additionally, the impact of consolidation and acquisitions of our competitors is difficult to predict and may harm our business.

Our business is highly competitive, particularly with respect to marketing our products and services to our customers and securing equipment and trained personnel. Currently the oilfield service industry has significant excess capacity relative to customer demand, and, in most cases, multiple sources of comparable oilfield services are available from a number of different competitors. This competitive environment could impact our ability to maintain market share, defend, maintain or increase pricing for our products and services and negotiate acceptable contract terms with our customers and suppliers. In order to remain competitive, we must continue to add value for our customers by providing, relative to our peers, new technologies, reliable products and services and competent personnel. The anticipated timing and cost of the development of competitive technology and new product introductions can impact our financial results, particularly if one of our competitors were to develop competing technology that accelerates the obsolescence of any of our products or services. Additionally, we may be disadvantaged competitively and financially by a significant movement of exploration and production operations to areas of the world in which we are not currently active, particularly if one or more of our competitors is already operating in that area of the world.

Furthermore, several of our largest competitors have announced a plan to combine including a merger between Halliburton and Baker Hughes as well as between Schlumberger and Cameron International. Mergers, combinations and consolidations in our industry could result in existing competitors increasing their market share and may result in stronger competitors, which in turn, could have a material adverse effect on our business, financial condition and results of operations. We may not be able to compete successfully in an increasingly consolidated industry and cannot predict with certainty how industry consolidation will affect our other competitors or us.

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 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 require that our customers indemnify us for claims arising from the injury or death of their employees (and those of their other contractors), the loss or damage of their equipment (and that of their other contractors), damage to the well or reservoir and pollution originating from the customer's equipment or from the reservoir (including uncontained oil flow from a reservoir) and claims arising from catastrophic events, such as a well blowout, fire, explosion and from pollution below the surface. Conversely, we typically indemnify our customers for claims arising from the injury or death of our employees, the loss or damage of our equipment (other than equipment lost in the hole) or pollution originating from our equipment above the surface of the earth or water.

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 also be held to be overly broad in some courts and/or contrary to public policy in some jurisdictions, and to that extent unenforceable. Additionally, some jurisdictions which permit indemnification nonetheless limit its scope by statute. We may be subject to claims brought by third parties or government agencies with respect to which we are not indemnified. 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 generally 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 could recognize a loss of those assets.

Our business may be exposed to uninsured claims and, as a result, litigation might result in significant potential losses. The cost of our insured risk management program may increase.

In the ordinary course of business, we become the subject of various claims and litigation. We maintain liability insurance, which includes insurance against damage to people, property and the environment, up to maximum limits of $600 million, subject to self-insured retentions and deductibles.

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. Additionally, insurance rates have in the past been subject to wide fluctuation and may be 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 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, including possible increases in liabilities or funding requirements imposed by governmental agencies. We also cannot ensure that our future business in the deepwater Gulf of Mexico, if any, will be profitable in light of new regulations that have been, and may continue to 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, and those regulations could limit our business where they are imposed.

In addition, members of the U.S. Congress, the U.S. Environmental Protection Agency and various agencies of several states within the U.S. frequently review, consider and propose more stringent regulation of hydraulic fracturing, a service we provide to clients and regulators are investigating whether any chemicals used in the fracturing process might adversely affect groundwater or whether the fracturing processes could lead to other unintended effects or damages. In recent years, several cities and states within the U.S. passed new laws and regulations concerning or banning hydraulic fracturing. A significant portion of North American service activity today is directed at prospects that require hydraulic fracturing in order to produce hydrocarbons. Therefore, additional regulation could increase the costs of conducting our business by subjecting fracturing to more stringent regulation. Such regulation, among other things, may change construction standards for wells intended for hydraulic fracturing, require additional certifications concerning the conduct of hydraulic fracturing operations, change requirements pertaining to the management of water used in hydraulic fracturing operations, require other measures intended to prevent operational hazards or ban hydraulic fracturing completely. Any such federal, state, local or foreign legislation could increase our costs of providing services or could materially reduce our business opportunities and revenues if our customers decrease their levels of activity in response to such regulation or if we are not able to pass along any cost increases to our customers. We are unable to predict whether changes in laws or regulations or any other governmental proposals or responses will ultimately occur, and accordingly, we are unable to assess the potential financial or operational impact they may have on our business.

We conduct some of our business using fixed-fee or turn-key contracts, which subject us to risks associated with cost over-runs, operating cost inflation and potential claims for liquidated damages.

We conduct our business under various types of contracts, including in some cases fixed-fee or turn-key contracts where we estimate costs in advance of our performance. We price these types of contracts based in part on assumptions including prices and availability of labor, equipment and materials as well as productivity, performance and future economic conditions. If our cost estimates prove inaccurate, there are errors or ambiguities as to contract specifications or if circumstances change due to, among other things, unanticipated technical problems, difficulties in obtaining permits or approvals, changes in local laws or labor conditions, weather delays, changes in the costs of equipment and materials or our suppliers' or subcontractors' inability to perform, then cost over-runs may occur. We may not be able to obtain compensation for additional work performed or expenses incurred in all cases. Additionally, in some contracts we may be required to pay liquidated damages if we do not achieve schedule or performance requirements of our contracts. Our failure to accurately estimate the resources and time required for fixed-fee contracts or our failure to complete our contractual obligations within the time frame and costs committed could result in reduced profits or a loss for that contract. If the contract is significant, or we encounter issues that impact multiple contracts, cost over-runs could have a material adverse effect on our business, financial condition and results of operations. For example, during 2015 and 2014, we recognized estimated project losses of $153 million and $72 million, respectively, related to our long-term early production facility construction contracts in Iraq that are accounted for under the percentage-of-completion method. Total estimated losses on these two projects were $532 million at December 31, 2015.

If our long-lived assets, goodwill, other intangible assets and other assets are further impaired, we may be required to record significant non-cash charges to our earnings.

We recognize impairments of goodwill to its implied fair value when the fair value of any of our reporting units becomes less than its carrying value. Our estimates of fair value are based on assumptions about future cash flows of each reporting unit, discount rates applied to these cash flows and current market estimates of value. Based on the uncertainty of future revenue growth rates, gross profit performance, and other assumptions used to estimate our reporting units' fair value, future reductions in our expected cash flows could cause a material non-cash impairment charge of goodwill, which could have a material adverse effect on our results of operations and financial condition. Based on the results of our impairment tests we recognized impairments to goodwill of $161 million in 2014.

We also have certain long-lived assets, other intangible assets and other assets which could be at risk of impairment or may require reserves based upon anticipated future benefits to be derived from such assets. Any change in the valuation of such assets could have a material effect on our profitability. Based on our impairment tests in 2015, we recognized total long-lived impairment charges of $638 million and $25 million related to our equity method investments. In 2014 we recognized total long-lived and other asset impairments of $495 million.

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, Europe and Russia regions 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 or nationalization 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 the third quarter of 2014, geopolitical issues and disruptions in North Africa, primarily Libya, resulted in the decisions to exit product lines in selected markets, which had a negative impact on our 2014 results. We recognized a restructuring and long-lived asset impairment of $81 million related to these markets. We risk loss of assets in any location where hostilities arise and persist. 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.

Continuing political instability in Ukraine, sanctions against Russia, and Russia's response to those sanctions could materially adversely affect our business, results of operations and financial condition.

Due to Russia's annexation of the Crimean region of Ukraine in March 2014, economic sanctions against Russia remain in place, which have, and may continue to adversely impact our business, results of operations and financial condition of our Russia operations. Additionally, in the event of further sanctions or changes to existing sanctions our ability to do business in Russia may be further reduced or impacted.

The divestiture of our land drilling rigs business may not be completed on the currently contemplated timeline, or at all, and we may not achieve the intended benefits of our 2014 divestitures.

In 2014, we divested certain of our non-core businesses (land drilling rigs in Russia and Venezuela, engineered chemistry and Integrity drilling fluids, pipeline and specialty services and production services). We have not yet completed the divestiture of the remaining portion of our land drilling rigs, which we may accomplish through an initial public offering, a spin-off, an asset sale, or some combination of the foregoing. Any such divestiture would be complex in nature and may be affected by unanticipated developments, such as unfavorable market conditions, including as a result of the recent and significant decrease in the price of crude oil, delays in obtaining regulatory or governmental approvals and challenges in establishing processes and infrastructure for both the underlying business and for potential investors or buyers of the business, which may result in such divestiture being delayed, or not being completed at all. There is no guarantee that we will fully realize the intended benefits of consummating such divestiture transactions.

We have been the subject of governmental and internal investigations related to alleged corrupt conduct and violations of U.S. sanctioned country laws, which were costly to conduct, resulted in a loss of revenue and substantial financial penalties and created other disruptions for the business. If we are the subject of such investigations in the future, it could have a material adverse effect on our business, financial condition and results of operations.

In 2013 and 2014, we settled investigations of prior alleged violations by us and certain of our subsidiaries related to certain trade sanctions laws, participation in the United Nations oil-for-food program governing sales of goods into Iraq and non-compliance with the Foreign Corrupt Practices Act ("FCPA"). These settlement agreements required us to pay $253 million and to retain, for a period of 18 months, an independent monitor responsible for assessing our compliance with the terms of the settlement agreements so as to address and reduce the risk of recurrence of alleged misconduct, after which will continue to evaluate our own compliance program and make periodic reports to the Department of Justice ("DOJ") and SEC and to maintain agreed compliance monitoring and reporting systems, all of which was and is costly to us. These settlement agreements also required us to retain an independent third party to retroactively audit our compliance with U.S. export control laws during the years 2012, 2013 and 2014.

Failure to comply with the terms of the settlement agreements could have serious consequences. Breach of the settlement agreements with the DOJ could subject us and certain of our subsidiaries to prosecution for the FCPA criminal violations that were resolved in the settlement. Under such circumstances, the DOJ would be permitted to rely upon the admissions we and certain of our subsidiaries made in the settlement, and would benefit from our waiver of certain procedural and evidentiary defenses. Moreover, failure to abide by the terms of the settlement agreement with the SEC could result in rescission of the settlement agreement, exposing us and certain of our subsidiaries to civil enforcement proceedings in connection with the conduct that had previously been resolved in those settlement agreements.

To the extent we violate trade sanctions laws, the FCPA or other laws or regulations in the future, additional fines and other penalties may be imposed and there would be uncertainty as to the ultimate amount of any penalties we could pay and there can be no assurance that actual fines or penalties, if any, will not have a material adverse effect on our business, financial condition and results of operations.

For additional information about these actions and claims, you should refer to the section entitled "Item 8. – Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 21 – Disputes, Litigation and Contingencies."

Our significant international operations subject us to economic risks and we may be adversely affected by changes in foreign currency including devaluation and changes in local banking and currency regulations and exchange controls.

We operate in virtually every oil and natural gas exploration and production region in the world. In some parts of the world, such as Latin America, the Middle East and Southeast Asia, the currency of our primary economic environment is generally the U.S. dollar, and we use the U.S. dollar as our functional currency. In other parts of the world, we conduct our business in currencies other than the U.S. dollar, and the functional currency is generally the applicable local currency. As such, we are exposed to significant currency exchange risk and devaluation risk. For example, in 2015, 2014 and 2013, we recognized pre-tax currency-related charges of $85 million, $245 million and $100 million, respectively. In 2015, currency devaluation and related charges reflect the impacts of the continued devaluation of the Angolan kwanza and Argentine peso and the recognized remeasurement charges related to the Venezuelan bolivar and the Kazakhstani tenge. The charges in 2014 and 2013 were related to the devaluation of the Venezuelan bolivar. For information about the currency devaluations, refer to the section entitled "Item 8. – Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 1 – Summary of Significant Accounting Policies." Any future change in the exchange rates in these countries could cause us to take additional charges on the foreign denominated assets held by our subsidiaries.

We are also subject to risks resulting from changes in the implementation of exchange controls, as well as limitations on our ability to reinvest earnings from operations in one country to fund the capital needs of our operations in other countries. If we are unable to reinvest earnings or repatriate foreign income, our liquidity and recognition of income tax liabilities may be negatively affected.

Our business in Venezuela subjects us to actions by the Venezuelan government or our primary customer which could have a material adverse effect on our liquidity, results of operations and financial condition.

The future results of our Venezuelan operations may be adversely affected by many factors, including our ability to take action to mitigate the effect of future exchange controls, actions of the Venezuelan government and the general economic conditions in the country, continued inflation, and future customer payments and spending. We may continue to see a delay in payment on our receivables from our primary customer in Venezuela or may be compelled to accept bonds as payment, which may then be sold at a loss, similar to our bond transaction in 2013 related to $127 million of trade receivables. Upon receipt of bonds for these receivables, we immediately sold them, recognizing a loss of $58 million. If PDVSA further delays paying or fails to pay a significant amount of our outstanding receivables, or if there is a major action by the Venezuelan government, it could have a material adverse effect on our liquidity, consolidated results of operations and consolidated financial condition.

Credit rating agencies could further lower our credit ratings.

Our credit ratings have recently been downgraded by multiple credit rating agencies and these agencies could further downgrade our credit ratings. Our Standard & Poor's Ratings Services' ("S&P") credit rating on our senior unsecured debt is currently BB+ and our short-term rating is B, both with a stable outlook. Our Moody's Investors Ratings Services' credit rating on our unsecured debt is currently Ba1 and our short-term rating is SGL-2, both with a stable outlook. However, on January 21, 2016, Moody's placed the company's rating on review for downgrade. On April 15, 2015, Fitch Rating assigned a credit rating on our senior unsecured debt of BBB- and our short-term rating of F3, with a negative outlook. On January 25, 2016, Fitch Ratings lowered its credit rating on our senior unsecured debt to BB from BBB- and lowered our short-term rating to B from F3 and maintained its negative outlook. The lowering of our credit ratings in 2015 to non-investment grade levels resulted in our loss of access to the commercial paper market for our short-term liquidity needs. Furthermore, our non-investment grade status may limit our ability to refinance our existing debt, could cause us to refinance or issue debt with less favorable and more restrictive terms and conditions, and could increase certain fees and interest rates of our borrowings. Suppliers and financial institutions may lower or eliminate the level of credit provided through payment terms or intraday funding when dealing with us thereby increasing the need for higher levels of cash on hand, which would decrease our ability to repay debt balances.

Capital financing may not be available to us at economic rates.

Credit and equity markets have been highly volatile in recent months, the cost to obtain capital financing has increased, and some markets may not be available at certain times. Credit and equity market conditions and the potential impact on liquidity of major financial institutions may have an adverse effect on our ability to fund operational needs or other activities through borrowings under either existing or newly created instruments in the public or private markets on terms we believe to be reasonable. If we are unable to borrow via debt offerings or our credit facility, or to obtain equity financing, we could experience a reduction of liquidity and may result in difficulty funding our operations, repayment of short-term borrowings, payments of interest and other obligations. This could be detrimental to our business and have a material adverse effect on our liquidity, consolidated results of operations and financial condition.

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, illegal detainment, 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.

Our failure to maintain effective internal controls over financial reporting has resulted in governmental investigations and shareholder lawsuits and could further result in material misstatements in our financial statements which, in turn, could require us to restate financial statements, may cause investors to lose confidence in our reported financial information and could have an adverse effect on our share price or our debt ratings.

We have previously identified a material weakness in our internal controls over financial reporting that had resulted in a material weakness in accounting for income taxes. As of December 31, 2013, we remediated our material weakness in accounting for income taxes. We cannot assure that additional material weaknesses in our internal controls over financial reporting will not be identified in the future. Any failure to maintain or implement required new or improved controls, or any difficulties we encounter in their implementation, could result in additional material weaknesses, cause us to fail to meet our periodic reporting obligations or result in material misstatements in our financial statements. Any such failure could also adversely affect the results of periodic management evaluations regarding the effectiveness of our internal controls over financial reporting. The existence of a material weakness could result in errors in our financial statements that could result in a restatement of financial statements, cause us to fail to meet our reporting obligations and/or cause investors to lose confidence in our reported financial information, potentially leading to a decline in our share price.

The SEC and DOJ are investigating the circumstances surrounding the prior material weakness in our internal controls over financial reporting for income taxes and the restatements of our historical financial statements in 2011 and 2012. We are cooperating fully with these investigations. We are unable to predict the outcome of these investigations due to the inherent uncertainties they present and we are unable to predict potential outcomes or estimate the range of potential loss contingencies, if any. The government, generally, has a broad range of civil and criminal penalties available for these types of matters under applicable law and regulation, including injunctive relief, fines, penalties and modifications to business practices, some of which, if imposed on us, could be material to our business, financial condition or results of operations. For additional information about these actions and claims, you should refer to the section entitled "Item 8. – Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 21 – Disputes, Litigation and Contingencies."

In March 2011, a shareholder derivative action was filed purportedly on behalf of the Company against certain current and former officers and directors, alleging breaches of duty related to the material weakness and restatement announcements. In February 2012, a second shareholder derivative action was filed. On June 30, 2015, we signed a stipulation to settle a purported securities class action captioned *Freedman v. Weatherford International LTD., et al.,* No. 12-cv-2121-LAK (SDNY) for $120 million. The case had been filed in the federal court in the Southern District of New York in March 2012. That case alleges violation of the federal securities laws related to the restatement of our historical financial statements announced on February 21, 2012, and later added claims related to the announcement of a subsequent restatement on July 24, 2012. The settlement is subject to notice to the class and court approval. For additional information about these actions and claims, you should refer to the section entitled "Item 8. – Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 21 – Disputes, Litigation and Contingencies."

Additionally, in March 2011, a purported shareholder class action captioned *Dobina v. Weatherford International Ltd.,* et al., No. 1:11-cv-01646-LAK (SDNY), was filed in the U.S. District Court for the Southern District of New York, following our announcement on March 1, 2011 of a material weakness in our internal controls over financial reporting for income taxes, and restatement of our historical financial statements. The Dobina lawsuit alleged violation of the federal securities laws by us and certain current and former officers. On January 29, 2014, we, together with certain current and former officers, resolved the Dobina lawsuit. The settlement was approved by the U.S. District Court for the Southern District of New York on January 5, 2015, and final judgment entered on January 30, 2015. Pursuant to the settlement, we were required to pay $53 million, which was entirely funded by our insurers, in exchange for dismissal with prejudice of the litigation and the unconditional release of all claims, known or unknown, that settlement class members brought or could have brought against us and individual defendants related to the facts and allegations in the litigation. As a condition of the settlement, we and the other defendants deny any liability or wrongdoing related to the allegations in the litigation.

Adverse changes in tax laws both in the United States and abroad, changes in tax rates or exposure to additional income tax liabilities could have a material adverse effect on our results of operations.

In 2002, we reorganized from the United States to a foreign jurisdiction. There are frequent legislative proposals in the United States that attempt to treat companies that have undertaken similar transactions as U.S. corporations subject to U.S. taxes or to limit the tax deductions or tax credits available to United States subsidiaries of these corporations. Our tax expense as a foreign incorporated company 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 and other taxing jurisdictions, acting in unison or separately. The inability to reduce our tax expense could have a material impact on our financial statements.

Numerous foreign jurisdictions in which we operate have been influenced by studies performed by the Organization of Economic Cooperation and Development ("OECD") and are increasingly active in evaluating changes to their tax laws. The OECD, which represents a coalition of member countries, has issued various white papers addressing Tax Base Erosion and Jurisdictional Profit Shifting. Their recommendations are aimed at combating what they believe is tax avoidance. Changes in tax laws could significantly increase our tax expense and require us to take actions, at potential significant expense, to seek to preserve our current level of tax expense.

Our effective tax rate has fluctuated in the past and may fluctuate in the future. Future effective tax rates could be affected by changes in the composition of earnings in countries in which we operate with differing tax rates, changes in tax laws, or changes in deferred tax assets and liabilities. We assess our deferred tax assets on a quarterly basis to determine whether a valuation allowance may be required. A prolonged downturn could result in us needing to record a valuation allowance on current or future deferred tax assets, which would negatively impact our financial results.

U.S. persons that own, or are deemed to own, 10% or more of our shares may be subject to U.S. federal income taxation under the controlled foreign corporation ("CFC") rules and may also subject the Company to increased taxation. The potential for shareholders to be taxed under the CFC rules may impact demand for our shares.

Currently, certain of our subsidiary corporations are not considered CFCs because they are less than 50% owned by our U.S. group of subsidiaries and other 10% or greater shareholders. However, there is a risk that if a U.S. shareholder holds 10% or more of our shares, directly, indirectly or by attribution, that some of our subsidiaries could be classified as CFCs for U.S. federal income tax purposes. If one or more of our subsidiaries is classified as a CFC, any shareholder that is a U.S. person that owns, directly or indirectly or by attribution, 10% or more of our outstanding shares, as well as the Company, may be subject to U.S. income taxation at ordinary income tax rates on all or a portion of the CFC's undistributed earnings and profits attributable to "subpart F income." The CFC rules are complex and U.S. persons that hold our shares are urged to consult their own tax advisors regarding the possible application of the CFC rules to them in their particular circumstances. The risk of being subject to increased taxation may deter our current shareholders from acquiring additional ordinary shares or new shareholders from establishing a position in our ordinary shares. Either of these scenarios could impact the demand for, and value of, our shares.

The anticipated benefits of our redomestication to Ireland may not be realized. Additionally, we and our shareholders could be subject to increased taxation if we are considered to be a tax resident in both Switzerland and Ireland.

In 2014, we redomesticated from Switzerland to Ireland. We may not realize the benefits we anticipate from this redomestication. Our failure to realize those benefits could have an adverse effect on our business, results of operations and financial condition. Additionally, while we moved our place of incorporation from Switzerland to Ireland in 2014, we continue to be effectively managed from Switzerland. Under current Swiss law a company is regarded as a Swiss tax resident if it has its place of effective management in Switzerland or is incorporated in Switzerland. Where a company is treated as a tax resident of Switzerland as a result of having its place of effective management in Switzerland, Irish law provides Ireland will generally treat the company as not resident in Ireland for Irish tax purposes. We intend to maintain our place of effective management in Switzerland and therefore qualify as a Swiss, but not Irish, tax resident. However, it is possible that in the future, whether as a result of a change in law or tax treaty or how we manage our business, that we could become a tax resident in Ireland in addition to Switzerland. If we were to be considered to be a tax resident of Ireland, we could become liable for Irish and Swiss corporation tax and any dividends paid to its shareholders could be subject to Irish and Swiss dividend withholding tax.

The rights of our shareholders are governed by Irish law following our 2014 redomestication from Switzerland to Ireland. Irish law differs from the laws in effect in the United States and may afford less protection to holders of our securities.

As an Irish company, we are governed by the Irish Companies Act, which differs in some material respects from laws generally applicable to U.S. corporations and shareholders, including, among others, provisions relating to interested directors, mergers and acquisitions, takeovers, shareholder lawsuits and indemnification of directors. Likewise, the duties of directors and officers of an Irish company generally are owed to the company only. Shareholders of Irish companies generally do not have a personal right of action against directors or officers of the company and may exercise such rights of action on behalf of the company only in limited circumstances. Accordingly, holders of our securities may have more difficulty protecting their interests than would holders of securities of a corporation incorporated in a jurisdiction of the United States. Additionally, while we are an Irish company, we hold shareholders meetings in Switzerland, which may make attendance in person more difficult for some investors.

We are incorporated in Ireland and a significant portion of our assets are located outside the United States. As a result, it might not be possible for shareholders to enforce civil liability provisions of the federal or state securities laws of the United States.

We are organized under the laws of Ireland, and a significant portion of our assets are located outside the United States. The United States currently does not have a treaty with Ireland providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters. As such, a shareholder who obtains a court judgment based on the civil liability provisions of U.S. federal or state securities laws may be unable to enforce the judgment against us in Ireland. In addition, there is some doubt as to whether the courts of Ireland and other countries would recognize or enforce judgments of U.S. courts obtained against us or our directors or officers based on the civil liabilities provisions of the federal or state securities laws of the United States or would hear actions against us or those persons based on those laws. The laws of Ireland do, however, as a general rule, provide that the judgments of the courts of the United States have the same validity in Ireland as if rendered by Irish Courts. Certain important requirements must be satisfied before the Irish Courts will recognize the U.S. judgment. The originating court must have been a court of competent jurisdiction, the judgment must be final and conclusive and the judgment may not be recognized if it was obtained by fraud or its recognition would be contrary to Irish public policy. Any judgment obtained in contravention of the rules of natural justice or that is irreconcilable with an earlier foreign judgment would not be enforced in Ireland.

Similarly, judgments might not be enforceable in countries other than the United States where we have assets.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our operations are conducted in over 100 countries and we have manufacturing facilities, research and technology centers, fluids and processing centers and sales, service and distribution locations throughout the world. The following sets forth the locations of our principal owned or leased facilities for our commercial operations by geographic segment as of December 31, 2015:

Region	Specific Location
North America:	Greenville, Houston, Huntsville, Katy, Longview, Odessa, Pasadena, and San Antonio, Texas; Broussard and Schriever, Louisiana; Williston, North Dakota; and Calgary, Edmonton, and Nisku, Canada.
Latin America:	Cutral Co, Argentina; Rio de Janeiro, Brazil; Venustiano Carranza and Villahermosa, Mexico; and Anaco, Venezuela.
Europe/SSA/Russia:	Langenhagen, Germany; Aberdeen, UK; Atyrau, Kazakhstan; and Stavanger, Norway.
MENA/Asia Pacific:	Hassi Messaoud, Algeria; Luanda, Angola; Dhahran, Saudi Arabia; North Rumaila, Iraq; Abu Dhabi and Dubai, United Arab Emirates; Jiangsu and Shifang, China; Barmer, India; and Singapore, Singapore.

Our headquarters are in Switzerland, with offices in Geneva and Baar, and we have corporate offices in Houston, Texas. We own or lease numerous other facilities such as service centers, shops and sales and administrative offices throughout the geographic regions in which we operate. All of our owned properties are unencumbered. We believe the facilities that we currently occupy are suitable for their intended use.

ITEM 3. LEGAL PROCEEDINGS

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

Please see the following:

- "Item 1. – Business – Other Business Data – Federal Regulation and Environmental Matters," which is incorporated by reference into this item.
- "Item 1A. – Risk Factors – We have been the subject of governmental and internal investigations related to alleged corrupt conduct and violations of U.S. sanctioned country laws, which were costly to conduct, resulted in a loss of revenue and substantial financial penalties and created other disruptions for the business. If we are the subject of such investigations in the future, it could have a material adverse effect on our business, financial condition and results of operations," which is incorporated by reference into this item.
- "Item 8. – Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 21 – Disputes, Litigation and Contingencies."

Although we are subject to various on-going items of litigation, we do not believe it is probable that any of the items of litigation to which we are currently subject will result in any material uninsured losses to us. It is possible, however, that an unexpected judgment could be rendered against us, or we could decide to resolve a case or cases that would result in a liability that could be uninsured and beyond the amounts we currently have reserved and in some cases those losses could be material.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our ordinary shares are traded under the symbol "WFT" on the New York Stock Exchange ("NYSE"). As of February 9, 2016, there were 1,931 shareholders of record. The following table sets forth, for the periods indicated, the range of high and low sales prices per share for our stock as reported on the NYSE.

	Price	
	High	**Low**
Year ending December 31, 2015		
First Quarter	$13.12	$ 9.40
Second Quarter	14.91	12.10
Third Quarter	12.35	7.21
Fourth Quarter	11.49	7.52
Year ending December 31, 2014		
First Quarter	$17.53	$13.07
Second Quarter	23.25	16.68
Third Quarter	24.88	20.00
Fourth Quarter	20.89	10.07

On February 9, 2016, the closing sales price of our shares as reported by the NYSE was $6.34 per share. We have not declared or paid cash dividends on our shares since 1984. We intend to retain any future earnings and do not expect to pay any cash dividends in the near future.

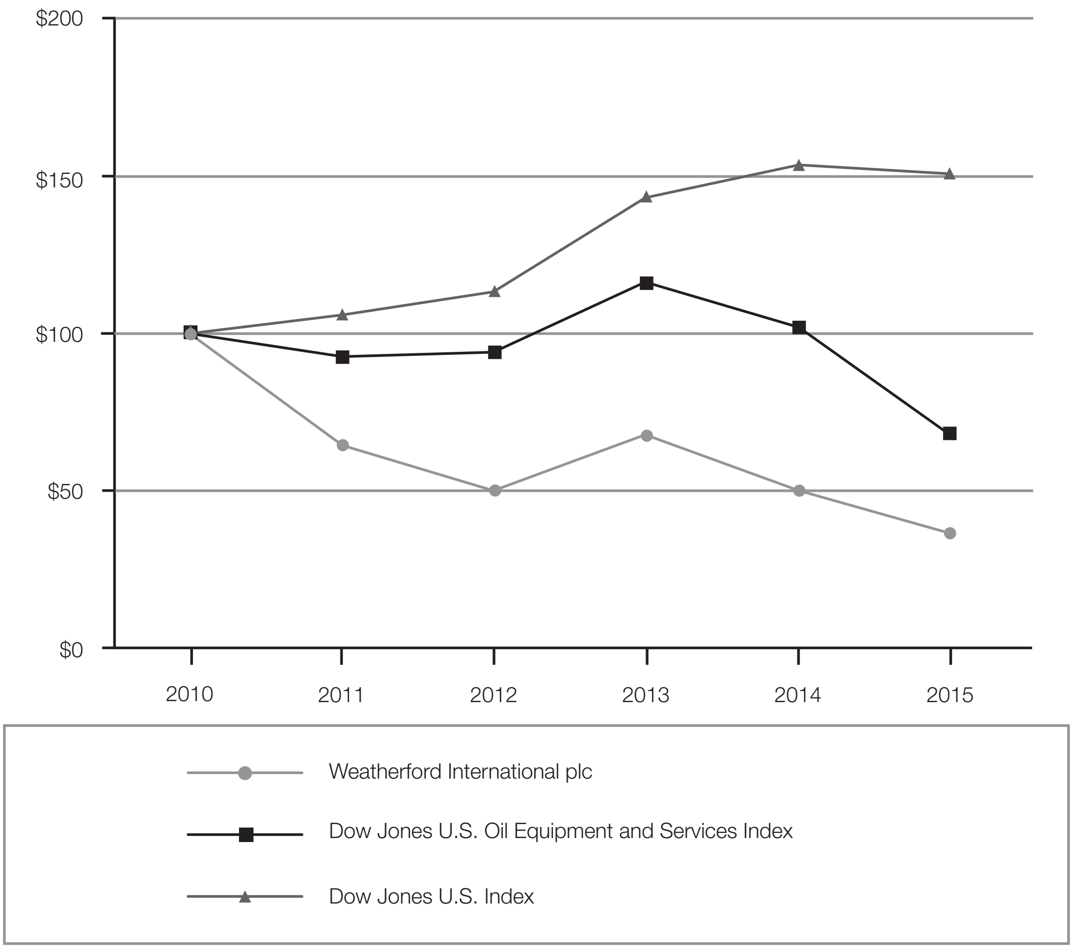
In conjunction with our 2014 redomestication, we amended our Executive Deferred Compensation Stock Ownership Plan to provide that benefits thereunder may be payable in cash in lieu of our shares of Weatherford. In 2014, the trustee for our executive deferred compensation plan, a consolidated subsidiary, sold 973,611 shares, at $22.41 per share, of our common stock totaling approximately $22 million in cash proceeds for the benefit of the plan participants.

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

PERFORMANCE GRAPH

This graph compares the yearly cumulative return on our shares with the cumulative return on the Dow Jones U.S. Oil Equipment & Services Index and the Dow Jones U.S. Index for the last five years. The graph assumes the value of the investment in our shares and each index was $100 on December 31, 2010. The stockholder return set forth below is not necessarily indicative of future performance. The following graph and related information shall not be deemed "soliciting material" or to be "filed" with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act or the Exchange Act, except to the extent that we specifically incorporate it by reference into such filing.

Comparison of Five-Year Cumulative Total Return Weatherford ordinary shares, the Dow Jones U.S. Oil Equipment and Services Index and the Dow Jones U.S. Index



ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth certain selected historical consolidated financial data and should be read in conjunction with "Item 7. – Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Item 8. – Financial Statements and Supplementary Data," which contain information on the comparability of the selected financial data and are both contained in this report. Discussion of material uncertainties is included in "Item 8. – Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 21 – Disputes, Litigation and Contingencies." The following information may not be indicative of our future operating results.

	Year Ended December 31,				
(Dollars in millions, except per share amounts)	**2015**	**2014**	**2013**	**2012**	**2011**
Statements of Operations Data:					
Revenues	$ 9,433	$14,911	$15,263	$15,215	$12,988
Operating Income (Loss)	(1,546)	505	523	298	1,307
Net Income (Loss) Attributable to Weatherford	(1,985)	(584)	(345)	(778)	189
Basic Earnings (Loss) Per Share Attributable To Weatherford	(2.55)	(0.75)	(0.45)	(1.02)	0.25
Diluted Earnings (Loss) Per Share Attributable To Weatherford	(2.55)	(0.75)	(0.45)	(1.02)	0.25
Balance Sheet Data:					
Total Assets	$14,787	$18,889	$21,977	$22,795	$21,051
Short-term Borrowings and Current Portion of Long-term Debt	1,582	727	1,653	1,585	1,320
Long-term Debt	5,879	6,798	7,061	7,049	6,286
Total Shareholders' Equity	4,365	7,033	8,203	8,818	9,345
Cash Dividends Per Share	—	—	—	—	—

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

As used herein, the "Company," "we," "us" and "our" refer to Weatherford International plc ("Weatherford Ireland"), a public limited company organized under the laws of Ireland, and its subsidiaries on a consolidated basis, or for periods prior to June 17, 2014, to our predecessor, Weatherford International Ltd. ("Weatherford Switzerland"), a Swiss joint-stock corporation and its subsidiaries on a consolidated basis.

The following discussion should be read in conjunction with our Consolidated Financial Statements and Notes thereto included in "Item 8. – Financial Statements and Supplementary Data." Our discussion includes various forward-looking statements about our markets, the demand for our products and services and our future results. These statements include certain risks and uncertainties. For information about these risks and uncertainties, refer to the section entitled "Forward-Looking Statements" and the section entitled "Item 1A. – Risk Factors."

OVERVIEW

GENERAL

We conduct operations in over 100 countries and have service and sales locations in nearly all of the oil and natural gas producing regions in the world. Our operational performance is reviewed on a geographic basis, and we report the following regions as separate, distinct reporting segments: North America, MENA/Asia Pacific, Europe/SSA/Russia, Latin America and Land Drilling Rigs.

We principally provide products, equipment and services to the oil and natural gas exploration and production industry, both on land and offshore, through our three business groups: (1) Formation Evaluation and Well Construction and (2) Completion and Production, and (3) Land Drilling Rigs, which together include 14 product lines.

- ***Formation Evaluation and Well Construction*** includes Managed-Pressure Drilling, Drilling Services, Tubular Running Services, Drilling Tools, Wireline Services, Testing and Production Services, Re-entry and Fishing, Cementing, Liner Systems, Integrated Laboratory Services and Surface Logging.
- ***Completion and Production*** includes Artificial Lift Systems, Stimulation and Completion Systems.
- ***Land Drilling Rigs*** encompasses our land drilling business, including the products and services ancillary thereto.

We may sell our products and services separately or may bundle them together to provide integrated solutions up to, and including, integrated well construction where we are responsible for the entire process of drilling, constructing and completing a well. Our customers include both exploration and production companies and other oilfield service companies. Depending on the service line, customer and location, our contracts vary in their terms, provisions and indemnities. We earn revenues under our contracts when products are delivered and services are performed. Typically, we provide products and services at a well site where our personnel and equipment may be located together with personnel and equipment of our customer and third parties, such as other service providers. Our services are usually short-term in nature, day-rate based and cancellable should our customer wish to alter the scope of work. Consequently, our backlog of firm orders is not material to the Company.

CHANGE IN REPORTABLE SEGMENTS

In the first quarter of 2015, we changed our business structure to better align with management's current view and future growth objectives. This change involved separating our Land Drilling Rigs business into a reportable segment resulting in a total of five reportable segments which are North America, MENA/Asia Pacific, Europe/SSA/Russia, Latin America and Land Drilling Rigs. We have recast prior periods to conform to the current business segment presentation. See "Note 23 – Segment Information" for additional information.

DIVESTITURES

Throughout 2014, we successfully disposed of several of our non-core businesses and an equity investment. We received cash proceeds totaling approximately $1.7 billion from these dispositions and used approximately $1.2 billion of the proceeds to reduce debt. For the year ended December 31, 2014, we recognized a gain on these dispositions of $349 million. Dispositions in 2014 included our land drilling and workover rig operations in Russia and Venezuela, pipeline and specialty services business, engineered chemistry and Integrity drilling fluids businesses and the disposal of all our shares in Proserv. See "Note 2 – Business Combinations and Divestitures" for additional information. In 2015, we did not complete any material dispositions.

LONG-LIVED ASSET IMPAIRMENTS AND OTHER RELATED CHARGES

In 2015, the continued weakness in crude oil prices contributed to lower exploration and production spending and a decline in the utilization of our land drilling rigs and certain U.S. asset groups. Based on our impairment tests, we recognized total long-lived impairment charges of $638 million in 2015 with $383 million related to pressure pumping, drilling tools and wireline assets in the U.S. and $255 million related to Land Drilling Rigs segment assets. In 2015, we also recognized $130 million related to supply agreement charges in our North America segment. These long-lived asset impairments and other related charges are reported as "Long-Lived Asset Impairments and Other Related Charges" on our Consolidated Statements of Operations. In connection with our long-lived asset impairments in 2015, we prepared an analysis to determine the fair value of our equity method investments. We assessed these declines in value as other than temporary and recognized an impairment loss of $25 million.

For the year ended December 31, 2014, we had total non-cash asset impairment charges of $656 million. In the fourth quarter of 2014, we recognized a long-lived asset impairment of $352 million and a $40 million goodwill impairment charge to adjust the assets of our Land Drilling Rig business to fair value. In the second and third quarters of 2014, as a result of our commitment to sell our land drilling and workover rig operations in Russia and Venezuela, we recorded a $143 million long-lived asset impairment loss and a $121 million goodwill impairment loss.

See "Note 8 – Long-lived Asset Impairments" and "Note 9 – Goodwill" for additional information regarding the long-lived, other asset and goodwill impairments.

LITIGATION SETTLEMENT

On June 30, 2015, we settled a purported securities class action for $120 million in exchange for the dismissal with prejudice of the litigation and the unconditional release of all claims captioned *Freedman v. Weatherford International Ltd., et al.,* that was filed in the Southern District of New York against us and certain current and former officers in March 2012. The settlement agreement was subject to notice to the class, approval by the U.S. District Court for the Southern District of New York and other conditions and was paid into escrow in August 2015. We are pursuing reimbursement from our insurance carriers and recovered $15 million of the settlement amount in the fourth quarter of 2015. See "Note 21 – Disputes, Litigation and Contingencies" for additional information.

INDUSTRY TRENDS

The level of spending in the energy industry is heavily influenced by changes in the current and expected future prices of oil and natural gas. Changes in expenditures result in an increased or decreased demand for our products and services. Rig count is an indicator of the level of spending for the exploration for and production of oil and natural gas reserves. The following chart sets forth certain statistics that reflect historical market conditions:

	WTI Oil(a)	Henry Hub Gas(b)	North American Rig Count(c)	International Rig Count(c)
2015	$ 37.04	$ 2.36	910	1,105
2014	53.27	2.90	2,294	1,315
2013	98.42	4.19	2,129	1,320

(a) Price per barrel of West Texas Intermediate ("WTI") crude oil as of the last business day of the year indicated at Cushing Oklahoma – Source: Thomson Reuters

(b) Price per MM/BTU as of the last business day of the year indicated at Henry Hub Louisiana – Source: Thomson Reuters

(c) Average rig count for the fourth quarter – Source: Baker Hughes Rig Count

Oil prices fluctuated during 2015, ranging from a high of $61.82 per barrel in mid-June to a low of $35.81 per barrel in late December. Natural gas ranged from a high of $3.21 MM/BTU in mid-January to a low of $1.95 MM/BTU in mid-December. As recently as February 2016, a barrel of WTI crude oil traded below $27.00 per barrel on the New York Mercantile Exchange. Factors influencing oil and natural gas prices during the period include hydrocarbon inventory levels, realized and expected global economic growth, realized and expected levels of hydrocarbon demand, the level of production capacity, weather and geopolitical uncertainty.

OUTLOOK

We entered into 2015 challenged by a steep decline in oil prices with a severe market contraction. This decline has materially reduced capital spending by our customers which has reduced our revenue, both through lower activity levels and pricing. In 2015, we completed a reduction in force targeting 14,000 employee positions and realized annualized cost savings of $973 million from this cost reduction initiative. In response to the continued significant decline in the price of crude oil and the continued decline in the anticipated level of exploration and production spending in 2016, we initiated another plan to continue reducing our cost structure through a workforce reduction of 6,000 additional employees that we expect to complete by the first half of 2016. Our 2016 capital expenditures are also expected to be significantly reduced to approximately $300 million, which is 56% lower than our 2015 capital spending.

We have closed approximately 90 operating facilities across North America as of December 31, 2015. In addition to our headcount and operating facility reductions, we have closed six of our manufacturing and service facilities during 2015 and plan additional closures of 9 manufacturing and service facilities during 2016.

We expect market conditions to continue to weaken during the first half of 2016 with the potential for a slight recovery during the second half of the year if commodity prices stabilize. North America will continue to be severely impacted by both lower volume and pricing pressure as our customers continue to respond to the decline in commodity prices. We expect Latin America to show contraction in Mexico, Colombia and Brazil from lower activity levels as well as self-imposed reductions in Ecuador and Venezuela. We expect the Eastern Hemisphere to also show further reductions in all markets due to volume declines and pricing pressure.

Over the longer term, we believe the outlook for our core businesses is favorable. As well production decline rates accelerate and reservoir productivity complexities increase, our clients will continue to face challenges associated with decreasing the cost of extraction activities and securing desired rates of production. These challenges increase our customers' requirements for technologies that improve productivity and efficiency and therefore increase demand for our products and services. These factors provide us with a positive outlook for our core businesses over the longer term. However, the level of improvement in our core businesses in the future will depend heavily on pricing, volume of work and our ability to offer solutions to more efficiently extract hydrocarbons, control costs and penetrate new and existing markets with our newly developed technologies.

We continually seek opportunities to maximize efficiency and value through various transactions, including purchases or dispositions of assets, businesses, investments or joint ventures. We evaluate our disposition candidates based on the strategic fit within our business and/or objectives. It is also our intention to divest our remaining land drilling rigs when market conditions improve. Upon completion, the cash proceeds from any divestitures are expected to be used to repay or repurchase debt. Any such debt reduction may include the repurchase of our outstanding senior notes prior to their maturity in the open market, privately negotiated transaction or otherwise.

The oilfield services industry growth is highly dependent on many external factors, such as our customers' capital expenditures, world economic and political conditions, the price of oil and natural gas, member-country quota compliance within OPEC and weather conditions and other factors, including those described in the section entitled "Forward-Looking Statements" and the section entitled "Item 1A. – Risk Factors."

OPPORTUNITIES AND CHALLENGES

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

RESULTS OF OPERATIONS

The following table contains selected financial data comparing our consolidated and segment results from operations for 2015, 2014 and 2013. See "Notes to Consolidated Financial Statements – Note 23 – Segment Information" for additional information regarding variances in operating income.

	Year Ended December 31,			Percentage Change Favorable (Unfavorable)	
(Dollars in millions, except per share data)	2015	2014	2013	2015 vs 2014	2014 vs 2013
Revenues:					
North America	$ 3,494	$ 6,852	$ 6,390	(49)%	7%
MENA/Asia Pacific	1,947	2,406	2,746	(19)%	(12)%
Europe/SSA/Russia	1,533	2,129	1,947	(28)%	9%
Latin America	1,746	2,282	2,635	(23)%	(13)%
Subtotal	8,720	13,669	13,718	(36)%	—%
Land Drilling Rigs	713	1,242	1,545	(43)%	(20)%
Total Revenues	**$ 9,433**	**$14,911**	**$15,263**	**(37)%**	**(2)%**
Operating Income (Expense):					
North America	$ (308)	$ 1,005	$ 827	(131)%	22%
MENA/Asia Pacific	(28)	115	(62)	(124)%	285%
Europe/SSA/Russia	173	367	266	(53)%	38%
Latin America	254	339	320	(25)%	6%
Subtotal	91	1,826	1,351	(95)%	35%
Land Drilling Rigs	(13)	(103)	(33)	87%	(212)%
Total Segment Operating Income	**78**	**1,723**	**1,318**	**(95)%**	**31%**
Research and Development	(231)	(290)	(265)	20%	(9)%
Corporate Expenses	(194)	(178)	(201)	(9)%	11%
Long-Lived Asset Impairment and Other Related Charges	(768)	(495)	—	(55)%	—%
Restructuring Charges	(232)	(331)	—	30%	—%
Litigation Charges	(116)	—	(153)	—%	100%
Goodwill and Equity Investment Impairment	(25)	(161)	—	84%	—%
Gain (Loss) on Sale of Businesses and Investments, Net	(6)	349	24	(102)%	1,354%
Other Items	(52)	(112)	(200)	54%	44%
Total Operating Income (Expense)	**$ (1,546)**	**$ 505**	**$ 523**	**(406)%**	**(3)%**
Interest Expense, Net	$ (468)	$ (498)	$ (516)	6%	3%
Currency Devaluation and Related Charges	(85)	(245)	(100)	65%	(145)%
Other Income (Expense), Net	3	(17)	(77)	118%	78%
Benefit (Provision) for Income Taxes	145	(284)	(144)	151%	(97)%
Net Loss per Diluted Share	(2.55)	(0.75)	(0.45)	(240)%	(67)%
Weighted Average Diluted Shares Outstanding	779	777	772	—%	(1)%
Depreciation and Amortization	1,200	1,371	1,402	12%	2%

REVENUES

The following table contains the percentage distribution of our consolidated revenues by business groups for 2015, 2014 and 2013:

	Year Ended December 31,		
	2015	2014	2013
Formation Evaluation and Well Construction	55%	52%	52%
Completion and Production	37	40	38
Land Drilling Rigs	8	8	10
Total	**100%**	**100%**	**100%**

CONSOLIDATED REVENUES

2015 vs 2014

Consolidated revenues decreased $5.5 billion, or 37%, in 2015 compared to 2014 across all our segments with declines of $3.4 billion, or 49%, in North America, $1.6 billion, or 23%, in our International segments and $529 million, or 43%, in Land Drilling Rigs. International revenues represent revenues of our regional segments other than North America and the Land Drilling Rigs segments. The decline in North America revenue is consistent with the 60% decrease in North American rig count since December 31, 2014 with significant declines across product lines, particularly pressure pumping, drilling tools, artificial lift, intervention services and drilling services. The decline in the North America segment was driven by a combination of lower activity and customer pricing pressure, with the largest decline primarily in the United States. The disposition of our engineered chemistry business on December 31, 2014 also negatively impacted revenues when compared to the prior year.

The decline in revenues in our International segments is in line with the decrease in international rig count of 16% since 2014 as well as declines in revenue from Europe/SSA/Russia and MENA/Asia Pacific due to pricing pressure and reduced activity across all our product lines. Lastly, our Latin America segment experienced lower activity particularly in the Well Construction and Formation Evaluation product lines.

The decline in our Land Drilling Rigs revenue is primarily attributable to the decline in drilling activity consistent with the rig count declines, decreases in new drilling activity and the 2014 disposal of our land drilling and workover rig operations in Russia and Venezuela.

2014 vs 2013

Consolidated revenues decreased $352 million, or 2%, in 2014 compared to 2013. International revenues decreased $511 million, or 7%, and our Land Drilling Rigs revenues decreased $303 million, or 20%, in 2014 compared to 2013, on a slight decrease in the 2014 annual international rig count and the disposal of our land drilling and workover rig operations in Russia and Venezuela. The decline in Europe/SSA/Russia, Latin America and Land Drilling Rigs revenues was aided by the disposal of our land drilling and workover rig operations in Russia and Venezuela and our pipeline services business. These divestitures were completed on July 31, 2014 and September 1, 2014, respectively. Latin America also experienced additional revenue declines related to the completion of project work in Mexico and the impact of our self-imposed capital discipline to reduce activity in Venezuela which impacted the first half of 2014. The international revenue decline was also attributable to our MENA/Asia Pacific segment due to lower activity on our remaining legacy contracts in Iraq and a reduction in scope of work on a project in China.

The decline in International revenue was partially offset by an increase in North America. Revenue in our North America segment increased $462 million, or 7%, in 2014 compared to the prior year, on an 6% increase in the 2014 annual North American rig count. The increased revenue was primarily due to higher demand for pressure pumping, artificial lift, completions and formation evaluation products and services.

OPERATING INCOME

2015 vs 2014

Consolidated operating income decreased $2.1 billion, or 406%, in 2015 compared to 2014. The decline in operating income is consistent with the reduction in activity resulting from the significant decline in both the price of oil and rig counts, which has put pressure on our pricing and has resulted in a lower volume of work.

Consolidated operating income for 2015 includes $1.2 billion of charges as follows:

- $768 million of long-lived asset impairment charges and supply contract related charges;
- $232 million of severance and restructuring charges;
- $116 million of litigation charges primarily for the settlement of a lawsuit related to the restatement of our historical financial statements in previous years;
- $58 million in professional and other fees, divestiture related charges and facility closures, loss on sale of businesses and investments, and other charges; and
- $25 million of equity investment impairment charges.

For additional information regarding charges by segment, see the subsection entitled “Segment Results” and “Restructuring Charges” below.

2014 vs 2013

Consolidated operating income decreased $18 million, or 3%, in 2014 compared to 2013. Consolidated operating income for 2014 includes the following charges:

- $656 million of non-cash charges primarily for the impairment of long-lived assets and goodwill, of which $495 million is related to long-lived asset impairments and $161 million is related to goodwill impairments;
- $331 million of severance and restructuring charges; and
- $112 million in charges incurred in conjunction with the divestiture of our non-core businesses, restatement related litigation, the settlement of the U.S. government investigations and our redomestication from Switzerland to Ireland.

Partially offsetting these charges in 2014 was a $349 million gain on sale of businesses and investments, which includes gains on the disposition of our engineered chemistry and Integrity drilling fluids businesses, Proserv investment and pipeline and specialty services business, offset by a loss on the sale of our land drilling and workover rig operations in Russia and Venezuela.

Excluding, from both years, the impairment charges for long-lived assets and goodwill, restructuring charges, the $153 million of FCPA settlement charge in 2013 and the gain on the sale of businesses and investments in both years our consolidated adjusted operating income increased $491 million, or 75%, in 2014 compared to 2013, primarily due to improvements in our geographic segments partially offset by the decline in the Land Drilling Rigs segment.

- North America operating income increased $178 million, or 22%, in 2014 driven by the higher revenues from increased demand and improved pricing from our pressure pumping, completions and formation evaluation product lines and a lower cost structure achieved through our reduction in workforce and closure of less profitable locations.
- MENA/Asia Pacific operating income increased $177 million, or 285%, primarily due to decreased operating costs related to lower activity on our remaining legacy contract in Iraq, the completion of another legacy Iraq contract earlier in 2014 and a gain of $16 million from the acquisition of an additional 30% ownership interest in a joint venture in China.
- Europe/SSA/Russia operating income increased $101 million, or 38%, in 2014, which was largely attributable to improvements in activity in Europe and continued growth in Sub-Sahara Africa, generally across all product lines.

- Latin America operating income increased 6% largely related to focus on higher margin activity in Argentina and Brazil with improvements in pressure pumping, formation evaluation and well construction services partially offset by lower demand for our artificial lift and formation evaluation services resulting from the completion of project work in Mexico and our self-imposed capital discipline driven activity reductions in Venezuela during the first half of 2014.
- Land Drilling Rigs operating income decreased $70 million, or 212%, in 2014 compared to 2013 primarily the result of the sale of our Russian Land Drilling Rigs business, slight decrease in the international rig count, and facility closure costs related to the 2014 restructuring plan.

GAIN (LOSS) ON SALE OF BUSINESSES AND INVESTMENTS, NET

During 2015, we did not recognize any material net gain or loss on sale of businesses and investments. During 2014, we recognized a $349 million net gain on sale of businesses and investments, which includes a $250 million gain on the disposition of our engineered chemistry and Integrity drilling fluids businesses, a $65 million gain on the disposition of our Proserv investment and a $49 million gain on the disposition of our pipeline and specialty services business. These gains were partially offset by a $15 million loss on the sale of our land drilling and workover rig operations in Russia and Venezuela.

During 2013, we recognized a $24 million net gain on sale of businesses and investments, which included an $18 million gain on the disposition of our remaining interest in Borets International Limited ("Borets") and a $6 million gain on the disposition of our industrial screens business.

CURRENCY DEVALUATION AND RELATED CHARGES

In 2015, currency devaluations and related charges were $85 million and are included in current earnings in the line captioned "Currency Devaluation and Related Charges" on the accompanying Consolidated Statements of Operations. In 2015, currency devaluation and related charges reflect the impacts of the continued devaluation of the Angolan kwanza of $39 million and Argentine peso of $11 million and the recognized remeasurement charges related to the Venezuelan bolivar of $26 million and the Kazakhstani tenge of $9 million. The Angolan kwanza charges reflect currency devaluations of approximately 24% in 2015. The devaluation of the Argentine peso was due to the modifying of currency control restrictions on purchasing foreign currencies by the Argentine Central Bank. The cumulative depreciation of the Kazakhstani tenge was 46% during 2015 after the National Bank of Kazakhstan abandoned its peg of the tenge to the U.S. dollar. The Venezuelan bolivar charge reflects remeasurement charges when we began using the exchange rate published by the Venezuelan currency exchange system known as the "Marginal Currency System" or SIMADI. The SIMADI opened for trading February 12, 2015, replacing the Venezuela's Supplementary Foreign Currency Administration System auction rate ("SICAD II") mechanism. The SIMADI is intended to provide limited access to a free market rate of exchange.

In 2014 and 2013, we recognized charges of $245 million and $100 million, respectively, on the devaluation of the Venezuelan bolivar. As of December 31, 2014, we adopted the SICAD II daily auction rate of approximately 50 Venezuelan bolivars per U.S. dollar. This rate was used at December 31, 2014 for the purposes of remeasuring Venezuelan bolivar denominated assets and liabilities (primarily cash, accounts receivables, trade payables and other current liabilities). The 2013 devaluation was due to the Venezuelan government changing the official exchange rate of the bolivar from 4.3 per dollar to 6.3 per dollar for all goods and services.

SEGMENT RESULTS

NORTH AMERICA

2015 vs 2014

Revenues in our North America segment decreased $3.4 billion, or 49%, in 2015 compared to 2014 primarily due to the 60% decline in the North America rig count since December 31, 2014. The decline in revenue in 2015 was driven by lower activity and pricing pressure that broadly impacted all product lines, particularly pressure pumping, drilling tools, artificial lift, intervention services and drilling services. The disposition of our engineered chemistry business on December 31, 2014 also negatively impacted revenues when compared to the prior year.

Total revenues in the U.S. were $2.9 billion in 2015, $5.6 billion in 2014 and $5.1 billion in 2013. The remaining revenues of our North America segment of $630 million in 2015, $1.3 billion in 2014 and $1.2 billion in 2013, were derived from our operations in Canada.

Operating income in our North America segment decreased $1.3 billion, or 131%, in 2015 compared to 2014. Operating margins were (9)% in 2015 compared to 15% in 2014. The same factors contributing to the decline in revenues directly contributed to the decline in operating income. During 2015, we recognized inventory write-down charges of $73 million and bad debt expense charges of $20 million.

2014 vs 2013

Revenues in our North America segment increased $462 million, or 7%, in 2014 compared to 2013. North America rig count increased 8% since December 31, 2013. The 2014 revenue increase was due to higher demand for pressure pumping, artificial lift, completion and formation evaluation products and services and improved pricing in North America across essentially all our core product lines. North America results were also positively impacted by less severe spring seasonality in Canada that resulted in increased productivity in Canada. Revenue in these core product lines had growth of approximately 8% for artificial lift and formation evaluation and 20% for pressure pumping and completions in 2014 compared to 2013.

Operating income increased $178 million, or 22%, in 2014 compared to 2013. The increase in operating income was driven by higher demand and improved pricing from pressure pumping, completions and formation evaluation product lines. Additionally, our decision to reduce our workforce and close lower margin operations this year improved our operating income. Operating margins were 15% in 2014 compared to 13% in 2013.

MENA/ASIA PACIFIC

2015 vs 2014

Revenues in our MENA/Asia Pacific segment decreased $459 million, or 19%, in 2015 compared to 2014. The revenue decline affected most product lines although primarily intervention services, wireline, testing and production services, and well construction. The decline was attributable to lower revenues from our legacy Zubair contract in Iraq as it nears completion, lower activity in Yemen from the political disruption and lower activity levels in the Asia Pacific region, primarily in China, Indonesia and Malaysia. Pricing pressure also had an impact on the revenue decline. In addition, our lower revenues reflect the sale of the pipeline and specialty services business in September 2014.

Operating income decreased $143 million, or 124%, in 2015 compared to 2014. The decrease in operating income is primarily attributable to legacy contract project losses in Iraq, lower activity across most product lines and a gain on a step acquisition of a joint venture investment in China in 2014 that did not recur in 2015. The decline was also partially offset by improved profitability for the tubular running services line in 2015 and higher profitability resulting from the closure of unprofitable locations in 2014. During 2015, we recognized inventory write-down charges of $38 million and bad debt expense charges of $7 million.

2014 vs 2013

MENA/Asia Pacific revenues decreased $340 million, or 12%, in 2014 compared to 2013. The lower revenue for 2014 was primarily due to lower activity on legacy contracts in Iraq as a result of lower progress on our percentage-of-completion projects. In addition, we had reduced demand related to decreased activity in Australia and Indonesia, primarily from well construction and our non-core businesses. Furthermore, the 2014 revenues were impacted by a reduction of revenue due to a change in scope on a project in China accounted for under the percentage-of-completion method. Partially offsetting the decline in revenues were improvements across our product lines associated with increased demand for services in the Gulf Countries and Southeast Asia.

Operating income increased $177 million, or 285%, in 2014 compared to 2013. The increase in 2014 operating income was primarily due to decreased operating costs related to lower activity on our remaining legacy contracts in Iraq, the completion of a legacy Iraq contract earlier in 2014 and a gain of $16 million as a result of the acquisition of an additional 30% ownership interest in a joint venture in China. Additionally, our decision to reduce our workforce and close lower margin operations in 2014 improved our operating income. Partially offsetting the improvement in MENA/Asia Pacific operating income was the recognition of a $27 million loss resulting from a change in scope on the otherwise profitable project in China accounted for under the percentage-of-completion method.

EUROPE/SSA/RUSSIA

2015 vs 2014

Revenues in our Europe/SSA/Russia segment decreased $596 million, or 28%, in 2015 compared to 2014. The decline in activity directly impacted the decline in revenues in all product lines due to lower demand and pricing pressure. The overall decline was led by Europe, primarily in Norway and Romania. The lower activity from continued project delays and cancellations in Angola and Gabon in Sub-Sahara Africa contributed to the revenue decline while the sale of the pipeline and specialty services and engineered chemistry product lines in the third and fourth quarters of 2014 also resulted in lower segment revenues.

Operating income decreased $194 million, or 53%, in 2015 compared to 2014. The decline was the direct impact of lower revenue activity and pricing pressure as mentioned above. During 2015, we recognized inventory write-down charges of $32 million and bad debt expense charges of $12 million.

2014 vs 2013

Revenues in our Europe/SSA/Russia segment increased $182 million, or 9%, in 2014 compared to 2013. The increase was driven by increased activity in Europe and new contract start-ups in Sub-Sahara Africa. The Europe and Sub-Sahara Africa regions realized strong performances due to increased demand primarily for our well construction, completions, and formation evaluation products and services. Revenues were down in Russia and the North Sea and due to the impact of a markedly weaker Russian ruble.

Operating income increased $101 million, or 38%, in 2014 compared to 2013. The operating income improvement was primarily attributable to the recovery in the region, improvements in activity in Europe and continued growth in SSA, generally across all product lines. Additionally, our decision to reduce our workforce and close lower margin operations in 2014 improved our operating income. Operating margins were 17% in 2014 and 14% in 2013.

LATIN AMERICA

2015 vs 2014

Revenues in our Latin America segment decreased $536 million, or 23%, in 2015 compared to 2014. The decline in revenue is primarily due to reduced demand across our core product lines, primarily artificial lift, drilling services, intervention and pressure pumping in Mexico, Colombia, Venezuela and Ecuador, partially offset by an increase in sales in our managed-pressure drilling product line in Brazil.

Operating income decreased $85 million, or 25%, in 2015 compared to 2014. The same factors contributing to the decline in revenues directly contributed to the decline in operating income, which were partially offset by cost reduction initiatives in Mexico and a continued focus on higher margin activity in Brazil. During 2015, we recognized inventory write-down charges of $54 million and bad debt expense charges of $9 million.

2014 vs 2013

Revenues in our Latin America segment decreased $353 million, or 13%, and operating income increased $19 million, or 6%, in 2014 compared to 2013. The decline in revenues were largely related to a decline in activity associated with lower demand for our artificial lift and formation evaluation services resulting from the completion of project work in Mexico and our self-imposed capital discipline driven activity reductions in Venezuela, which impacted the first half of the year. The increase in operating income was largely due to a continued focus on improved higher margin activity around unconventionals in Argentina and well construction services in Brazil. Operating margins were 15% in 2014 and 12% in 2013.

LAND DRILLING RIGS

2015 vs 2014

Revenues in our Land Drilling Rigs segment decreased $529 million, or 43%, in 2015 compared to 2014. The decrease is due to the sale of the Russian Land Drilling Rigs business in July 2014, in addition to the overall decrease in the international rig count and drilling activity, partially offset by improved activity in Oman and Kuwait. Operating loss decreased $90 million, or 87%, in 2015 compared to 2014. The decrease is primarily the result of improved drilling efficiencies in Iraq and Oman and contract termination fees in Chad and India while 2014 included facility closure costs that did not reoccur in 2015. During 2015, we recognized inventory write-down charges of $26 million.

2014 vs 2013

Revenues in our Land Drilling Rigs segment decreased $303 million, or 20%, in 2014 compared to 2013. The decrease was primarily driven by the decrease in the international rig count, which reduced drilling activity and the sale of the Russian Rigs business in July 2014. Operating income decreased $70 million, or 212%, in 2014 compared to 2013. The decrease is primarily the result of the sale of our Russian Land Drilling Rigs business and facility closure costs related to the 2014 restructuring plan.

INTEREST EXPENSE, NET

Interest expense, net decreased $30 million, or 6%, in 2015 compared to 2014 primarily due to a reduction in our debt balance as a result of lower net debt from divestiture proceeds received in 2014 and the repurchase of certain senior notes in 2014 and 2015. Interest expense, net decreased $18 million, or 3%, in 2014 compared to 2013 primarily due to repayments of our higher coupon senior notes partially offset by an increase in lower cost short-term borrowings in 2014.

OTHER INCOME/EXPENSE, NET

Other income, net was $3 million in 2015, and other expense, net was $17 million and $77 million in 2014 and 2013, respectively. In 2015, other income was driven by gains on the repurchase of certain senior notes offset by foreign currency exchange losses due to the strengthening U.S. dollar compared to our foreign denominated operations.

In 2014, other expense, net represents foreign currency exchange losses due to the weakening of foreign currencies of our foreign denominated operations compared to the U.S. Dollar, partially offset by gains on the repurchase of certain senior notes. In 2013, other expense, net primarily represent foreign currency exchange losses due to the strengthening U.S. dollar compared to our foreign denominated operations partially offset by the changes in fair value of our foreign currency forward contracts and cross-currency swap contracts.

INCOME TAXES

We provide for income taxes based on the laws and rates in effect in the countries in which operations are conducted, or in which we or our subsidiaries are considered resident for income tax purposes. We are exempt from Swiss cantonal and communal tax on income derived outside Switzerland, and are also granted participation relief from Swiss federal tax for qualifying dividend income and capital gains related to the sale of qualifying investments in subsidiaries. We expect that the participation relief will result in a full exemption of participation income from Swiss federal income tax.

The relationship between our pre-tax income or loss from continuing operations and our income tax benefit or provision varies from period to period as a result of various factors which include changes in total pre-tax income or loss, the jurisdictions in which our income is earned, the tax laws in those jurisdictions, the impacts of tax planning activities and the resolution of tax audits. Our income derived in Switzerland is taxed at a rate of 7.83%; however, our effective rate is substantially above the Swiss statutory tax rate as the majority of our operations are taxed in jurisdictions with much higher tax rates.

Our income tax benefit in 2015 was $145 million compared to an income tax provision of $284 million in 2014 and $144 million in 2013, respectively, which resulted in an effective tax rate of 7%, (111)% and (85)%, respectively. In 2015, we had a tax benefit of $145 million on a loss before income taxes of $2.1 billion. The tax benefit was favorably impacted by a U.S. loss, which included restructuring impairment charges and a worthless stock deduction. Our results for 2015, includes $255 million of Land Drilling Rig impairment charges, $232 million of restructuring charges, $116 million of litigation settlements, $153 million of legacy project losses, $85 million of currency devaluation and related losses and $25 million of equity investment impairment, all with no significant tax benefit. In addition, we recorded a tax charge of $265 million for a non cash tax expense on distribution of subsidiary earnings.

In 2014, we had a tax provision of $284 million on a loss before income taxes of $255 million. Our results for 2014 included a $161 million goodwill impairment charge, a $245 million loss due to the devaluation of Venezuela bolivar and $72 million of project losses related to our early production facility contracts in Iraq, all of which provided no tax benefit. In addition, we incurred a $495 million long-lived assets impairment charge, with limited tax benefit. During 2014, we also sold our land drilling and workover rig operations in Russia and Venezuela, pipeline and specialty services business, engineered chemistry, Integrity drilling fluids business and our equity investment in Proserv for a total gain of approximately $349 million. Our results in 2014 include significant tax losses in Mexico, Venezuela, and Iraq and in 2013 include significant tax losses in Iraq upon which we recorded valuation allowances of $172 million and $134 million, respectively.

In 2013, our income before tax included a $153 million charge for the settlement of the United Nations oil-for-food program governing sales of goods into Iraq and FCPA matters, a $299 million loss on certain projects in Iraq, a $98 million Venezuela notes receivable impairment charge and other bad debt expense and a $100 million loss due to the devaluation of the Venezuelan bolivar, all with no or little tax benefit. Our 2013 tax provision includes certain discrete tax benefits primarily due to tax planning activities, decreases in reserves for uncertain tax positions due to statute of limitation expiration and audit closures, and the enactment of the American Taxpayer Relief Act, which decreased our effective tax rate for the period.

Our effective tax rate for these periods was also negatively impacted by the taxing regimes in certain countries and our operating structure. Several of the countries in which we operate, primarily in our MENA and SSA regions, tax us based on "deemed", rather than actual, profits. We are not currently profitable in certain of those countries, which results in us accruing and paying taxes based on a "deemed profit" instead of recognizing no tax expense or potentially recognizing a tax benefit. Our operating structure results in us paying withholding taxes on intercompany charges for items such as rentals, management fees, royalties, and interest as well as on applicable third party transactions. Such net withholding taxes were $101 million in 2015, $140 million in 2014 and $85 million in 2013 prior to possibly receiving a tax benefit in the jurisdiction of the payee. We also incur pre-tax losses in certain jurisdictions that do not have a corporate income tax and thus we are not able to recognize an income tax benefit on those losses.

Our effective tax rate improved in 2015 compared to 2014 primarily due to utilization of tax benefits on loss from operations, tax restructuring benefits and decrease in our reserve for uncertain tax positions due to audit settlements and statute expirations, offset by additional valuation allowances booked on non U.S. deferred tax assets and a tax charge for a non cash tax expense on distribution of subsidiary earnings. Our effective tax rate increased from 2013 to 2014 primarily due to the sale of our non-core businesses during the year, non-tax deductible losses, such as the Venezuela bolivar devaluation, Iraq project losses and goodwill impairment, which are partially offset by the decrease of our reserve for uncertain tax benefits due to settlements and statute expirations.

RESTRUCTURING CHARGES

In the first quarter of 2014, we announced a cost reduction plan ("the 2014 Plan"), which included a worldwide workforce reduction of 6,300 people and other cost reduction measures. In the fourth quarter of 2014, in response to the significant decline in the price of crude oil and our anticipation of a lower level of exploration and production spending in 2015, we initiated an additional plan ("the 2015 Plan") to reduce our overall costs and workforce to better align with anticipated activity levels. In 2015, we completed a reduction in force targeting 14,000 employee positions and realized annualized cost savings of $973 million from this cost reduction initiative. In response to the continued significant decline in the price of crude oil and the continued decline in the anticipated level of exploration and production spending in 2016, we initiated a reduction in force plan to reduce our overall costs and workforce to align with the anticipated activity levels and expect to complete a workforce reduction of 6,000 employees in the first half of 2016 and estimate we will incur $75 million to $95 million of severance charges.

In connection with the 2015 Plan, we recognized restructuring charges of $232 million in 2015 and $58 million in 2014. Our restructuring charges during 2015 in connection with the 2015 Plan include termination (severance) benefits of $149 million, restructuring related asset charges of $64 million and other restructuring charges of $19 million. Restructuring related asset charges include asset write-offs of $26 million related to Yemen due to the political disruption and $38 million in other regions. Other restructuring charges include exit costs, contract termination costs, relocation costs and other associated costs. Our restructuring charges during 2014 in connection with the 2015 Plan include termination (severance) benefits of $58 million.

In connection with the 2014 Plan, we recognized restructuring charges of $273 million in 2014. Our restructuring charges during 2014 in connection with the 2014 Plan include restructuring related asset charges of $135 million, termination (severance) benefits of $114 million and other restructuring charges of $24 million. Other restructuring charges include contract termination costs, relocation and other associated costs.

The impairments recognized in connection with the 2014 Plan primarily pertain to operations in our MENA region, where geopolitical issues and recent disruptions in North Africa, primarily Libya, resulted in the decisions in the third quarter of 2014 to exit certain businesses in selected markets. The 2014 Plan activities resulted in $106 million of cash payments in 2014.

As of December 31, 2015, we completed our planned headcount reductions and closures of underperforming operating locations in connection with the 2014 and 2015 Plans. The following tables present the components of the restructuring charges by segment and plan for the years ended December 31, 2015 and 2014.

	Year Ended December 31, 2015		
(Dollars in millions)	**Severance Charges**	**Other Restructuring Charges**	**Total Severance and Other Charges**
2015 Plan			
North America	$ 28	$ 24	$ 52
MENA/Asia Pacific	21	35	56
Europe/SSA/Russia	34	22	56
Latin America	38	2	40
Subtotal	121	83	204
Land Drilling Rigs	12	—	12
Corporate and Research and Development	16	—	16
Total	**$149**	**$ 83**	**$232**

	Year Ended December 31, 2014		
(Dollars in millions)	**Severance Charges**	**Other Restructuring Charges**	**Total Severance and Other Charges**
2014 Plan:			
North America	$ 17	$ 27	$ 44
MENA/Asia Pacific	19	106	125
Europe/SSA/Russia	17	13	30
Latin America	29	7	36
Subtotal	82	153	235
Land Drilling Rigs	5	4	9
Corporate and Research and Development	27	2	29
2014 Plan Total	$114	$159	$273
2015 Plan:			
North America	$ 32	$ —	$ 32
MENA/Asia Pacific	8	—	8
Europe/SSA/Russia	5	—	5
Latin America	12	—	12
Subtotal	57	—	57
Land Drilling Rigs	—	—	—
Corporate and Research and Development	1	—	1
2015 Plan Total	$ 58	$ —	$ 58
Total	**$172**	**$159**	**$331**

LIQUIDITY AND CAPITAL RESOURCES

CASH FLOWS

At December 31, 2015, we had cash and cash equivalents of $467 million compared to $474 million at December 31, 2014 and $435 million at December 31, 2013. At December 31, 2015, cash and cash equivalents reflected a negative impact of $43 million related to the revaluation of cash balances held in the Venezuelan bolivar, Angolan kwanza, Argentine peso and the Kazakhstani tenge. At December 31, 2014, cash and cash equivalents reflected a $92 million charge due to the devaluation of the Venezuelan bolivar related to our decision to adopt the SICAD II exchange rate. The following table summarizes cash provided by (used in) each type of business activity, for the years ended December 31, 2015, 2014 and 2013:

	Year Ended December 31,		
(Dollars in millions)	2015	2014	2013
Net Cash Provided by Operating Activities	$ 706	$ 963	$ 1,229
Net Cash Provided by (Used in) Investing Activities	(659)	330	(1,104)
Net Cash Provided by (Used in) Financing Activities	12	(1,180)	6

OPERATING ACTIVITIES

Cash flows provided by operating activities were $706 million in 2015 compared to $963 million during 2014. The decrease in operating cash flow is primarily due to the reduction in income associated with the significant decline in drilling activity resulting from the significant decline in commodity prices and the net payment of $105 million related to the *Freedman* litigation.

Cash flows provided by operating activities was $963 million in 2014 compared to $1.2 billion in 2013. The cash provided by our operating activities in 2014 is a result of our positive operating results excluding the non-cash impact of $656 million in long-lived assets and goodwill impairment, the $245 million Venezuelan bolivar devaluation charge and $112 million of Land Drilling Rig business related write-down and reserve charges. The significant uses of operating cash in 2014 included over $340 million of completion and end of contract payments associated with our legacy percentage-of-completion contracts in Iraq and the payment of $253 million to settle the United Nations oil-for-food program governing sales of goods into Iraq and FCPA matters.

Cash flows provided by operating activities in 2013 were attributable to our positive operating income and improved net working capital operating cash flows of $186 million. Our net loss decreased by $436 million for 2013 compared to the net loss in 2012, primarily due to the non-cash charges related to the impairment of goodwill and equity investment which occurred in 2012 that did not recur in 2013.

INVESTING ACTIVITIES

In 2015, our investing activities used cash of $659 million versus providing cash of $330 million in 2014 and used cash of $1.1 billion in 2013. Cash used in 2015 was primarily for capital expenditures for property, plant and equipment and was $682 million in 2015 compared to $1.45 billion in 2014. The amount we spend for capital expenditures varies each year based on the nature of our contracts, asset availability and our expectations with respect to industry activity levels in the following year. The significant reduction in capital expenditures is responsive to the severe downturn in the industry resulting from the decline in commodity prices and customer spending.

Investing activities in 2014 provided cash of $330 million primarily due to $1.8 billion in cash proceeds from the sale of businesses in 2014. Dispositions in 2014 included our land drilling and workover rig operations in Russia and Venezuela, pipeline and specialty services business, engineered chemistry and Integrity drilling fluids businesses and the disposal of all our shares in Proserv. In 2014, we also received net cash of $18 million from consolidation following the purchase of additional ownership interest in a joint venture in China. See "Note 2 – Business Combinations and Divestitures" for additional information regarding these transactions. While we expect to continue to make business acquisitions when strategically advantageous, our current focus is on disposition of businesses or capital assets that are no longer core to our long-term strategy.

In 2013, cash used in investing activities totaled $1.1 billion primarily for capital expenditures of $1.6 billion, partially offset by $488 million of cash proceeds from dispositions primarily from the sale of our 38.5% equity interest in Borets and our industrial screen business. Cash used for acquisitions of businesses and intellectual property in 2013 totaled $17 million.

FINANCING ACTIVITIES

Our 2015 financing activities primarily consisted of the borrowing and repayment of short-term and long-term debt. Our short-term borrowings, net of repayments, were $505 million and total net long-term repayments were $470 million. In 2015, through a series of open market transactions, we repurchased certain of our senior notes with a total book value of $527 million. We recognized a cumulative gain of $84 million on these transactions in the line captioned "Other, Net" on the accompanying Consolidated Statements of Operations. See "Note 12 – Short-term Borrowings and Current Portion of Long-term Debt" and "Note 13 – Long-term Debt" for additional details of our financing activities. Our other financing activities in 2015 included dividends paid to noncontrolling partners in consolidated joint ventures of $49 million and proceeds from the exercise of stock options issued to our employees and directors of $26 million.

Our 2014 financing activities primarily consisted of repayment and repurchase of approximately $924 million of short-term debt and $259 million of long-term debt, including the repurchase of senior notes. In December 2014, through a series of open market transactions, we repurchased certain of our senior notes with a total book value of $138 million and recognized a gain of approximately $11 million.

In conjunction with our 2014 redomestication, we amended our Executive Deferred Compensation Stock Ownership Plan to provide that benefits thereunder may be payable in cash in lieu of our shares. The trustee for our executive deferred compensation plan, a consolidated subsidiary, sold 973,611 shares of our common stock realizing $22 million in cash proceeds for the benefit of the plan participants. Our other financing activities in 2014 included dividends paid to noncontrolling partners in consolidated joint ventures of $39 million and proceeds from the exercise of stock options issued to our employees and directors of $11 million.

Our 2013 financing activities primarily consisted of short-term borrowings of $612 million and long-term debt repayments of $603 million, which included the repayment of our senior notes of $544 million. Our other financing activities in 2013 included dividends paid to noncontrolling partners in consolidated joint ventures of $27 million and proceeds from the exercise of stock options issued to our employees and directors of $22 million.

SOURCES OF LIQUIDITY

Our sources of available liquidity include cash and cash equivalent balances, cash generated from operations, dispositions, and availability under committed lines of credit. We also historically have accessed banks for short-term loans from uncommitted borrowing arrangements and have accessed the capital markets with debt and equity offerings. From time to time we may and have entered into transactions to factor accounts receivable or to dispose of businesses or capital assets that are no longer core to our long-term strategy.

Through our sales of assets and businesses in 2014 we realized $1.8 billion in sale proceeds, net of cash on the balance sheets of businesses sold. These proceeds contributed to the early repayment or repurchase of portions of our short-term and long-term debt in 2014 and 2015.

REVOLVING CREDIT FACILITY

At December 31, 2015, we had a $2.25 billion unsecured, revolving credit agreement (the "Credit Agreement") that matures on July 13, 2017. The Credit Agreement can be used for a combination of borrowings, including support for our former commercial paper program and issuances of letters of credit. This agreement required that we maintain a debt-to-total capitalization ratio of less than 60%, and we were in compliance with this covenant at December 31, 2015 with a ratio of 55.6%, which is calculated as total consolidated indebtedness, net of derivative positions of $9 million, divided by total capitalization, including non-controlling interest balances and excluding $1.6 billion of foreign currency translation adjustments. At December 31, 2015, we had $1.3 billion available under the Credit Agreement. There were $16 million in outstanding letters of credit in addition to borrowings under the Credit Agreement. On February 1, 2016, we amended our Credit Agreement and reduced the limit of borrowings to $2 billion. The amended Credit Agreement requires that we maintain a debt-to-total capitalization ratio of less than 70% for the quarters ending March 31 and June 30, 2016, and less than 60% thereafter. In addition, we intend to renegotiate our Credit Agreement to extend the maturity date.

The following summarizes our availability under the Credit Agreement at December 31, 2015 (dollars in millions):

Facility	$ 2,250
Less uses of facility:	
Revolving credit facility	967
Letters of credit	16
Availability	**$ 1,267**

OTHER SHORT-TERM BORROWINGS AND OTHER DEBT ACTIVITY

We have short-term borrowings with various domestic and international institutions pursuant to uncommitted facilities. At December 31, 2015, we had $214 million in short-term borrowings under these arrangements with a weighted average interest rate of 2.0%, including $180 million borrowed under a credit agreement entered into in March 2014 that matures on March 20, 2016 (with respect to $150 million) and June 20, 2016 (with respect to the remaining $30 million), with a LIBOR-based interest rate of 1.95% as of December 31, 2015. On April 9, 2015, the maturity date, we repaid the remaining balance of $175 million on our $400 million, 364-day term loan facility.

RATINGS SERVICES' CREDIT RATINGS

Our Standard & Poor's Rating Services' credit rating on our senior unsecured debt is currently BB+, and our short-term rating is B. On November 3, 2015, S&P lowered our credit rating to the current BB+ from BBB- and changed our outlook from negative to stable. Our Moody's Investors Ratings Services' credit rating on our unsecured debt is currently Ba1, and our short-term rating is SGL-2. On October 27, 2015, Moody Investors lowered our credit rating to the current Ba1 from Baa3 and changed our outlook from negative to stable. However, on January 21, 2016, Moody's placed the company's rating on review for downgrade. On April 15, 2015, Fitch Rating assigned a credit rating on our senior unsecured debt of BBB- and our short-term rating of F3, with a negative outlook. On January 25, 2016, Fitch Ratings lowered its credit rating on our senior unsecured debt to BB from BBB- and lowered our short-term rating to B from F3 and maintained its negative outlook. We have access and expect we will continue to have access to most credit markets.

CASH REQUIREMENTS

During 2016, we anticipate our cash requirements will include payments for capital expenditures, repayment of debt, interest payments on our outstanding debt, severance and payments for short-term working capital needs. Our cash requirements may also include opportunistic debt repurchases, business acquisitions and amounts to settle litigation related matters described in "Item 1A. – Risk Factors" and "Item 8. – Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 21 – Disputes, Litigation and Contingencies." We anticipate funding these requirements from cash generated from operations, availability under our existing or additional credit facilities, and if completed, proceeds from disposals of businesses or capital assets. We anticipate that cash generated from operations will be augmented by working capital improvements driven by capital discipline including further inventory reductions. Capital expenditures for 2016 are projected to be approximately $300 million, which will be 56% lower than capital expenditures of $682 million in 2015. The amounts we ultimately spend will depend on a number of factors including the type of contracts we enter into, asset availability and our expectations with respect to industry activity levels in 2016. Expenditures are expected to be used primarily to supporting ongoing activities of our core businesses and our sources of liquidity are anticipated to be sufficient to meet our needs.

Cash and cash equivalent of $467 million at December 31, 2015, are held by subsidiaries outside of Ireland. Based on the nature of our structure, we are generally able to redeploy cash with no incremental tax. However, in 2015 we recorded a $179 million tax charge to cover future planned distributions of subsidiary earnings to the U.S.

As of December 31, 2015, $149 million of our cash and cash equivalent balance was denominated in Angolan kwanza. The National Bank of Angola supervises all kwanza exchange operations and had limited U.S.

Dollar conversions during 2015, causing our kwanza cash balance to increase throughout the year. Prolonged Angolan exchange limitations may limit our ability to repatriate earnings and expose us to additional exchange rate risk.

ACCOUNTS RECEIVABLE FACTORING

From time to time we participate in factoring arrangements to sell accounts receivable to third party financial institutions. In 2015, under these arrangements we sold $78 million, received cash totaling of $77 million and recognized a loss of $0.2 million. We did not sell any accounts receivable in 2014. In 2013, under these arrangements we sold $215 million, received cash totaling $204 million and recognized a loss of $3 million. Our factoring transactions in 2015 and 2013 qualified for sale accounting under U.S. Generally Accepted Accounting Principles ("GAAP") and all related proceeds are included in operating cash flows in our Consolidated Statements of Cash Flows.

CONTRACTUAL OBLIGATIONS

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

	Payments Due by Period				
(Dollars in millions)	**2016**	**2017 and 2018**	**2019 and 2020**	**Thereafter**	**Total**
Short-term Debt	$ 1,181	$ —	$ —	$ —	$ 1,181
Long-term Debt[(a)]	392	1,132	1,821	2,939	6,284
Interest on Long-term Debt	401	712	433	2,931	4,477
Noncancellable Operating Leases	349	382	164	277	1,172
Purchase Obligations	202	119	55	6	382
	$2,525	**$2,345**	**$2,473**	**$6,153**	**$13,496**

(a) Amounts represent the expected cash payments of principal associated with our long-term debt. These amounts do not include the unamortized discounts or deferred gains on terminated interest rate swap agreements.

Due to the uncertainty with respect to the timing of future cash flows associated with our uncertain tax positions, we are unable to make reasonably reliable estimates of the period of cash settlement, if any, to the respective taxing authorities. Therefore, $245 million in uncertain tax positions, including interest and penalties, have been excluded from the contractual obligations table above.

We have defined benefit pension and other post-retirement benefit plans covering certain of our U.S. and international employees. During 2015, we contributed approximately $6 million towards those plans and we anticipate funding approximately $5 million during 2016. Our projected benefit obligations for our defined benefit pension and other post-retirement benefit plans were $245 million as of December 31, 2015.

DERIVATIVE INSTRUMENTS

Fair Value Hedges

We may use interest rate swaps to help mitigate exposures related to changes in the fair values of fixed-rate debt. As of December 31, 2015 and 2014, we had net unamortized premiums of $23 million and $33 million, respectively, associated with fair value hedge swap terminations. These premiums are being amortized over the remaining term of the originally hedged debt as a reduction to interest expense. See "Note 15 – Derivative Instruments" to our Consolidated Financial Statements for additional details.

Cash Flow Hedges

We may use interest rate derivatives to mitigate our exposure to variability in forecasted cash flows due to changes in interest rates. In 2008, we entered into interest rate derivative instruments to hedge projected exposures to interest rates in anticipation of a debt offering. These hedges were terminated at the time of the issuance of the debt, and the associated loss is being amortized from Accumulated Other Comprehensive Income (Loss) to interest expense over the remaining term of the debt. As of December 31, 2015 and 2014, we had net unamortized losses of $10 million and $11 million, respectively, associated with our cash flow hedge terminations.

Other Derivative Instruments

We enter into contracts to hedge our exposure to currency fluctuations in various foreign currencies. As of December 31, 2015 and 2014, we had outstanding foreign currency forward contracts with total notional amounts totaling $1.7 billion and $1.6 billion, respectively. The notional amounts of our foreign currency forward contracts do not generally represent amounts exchanged by the parties and thus are not a measure of the cash requirements related to these contracts or of any possible loss exposure. The amounts actually exchanged at maturity are calculated by reference to the notional amounts and by other terms of the derivative contracts, such as exchange rates. See "Note 15 – Derivative Instruments" for additional information.

Our foreign currency forward contracts and cross-currency swaps are not designated as hedges, and the changes in fair value of the contracts are recorded in current earnings each period in the line captioned "Other, Net" on the accompanying Consolidated Statements of Operations. See "Note 15 – Derivative Instruments" for additional information.

OFF BALANCE SHEET ARRANGEMENTS

Guarantees

Weatherford Ireland guarantees the obligations of our subsidiaries Weatherford International Ltd. ("Weatherford Bermuda") and Weatherford International, LLC ("Weatherford Delaware"), including the notes and credit facilities listed below.

The following obligations of Weatherford Delaware were guaranteed by Weatherford Bermuda at December 31, 2015, 2014 and 2013: (1) 6.35% senior notes and (2) 6.80% senior notes.

The following obligations of Weatherford Bermuda were guaranteed by Weatherford Delaware at December 31, 2015, 2014 and 2013: (1) revolving credit facility, (2) 5.50% senior notes, (3) 6.50% senior notes, (4) 6.00% senior notes, (5) 7.00% senior notes, (6) 9.625% senior notes, (7) 9.875% senior notes, (8) 5.125% senior notes, (9) 6.75% senior notes, (10) 4.50% senior notes and (11) 5.95% senior notes. Our

364-day term loan facility was an obligation of Weatherford Bermuda guaranteed by Weatherford Delaware as of December 31, 2013. In 2014, we refinanced the 364-day term loan facility with a new 364-day term loan facility, which was an obligation of Weatherford Bermuda, was guaranteed by Weatherford Delaware as of December 31, 2014 and was repaid in 2015.

As a result of certain of these guarantee arrangements, we are required to present condensed consolidating financial information. See guarantor financial information presented in "Note 24 – Consolidating Financial Statements."

Letters of Credit and Performance and Bid Bonds

We use letters of credit and performance and bid bonds in the normal course of our business. As of December 31, 2015, we had $791 million of letters of credit and performance and bid bonds outstanding, consisting of $626 million outstanding under various uncommitted credit facilities, $16 million of letters of credit outstanding under our Credit Agreement and $149 million of surety bonds, primarily performance bonds, issued by financial sureties against an indemnification from us. These obligations could be called by the beneficiaries should we breach certain contractual or performance obligations. If the beneficiaries were to call the letters of credit under our committed facility, our available liquidity would be reduced by the amount called.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

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

Business Combinations and Goodwill

Goodwill represents the excess of consideration paid over the fair value of net tangible and identifiable intangible assets acquired, and liabilities assumed in a business combination. Goodwill is allocated to Weatherford's reporting units when initially acquired. Reporting units are operating segments or one level below the operating segment level. Our reporting units are based on our regions and include the United States, Canada, Latin America, Europe, SSA, Russia, MENA, Asia Pacific and Land Drilling Rigs. Land Drilling Rigs was separated into its own reportable segment and reporting unit in the first quarter of 2015 in order to align our business structure with management's current view and future growth objectives.

Goodwill is not amortized but is evaluated for impairment. We perform an impairment test for goodwill annually as of October 1 or more frequently if indicators of potential impairment exist that would more-likely-than-not reduce the fair value of the reporting unit below its carrying value. We have the option to assess qualitative factors to determine if it is necessary to perform further goodwill impairment tests. If it is more-likely-than-not that the fair value of a reporting unit is less than its carrying value, we must perform the first step of the goodwill impairment test. We also have the option to bypass the qualitative assessment at any time and perform the first step. Goodwill impairment is evaluated using a two-step process. The first step of the goodwill impairment test involves a comparison of the fair value of each of our reporting units with their carrying values.

The fair value of our reporting units is determined using a combination of the income approach and the market approach. The income approach estimates fair value by discounting each reporting unit's estimated future cash flows. The income approach requires us to make certain estimates and judgments. To arrive at our future cash flows, we use estimates of economic and market information, including growth rates in revenues and costs, working capital and capital expenditure requirements, and operating margins and tax rates. Several of the assumptions used in our discounted cash flow analysis are based upon our annual financial forecast. Our annual planning process takes into consideration many factors including historical results and operating performance, related industry trends, pricing strategies, customer analysis, operational issues, competitor analysis, and marketplace data, among others. Assumptions are also made for periods beyond the financial forecast period. The discount rate used in the income approach is determined using a weighted average cost of capital and reflects the risks and uncertainties in the cash flow estimates. The weighted average cost of capital includes a cost of debt and equity. The cost of equity is estimated using the capital asset pricing model, which includes inputs for a long-term risk-free rate, equity risk premium, country risk premium, and an asset beta appropriate for the assets in the reporting unit. The discount rates for our reporting units ranged from 10.50% to 17.25% as of our October 1, 2015 annual impairment test. The market approach estimates fair value using as a multiple of each reporting unit's actual and forecasted earnings using earnings multiples of comparable publicly traded companies.

We used an independent valuation specialist in each of our annual impairment tests to assist us in our valuations under both methods. The final estimate of each reporting unit's fair value is determined by using an appropriate weighting of the values from each method, where the income method was weighted heavier than the market method as we believe that the income method and assumptions therein are more reflective of a market participant's view of fair value given current market conditions.

The fair values estimated using the income approach and the market approach cannot be directly compared to our market capitalization due to several factors, most importantly the premium that would be paid by a market participant to acquire a controlling interest in Weatherford, which is not reflected in the price of our publicly traded stock. The sum of the fair values of Weatherford's reporting units' implied a control premium of approximately 28% as of our October 1, 2015 testing date, which is consistent with observable control premiums in market transactions.

The fair values of all of our reporting units that have goodwill were in excess of their carrying value as of our October 1, 2015 annual impairment test. Considering declining oil prices and revisions to our forecasts during the fourth quarter 2015, we re-performed the first step of the goodwill impairment test as of December 31, 2015, and the fair values of all of our reporting units continued to exceed their carrying values as of that date.

Our estimates of fair value are sensitive to the aforementioned inputs to the valuation approaches. If any one of the above inputs changes, it could reduce the estimated fair value of the affected reporting unit and result in an impairment charge to goodwill. Some of the inputs, such as forecasts of revenue and earnings growth, are subject to change given their uncertainty. Other inputs, such as the discount rate used in the income approach and the valuation multiple used in the market approach, are subject to change as they are outside of our control. In the event that discount rates increased by more than 100 basis points for our United States reporting unit as of October 1, 2015, all else being equal, we expect that the resulting fair value would still exceed our reporting unit's carrying value.

If the carrying value of a reporting unit's goodwill exceeds its fair value, the second step of the goodwill impairment test shall be performed. The second step compares the implied fair value of the reporting unit's goodwill to the carrying value of its goodwill. The implied fair value of goodwill is determined by performing a hypothetical purchase price allocation of the reporting unit's assets and liabilities using the fair value of the reporting unit as the purchase price in the calculation. If the amount of goodwill resulting from this hypothetical purchase price allocation is less than the carrying value of a reporting unit's goodwill, the recorded carrying value of goodwill is written down to the implied fair value.

Based on the results of our impairment tests, we recognized goodwill impairments of $161 million in 2014. We did not recognize a goodwill impairment charge in 2015.

In 2014, our annual goodwill impairment test indicated that the goodwill of the Land Drilling Rigs reporting units in Latin America, Europe and Asia Pacific was impaired. The results of our "step-one" analysis were accompanied by other indicators in the form of a decline in the anticipated utilization rates for our drilling rig fleet. Responsive to the impairment indicators noted, we performed a "step two" analysis, comparing the implied fair value of reporting units' goodwill with the carrying value of their goodwill. The "step two" analysis indicated that the goodwill for these reporting units was fully impaired and we recognized an impairment loss of $40 million related to Land Drilling Rigs segment in Latin America, Europe and Asia Pacific.

In addition, during the second quarter of 2014, we engaged in negotiation to sell our land drilling and workover operations in Russia and Venezuela and we subsequently entered into an agreement to sell the businesses in July 2014. During this time frame we expected the sale would significantly impact the revenues and results of operations of our Russia reporting unit. Consequently, we considered the associated circumstances to assess whether an event or change had occurred that, more likely than not, reduced the fair value of our reporting units below their carrying amount. We concluded that the planned sale represented an indicator of impairment and we prepared the analysis necessary to identify the potential impairment and recognized the required impairment loss. The analysis indicated that the goodwill for the Russia reporting unit was impaired, and we recognized a goodwill impairment loss of $121 million, $95 million of which pertained to goodwill classified in current assets held for sale.

For further analysis and discussion of goodwill refer to "Item 8. – Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 9 – Goodwill" of this Form 10-K.

Long-Lived Assets

Long-lived assets, which include property, plant and equipment and definite-lived intangibles, comprise a significant amount of our assets. We must make estimates about the expected useful lives of the assets. The value of the long-lived assets is then amortized over its expected useful life. A change in the estimated useful lives of our long-lived assets would have an impact on our results of operations. We estimate the useful lives of our long-lived asset groups as follows:

	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
Intangible assets	2 – 20 years

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

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

Assets are grouped at the lowest level at which cash flows are identifiable and independent. We generally group operating assets by product line of the respective region. We have long-lived assets, such as facilities, utilized by multiple operating divisions that do not have identifiable cash flows and impairment testing for these long-lived assets is based on the consolidated entity.

A significant decline in crude oil prices contributed to lower anticipated exploration and production spending and a decline in the anticipated utilization rates for our assets. The decline and its impact on demand represent a significant adverse change in the business climate and an indication that some of our long-lived assets may not be recoverable. Based on the impairment indicators noted we performed an analysis of our long-lived assets in 2014 and 2015 and recorded long-lived and other asset impairment charges to adjust to fair value. See "Note 8 – Long-lived Asset Impairments" for additional information regarding the long-lived assets impairment.

We recognized total long-lived asset impairment charges of $638 million in 2015 with $383 million related to pressure pumping, drilling tools and wireline assets in North America segment and $255 million related to Land Drilling Rigs segment assets. In 2014 we recognized total long-lived and other asset impairments of $495 million, of which $352 million related to our Land Drilling Rig business and $143 million related to the sale of our land drilling and workover operations in Russia and Venezuela.

Management cannot predict the occurrence of future impairment-triggering events, so we continue to assess whether indicators of impairment to long-lived assets exist due to the current business conditions in the oilfield services industry.

Percentage-of-Completion Revenue Recognition

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

- estimates of the available revenue under the contracts;
- 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 based on costs incurred to date as a percentage of total estimated costs or output related to physical progress. At the outset of each contract, we prepare a detailed analysis of our estimated cost to complete the project. Risks related to service delivery, usage, productivity and other factors are considered in the estimation process. Our personnel periodically evaluate the estimated costs, claims, change orders and percentage-of-completion at the contract level. The recording of profits and losses on long-term contracts requires an estimate of the total profit or loss over the life of each contract. This estimate requires consideration of total contract value, change orders and claims, less costs incurred and estimated costs to complete. 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 multiplied by the current estimated percentage complete for the contract. There are many factors that impact future costs, including but not limited to weather, inflation, client activity levels and budgeting constraints, labor and community disruptions, timely availability of materials, productivity and other factors as outlined in our "Item 1A. – Risk Factors."

During 2015, we recognized estimated project losses of $153 million related to our long-term early production facility construction contracts in Iraq accounted for under the percentage-of-completion method. Total estimated losses on these loss projects were $532 million at December 31, 2015. As of December 31, 2015, our percentage-of-completion project estimates include $116 million of claims revenue and $28 million of back charges. During 2015, an additional $32 million of claims revenue was included in our project estimates. Our costs in excess of billings as of December 31, 2015 were $6 million and are shown in the "Other Current Assets" line on our Consolidated Balance Sheets. We also have a variety of unapproved contract change orders or claims that are not included in our revenues as of December 31, 2015. The amounts associated with these contract change orders or claims are included in revenue only when they can be reliably estimated and their realization is reasonably assured.

During 2014, we recognized estimated project losses of $72 million related to our long-term early production facility construction contracts in Iraq accounted for under the percentage-of-completion method. Total estimated losses on these projects were $379 million at December 31, 2014. As of December 31, 2014, our percentage-of-completion project estimates include $90 million of claims revenue and $24 million of back charges. Our costs in excess of billings as of December 31, 2014 were $128 million and are shown in the "Other Current Assets" line on the balance sheet. We had a variety of unapproved contract change orders or claims that were not included in our revenues as of December 31, 2014. During 2014, an additional $80 million of claims revenue was included in our project estimates and $26 million of our prior claims were approved.

During 2013, we recognized estimated project losses of $232 million related to our long-term early production facility construction contracts in Iraq accounted for under the percentage-of-completion method. The total estimated losses on these projects were $307 million at December 31, 2013. As of December 31, 2013, our percentage-of-completion project estimates include $36 million of claims revenue and $82 million for liquidated damages that we are contractually obligated to pay as a result of delays in the expected completion of the project. We had a variety of unapproved contract change orders or claims that were not included in our revenues as of December 31, 2013.

Although we have not yet met the recognition criteria for revenue recognition, we expect to vigorously pursue collection of the claims and reduction or elimination of the liquidated damages. Any benefits resulting from those efforts will be recognized when the criteria for the revenue recognition are met.

Income Taxes

We take into account the differences between the financial statement treatment and tax treatment of certain transactions. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of a change in tax rates is recognized as income or expense in the period that includes the enactment date. Our income tax benefit in 2015 was $145 million compared to an income tax provision of $284 million in 2014 and $144 million in 2013, respectively, which resulted in an effective tax rate of 7%, (111)% and (85)%, respectively.

We recognize the impact of an uncertain tax position taken or expected to be taken on an income tax return in the financial statements at the largest amount that is more likely than not to be sustained upon examination by the relevant taxing authority.

We operate in over 100 countries through hundreds of legal entities. As a result, we are subject to numerous tax laws in the jurisdictions, and tax agreements and treaties among the various taxing authorities. Our operations in these jurisdictions in which we operate are taxed on various bases: income before taxes, deemed profits (which is generally determined using a percentage of revenues rather than profits), withholding taxes based on revenue, and other alternative minimum taxes. The calculation of our tax liabilities involves consideration of uncertainties in the application and interpretation of complex tax regulations in a multitude of jurisdictions across our global operations. We recognize potential liabilities and record tax liabilities for anticipated tax audit issues in the tax jurisdictions based on our estimate of whether, and the extent to which, additional taxes will be due. As of December 31, 2015, we had recorded reserves for uncertain tax positions of $195 million, excluding accrued interest and penalties of $50 million. The tax liabilities are reflected net of realized tax loss carryforwards. We adjust these reserves upon specific events; however, due to the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is different from our current estimate of the tax liabilities.

If our estimate of tax liabilities proves to be less than the ultimate assessment, an additional charge to expense would result. If payment of these amounts ultimately proves to be less than the recorded amounts, the reversal of the liabilities would result in tax benefits being recognized in the period when the contingency has been resolved and the liabilities are no longer necessary. Changes in tax laws, regulations, agreements and treaties, foreign currency exchange restrictions or our level of operations or profitability in each taxing jurisdiction could have an impact upon the amount of income taxes that we provide during any given year.

Valuation Allowance for Deferred Tax Assets

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

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

As of December 31, 2015, our gross deferred tax assets were $1.6 billion before a related valuation allowance of $868 million. As of December 31, 2014, our gross deferred tax assets were $1.2 billion before a related valuation allowance of $732 million. The gross deferred tax assets were also offset by gross deferred tax liabilities of $474 million and $573 million as of December 31, 2015 and 2014, respectively.

Allowance for Doubtful Accounts

We maintain an allowance for doubtful accounts in order to record accounts receivable at their net realizable value. Significant judgment is involved in recognizing this allowance. The determination of the collectability requires us to use estimates and make judgments regarding future events and trends, including monitoring our customers' payment history and current creditworthiness to determine that collectability is reasonably assured, as well as consideration of the overall business and political climate in which our customers operate. Provisions for doubtful accounts are recorded when it becomes evident that customer accounts are uncollectible. At December 31, 2015 and 2014, the allowance for doubtful accounts totaled $113 million, or 6%, and $108 million, or 3%, of total gross accounts receivable, respectively. In 2015, we recognized a charge for bad debt expense of $48 million attributable to our reporting segments. We believe that our allowance for doubtful accounts is adequate to cover potential bad debt losses under current conditions. However, uncertainties regarding changes in the financial condition of our customers, either adverse or positive, could impact the amount and timing of any additional provisions for doubtful accounts that may be required. A 5% change in the allowance for doubtful accounts would have had an impact on income before income taxes of approximately $6 million in 2015.

Inventory Reserves

Inventory represents a significant component of current assets and is stated at the lower of cost or market using either a first-in, first-out ("FIFO") or average cost method. To maintain a book value that is the lower of cost or market, we maintain reserves for excess, slow moving and obsolete inventory. To determine these reserve amounts, we review inventory quantities on hand, future product demand, market conditions, production requirements and technological obsolesce. This review requires us to make judgments regarding potential future outcomes. At December 31, 2015 and 2014, inventory reserves totaled $288 million, or 11%, and $147 million, or 5%, of gross inventory, respectively. During 2015, we recognized a charge of $186 million for excess and obsolete inventory attributable to our reporting segments. We believe that our reserves are adequate to properly value potential excess, slow-moving and obsolete inventory under current conditions.

During 2014, we recognized a charge of $21 million for excess and obsolete inventory associated with rigs reporting units with the remaining charge attributable to our regional excess and obsolete inventory review. During 2013, we recognized a charge for excess and obsolete inventory of $62 million attributable to our reporting segments.

Disputes, Litigation and Contingencies

As of December 31, 2015, we have accrued an estimate of the probable and estimable cost to resolve certain legal and investigation matters. For matters not deemed probable and reasonably estimable, we have not accrued any amounts in accordance with U.S. GAAP. Our legal department manages all pending or threatened claims and investigations on our behalf. The estimate of the probable costs related to these matters is developed in consultation with internal and outside legal counsel. Our contingent loss estimates are based upon an analysis of potential results, assuming a combination of probable litigation and settlement strategies. The accuracy of these estimates is impacted by the complexity of the issues. Whenever possible, we attempt to resolve these matters through settlements, mediation and arbitration proceedings if advantageous to us. If the actual settlement costs, final judgments or fines differ from our estimates, our future financial results may be adversely affected. For a more comprehensive discussion of our Disputes, Litigation and Contingencies, see "Item 8. – Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note 21 – Disputes, Litigation and Contingencies."

NEW ACCOUNTING PRONOUNCEMENTS

See "Note 1 – Summary of Significant Accounting Policies" to our Consolidated Financial Statements for additional information.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are currently exposed to market risk from changes in foreign currency and changes in interest rates. From time to time, we may enter into derivative financial instrument transactions to manage or reduce our market risk. A discussion of our market risk exposure in these financial instruments follows.

FOREIGN CURRENCY EXCHANGE RATES AND INFLATIONARY IMPACTS

We operate in virtually every oil and natural gas exploration and production region in the world. In some parts of the world, such as Latin America, the Middle East and Southeast Asia, the currency of our primary economic environment is the U.S. dollar, and we use the U.S. dollar as our functional currency. In other parts of the world, we conduct our business in currencies other than the U.S. dollar, and the functional currency is the applicable local currency.

The currency devaluation and related charges resulting from certain devaluations and depreciation are included in the line captioned "Currency Devaluation and Related Charges" on the accompanying Consolidated Statements of Operations.

In 2015, currency devaluations and related charges were $85 million and reflects the impact of the continued devaluation of the Angolan kwanza of $39 million and Argentine peso of $11 million and the recognized remeasurement charges of $26 million related to the Venezuelan bolivar and Kazakhstani tenge of $9 million. The Angolan kwanza charges reflect currency devaluations of approximately 24% in 2015. After the National Bank of Kazakhstan abandoned its peg of the tenge to the U.S. dollar, the cumulative depreciation of the Kazakhstani tenge was 46% during 2015. The devaluation of the Argentine peso was due to the modifying of currency control restrictions on purchasing foreign currencies by the Argentine Central Bank. The Venezuelan bolivar charge reflects remeasurement charges when we began using the exchange rate published by the Venezuelan currency exchange system known as the "Marginal Currency System" or SIMADI, which opened for trading February 12, 2015, replacing the Venezuela's SICAD II mechanism. The SIMADI is intended to provide limited access to a free market rate of exchange.

In 2014 and 2013, we recognized charges of $245 million and $100 million respectively, on the devaluation of the Venezuelan bolivar. As of December 31, 2014, we adopted the SICAD II daily auction rate of approximately 50 Venezuelan bolivars per U.S. dollar. This rate was used at December 31, 2014 for the purposes of remeasuring Venezuelan bolivar denominated assets and liabilities (primarily cash, accounts receivables, trade payables and other current liabilities). The 2013 devaluation was due to the Venezuelan government changing the official exchange rate of the bolivar from 4.3 per dollar to 6.3 per dollar for all goods and services.

POTENTIAL HIGHLY INFLATIONARY COUNTRY

We have noted the concerns raised by the IMF relating to the accuracy of Argentina's officially reported consumer price index. We are closely monitoring Argentina's price index. As of December 31, 2015, we had a net monetary asset position denominated in Argentine pesos of $42 million, comprised primarily of accounts receivable and current liabilities. Any future change in the inflation rate in Argentina could cause us to change to a U.S. dollar functional currency, which would result in gains or losses on the Argentine peso denominated assets held by our subsidiaries for subsequent changes in the exchange rate.

FOREIGN CURRENCY, FORWARD CONTRACTS AND CROSS-CURRENCY SWAPS

Assets and liabilities of entities for which the functional currency other than the U.S. dollar are translated into U.S. dollars using the exchange rates in effect at the balance sheet date result in translation adjustments that are reflected in Accumulated Other Comprehensive Income (Loss) in the Shareholders' Equity section on our Consolidated Balance Sheets. We recorded a $789 million and $763 million adjustment to decrease shareholders' equity for 2015 and 2014, respectively, to reflect the change in the U.S. dollar against various foreign currencies.

As of December 31, 2015 and 2014, we had outstanding foreign currency forward contracts with total notional amounts aggregating $1.7 billion and $1.6 billion, respectively. These contracts were entered into in order to hedge our net monetary exposure to currency fluctuations in various foreign currencies. The total estimated fair value of these contracts and amounts owed associated with closed contracts at December 31, 2015 and 2014, resulted in a net liability of approximately $9 million and $5 million, respectively. These derivative instruments were not designated as hedges, and the changes in fair value of the contracts are recorded each period in current earnings.

INTEREST RATES

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

Our senior notes that were outstanding at December 31, 2015 and 2014, and that were subject to interest rate risk consist of the following:

	December 31,			
	2015		2014	
(Dollars in millions)	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
5.50% Senior Notes due 2016	$ 350	$ 351	$ 352	$ 362
6.35% Senior Notes due 2017	604	585	607	643
6.00% Senior Notes due 2018	499	463	498	533
9.625% Senior Notes due 2019	1,014	965	1,018	1,180
5.125% Senior Notes due 2020	771	626	798	793
4.50% Senior Notes due 2022	644	484	715	642
6.50% Senior Notes due 2036	449	291	556	520
6.80% Senior Notes due 2037	257	180	298	286
7.00% Senior Notes due 2038	459	347	497	493
9.875% Senior Notes due 2039	247	213	247	312
6.75% Senior Notes due 2040	460	327	596	562
5.95% Senior Notes due 2042	372	263	478	407
Total	**$6,126**	**$5,095**	**$6,660**	**$6,733**

During 2015, through a series of open market transactions, we repurchased certain of our 4.5% senior notes, 5.125% senior notes, 5.95% senior notes, 6.5% senior notes, 6.75% senior notes, 6.80% senior notes and 7.00% senior notes with a total book value of $527 million. We recognized a cumulative gain of approximately $84 million on these transactions. In December 2014, through a series of open market transactions, we repurchased certain of our 4.5% senior notes, 5.95% senior notes and 6.5% senior notes with a an aggregate book value of $138 million and recognized a gain of approximately $11 million.

We have various capital lease and other long-term debt instruments of $154 million at December 31, 2015, but believe the impact of changes in interest rates in the near term will not be material to these instruments. The carrying value of our short-term borrowings of $1.2 billion at December 31, 2015 approximates their fair value.

As it relates to our variable rate debt, if market interest rates increase by an average of 1% from the rates as of December 31, 2015, interest expense for 2015 would increase by approximately $12 million. This amount was determined by calculating the effect of the hypothetical interest rate on our variable rate debt. For purposes of this sensitivity analysis, we assumed no changes in our capital structure.

INTEREST RATE SWAPS AND DERIVATIVES

We manage our debt portfolio to limit our exposure to interest rate volatility and may employ interest rate derivatives as a tool to achieve that goal. The major risks from interest rate derivatives include changes in the interest rates affecting the fair value of such instruments, potential increases in interest expense due to market increases in floating interest rates and the creditworthiness of the counterparties in such transactions. The counterparties to our interest rate swaps are multinational commercial banks. We continually re-evaluate counterparty creditworthiness and modify our requirements accordingly.

Amounts paid or received upon termination of the interest rate swaps represent the fair value of the agreements at the time of termination. Derivative gains and losses are recognized each period in current earnings or other comprehensive income (loss), depending on whether the derivative is designated as part of a hedge relationship, and if so, the type of hedge.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders
Weatherford International plc:

We have audited the accompanying consolidated balance sheets of Weatherford International plc and subsidiaries as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive income (loss), shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2015. In connection with our audits of the consolidated financial statements, we also have audited financial statement schedule II for each of the years in the three-year period ended December 31, 2015. These consolidated financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Weatherford International plc and subsidiaries as of December 31, 2015 and 2014, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2015, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the related financial statement schedule for each of the years in the three-year period ended December 31, 2015, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Weatherford International plc's internal control over financial reporting as of December 31, 2015, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated February 16, 2016 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ KPMG LLP

Houston, Texas
February 16, 2016

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders
Weatherford International plc:

We have audited Weatherford International plc's internal control over financial reporting as of December 31, 2015, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Weatherford International plc's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

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

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

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

In our opinion, Weatherford International plc maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Weatherford International plc and subsidiaries as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive income (loss), shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2015, and our report dated February 16, 2016 expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG LLP

Houston, Texas
February 16, 2016

WEATHERFORD INTERNATIONAL PLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended December 31,		
(Dollars and shares in millions, except per share amounts)	2015	2014	2013
Revenues:			
Products	$ 3,573	$ 6,059	$ 6,007
Services	5,860	8,852	9,256
Total Revenues	**9,433**	**14,911**	**15,263**
Costs and Expenses:			
Cost of Products	3,433	4,942	4,480
Cost of Services	4,588	6,519	7,822
Research and Development	231	290	265
Selling, General and Administrative Attributable to Segments	1,353	1,727	1,728
Corporate General and Administrative	227	290	316
Long-Lived Asset Impairments and Other Related Charges	768	495	—
Goodwill and Equity Investment Impairment	25	161	—
Severance and Restructuring Charges	232	331	—
Litigation Charges	116	—	153
Loss (Gain) on Sale of Businesses and Investments, Net	6	(349)	(24)
Total Costs and Expenses	**10,979**	**14,406**	**14,740**
Operating Income (Loss)	**(1,546)**	**505**	**523**
Other Income (Expense):			
Interest Expense, Net	(468)	(498)	(516)
Currency Devaluation and Related Charges	(85)	(245)	(100)
Other, Net	3	(17)	(77)
Loss Before Income Taxes	**(2,096)**	**(255)**	**(170)**
Benefit (Provision) for Income Taxes	145	(284)	(144)
Net Loss	**(1,951)**	**(539)**	**(314)**
Net Income Attributable to Noncontrolling Interests	34	45	31
Net Loss Attributable to Weatherford	**$ (1,985)**	**$ (584)**	**$ (345)**
Loss Per Share Attributable to Weatherford:			
Basic & Diluted	$ (2.55)	$ (0.75)	$ (0.45)
Weighted Average Shares Outstanding:			
Basic & Diluted	779	777	772

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

WEATHERFORD INTERNATIONAL PLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

	Year Ended December 31,		
(Dollars in millions)	**2015**	**2014**	**2013**
Net Loss	$ (1,951)	$ (539)	$ (314)
Other Comprehensive Loss, Net of Tax:			
Foreign Currency Translation	(789)	(673)	(353)
Defined Benefit Pension Activity	28	(19)	2
Other	1	(2)	1
Other Comprehensive Loss	**(760)**	**(694)**	**(350)**
Comprehensive Loss	**(2,711)**	**(1,233)**	**(664)**
Comprehensive Income Attributable to Noncontrolling Interests	34	45	31
Comprehensive Loss Attributable to Weatherford	**$(2,745)**	**$(1,278)**	**$(695)**

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

WEATHERFORD INTERNATIONAL PLC AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	December 31,	
(Dollars and shares in millions, except par value)	2015	2014
Current Assets:		
Cash and Cash Equivalents	$ 467	$ 474
Accounts Receivable, Net of Allowance for Uncollectible Accounts of $113 in 2015 and $108 in 2014	1,781	3,015
Inventories, Net	2,344	3,087
Prepaid Expenses	343	357
Deferred Tax Assets	165	303
Other Current Assets	464	708
Total Current Assets	**5,564**	**7,944**
Property, Plant and Equipment:		
Land, Buildings and Leasehold Improvements	1,780	1,836
Rental and Service Equipment	8,702	9,714
Machinery and Other	2,432	2,468
Property, Plant and Equipment, Gross	12,914	14,018
Less: Accumulated Depreciation	7,235	6,895
Property, Plant and Equipment, Net	5,679	7,123
Goodwill	2,803	3,011
Other Intangible Assets, Net	356	440
Equity Investments	76	106
Other Non-current Assets	309	265
Total Assets	**$14,787**	**$18,889**
Current Liabilities:		
Short-term Borrowings and Current Portion of Long-term Debt	$ 1,582	$ 727
Accounts Payable	948	1,736
Accrued Salaries and Benefits	406	425
Income Taxes Payable	203	230
Other Current Liabilities	892	909
Total Current Liabilities	**4,031**	**4,027**
Long-term Debt	5,879	6,798
Other Non-current Liabilities	512	1,031
Total Liabilities	**10,422**	**11,856**
Shareholders' Equity:		
Shares - Par Value $0.001; Authorized 1,356 shares, Issued and Outstanding 779 shares and 774 shares at December 31, 2015 and 2014, respectively	1	1
Capital in Excess of Par Value	5,502	5,411
Retained Earnings	442	2,427
Accumulated Other Comprehensive Loss	(1,641)	(881)
Weatherford Shareholders' Equity	4,304	6,958
Noncontrolling Interests	61	75
Total Shareholders' Equity	**4,365**	**7,033**
Total Liabilities and Shareholders' Equity	**$14,787**	**$18,889**

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

WEATHERFORD INTERNATIONAL PLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(Dollars in millions)	Par Value of Issued Shares	Capital In Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Shares	Non-controlling Interests	Total Shareholders' Equity
Balance at December 31, 2012	**$ 775**	**$4,674**	**$ 3,356**	**$ 163**	**$(182)**	**$ 32**	**$ 8,818**
Net Income (Loss)	—	—	(345)	—	—	31	(314)
Other Comprehensive Loss	—	—	—	(350)	—	—	(350)
Dividends Paid to Noncontrolling Interests	—	—	—	—	—	(27)	(27)
Equity Awards Granted, Vested and Exercised	—	(68)	—	—	145	—	77
Excess Tax Benefit of Share-Based Compensation Plans	—	(1)	—	—	—	—	(1)
Other	—	(5)	—	—	—	5	—
Balance at December 31, 2013	**775**	**4,600**	**3,011**	**(187)**	**(37)**	**41**	**8,203**
Net Income (Loss)	—	—	(584)	—	—	45	(539)
Other Comprehensive Loss	—	—	—	(694)	—	—	(694)
Consolidation of Joint Venture	—	—	—	—	—	27	27
Dividends Paid to Noncontrolling Interests	—	—	—	—	—	(39)	(39)
Change in Common Shares, Treasury Shares and Paid in Capital Associated with Redomestication	(778)	750	—	—	39	—	11
Equity Awards Granted, Vested and Exercised	4	54	—	—	(2)	—	56
Excess Tax Benefit of Share-Based Compensation Plans	—	7	—	—	—	—	7
Other	—	—	—	—	—	1	1
Balance at December 31, 2014	**1**	**5,411**	**2,427**	**(881)**	**—**	**75**	**7,033**
Net Income (Loss)	—	—	(1,985)	—	—	34	(1,951)
Other Comprehensive Loss	—	—	—	(760)	—	—	(760)
Dividends Paid to Noncontrolling Interests	—	—	—	—	—	(48)	(48)
Equity Awards Granted, Vested and Exercised	—	91	—	—	—	—	91
Balance at December 31, 2015	**$ 1**	**$5,502**	**$ 442**	**$(1,641)**	**$ —**	**$ 61**	**$ 4,365**

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

WEATHERFORD INTERNATIONAL PLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
(Dollars in millions)	**2015**	**2014**	**2013**
Cash Flows From Operating Activities:			
Net Loss	$ (1,951)	$ (539)	$ (314)
Adjustments to Reconcile Net Loss to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	1,200	1,371	1,402
Long-Lived Asset Impairments	638	495	—
Goodwill and Equity Investment Impairment	25	161	—
Restructuring and Other Asset Related Charges	396	135	—
Divestiture Related and Other Charges	—	112	—
Currency Devaluation and Related Charges	85	245	100
U.S. Government Investigation Loss	—	—	153
Employee Share-Based Compensation Expense	73	56	66
Bad Debt Expense	48	27	102
Loss (Gain) on Sale of Businesses, Net	6	(349)	6
Deferred Income Tax Benefit	(448)	(66)	(33)
Excess Tax Benefits from Share-Based Compensation	—	(7)	1
Other, Net	74	75	10
Change in Operating Assets and Liabilities, Net of Effect of Businesses Acquired:			
Accounts Receivable	1,031	78	(12)
Inventories	349	(167)	129
Other Current Assets	128	(80)	(65)
Accounts Payable	(813)	(150)	69
Billings in Excess of Costs and Estimated Earnings	(1)	(126)	(154)
Other Current Liabilities	(65)	(219)	(185)
Other, Net	(69)	(89)	(46)
Net Cash Provided by Operating Activities	**706**	**963**	**1,229**
Cash Flows from Investing Activities:			
Capital Expenditures for Property, Plant and Equipment	(682)	(1,450)	(1,575)
Acquisitions of Businesses, Net of Cash Acquired	(14)	18	(8)
Acquisition of Intellectual Property	(8)	(5)	(9)
Acquisition of Equity Investments in Unconsolidated Affiliates	—	(3)	—
Proceeds from Sale of Assets and Businesses, Net	45	1,770	488
Net Cash Provided by (Used in) Investing Activities	**(659)**	**330**	**(1,104)**
Cash Flows From Financing Activities:			
Borrowings of Long-term Debt	4	—	3
Repayments of Long-term Debt	(474)	(259)	(603)
Borrowings (Repayments) of Short-term Debt, Net	505	(924)	612
Excess Tax Benefits from Share-Based Compensation	—	7	(1)
Proceeds from Sale of Executive Deferred Compensation Plan Treasury Shares	—	22	—
Other Financing Activities, Net	(23)	(26)	(5)
Net Cash Provided by (Used in) Financing Activities	**12**	**(1,180)**	**6**
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(66)	(74)	4
Net Increase (Decrease) in Cash and Cash Equivalents	(7)	39	135
Cash and Cash Equivalents at Beginning of Year	474	435	300
Cash and Cash Equivalents at End of Year	**$ 467**	**$ 474**	**$ 435**

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

WEATHERFORD INTERNATIONAL PLC AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND NATURE OF OPERATIONS

Weatherford International plc ("Weatherford Ireland"), an Irish public limited company, together with its subsidiaries ("Weatherford," the "Company," "we," "us" and "our"), is a multinational oilfield service company. Weatherford is one of the world's leading providers of equipment and services used in the drilling, evaluation, completion, production and intervention of oil and natural gas wells. We operate in over 100 countries, which are located in nearly all of the oil and natural gas producing regions in the world. Many of our businesses, including those of our predecessor companies, have been operating for more than 50 years.

On June 17, 2014, we completed the change in our place of incorporation from Switzerland to Ireland, whereby Weatherford Ireland became the new public holding company and the parent of the Weatherford group of companies (the "Merger"). The Merger was effected through an agreement between Weatherford International Ltd. ("Weatherford Switzerland") and Weatherford Ireland pursuant to which each registered share of Weatherford Switzerland was exchanged for the allotment of one ordinary share of Weatherford Ireland. The authorized share capital of Weatherford Ireland includes 1.356 billion ordinary shares with a par value of $0.001 per share. Our ordinary shares are listed on the New York Stock Exchange (the "NYSE") under the symbol "WFT," the same symbol under which Weatherford Switzerland registered shares were previously listed.

In February 2009, we completed a share exchange transaction in which Weatherford International Ltd., a Bermuda exempted company ("Weatherford Bermuda"), and our then parent company, became a wholly-owned subsidiary of Weatherford Switzerland, for purposes of changing the Company's place of incorporation from Bermuda to Switzerland. Prior to 2002, our parent company was Weatherford International, Inc., a Delaware corporation ("Weatherford Delaware"), until we moved our incorporation to Bermuda in 2002. Weatherford Bermuda and Weatherford Delaware continue to be wholly-owned subsidiaries of Weatherford Ireland. In 2013, Weatherford Delaware converted its corporate form and now exists as Weatherford International, LLC, a Delaware limited liability company.

PRINCIPLES OF CONSOLIDATION

We consolidate all wholly-owned subsidiaries, controlled joint ventures and variable interest entities where the Company has determined it is the primary beneficiary. All material intercompany accounts and transactions have been eliminated in consolidation.

Investments in affiliates in which we exercise significant influence over operating and financial policies are accounted for using the equity method. We recognize equity in earnings of unconsolidated affiliates in Selling, General and Administration attributable to segments in our Consolidated Statements of Operations (see "Note 11 – Equity Investments").

USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP 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 on-going 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 post-retirement benefit plans, contingencies and share based payments. 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.

CHANGE IN REPORTABLE SEGMENTS

During the first quarter of 2015, we changed our business structure to better align with management's current view and future growth objectives. This change involved separating our Land Drilling Rigs business into a reportable segment resulting in a total of five reportable segments. We have recast prior periods to conform to the current business segment presentation. See "Note 23 – Segment Information" for additional information.

DISPUTES, LITIGATION AND CONTINGENCIES

We accrue an estimate of the probable and estimable cost to resolve certain legal and investigation matters. For matters not deemed probable and reasonably estimable, we have not accrued any amounts in accordance with U.S. GAAP. Our contingent loss estimates are based upon an analysis of potential results, assuming a combination of probable litigation and settlement strategies. The accuracy of these estimates is impacted by the complexity of the associated issues.

CASH AND CASH EQUIVALENTS

We consider all highly liquid investments with original maturities of three months or less to be cash equivalents.

ALLOWANCE FOR DOUBTFUL ACCOUNTS

We establish an allowance for doubtful accounts based on various factors including historical experience, the current aging status of our customer accounts, the financial condition of our customers and the business and political environment in which our customers operate. Provisions for doubtful accounts are recorded when it becomes probable that customer accounts are uncollectible.

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 on-going credit evaluations of our customers and do not generally require collateral in support of our trade receivables. We maintain allowances 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, or result in the deprivation of contract rights or the taking of property without fair consideration. Most of our international sales are to large international or national oil companies and these sales have resulted in a concentration of receivables from certain national oil companies in Latin America. As of December 31, 2015, our receivables from Latin America customers accounted for 38% of our net outstanding accounts receivable balance with $205 million due from Petroleos de Venezuela, S.A. ("PDVSA") and $47 million due from Petroleos Mexicanos ("Pemex"). In 2013, we accepted bonds with a face value of $127 million from PDVSA in full settlement of $127 million in trade receivables. Upon receipt, we immediately sold, in a series of transactions, these bonds for a loss of $58 million. During 2015, 2014 and 2013, no individual customer accounted for more than 10% of our consolidated revenues.

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. Work in process and finished goods inventories include the cost of materials, labor and manufacturing overhead. To maintain a book value that is the lower of cost or market, we maintain reserves for excess, slow moving and obsolete inventory. We regularly review inventory quantities on hand and record provisions for excess, slow moving and obsolete inventory.

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 improvements as well as renewals and replacements that extend the useful life of the asset. We depreciate our fixed assets on a straight-line basis over their estimated useful lives, allowing for salvage value where applicable.

Our depreciation expense was $1.1 billion, $1.3 billion and $1.3 billion for the years ended December 31, 2015, 2014 and 2013, 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:

Major Classes of Property, Plant and Equipment	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

Goodwill represents the excess of consideration paid over the fair value of net tangible and identifiable intangible assets acquired in a business combination. Goodwill is not amortized but is evaluated for impairment. We perform an impairment test for goodwill annually as of October 1 or more frequently if indicators of potential impairment exist that would more-likely-than-not reduce the fair value of the reporting unit below its carrying value. Goodwill impairment is evaluated using a two-step process. The first step of the goodwill impairment test involves a comparison of the fair value of each of our reporting units with their carrying values. We have the option to assess qualitative factors to determine if it is necessary to perform the first step of the impairment test. If it is not more-likely-than-not that the fair value of a reporting unit is less than its carrying value, further testing is not required. We also have the option to bypass the qualitative assessment at any time and perform the first step.

If the fair value of a reporting unit is less than the recorded book value of the reporting unit's net assets (including goodwill), then a hypothetical purchase price allocation is performed on the reporting unit's assets and liabilities using the fair value of the reporting unit as the purchase price in the calculation. If the implied fair value of goodwill is less than the recorded amount of goodwill, the recorded goodwill is written down to the new amount.

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 initially record our long-lived assets at cost, and review on a regular basis 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, the introduction of competing technologies, legal challenges, a reduction in the utilization rate of the assets, 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 estimate the fair value of the asset using market prices when available or, in the absence of market prices, based on an estimate of discounted cash flows or replacement cost. Cash flows are generally discounted using an interest rate commensurate with a weighted average cost of capital for a similar asset.

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.

DERIVATIVE FINANCIAL INSTRUMENTS

We record derivative instruments on the balance sheet at their fair value 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 (loss), depending on whether the derivative is designated as part of a hedge relationship, and if so, the type of hedge.

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 (Loss), a component of shareholders' equity.

For our subsidiaries that have a functional currency that differs from the currency of their balances and transactions, 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 monetary assets and liabilities are remeasured at current exchange rates. All revenues and expenses are translated at average exchange rates. Remeasurement gains and losses for these subsidiaries are recognized in our results of operations during the period incurred. We had foreign currency losses, net of gains and losses on foreign currency derivatives (See "Note 15 – Derivative Instruments"), but excluding currency devaluations and other related charges of the Venezuelan bolivar fuertes ("bolivar"), the Angolan kwanza, Argentinian peso and Kazakhstani tenge, of $53 million, $18 million and $66 million in 2015, 2014 and 2013, respectively. The gain or loss related to individual foreign currency transactions and gains and losses on foreign currency derivatives, excluding the currency devaluations and other related charges, is included in "Other, Net" on our Consolidated Statements of Operations.

CURRENCY DEVALUATION AND RELATED CHARGES

In 2015, currency devaluations and related charges resulting from certain devaluations and depreciation were $85 million and are included in the line captioned "Currency Devaluation and Related Charges" on the accompanying Consolidated Statements of Operations. These charges reflect the impacts of the continued devaluation of the Angolan kwanza of $39 million, the recognized remeasurement charges of $26 million related to the Venezuelan bolivar, $11 million related to the devaluation of the Argentina peso and $9 million related to the depreciated Kazakhstani tenge.

At December 31, 2015 our net monetary asset position denominated in Angolan kwanza and Argentine peso was approximately $144 million and $42 million, respectively. The net monetary positions denominated in Venezuelan bolivar and Kazakhstani tenge were not material.

In 2014 and 2013, we recognized charges of $245 million and $100 million, respectively, on the devaluation of the Venezuelan bolivar. The loss related to the devaluation of foreign currency transactions is included in "Currency Devaluation and Related Charges" in our Consolidated Statements of Operations. Our 2014 charges of $245 million were related to our adoption of the SICAD II exchange rate provided by Venezuela's Supplementary Foreign Currency Administration System approximately of 50 Venezuelan bolivars per U.S. dollar, and our 2013 charges of $100 million were related to the devaluation of the official Venezuelan exchange rate of the bolivar from 4.3 per dollar to 6.3 per dollar for all goods and services.

SHARE-BASED COMPENSATION

We account for all share-based payment awards, including shares issued under employee stock purchase plans, stock options, restricted shares, restricted share units and performance units by measuring these awards at the date of grant and recognizing the grant date fair value as an expense, net of expected forfeitures, 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 is 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: (1) evidence of an arrangement exists; (2) delivery to and acceptance by the customer has occurred; (3) the price to the customer is fixed or determinable; and (4) collectability is reasonably assured.

Our services and products are generally sold based upon purchase orders, contracts or other persuasive evidence of an arrangement with our customers that include fixed or determinable prices but do not generally include right of return provisions or other significant post-delivery obligations. Our products are produced in a standard manufacturing operation, even if produced to our customer's specifications. Revenue is recognized for products upon delivery and when the customers assume the risks and rewards of ownership. Revenue is recognized for services when they are rendered. Both contract drilling and pipeline service revenue is contractual by nature and generally governed by day-rate based contracts. We recognize revenue for day-rate contracts as the services are rendered.

We may receive up-front payments for preparation and mobilization of equipment and personnel in connection with new drilling contracts, which are deferred along with any directly related incremental costs incurred directly related to preparation and mobilization. The deferred revenue and costs are recognized over the primary contract term using the straight-line method. Costs of relocating equipment without contracts 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 customs costs and duties. We recognize the revenue associated with these rebillable expenses when reimbursed by customers as Product Revenues and all related costs as Cost of Products in the accompanying Consolidated Statements of Operations.

PERCENTAGE-OF-COMPLETION

Revenue from certain long-term construction type contracts is reported based 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 available revenue under the contracts;
- 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
- amount of any change orders or claims included in revenue.

Measurements of progress are based on costs incurred to date as a percentage of total estimated costs or output 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 multiplied by the current estimated percentage complete for the contract. There are many factors that impact future costs, including but not limited to weather, inflation, customer activity levels and budgeting constraints, labor and community disruptions, timely availability of materials, productivity and other factors.

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 including participating securities. Diluted earnings per share is computed by dividing net income by the weighted average number of our shares outstanding during the period including participating securities, adjusted for the dilutive effect of our stock options, restricted shares and performance units.

Unvested share-based payment awards that contain non-forfeitable 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 include our restricted share awards ("RSA"), which contain the right to vote and receive dividends, in the computation of both basic and diluted earnings per share.

NEW ACCOUNTING PRONOUNCEMENTS

In November 2015, the Financial Accounting Standards Board ("FASB") issued ASU 2015-17, Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes, which eliminates the current requirement to present deferred tax liabilities and assets as current and noncurrent in a classified balance sheet. Instead, all deferred tax assets and liabilities will be required to be classified as noncurrent. The new standard will be effective for us beginning with the first quarter of 2017. Early adoption is permitted. We are evaluating the impact that this new standard will have on our Consolidated Financial Statements.

In July 2015, the FASB issued ASU 2015-11, Inventory (Topic 330): Simplifying the Measurement of Inventory, which requires inventory not measured using either the last in, first out (LIFO) or the retail inventory method to be measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable cost of completion, disposal, and transportation. The new standard will be effective for us beginning with the first quarter of 2017, and will be applied prospectively. Early adoption is permitted. We are evaluating the impact that this new standard will have on our Consolidated Financial Statements.

In April 2015, the FASB issued ASU 2015-03, Interest, Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs, which requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability. The new standard is effective for us beginning with the first quarter of 2016. We do not expect the impact of our pending adoption to have a material effect on our Consolidated Financial Statements.

In February 2015, the FASB issued ASU 2015-02, Consolidation (Topic 810): Amendments to the Consolidation Analysis, which amends the guidelines for determining whether certain legal entities should be consolidated and reduces the number of consolidation models. The new standard is effective for annual and interim periods in fiscal years beginning after December 15, 2015. Early adoption is permitted. We are currently evaluating the impact this standard will have on our Consolidated Financial Statements.

In May 2014, the FASB issued ASU 2014-09. Revenue from Contracts with Customers (Topic 606), which will require an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 will replace most existing revenue recognition guidance in GAAP when it becomes effective. ASU 2015-14, Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date, deferred the effective date of ASU 2014-09 to annual and interim periods in fiscal years beginning after December 15, 2017. Earlier application is permitted only as of annual and interim reporting periods in fiscal years beginning after December 15, 2016. ASU 2014-09 permits either a retrospective application or a cumulative effect transition method. We have not yet selected the application date or a transition method, and we are currently evaluating the impact our adoption of this standard would have on our Consolidated Financial Statements.

2. BUSINESS COMBINATIONS AND DIVESTITURES

ACQUISITIONS

From time to time, we acquire businesses we believe are important to our long-term strategy. Results of operations for acquisitions are included in the accompanying Consolidated Statements of Operations from the date of acquisition. The balances included in the Consolidated Balance Sheets related to current year 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 for the acquisitions is allocated to the net assets acquired based upon their estimated fair values at the date of acquisition. We did not complete any material acquisitions or divestitures during the year ended December 31, 2015.

In April 2014, we acquired an additional 30% ownership interest in a joint venture in China. We paid $13 million for the incremental interest, thereby increasing our ownership interest from 45% to 75% and gaining control of the joint venture. As a result of this transaction, we adjusted our previously held equity investment to fair value, recognizing a $16 million gain, and we applied the consolidation method of accounting, recognizing $6 million of goodwill and $30 million of cash. During the year ended December 31, 2013, we acquired businesses for cash consideration of $8 million, net of cash acquired.

In May 2012, we acquired a company that designs and produces well completion tools. Our purchase consideration included a contingent consideration arrangement valued at approximately $15 million at December 31, 2015 that is expected to be settled in early 2016. This contingent consideration arrangement is dependent on the acquired company's revenue and is marked to market through current earnings in each reporting period prior to settlement. The liability is valued using Level 3 inputs.

DIVESTITURES

On December 31, 2014, we completed the sale of our engineered chemistry and Integrity drilling fluids businesses for proceeds totaling $750 million less estimated working capital adjustments of $16 million and transaction fees of $12 million and recognized a gain of $250 million. In addition, we disposed of all of our shares in Proserv Group Inc. ("Proserv") and recognized a gain of $65 million resulting from this transaction.

The following amounts related to our engineered chemistry and Integrity drilling fluids businesses have been segregated from our Consolidated Statements of Operations and Consolidated Statement of Cash Flows:

	Year Ended December 31,	
(Dollars in millions)	**2014**	**2013**
Income Before Income Taxes	$57	$58

The carrying amounts of the major classes of assets and liabilities of our engineered chemistry and Integrity drilling fluids businesses divested are as follows:

	December 31,
(Dollars in millions)	**2014**
Assets:	
Accounts Receivable, Net	$ 48
Inventory, Net	99
Property, Plant and Equipment, Net	55
Goodwill	270
Other Intangible Assets, Net	43
Other Assets	1
Total Assets	**$516**
Liabilities:	
Accounts Payable	$ 32
Deferred Tax Liabilities	10
Other Liabilities	2
Total Liabilities	**$ 44**

In September 2014, we completed the sale of our pipeline and specialty services business. We received cash consideration of $246 million ($245 million, net of cash disposed) and recognized a gain of approximately $49 million resulting from this transaction.

In July 2014, we completed the sale of our land drilling and workover rig operations in Russia and Venezuela. We received cash consideration upon closing of $499 million ($486 million, net of cash disposed). As a result of our commitment to sell, we recorded a $143 million long-lived assets impairment loss and a $121 million goodwill impairment loss in the second quarter of 2014. Of the $121 million goodwill impairment loss, $95 million pertained to goodwill attributable to our divested land drilling and workover rig operations in Russia. See "Note 9 – Goodwill" for additional information regarding the goodwill impairment.

On October 7, 2013, we completed the sale of our 38.5% equity interest in Borets International Limited ("Borets") for $400 million, net of settlement items. Borets is an electric submersible pump manufacturer that operates in Russia. The consideration consisted of $359 million in cash and a three-year $30 million promissory note. As part of the sale, it was agreed that any payables or receivables between the parties would be net settled and, as a result, $11 million that we owed to Borets was deducted from the total consideration. We recorded a gain on sale of $18 million.

In 2013, we also completed the sale of our industrial screen business for proceeds totaling $137 million. Through our industrial screen operations, we delivered screen technologies used in numerous industries and, as a result, the screen business was not closely aligned with our goals as a leading provider of equipment and services used in the drilling, evaluation, completion, production and intervention of oil and natural gas wells. During the year ended December 31, 2013, we recognized gains totaling $6 million resulting from these industrial screen transactions. The major classes of assets sold in these transactions included $54 million in cash, $36 million of accounts receivable, $37 million of inventory and $93 million of other assets primarily comprised of property, plant and equipment, other intangible assets and goodwill. Liabilities of $69 million were also transferred in the sale, of which $60 million were current liabilities.

3. RESTRUCTURING CHARGES

In 2015, due to the significant decline in the price of crude oil and our anticipation of a lower level of exploration and production spending in 2015, we initiated a plan to reduce our overall costs and workforce to better align with anticipated activity levels. This cost reduction plan (the "2015 Plan") includes a workforce reduction and other cost reduction measures initiated across our geographic regions. During 2015, we increased the expected workforce reduction by 75% from the originally planned workforce reduction due to the continued weakness in the price and demand of crude oil, as well as lower than expected exploration and production spending in 2015.

In connection with the 2015 Plan, we recognized restructuring charges of $232 million in 2015 and $58 million in 2014. Our restructuring charges during 2015 in connection with the 2015 Plan include termination (severance) benefits of $149 million, restructuring related asset charges of $64 million and other restructuring charges of $19 million. Restructuring related asset charges include asset write-offs of $26 million related to Yemen due to the political disruption and $38 million in other regions. Other restructuring charges include exit costs, contract termination costs, relocation costs and other associated costs. Our restructuring charges during 2014 in connection with the 2015 Plan include termination (severance) benefits of $58 million.

In the first quarter of 2014, we announced a cost reduction plan (the "2014 Plan"), which included a worldwide workforce reduction and other cost reduction measures. In connection with the 2014 Plan, we recognized restructuring charges of $273 million in 2014. Our restructuring charges during 2014 in connection with the 2014 Plan include restructuring related asset charges of $135 million, termination (severance) benefits of $114 million, and other restructuring charges of $24 million, for a total of $273 million. Other restructuring charges include contract termination costs, relocation and other associated costs.

The impairments recognized in connection with the 2014 Plan primarily pertain to operations in our Middle East/North Africa ("MENA") region, where geopolitical issues and recent disruptions in North Africa, primarily Libya, resulted in the decisions in the third quarter of 2014 to exit product lines in selected markets. The 2014 Plan activities resulted in $106 million of cash payments in 2014.

As of December 31, 2015, we completed our planned headcount reductions and closures of underperforming operating locations in connection with the 2014 and 2015 Plans. The following tables present the components of the restructuring charges by segment and plan for the years ended December 31, 2015 and 2014.

	Year Ended December 31, 2015		
(Dollars in millions)	**Severance Charges**	**Other Restructuring Charges**	**Total Severance and Other Charges**
2015 Plan			
North America	$ 28	$ 24	$ 52
MENA/Asia Pacific	21	35	56
Europe/SSA/Russia	34	22	56
Latin America	38	2	40
Subtotal	121	83	204
Land Drilling Rigs	12	—	12
Corporate and Research and Development	16	—	16
Total	**$149**	**$ 83**	**$232**

(Dollars in millions)	Year Ended December 31, 2014 Severance Charges	Other Restructuring Charges	Total Severance and Other Charges
2014 Plan:			
North America	$ 17	$ 27	$ 44
MENA/Asia Pacific	19	106	125
Europe/SSA/Russia	17	13	30
Latin America	29	7	36
Subtotal	82	153	235
Land Drilling Rigs	5	4	9
Corporate and Research and Development	27	2	29
2014 Plan Total	$114	$159	$273
2015 Plan:			
North America	$ 32	$ —	$ 32
MENA/Asia Pacific	8	—	8
Europe/SSA/Russia	5	—	5
Latin America	12	—	12
Subtotal	57	—	57
Land Drilling Rigs	—	—	—
Corporate and Research and Development	1	—	1
2015 Plan Total	$ 58	$ —	$ 58
Total	**$172**	**$159**	**$331**

The severance and other restructuring charges gave rise to certain liabilities, the components of which are summarized below, and largely relate to the severance accrued as part of the 2014 Plan and 2015 Plan that will be paid pursuant to the respective arrangements and statutory requirements.

	At December 31, 2015				
	2015 Plan		2014 Plan		Total
(Dollars in millions)	**Severance Liability**	**Other Restructuring Liability**	**Severance Liability**	**Other Restructuring Liability**	**Total Severance and Other Restructuring Liability**
North America	$ 7	$ —	$ —	$ 1	$ 8
MENA/Asia Pacific	7	—	—	4	11
Europe/SSA/Russia	9	8	—	1	18
Latin America	1	—	—	—	1
Subtotal	24	8	—	6	38
Land Drilling Rigs	—	—	—	—	—
Corporate and Research and Development	8	—	5	—	13
Total	**$32**	**$ 8**	**$ 5**	**$ 6**	**$51**

The following table presents the restructuring accrual activity for the year ended December 31, 2015.

		Year Ended December 31, 2015			
(Dollars in millions)	**Accrued Balance at December 31, 2014**	**Charges**	**Cash Payments**	**Other**	**Accrued Balance at December 31, 2015**
2015 Plan:					
Severance liability	$ 53	$149	$(168)	$ (2)	$32
Other restructuring liability	—	19	(12)	1	8
2014 Plan:					
Severance liability	14	—	(7)	(2)	5
Other restructuring liability	12	—	(6)	—	6
Total severance and other restructuring liability	**$ 79**	**$168**	**$(193)**	**$ (3)**	**$51**

4. SUPPLEMENTARY INFORMATION

Cash paid for interest and income taxes was as follows:

	Year Ended December 31,		
(Dollars in millions)	2015	2014	2013
Interest paid, net of capitalized interest	$477	$511	$525
Income taxes paid, net of refunds	331	386	442

In 2015, currency devaluation and related charges reflect the impacts of the continued devaluation of the Angolan kwanza and Argentine peso and the recognized remeasurement charges related to the Venezuelan bolivar and the Kazakhstani tenge resulting in a $85 million pre-tax charge of which $43 million negatively impacted cash. The Angolan kwanza charges reflect currency devaluations in 2015 and the Kazakhstan tenge depreciated after the National Bank of Kazakhstan abandoned its peg of the tenge to the U.S. dollar. The devaluation of the Argentine peso was due to the modifying of currency control restrictions on purchasing foreign currencies by the Argentine Central Bank. The Venezuelan bolivar charge reflects remeasurement charges when we began using the latest Venezuelan currency exchange system known as the "Marginal Currency System" or SIMADI. The SIMADI opened for trading February 12, 2015, replacing the Venezuela Supplementary Foreign Currency Administration System auction rate ("SICAD II") mechanism. The SIMADI is intended to provide limited access to a free market rate of exchange.

In December 2014, we remeasured our Venezuelan bolivar denominated monetary assets and liabilities (primarily cash, accounts receivables, trade payables and other current liabilities) to the SICAD II exchange rate of 50 Venezuelan bolivars per U.S. dollar resulting in a $245 million pre-tax charge of which $92 million was related to the remeasurement of cash held in Venezuelan bolivar.

5. PERCENTAGE-OF-COMPLETION CONTRACTS

During 2015, we recognized an estimated project loss of $153 million related to our long-term early production facility construction contracts in Iraq accounted for under the percentage-of-completion method. The total estimated loss on these projects was $532 million at December 31, 2015.

As of December 31, 2015, our percentage-of-completion project estimate includes $116 million of claims revenue and $28 million of back charges. During 2015, an additional $32 million of claims revenue was included in our project estimates. Our costs in excess of billings as of December 31, 2015 were $6 million and are shown in the "Other Current Assets" line on our Consolidated Balance Sheets. We also have a variety of unapproved contract change orders or claims that are not included in our revenues as of December 31, 2015. The amounts associated with these contract change orders or claims are included in revenue only when they can be reliably estimated and their realization is reasonably assured.

During 2014, we recognized estimated project losses of $72 million related to our long-term early production facility construction contracts in Iraq accounted for under the percentage-of-completion method. Total estimated losses on these projects were $379 million at December 31, 2014. As of December 31, 2014, our percentage-of-completion project estimates include $90 million of claims revenue and $24 million of back charges. Our costs in excess of billings as of December 31, 2014 were $128 million and are shown in the "Other Current Assets" line on the balance sheet. We had a variety of unapproved contract change orders or claims that were not included in our revenues as of December 31, 2014. During 2014, an additional $80 million of claims revenue was included in our project estimates and $26 million of our prior claims were approved.

During 2013, we recognized estimated project losses of $232 million related to our long-term early production facility construction contracts in Iraq accounted for under the percentage-of-completion method. The total estimated losses on these projects were $307 million at December 31, 2013. As of December 31, 2013, our percentage-of-completion project estimates include $36 million of claims revenue and $82 million for liquidated damages that we are contractually obligated to pay as a result of delays in the expected completion of the project. We had a variety of unapproved contract change orders or claims that were not included in our revenues as of December 31, 2013.

6. ACCOUNTS RECEIVABLE FACTORING

From time to time we participate in factoring arrangements to sell accounts receivable to third party financial institutions. In 2015, under these arrangements we sold $78 million, received cash totaling $77 million and recognized a loss of $0.2 million. We did not sell any accounts receivable during 2014. In 2013, under these arrangements we sold $215 million, received cash totaling $204 million and recognized a loss of $3 million. Our factoring transactions in 2015 and 2013 qualified for sale accounting and all related proceeds are included as operating cash flows in our Consolidated Statements of Cash Flows.

7. INVENTORIES, NET

Inventories, net of reserves, by category were as follows:

	December 31,	
(Dollars in millions)	2015	2014
Raw materials, components and supplies	$ 172	$ 194
Work in process	61	135
Finished goods	2,111	2,758
	$2,344	**$3,087**

Work in process and finished goods inventories include cost of materials, labor and manufacturing overhead. During 2015, 2014, and 2013, we recognized charges for excess and obsolete inventory totaling $186 million, $113 million and $62 million, respectively.

8. LONG-LIVED ASSET IMPAIRMENTS

We recognized total long-lived impairment charges of $638 million in 2015 due to the continued weakness in crude oil prices contributing to lower exploration and production spending and a decline in the utilization of our assets. The decline in oil prices and its impact on demand represented a significant adverse change in the business climate and an indication that these long-lived assets may not be recoverable. Based on the presence of impairment indicators, we performed an analysis of these asset groups and recorded long-lived asset impairment charges to adjust the assets to fair value.

During the second quarter of 2015, we recognized long-lived asset impairment charges of $124 million in our pressure pumping assets of our North America segment. In the fourth quarter of 2015 we recorded impairment charges of $126 million, $72 million and $61 million, respectively, to our drilling tools, pressure pumping and wireline assets in our North America segment and $255 million in our Land Drilling Rigs segment. The fair value of our drilling tools, pressure pumping, and wireline assets were estimated using a combination of the income approach, the cost approach, and the market approach. See "Note 14 – Fair Value of Financial Instruments, Assets and Equity Investments" for additional information regarding the fair value determination.

In the fourth quarter of 2014, a significant decline in crude oil prices contributed to lower anticipated exploration and production spending and a decline in the anticipated utilization of our drilling rig fleet. Based on the impairment indicators noted we performed an analysis of our drilling rig fleet and recorded long-lived asset impairment charges of $352 million to adjust the assets of our Land Drilling Rig business to fair value. The impairment charges included the impairment of our drilling rigs and certain related intangible assets. To determine the fair value of these assets we utilized an income approach.

In July 2014, we completed the sale of our rig operations in Russia and Venezuela. We expected the sale would significantly impact the revenues and results of operations of our Russia reporting unit. As a result of our commitment to sell, we recorded a $143 million long-lived assets impairment charge during the second quarter of 2014.

9. GOODWILL

In 2015, our annual goodwill impairment test indicated that goodwill was not impaired. In 2014, our annual goodwill impairment test indicated that the goodwill of the Land Drilling Rigs reporting units in Latin America, Europe and Asia Pacific was impaired. The results of our "step-one" analysis were accompanied by other indicators in the form of a decline in the anticipated utilization rates for our drilling rig fleet. Responsive to the impairment indicators noted, we performed a "step two" analysis, comparing the implied fair value of reporting unit goodwill with the carrying amount of that goodwill. The "step two" analysis indicated that the goodwill for these reporting units was fully impaired and we recognized an impairment loss of $40 million related to Land Drilling Rigs segment in Latin America, Europe and Asia Pacific.

In addition, during the second quarter of 2014, we engaged in negotiations to sell our land drilling and workover operations in Russia and Venezuela, and we subsequently entered into an agreement to sell the business in July 2014. During this time frame we expected the sale would significantly impact the revenues and results of operations of our Russia reporting unit, and consequently, we considered the associated circumstances to assess whether an event or change had occurred that, more likely than not, reduced the fair value of our reporting units below their carrying amount. We concluded that the planned sale represented an indicator of impairment, and we prepared the analysis necessary to identify the potential impairment and recognize any necessary impairment loss. The analysis indicated that the goodwill for the Russia reporting unit was impaired, and we recognized a goodwill impairment loss of $121 million, $95 million of which pertained to goodwill that had been reclassified during 2014 into current assets held for sale. See "Note 2 – Business Combinations and Divestitures" for additional information regarding the non-cash impairment charges to our assets held for sale.

The changes in the carrying amount of goodwill by reportable segment for the two years ended December 31, 2015 and 2014, were as follows:

(Dollars in millions)	North America	MENA/Asia Pacific	Europe/SSA/ Russia	Latin America	Land Drilling Rigs	Total
Balance at December 31, 2013	$ 1,981	$196	$ 753	$304	$ 56	$ 3,290
Impairment	—	—	(26)	—	(40)	(66)
Acquisitions	—	6	—	—	—	6
Purchase price and other adjustments	1	—	8	—	(14)	(5)
Foreign currency translation	(86)	(7)	(112)	(7)	(2)	(214)
Balance at December 31, 2014	**$1,896**	**$195**	**$ 623**	**$297**	**$ —**	**$3,011**
Acquisitions	3	—	—	—	—	3
Purchase price and other adjustments	—	1	—	—	—	1
Foreign currency translation adjustments	(143)	(6)	(50)	(13)	—	(212)
Balance at December 31, 2015	**$1,756**	**$190**	**$ 573**	**$284**	**$ —**	**$2,803**

10. OTHER INTANGIBLE ASSETS

The components of intangible assets were as follows:

	December 31, 2015			December 31, 2014			
(Dollars in millions)	Gross Carrying Amount	Accumulated Amortization	Net Intangible Assets	Gross Carrying Amount	Accumulated Amortization	Impairment	Net Intangible Assets
Acquired technology	$ 386	$ (291)	$ 95	$ 420	$ (287)	$ —	$133
Licenses	234	(176)	58	242	(169)	—	73
Patents	233	(123)	110	232	(117)	—	115
Customer relationships and contracts	198	(139)	59	205	(122)	(5)	78
Other	88	(54)	34	85	(38)	(6)	41
	$1,139	**$(783)**	**$356**	**$1,184**	**$(733)**	**$(11)**	**$440**

Additions to intangible assets were $26 million and $5 million for the years ended December 31, 2015 and 2014, respectively. During 2014 we recognized impairment charges to indefinite lived trademarks, as well as other intangible asset impairments primarily related to our Land Drilling Rigs business.

Amortization expense was $88 million, $108 million and $120 million for the years ended December 31, 2015, 2014 and 2013, respectively. Future estimated amortization expense for the carrying amount of intangible assets as of December 31, 2015 is expected to be as follows (dollars in millions):

Period	**Amount**
2016	$64
2017	57
2018	46
2019	38
2020	31

11. EQUITY INVESTMENTS

Our equity investments in unconsolidated affiliates were $76 million and $106 million for the years ended December 31, 2015 and 2014, respectively. Equity in earnings of unconsolidated affiliates for the years ended December 31, 2015, 2014 and 2013 totaled $3 million, $9 million and $37 million, respectively.

During 2015, we prepared analyses to determine the fair value of our equity investments in less than majority owned entities. Upon completion of these valuations, we determined that the fair value attributable to certain equity investments were significantly below its carrying value. We assessed this decline in value as other than temporary and recognized an impairment loss of $25 million. See "Note 14 – Fair Value of Financial Instruments, Assets and Equity Investments" for additional information regarding the fair value determination.

During 2014, we sold our interests in Proserv, resulting in a gain on the sale of $65 million. In 2013, we sold our interest in Borets resulting in a gain on the sale of $18 million (see "Note 2 – Business Combinations and Divestitures").

12. SHORT-TERM BORROWINGS AND CURRENT PORTION OF LONG-TERM DEBT

Our short-term borrowings and current portion of long-term debt consists of the followings:

	December 31,	
(Dollars in millions)	**2015**	**2014**
Commercial paper program	$ —	$ 245
Revolving credit facility	967	—
364-day term loan facility	—	175
Other short-term bank loans	214	257
Total short-term borrowings	**1,181**	**677**
Current portion of long-term debt	401	50
Short-term borrowings and current portion of long-term debt	**$1,582**	**$727**
Weighted average interest rate on short-term borrowings outstanding at end of year	2.7%	1.4%

REVOLVING CREDIT FACILITY

At December 31, 2015, we had a $2.25 billion unsecured, revolving credit agreement (the "Credit Agreement") that matures on July 13, 2017. The Credit Agreement can be used for a combination of borrowings, including support for our former commercial paper program and issuances of letters of credit. This agreement required that we maintain a debt-to-total capitalization ratio of less than 60%, and we were in compliance with this covenant at December 31, 2015. On February 1, 2016, we amended our Credit Agreement and reduced borrowing limit to $2 billion. The amended Credit Agreement requires that we maintain a debt-to-total capitalization ratio of less than 70% for the quarters ending March 31 and June 30, 2016, and 60% thereafter.

At December 31, 2015, we had $1.3 billion available under the Credit Agreement. There were $16 million in outstanding letters of credit in addition to borrowings under the Credit Agreement.

364-DAY TERM LOAN FACILITY

On April 9, 2015, we repaid the remaining $175 million balance of our $400 million, 364-day term loan facility with a syndicate of banks. Previously in 2014, proceeds from this 364-day term loan facility were used to refinance our prior 364-day term loan facility and had substantially similar terms and conditions to our prior 364-day term loan facility.

OTHER SHORT-TERM BORROWINGS AND OTHER DEBT ACTIVITY

We have short-term borrowings with various domestic and international institutions pursuant to uncommitted credit facilities. At December 31, 2015, we had $214 million in short-term borrowings under these arrangements, including $180 million borrowed under a credit agreement entered into in March 2014 that matures on March 20, 2016 (with respect to $150 million) and June 20, 2016 (with respect to the remaining $30 million), with a LIBOR-based weighted average interest rate of 1.95% as of December 31, 2015. In addition, at December 31, 2015, we had $626 million of letters of credit under various uncommitted facilities and $149 million of surety bonds, primarily performance bonds, issued by financial sureties against an indemnification from us.

The carrying value of our short-term borrowings approximates their fair value as of December 31, 2015. The current portion of long-term debt at December 31, 2015, is primarily related to our 5.5% senior notes maturing February 2016 and our capital leases.

13. LONG-TERM DEBT

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

	December 31,	
(Dollars in millions)	**2015**	**2014**
5.50% Senior Notes due 2016	$ 350	$ 352
6.35% Senior Notes due 2017	604	607
6.00% Senior Notes due 2018	499	498
9.625% Senior Notes due 2019	1,014	1,018
5.125% Senior Notes due 2020	771	798
4.50% Senior Notes due 2022	644	715
6.50% Senior Notes due 2036	449	556
6.80% Senior Notes due 2037	257	298
7.00% Senior Notes due 2038	459	497
9.875% Senior Notes due 2039	247	247
6.75% Senior Notes due 2040	460	596
5.95% Senior Notes due 2042	372	478
4.82% secured borrowing	9	12
Capital and other lease obligations	116	136
Other	29	40
Total Senior Notes and other debt	6,280	6,848
Less amounts due in one year	401	50
Long-term debt	**$5,879**	**$6,798**

The following is a summary of scheduled Long-term Debt maturities by year (dollars in millions):

2016	$ 401
2017	630
2018	514
2019	1,005
2020	812
Thereafter	2,918
	$6,280

In 2015, through a series of open market transactions, we repurchased certain of our 4.5% senior notes, 5.125% senior notes, 5.95% senior notes, 6.5% senior notes, 6.75% senior notes, 6.80% senior notes and 7.00% senior notes with a total book value of $527 million. We recognized a cumulative gain of approximately $84 million on these transactions in the line captioned "Other, Net" on the accompanying Consolidated Statements of Operations.

In December 2014, through a series of open market transactions, we repurchased certain of our 4.5% senior notes, 5.95% senior notes and 6.5% senior notes with an aggregate book value of $138 million and recognized a gain of approximately $11 million in the line captioned "Other, Net" on the accompanying Consolidated Statements of Operations.

14. FAIR VALUE OF FINANCIAL INSTRUMENTS, ASSETS AND EQUITY INVESTMENTS

FINANCIAL INSTRUMENTS MEASURED AND RECOGNIZED AT FAIR VALUE

We estimate fair value at a price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal market for the asset or liability. Our valuation techniques require inputs that we categorize using a three level hierarchy, from highest to lowest level of observable inputs. Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities. Level 2 inputs are quoted prices or other market data 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 judgment and 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. Other than the contingent consideration discussed in "Note 2 – Business Combinations and Divestitures" and our derivative instruments discussed in "Note 15 – Derivative Instruments," we had no assets or liabilities measured and recognized at fair value on a recurring basis at December 31, 2015 and 2014.

FAIR VALUE OF OTHER FINANCIAL INSTRUMENTS

Our other financial instruments include cash and cash equivalents, accounts receivable, accounts payable, short-term borrowings and long-term debt. The carrying value of our cash and cash equivalents, accounts receivable, accounts payable, short-term borrowings approximates their fair value due to their short maturities. These short-term borrowings are classified as Level 2 in the fair value hierarchy.

The fair value and carrying value of our senior notes were as follows:

The fair value of our long-term debt fluctuates with changes in applicable interest rates among other factors. Fair value will generally exceed carrying value when the current market interest rate is lower than the interest rate at which the debt was originally issued and will generally be less than the carrying value when the market rate is greater than the interest rate at which the debt was originally issued. The fair value of our long-term debt is classified as Level 2 in the fair value hierarchy and is established based on observable inputs in less active markets.

	December 31,	
(Dollars in millions)	2015	2014
Fair value	$5,095	$6,733
Carrying value	6,126	6,660

FAIR VALUE MEASUREMENTS ON IMPAIRMENTS

During 2015, long-lived assets related to pressure pumping, drilling tools, wireline, and land drilling rigs were impaired and written down to their estimated fair values. The level 3 fair values of the long-lived assets were determined using a combination of the income approach, the cost approach and the market approach, which used inputs that included replacement costs (unobservable), physical deterioration estimates (unobservable), projections of estimated future operating cash flows (unobservable), discount rates for the applicable assets and market sales data for comparable assets. Also during 2015, an equity method investment was impaired and written down to its fair value. The equity investment level 3 fair value was determined using an income based approach utilizing estimates of future cash flow, discount rate, long-term growth rate, and marketability discount, all of which were unobservable.

During the second quarter of 2014, long-lived assets in the rig operations in Russia and Venezuela and goodwill for the Russia reporting unit were impaired and written down to their estimated fair values. The level 3 fair value of the long-lived assets in the rig operations was determined using the market approach that considered the estimated sales price of those businesses. The goodwill level 3 fair value was determined using a combination of the income and market approaches with observable inputs that consisted of earnings multiples and unobservable inputs that included estimates of future cash flows, discount rate, long-term growth rate, and control premiums. During the fourth quarter of 2015, we impaired to the fair values of certain land drilling rigs and related intangible assets, The level 3 fair values were determined using an income approach that considered the remaining estimated cash flows of the associated assets, which were unobservable.

15. DERIVATIVE INSTRUMENTS

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. We enter into foreign currency forward contracts and cross-currency swap contracts to economically hedge our exposure to fluctuations in various foreign currencies. 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, changes in foreign exchange 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. Level 2 values for financial assets and liabilities are based on quoted prices in inactive markets, or whose values are based on models. Level 2 inputs to those models are observable either directly or indirectly for substantially the full term of the asset or liability.

FAIR VALUE HEDGES

We may use interest rate swaps to help mitigate exposures related to changes in the fair values of the fixed-rate debt. The interest rate swap is recorded at fair value with changes in fair value recorded in earnings. The carrying value of fixed-rate debt is also adjusted for changes in interest rates, with the changes in value recorded in earnings. After termination of the hedge, any discount or premium on the fixed-rate debt is amortized to interest expense over the remaining term of the debt.

As of December 31, 2015 and 2014, we had net unamortized premiums on fixed-rate debt of $23 million and $33 million, respectively, associated with fair value hedge swap terminations. These premiums are being amortized over the remaining term of the originally hedged debt as a reduction of interest expense which are included in the line captioned "Interest Expense, Net" on the accompanying Consolidated Statements of Operations.

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. These hedges were terminated at the time of the issuance of the debt, and the associated loss is being amortized from Accumulated

Other Comprehensive Income (Loss) to interest expense over the remaining term of the debt. As of December 31, 2015 and 2014, we had net unamortized losses of $10 million and $11 million, respectively, associated with our cash flow hedge terminations.

FOREIGN CURRENCY DERIVATIVE INSTRUMENTS

At December 31, 2015 and 2014, we had outstanding foreign currency forward contracts with total notional amounts aggregating $1.7 billion and $1.6 billion, respectively. The notional amounts of our foreign currency forward contracts do not generally represent amounts exchanged by the parties and thus are not a measure of the cash requirements related to these contracts or of any possible loss exposure. The amounts actually exchanged are calculated by reference to the notional amounts and by other terms of the derivative contracts, such as exchange rates.

Our foreign currency forward contracts and cross-currency swaps are not designated as hedges, and the changes in fair value of the contracts are recorded in current earnings each period in the line captioned "Other, Net" on the accompanying Consolidated Statements of Operations.

The total estimated fair values of these foreign currency forward contracts and amounts receivable or owed associated with closed foreign currency contracts and the total estimated fair value of our cross-currency contracts are as follows:

	December 31,		
(Dollars in millions)	**2015**	**2014**	**Classifications**
Derivative assets not designated as hedges:			
Foreign currency forward contracts	$ 5	$ 12	*Other Current Assets*
Derivative liabilities not designated as hedges:			
Foreign currency forward contracts	(14)	(17)	*Other Current Liabilities*
Cross-currency swap contracts	—	(5)	*Other Liabilities*

The amount of derivative instruments' gain or (loss) on the Consolidated Statements of Operations is in the table below.

	Year Ended December 31,			
(Dollars In millions)	**2015**	**2014**	**2013**	**Classification**
Foreign currency forward contracts	$ (115)	$ (22)	$ (12)	*Other, Net*
Cross-currency swap contracts	13	16	13	*Other, Net*

16. SHAREHOLDERS' EQUITY

Changes in our Issued and Treasury shares during the years ended December 31, 2015, 2014 and 2013, were as follows:

(Shares in millions)	**Issued**	**Treasury**
Balance at December 31, 2012	**840**	**(79)**
Equity awards granted, vested and exercised	—	6
Balance at December 31, 2013	**840**	**(73)**
Change in Shares Associated with Redomestication	(840)	71
Issuance of Weatherford Ireland Shares	774	—
Equity awards granted, vested and exercised	—	2
Balance at December 31, 2014	**774**	**—**
Equity awards granted, vested and exercised	5	—
Balance at December 31, 2015	**779**	**—**

On June 17, 2014, we completed the change in our place of incorporation from Switzerland to Ireland, whereby Weatherford Ireland became the new public holding company and the parent of the Weatherford group of companies, pursuant to which each registered share of Weatherford Switzerland was exchanged as consideration for the allotment of one ordinary share of Weatherford Ireland (excluding shares held by, or for the benefit of, Weatherford Switzerland or any of its subsidiaries). The Weatherford Switzerland shares were then cancelled. Weatherford Ireland issued ordinary shares with a par value of $0.001 per share. In conjunction with the redomestication, the shares held by our executive deferred compensation plan were sold and the remaining treasury shares were cancelled.

ACCUMULATED OTHER COMPREHENSIVE LOSS

The following table presents the changes in our accumulated other comprehensive loss by component for the year ended December 31, 2015 and 2014:

(Dollars in millions)	Currency Translation Adjustment	Defined Benefit Pension	Deferred Loss on Derivatives	Total
Balance at January 1, 2014	**$ (140)**	**$ (38)**	**$ (9)**	**$ (187)**
Other comprehensive income before reclassifications	(763)	(21)	—	(784)
Reclassifications	90	2	—	92
Other	—	—	(2)	(2)
Net activity	(673)	(19)	(2)	(694)
Balance at December 31, 2014	**(813)**	**(57)**	**(11)**	**(881)**
Other comprehensive income before reclassifications	(789)	28	—	(761)
Reclassifications	—	—	1	1
Net activity	(789)	28	1	(760)
Balance at December 31, 2015	**$(1,602)**	**$ (29)**	**$ (10)**	**$(1,641)**

The other comprehensive income before reclassifications from the defined benefit pension component of other comprehensive income for the year ended December 31, 2015 relates primarily to the conversion of one of our international pension plans from a defined benefit plan to a defined contribution plan. In addition, other comprehensive income reflects the reclassification of our deferred loss on derivatives related to the early redemption of our senior notes.

The reclassification from the currency translation adjustment component of other comprehensive income includes $90 million from the sale of our land drilling and workover rig operations in Russia and Venezuela and pipeline and specialty service businesses. This amount was recognized in the "Gain on Sale of Businesses and Investments, Net" line in our Consolidated Statements of Operations for the year ended December, 31 2014.

17. 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 including participating securities. Diluted earnings per share is computed by dividing net income by the weighted average number of our shares outstanding during the period including participating securities, adjusted for the dilutive effect of our stock options, restricted shares and performance units.

The following discloses basic and diluted weighted average shares outstanding:

	Year Ended December 31,		
(Shares in millions)	**2015**	**2014**	**2013**
Basic and Diluted weighted average shares outstanding	779	777	772

Our basic and diluted weighted average shares outstanding for the years ended December 31, 2015, 2014 and 2013, are equivalent due to the net loss attributable to shareholders. Diluted weighted average shares outstanding for the years ended December 31, 2015, 2014 and 2013, exclude potential shares for stock options, restricted shares and performance units outstanding as we have net losses for those periods and their inclusion would be anti-dilutive. The following table discloses the number of anti-dilutive shares excluded:

	Year Ended December 31,		
(Shares in millions)	**2015**	**2014**	**2013**
Anti-dilutive potential shares	3	5	5

18. SHARE-BASED COMPENSATION

INCENTIVE PLANS

Our incentive plans permit the grant of options, stock appreciation rights, RSAs, restricted share units ("RSUs"), performance share awards, performance unit awards ("PUs"), other share-based awards and cash-based awards to any employee, non-employee directors and other individual service providers or any affiliate. Compensation expense is recognized on a straight-line basis over the requisite service period for the separately vesting portion of each award.

The provisions of each award vary based on the type of award granted and are determined 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 10 years. Upon grant of an RSA, the recipient 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, but not the right to disposition prior to vesting. 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, 2015, approximately 17 million shares were available for grant under our incentive plans.

SHARE-BASED COMPENSATION EXPENSE

We recognized the following share-based compensation expense during each of the years ended December 31, 2015, 2014 and 2013:

	Year Ended December 31,		
(Dollars in millions)	2015	2014	2013
Share-based compensation	$73	$56	$66
Related tax benefit	14	12	11

OPTIONS

Stock options were granted with an exercise price equal to or greater than the fair market value of our shares as of the date of grant. We used the Black-Scholes option pricing model to determine the fair value of stock options awarded. The estimated fair value of our stock options was expensed over their vesting period, which was generally one to four years. There were no stock options granted during 2015, 2014 or 2013. The intrinsic value of stock options exercised during 2015, 2014 and 2013 was $15 million, $13 million and $12 million, respectively. We received cash proceeds of $26 million from the exercise of stock options during the year ended December 31, 2015. All options were fully vested.

A summary of option activity for the year ended December 31, 2015, is presented below:

	Options	Weighted Average Exercise Price	Weighted Average Remaining Term	Aggregate Intrinsic Value
	(In thousands)			*(In thousands)*
Outstanding at December 31, 2014	6,643	$ 9.52	1.18 years	$ 23,500
Exercised	(4,066)	6.35		
Expired	(74)	9.56		
Outstanding and Vested at December 31, 2015	2,503	14.67	0.93 years	36
Exercisable at December 31, 2015	15	5.94	0.74 years	36

RESTRICTED SHARE AWARDS AND RESTRICTED SHARE UNITS

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 December 31, 2015, 2014 and 2013 was $11.94, $18.98 and $13.49, respectively. The total fair value of RSAs and RSUs vested during the years ended December 31, 2015, 2014 and 2013 was $37 million, $52 million and $61 million, respectively. As of December 31, 2015, there was $120 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. A summary of RSA and RSU activity for the year ended December 31, 2015 is presented below:

	RSA	Weighted Average Grant Date Fair Value	RSU	Weighted Average Grant Date Fair Value
	(In thousands)		*(In thousands)*	
Non-Vested at December 31, 2014	**2,254**	**$15.31**	**4,300**	**$17.21**
Granted	—	—	10,492	11.94
Vested	(1,111)	15.12	(1,981)	16.53
Forfeited	(272)	17.55	(847)	13.71
Non-Vested at December 31, 2015	**871**	**14.85**	**11,964**	**12.94**

PERFORMANCE UNITS

The performance units we granted in 2015 and 2014 vest over three years and the performance units we granted prior to 2014 vest at the end of a three-year period assuming continued employment and the Company's achievement of certain market-based performance goals. Depending on the performance levels achieved in relation to the predefined targets, shares may be issued for up to 225% of the units awarded. If the established performance goals are not met, the performance units will expire unvested and no shares will be issued. The grant date fair value of the performance units we have granted was determined through use of the Monte Carlo simulation method. The assumptions used in the Monte Carlo simulation during the year ended December 31, 2015, included a risk-free rate of 0.51%, volatility of 46.1% and a zero dividend yield. The weighted-average grant date fair value of the performance units we granted during the years ended December 31, 2015, 2014 and 2013 was $10.45, $14.31 and $10.81, respectively. For the year ended December 31, 2015, we did not issue any shares. The total fair value of shares issued in connection with performance units during the years ended December 31, 2014 and 2013 was $11 million and $8 million, respectively. For the year ended December 31, 2014 and 2013, 541 thousand and 1.3 million shares of stock were issued, respectively, for the performance units related to the departure of certain former executive officers. As of December 31, 2015, there was $13 million of unrecognized compensation expense related to performance units, which is expected to be recognized over a weighted average period of one year.

A summary of performance unit activity for the year ended December 31, 2015, is presented below:

	Performance Units	Weighted Average Grant Date Fair Value
	(In thousands)	
Non-vested at December 31, 2014	**1,948**	**$12.74**
Granted	1,561	10.45
Vested	—	—
Forfeited	(652)	14.14
Non-vested at December 31, 2015	**2,857**	**11.17**

19. RETIREMENT AND EMPLOYEE BENEFIT PLANS

We have defined contribution plans covering certain employees. Contribution expenses related to these plans totaled $66 million, $79 million and $73 million in 2015, 2014 and 2013, respectively. The decrease in employer contributions in 2015 compared to 2014 relates to the reduction in force initiative implemented during the year.

We have defined benefit pension and other post-retirement benefit plans covering certain U.S. and international employees. Plan benefits are generally based on factors such as age, compensation levels and years of service. Early in 2015, we converted one of our larger defined benefit plans to a defined contribution plan. As a result, amounts shown for 2015 are significantly lower than previous years. Net periodic benefit cost related to these plans totaled $9 million, $18 million and $20 million in 2015, 2014 and 2013, respectively. The projected benefit obligations on a consolidated basis were $245 million and $325 million as of December 31, 2015 and 2014, respectively. Curtailments and settlements totaling $63 million and currency fluctuations of $17 million were the main components reducing the obligation during the year. The fair values of plan assets on a consolidated basis (determined primarily using Level 2 inputs) were $121 million and $161 million as of December 31, 2015 and 2014, respectively. Settlements were the primary factor contributing to the decrease in assets this year. The net underfunded obligation was substantially all recorded within Other Noncurrent Liabilities at each balance sheet date. Additionally, consolidated amounts in accumulated other comprehensive loss that have not yet been recognized as components of net periodic benefit cost were $38 million and $75 million as of December 31, 2015 and 2014, respectively. The decrease in other comprehensive loss year over year is due primarily to pre-tax curtailment and settlement gains of $30 million resulting from the conversion of our defined benefit plan to a defined contribution plan, as mentioned above, and also our reduction in force initiatives.

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

	Year Ended December 31,	
	2015	2014
Discount rate:		
United States plans	1.00% - 4.25%	1.00% - 4.00%
International plans	2.30% - 8.00%	1.65% - 7.00%
Rate of compensation increase:		
United States plans	—	—
International plans	2.00% - 3.20%	2.00% - 3.30%

During 2015 and 2014, we contributed $6 million and $14 million, respectively, to our defined benefit pension and other post-retirement benefit plans. In 2016, we expect to contribute approximately $5 million to those plans.

20. INCOME TAXES

We are exempt from Swiss cantonal and communal tax on income derived outside Switzerland, and we are also granted participation relief from Swiss federal tax for qualifying dividend income and capital gains related to the sale of qualifying investments in subsidiaries. We expect that the participation relief will result in a full exemption of participation income from Swiss federal income tax.

We provide for income taxes based on the laws and rates in effect in the countries in which operations are conducted, or in which we or our subsidiaries are considered resident for income tax purposes. The relationship between our pre-tax income or loss and our income tax provision or benefit varies from period to period as a result of various factors which include changes in total pre-tax income or loss, the jurisdictions in which our income is earned, the tax laws in those jurisdictions and in our operating structure.

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

	Year Ended December 31,		
(Dollars in millions)	**2015**	**2014**	**2013**
Total current provision	$(303)	$ (350)	$ (177)
Total deferred benefit	448	66	33
(Provision) Benefit for Income Taxes	**$ 145**	**$(284)**	**$(144)**

The difference between the income tax (provision) benefit at the Swiss federal income tax rate and the income tax (provision) benefit attributable to "Loss Before Income Taxes" for each of the three years ended December 31, 2015, 2014 and 2013 is analyzed below:

	Year Ended December 31,		
(Dollars in millions)	2015	2014	2013
Swiss federal income tax rate at 7.83%	$ 164	$ 20	$ 13
Tax on operating earnings subject to rates different than the Swiss federal income tax rate	411	(70)	89
Tax on divestitures gains subject to different tax rate	—	(109)	—
Non-cash tax expense on distribution of subsidiary earnings	(265)	—	—
Change in valuation allowance	(159)	(222)	(264)
Change in uncertain tax positions	(6)	97	18
(Provision) Benefit for Income Taxes	**$ 145**	**$(284)**	**$ (144)**

Our income tax benefit in 2015 was $145 million on a loss before income taxes of $2.1 billion. The tax benefit was favorably impacted by a U.S. loss, which included restructuring, impairment charges and a worthless stock deduction. Our results for 2015 include $255 million of Land Drilling Rig impairment charges, $232 million of restructuring charges, $116 million of litigation settlements, $153 million of legacy project losses, $85 million of currency devaluation and related losses and $25 million of equity investment impairment, all with no significant tax benefit. In addition, we recorded a tax charge of $265 million for a non-cash tax expense on distribution of subsidiary earnings.

In 2014, we had a tax provision of $284 million on a loss before income taxes of $255 million. Our results for 2014 include a $161 million goodwill impairment charge, a $245 million loss due to the devaluation of Venezuela bolivar and $72 million of project losses related to our early production facility contracts in Iraq, all of which provided no tax benefit. In addition, we incurred a $495 million long-lived assets impairments charge, with limited tax benefit. During 2014, we also sold our land drilling and workover rig operations in Russia and Venezuela, pipeline and specialty services business, engineered chemistry, Integrity drilling fluids business and our equity investment in Proserv for a total gain of approximately $349 million.

In 2013, our income before tax included a $153 million charge for the settlement of the United Nations oil-for-food program governing sales of goods into Iraq and Foreign Corrupt Practices Act ("FCPA") matters, a $299 million loss on certain legacy projects in Iraq, $98 million of bad debt expense, which included an increase to the allowance for doubtful accounts in Venezuela, and a $100 million loss due to the devaluation of the Venezuelan bolivar, all with no or little tax benefit. Our 2013 tax provision included certain discrete tax benefits primarily due to tax planning activities, decreases in reserves for uncertain tax positions due to statute of limitation expiration and audit closures and the enactment of the American Taxpayer Relief Act, which decreased our effective tax rate for the period.

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 Consolidated 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,	
(Dollars in millions)	2015	2014
Net operating losses carryforwards	$ 972	$ 600
Accrued liabilities and reserves	190	235
Tax credit carryforwards	102	103
Employee benefits	52	70
Inventory	64	70
Other differences between financial and tax basis	267	108
Valuation allowance	(868)	(732)
Total deferred tax assets	779	454
Deferred tax liabilities:		
Property, plant and equipment	(53)	(324)
Intangible assets	(209)	(206)
Deferred Income	(21)	(22)
Undistributed Subsidiary Earnings	(179)	—
Other differences between financial and tax basis	(12)	(21)
Total deferred tax liabilities	(474)	(573)
Net deferred tax asset (liability)	**$ 305**	**$(119)**

The overall increase in the valuation allowance in both 2015 and 2014 is primarily attributable to the establishment of a valuation allowance against current year net operating losses ("NOLs") and tax credits in various jurisdictions. Our results in 2015 and 2014 include significant tax losses in Mexico, Venezuela, and Iraq.

Deferred income taxes generally have not been recognized on the cumulative undistributed earnings of our non-Swiss subsidiaries because they are considered to be indefinitely reinvested or they can be distributed on a tax free basis. Distribution of these earnings in the form of dividends or otherwise may result in a combination of income and withholding taxes payable in various countries. In 2015 the company reversed its indefinitely reinvested assertion on a portion of those earnings and recorded a non-cash tax charge of $265 million. This charge covers the tax expense on 2015 distributions and planned distributions of earnings from subsidiaries to the U.S. As of December 31, 2015, the cumulative undistributed earnings of our non-Swiss subsidiaries that are considered indefinitely reinvested and may be subject to tax if distributed amount to approximately $103 million. Due to complexities in the tax laws and the manner of repatriation, it is not practicable to estimate the unrecognized amount of deferred income taxes and the related dividend withholding taxes associated with these undistributed earnings.

At December 31, 2015, we had approximately $3.5 billion of NOLs in various jurisdictions, $867 million of which were generated by certain U.S. subsidiaries. Loss carryforwards, if not utilized, will mostly expire for U.S. subsidiaries in 2033 and 2035 and at various dates from 2016 through 2035 for non-U.S. subsidiaries. At December 31, 2015, we had $102 million of tax credit carryovers, of which $82 million is for U.S. subsidiaries. The U.S. credits primarily consists of $30 million of research and development tax credit carryforwards which expire from 2018 through 2035, and $52 million of foreign tax credit carryforwards which expire from 2016 through 2023.

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

	Year Ended December 31,		
(Dollars in millions)	**2015**	**2014**	**2013**
Balance at beginning of year	$235	$289	$296
Additions as a result of tax positions taken during a prior period	28	23	64
Reductions as a result of tax positions taken during a prior period	(9)	(35)	(12)
Additions as a result of tax positions taken during the current period	5	2	31
Reductions relating to settlements with taxing authorities	(46)	(24)	(60)
Reductions as a result of a lapse of the applicable statute of limitations	(7)	(9)	(19)
Foreign exchange effects	(11)	(11)	(11)
Balance at end of year	**$195**	**$235**	**$289**

Substantially all of the uncertain tax positions, 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 and other non-current liabilities in the Consolidated Financial Statements in accordance with our accounting policy. We recorded benefits of $4 million, $53 million and $21 million of interest and penalty for the years ended December 31, 2015, 2014 and 2013, respectively. The amounts in the table above exclude cumulative accrued interest and penalties of $50 million, $58 million and $121 million at December 31, 2015, 2014 and 2013, respectively, which are included in other liabilities.

We are subject to income tax in many of the over 100 countries where we operate. As of December 31, 2015, the following table summarizes the tax years that remain subject to examination for the major jurisdictions in which we operate:

Canada	2008 - 2015
Mexico	2007 - 2015
Russia	2013 - 2015
Switzerland	2010 - 2015
United States	2010 - 2015
Venezuela	2010 - 2015

We anticipate that it is reasonably possible that the amount of uncertain tax positions may decrease by up to $10 million in the next twelve months due to expiration of statutes of limitations, settlements and/or conclusions of tax examinations.

21. DISPUTES, LITIGATION AND CONTINGENCIES

SHAREHOLDER LITIGATION

In 2010, three shareholder derivative actions were filed, purportedly on behalf of the Company, asserting breach of duty and other claims against certain current and former officers and directors of the Company related to the United Nations oil-for-food program governing sales of goods into Iraq, the FCPA and trade sanctions related to the U.S. government investigations disclosed in our U.S. Securities and Exchange Commission (the "SEC") filings since 2007. Those shareholder derivative cases were filed in Harris County, Texas state court and consolidated under the caption *Neff v. Brady, et al.,* No. 2010040764 (collectively referred to as the *"Neff Case"*). Other shareholder demand letters covering the same subject matter were received by the Company in early 2014, and a fourth shareholder derivative action was filed, purportedly on behalf of the Company, also asserting breach of duty and other claims against certain current and former officers and directors of the Company related to the same subject matter as the Neff Case. That case, captioned *Erste-Sparinvest KAG v. Duroc-Danner, et al.,* No. 201420933 (Harris County, Texas) was consolidated into the Neff Case in September 2014. A motion to dismiss was granted May 15, 2015 and an appeal, which remains pending, was filed on June 15, 2015.

We cannot reliably predict the outcome of the appeal including the amount of any possible loss. If one or more negative outcomes were to occur relative to the *Neff* Case, the aggregate impact to our financial condition could be material.

On June 30, 2015, we signed a stipulation to settle a shareholder securities class action captioned *Freedman v. Weatherford International Ltd., et al.,* No. 1:12-cv-02121-LAK (S.D.N.Y.) for $120 million subject to notice to the class and court approval. The *Freedman* lawsuit had been filed in the U.S. District Court for the Southern District of New York in March 2012, and alleged that we and certain current and former officers of Weatherford violated the federal securities laws in connection with the restatements of the Company's historical financial statements announced on February 21, 2012 and July 24, 2012. On November 4, 2015, the U.S. District Court for the Southern District of New York entered a final judgment and an order approving the settlement. Pursuant to the settlement, we were required to pay $120 million, which was partially funded by insurance proceeds. There was no admission of liability or fault by an party in connection with the settlement. We are pursuing reimbursement from our insurance carriers and recovered $15 million of the settlement amount in the fourth quarter of 2015.

We signed an amended stipulation of settlement in November 2014 to resolve two shareholder derivative actions related to the Company's restatement of its financial statements and material weakness in internal controls over financial reporting for income taxes. On June 24, 2015, the U.S. District Court for the Southern District of New York approved the settlement and entered final judgment in one of the two cases, *Wandel v. Duroc-Danner, et al.,* No. 1:12-cv-01305-LAK. By agreement with the plaintiffs, a substantially identical shareholder derivative case, *Iron Workers Mid-South Pension Fund v. Duroc-Danner, et al.,* No. 201119822, pending in Harris County, Texas, state court was voluntarily dismissed with prejudice. The two cases, purportedly brought on behalf of the Company against certain current and former officers and directors, alleged breaches of duty related to our material weakness and restatements. The settlement included an agreed upon set of revised corporate procedures, no monetary payment by the defendants and an award of attorney's fees and reimbursement of expenses for a total amount of $0.6 million for the plaintiff's counsel, which we paid in July 2015. There was no admission of liability or fault by any party in connection with the settlement.

On January 30, 2015, the U.S. District Court for the Southern District of New York approved the settlement of a purported shareholder securities class action captioned *Dobina v. Weatherford International Ltd., et al.,* No. 1:11-cv-01646-LAK (S.D.N.Y.) for $53 million. The action named Weatherford and certain current and former officers as defendants. It alleged violation of the federal securities laws in connection with the material weakness in our internal controls over financial reporting for income taxes, and restatement of our historical financial statements announced in March 2011. The settlement was entirely funded by our insurers. There was no admission of liability or fault by any party in connection with the settlement.

U.S. GOVERNMENT AND INTERNAL INVESTIGATIONS

On January 17, 2014, the U.S. District Court for the Southern District of Texas approved the settlement agreements between us and certain of our subsidiaries and the U.S. Department of Justice ("DOJ"). On November 26, 2013, we announced that we and our subsidiaries, also entered into settlement agreements with the U.S. Departments of Treasury and Commerce and with the SEC, which the U.S. District Court for the Southern District of Texas entered on December 20, 2013. These agreements collectively resolved investigations of prior alleged violations by us and certain of our subsidiaries relating to certain trade sanctions laws, participation in the United Nations oil-for-food program governing sales of goods into Iraq and non-compliance with FCPA matters.

The $253 million payable by us and our subsidiaries was paid in January and February 2014 pursuant to the terms of the settlement agreements. These agreements include a requirement to retain, for a period of at least 18 months, an independent monitor responsible for assessing our compliance with the terms of the agreement so as to address and reduce the risk of recurrence of alleged misconduct, after which we would continue to evaluate our own compliance program and make periodic reports to the DOJ and SEC and maintain agreed upon compliance monitoring and reporting systems. In April 2014, the independent monitor was retained and the compliance assessment period began. In October 2015, the independent monitor submitted a report to the DOJ and SEC with his assessment that we had satisfied the relevant terms of the settlement agreements and recommending that the monitorship be terminated, after which our self-reporting period has begun. These agreements also required us to retain an independent third party to retroactively audit our compliance with U.S. export control laws for the years 2012, 2013 and 2014. We retained an independent third party, who has completed these audits.

The SEC and DOJ are also investigating the circumstances surrounding the material weakness in our internal controls over financial reporting for income taxes that was disclosed in a notification of late filing on Form 12b-25 filed on March 1, 2011 and in current reports on Form 8-K filed on February 21, 2012 and on July 24, 2012 and the subsequent restatements of our historical financial statements. We are cooperating fully with these investigations. We are unable to predict the outcome of these matters due to the inherent uncertainties presented by such investigations, and we are unable to predict potential outcomes or estimate the range of potential loss contingencies, if any. The government, generally, has a broad range of civil and criminal penalties available for these types of matters under applicable law and regulation, including injunctive relief, fines, penalties and modifications to business practices, some of which, if imposed on us, could be material to our business, financial condition or results of operations.

OTHER

Additionally, we are aware of various disputes and potential claims and are a party in various litigation involving claims against us, including as a defendant in various employment claims alleging our failure to pay certain classes of workers overtime in compliance with the Fair Labor Standards Act. Some of these disputes and claims 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 which we do not believe a negative outcome is probable or for which we can only estimate a range of liability. It is possible, however, that an unexpected judgment could be rendered against us, or we could decide to resolve a case or cases, that would result in liability that could be uninsured and beyond the amounts we currently have reserved and in some cases those losses could be material. If one or more negative outcomes were to occur relative to these matters, the aggregate impact to our financial condition could be material.

22. COMMITMENTS AND OTHER CONTINGENCIES

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 commitments under noncancellable operating leases are as follows (dollars in millions):

2016	$ 349
2017	217
2018	165
2019	102
2020	62
Thereafter	277
	$1,172

Total rent expense incurred under operating leases was approximately $426 million, $536 million and $581 million for the years ended December 31, 2015, 2014 and 2013, respectively. The future rental commitment table above does not include leases that are short-term in nature or can be cancelled with notice of less than three months. We maintain a contractual residual value guarantee at December 31, 2015 of $68 million in "Other Current Liabilities" and $28 million in "Other Non-Current Liabilities" related to certain lease equipment in our North America pressure pumping business and our Land Drilling Rigs segment on our Consolidated Balance Sheets.

We have supply contract related minimum purchase commitments and maintain a liability at December 31, 2015 of $124 million, of which $47 million is recorded in "Other Current Liabilities" and $77 million is recorded in "Other Non-Current Liabilities" on our Consolidated Balance Sheets.

23. SEGMENT INFORMATION

REPORTING SEGMENTS

In the first quarter of 2015, we changed our business structure to better align with management's current view and future growth objectives. This involved separating our Land Drilling Rigs business into a reportable segment resulting in a total of five reportable segments which are North America, MENA/Asia Pacific, Europe/SSA/Russia, Latin America and Land Drilling Rigs. The operational performance of our segments is reviewed and managed primarily on a geographic basis, and we report the regional segments as separate, distinct reporting segments. In addition, our Land Drilling Rigs business, which we intend to divest, is reviewed and managed apart from our regional segments. Our corporate and other expenses that do not individually meet the criteria for segment reporting continue to be reported separately as Corporate and Research and Development. Each business reflects a reportable segment led by separate business segment management that reports directly or indirectly to our chief operating decision maker ("CODM"). Our CODM assesses performance and allocates resources on the basis of the five reportable segments. We have revised our business segment reporting to reflect our current management approach and recast prior periods to conform to the current business segment presentation.

Financial information by segment is summarized below. Revenues are attributable to countries based on the ultimate destination of the sale of products or performance of services. The accounting policies of the segments are the same as those described in "Note 1 – Summary of Significant Accounting Policies". Included in the income (loss) from operations in MENA/Asia Pacific are losses related to our long-term early production facility construction contracts in Iraq accounted for under the percentage-of-completion method as described in "Note 5 – Percentage of Completion Contracts".

	Year Ended December 31, 2015			
(Dollars in millions)	**Net Operating Revenues**	**Income (Loss) from Operations [a]**	**Depreciation and Amortization**	**Capital Expenditures**
North America	$ 3,494	$ (308)	$ 362	$ 161
MENA/Asia Pacific	1,947	(28)	254	75
Europe/SSA/Russia	1,533	173	201	132
Latin America	1,746	254	249	227
Subtotal	8,720	91	1,066	595
Land Drilling Rigs	713	(13)	110	68
	9,433	78	1,176	663
Corporate and Research and Development		(425)	24	19
Long-Lived Asset Impairment and Other Related Charges[b]		(768)		
Equity Investment Impairment		(25)		
Severance and Restructuring Charges[c]		(232)		
Litigation Charges		(116)		
Loss on Sale of Businesses and Investments, Net		(6)		
Other Items[d]		(52)		
Total	**$ 9,433**	**$ (1,546)**	**$ 1,200**	**$ 682**

(a) During 2015, we recognized inventory write-downs of $223 million attributable to each reporting segment as follows: $73 million in North America, $54 million in Latin America, $38 million in MENA/Asia Pacific, $32 million in Europe/SSA/Russia, and $26 million for Land Drilling Rigs. We recognized a charge for bad debt expense of $48 million of which $31 million was taken in the fourth quarter. The charges attributable to our reporting segments are as follows: $20 million in North America, $12 million for Europe/SSA/Russia, $9 million in Latin America, and $7 million in MENA/Asia Pacific.

(b) Includes asset impairment charges of $638 million, supply agreement charges related to a non-core business divestiture of $67 million, and pressure pumping business related charges of $63 million.

(c) We recognized 2015 Plan severance and restructuring charges of $232 million: $52 million in North America, $56 million in MENA/Asia Pacific, $56 million in Europe/SSA/Russia, $40 million in Latin America, $12 million in Land Drilling Rigs and $16 million in Corporate and Research and Development.

(d) Includes $17 million in professional and other fees, $11 million in divestiture related charges and facility closures and $24 million in other charges.

(Dollars in millions)	Year Ended December 31, 2014 Net Operating Revenues	Income (Loss) from Operations	Depreciation and Amortization	Capital Expenditures
North America	$ 6,852	$ 1,005	$ 430	$ 454
MENA/Asia Pacific	2,406	115	280	183
Europe/SSA/Russia	2,129	367	218	282
Latin America	2,282	339	241	311
Subtotal	13,669	1,826	1,169	1,230
Land Drilling Rigs	1,242	(103)	179	158
	14,911	1,723	1,348	1,388
Corporate and Research and Development		(468)	23	62
Long-Lived Asset Impairments		(495)		
Goodwill Impairment		(161)		
Severance and Restructuring Charges[e]		(331)		
Gain on Sale of Businesses and Investments, Net		349		
Other Items[f]		(112)		
Total	**$14,911**	**$ 505**	**$1,371**	**$1,450**

(e) We recognized 2014 and 2015 Plan severance and restructuring charges of $331 million: $76 million in North America, $133 million in MENA/Asia Pacific, $35 million in Europe/SSA/Russia, $48 million in Latin America, $9 million in Land Drilling Rigs and $30 million in Corporate and Research and Development.

(f) Includes professional fees of $107 million related to the divestiture of our non-core businesses, restatement related litigation, the settlement of the U.S. government investigations, and our 2014 redomestication from Switzerland to Ireland and other charges of $5 million.

(Dollars in millions)	Year Ended December 31, 2013 Net Operating Revenues	Income (Loss) from Operations[g]	Depreciation and Amortization	Capital Expenditures
North America	$ 6,390	$ 827	$ 424	$ 434
MENA/Asia Pacific	2,746	(62)	284	278
Europe/SSA/Russia	1,947	266	207	228
Latin America[h]	2,635	320	254	245
Subtotal	13,718	1,351	1,169	1,185
Land Drilling Rigs	1,545	(33)	213	327
	15,263	1,318	1,382	1,512
Corporate and Research and Development		(466)	20	63
Litigation Charges		(153)		
Gain on Sale of Businesses and Investments, Net		24		
Other Items[i]		(200)		
Total	**$15,263**	**$ 523**	**$1,402**	**$1,575**

(g) We recognized a charge for bad debt expense of $98 million attributable to our reporting segments as follows: $51 million in Latin America, $26 million in Land Drilling Rigs, $10 million for Europe/SSA/Russia, $9 million in MENA/Asia Pacific, and $2 million in North America. During 2013, we recognized a charge for excess and obsolete inventory of $62 million attributable to each reporting segment as follows: $35 million in North America, $13 million in Europe/SSA/Russia, $7 million in MENA/Asia Pacific, $6 million in Latin America and $1 million for Land Drilling Rigs.

(h) On December 17, 2013, we accepted bonds with a face value of $127 million from PDVSA in full settlement of $127 million in trade receivables. Upon receipt, we immediately sold these bonds in a series of transactions recognizing a loss of $58 million.

(i) Includes $67 million of professional fees and expenses for U.S. government investigations and the remediation of our material weakness related to income taxes, $94 million of severance and $39 million of other items.

The following table presents total assets by segment at December 31:

(Dollars in millions)	Total Assets at December 31, 2015	2014
North America	$ 5,100	$ 7,297
MENA/Asia Pacific	2,536	3,022
Europe/SSA/Russia	2,480	3,106
Latin America	2,683	3,211
Land Drilling Rigs	1,516	1,907
Corporate and Research and Development	472	346
Total	**$14,787**	**$18,889**

Total assets in the United States, which is part of our North America segment, were $4.4 billion and $6.1 billion as of December 31, 2015 and 2014, respectively. The remaining North America total assets balance of $731 million and $1.2 billion, respectively as of December 31, 2015 and 2014, is related to our operations in Canada.

PRODUCTS AND SERVICES

We are one of the world's leading providers of equipment and services used in the drilling, evaluation, completion, production and intervention of oil and natural gas wells. The composition of our consolidated revenues by product service line group is as follows:

	Year Ended December 31,		
	2015	**2014**	**2013**
Formation Evaluation and Well Construction	55%	52%	52%
Completion and Production	37	40	38
Land Drilling Rigs	8	8	10
Total	**100%**	**100%**	**100%**

GEOGRAPHIC AREAS

Financial information by geographic area is summarized below. Revenues from customers and long-lived assets in Ireland were insignificant in each of the years presented. Long-lived assets exclude goodwill and intangible assets as well as deferred tax assets of $207 million and $129 million at December 31, 2015 and 2014, respectively.

	Revenues			Long-lived Assets	
(Dollars in millions)	**2015**	**2014**	**2013**	**2015**	**2014**
United States	$ 2,864	$ 5,567	$ 5,147	$ 1,505	$ 2,114
Middle East and North Africa	1,843	2,038	2,197	1,686	1,987
Latin America	1,782	2,381	2,835	1,143	1,226
Europe/SSA/Russia	1,613	2,584	2,693	862	1,158
Asia Pacific	701	1,057	1,148	471	616
Canada	630	1,284	1,243	191	264
	$ 9,433	**$14,911**	**$15,263**	**$5,858**	**$7,365**

24. CONSOLIDATING FINANCIAL STATEMENTS

Weatherford Ireland, a public limited company organized under the laws of Ireland and the ultimate parent of the Weatherford group, guarantees the obligations of our subsidiaries – Weatherford Bermuda, a Bermuda exempted company, and Weatherford Delaware, a Delaware limited liability company, including the notes and credit facilities listed below.

The following obligations of Weatherford Delaware were guaranteed by Weatherford Bermuda at December 31, 2015 and 2014: (1) 6.35% senior notes and (2) 6.80% senior notes.

The following obligations of Weatherford Bermuda were guaranteed by Weatherford Delaware at December 31, 2015 and 2014: (1) revolving credit facility, (2) 5.50% senior notes, (3) 6.50% senior notes, (4) 6.00% senior notes, (5) 7.00% senior notes, (6) 9.625% senior notes, (7) 9.875% senior notes, (8) 5.125% senior notes, (9) 6.75% senior notes, (10) 4.50% senior notes and (11) 5.95% senior notes. In 2014, we refinanced the 364-day term loan facility with a new 364-day term loan facility, which was an obligation of Weatherford Bermuda, was guaranteed by Weatherford Delaware as of December 31, 2014 and was repaid in 2015.

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.

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS) YEAR ENDED DECEMBER 31, 2015

(Dollars in Millions)	Weatherford Ireland	Weatherford Bermuda	Weatherford Delaware	Other Subsidiaries	Eliminations	Consolidation
Revenues	$ —	$ —	$ —	$ 9,433	$ —	$ 9,433
Costs and Expenses	(101)	(7)	2	(10,873)	—	(10,979)
Operating Income (Loss)	**(101)**	**(7)**	**2**	**(1,440)**	**—**	**(1,546)**
Other Income (Expense):						
Interest Expense, Net	—	(398)	(57)	(13)	—	(468)
Intercompany Charges, Net	(83)	(110)	(282)	(403)	878	—
Equity in Subsidiary Income	(1,801)	(1,868)	(492)	—	4,161	—
Other, Net	—	51	11	(144)	—	(82)
Income (Loss) Before Income Taxes	**(1,985)**	**(2,332)**	**(818)**	**(2,000)**	**5,039**	**(2,096)**
(Provision) Benefit for Income Taxes	—	—	114	31	—	145
Net Income (Loss)	**(1,985)**	**(2,332)**	**(704)**	**(1,969)**	**5,039**	**(1,951)**
Net Income Attributable to Noncontrolling Interests	—	—	—	34	—	34
Net Income (Loss) Attributable to Weatherford	**$(1,985)**	**$(2,332)**	**$(704)**	**$ (2,003)**	**$5,039**	**$ (1,985)**
Comprehensive Income (Loss) Attributable to Weatherford	**$(2,745)**	**$(2,610)**	**$(754)**	**$ (2,762)**	**$6,126**	**$ (2,745)**

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS) YEAR ENDED DECEMBER 31, 2014

(Dollars in millions)	Weatherford Ireland	Weatherford Bermuda	Weatherford Delaware	Other Subsidiaries	Eliminations	Consolidation
Revenues	$ —	$ —	$ —	$ 14,911	$ —	$ 14,911
Costs and Expenses	(59)	(18)	3	(14,332)	—	(14,406)
Operating Income (Loss)	**(59)**	**(18)**	**3**	**579**	**—**	**505**
Other Income (Expense):						
Interest Expense, Net	—	(422)	(57)	(19)	—	(498)
Intercompany Charges, Net	(99)	7,291	(266)	(8,802)	1,876	—
Equity in Subsidiary Income	(424)	(430)	407	(2)	449	—
Other, Net	—	20	(3)	(279)	—	(262)
Income (Loss) Before Income Taxes	**(582)**	**6,441**	**84**	**(8,523)**	**2,325**	**(255)**
(Provision) Benefit for Income Taxes	(2)	—	131	(413)	—	(284)
Net Income (Loss)	**(584)**	**6,441**	**215**	**(8,936)**	**2,325**	**(539)**
Net Income Attributable to Noncontrolling Interests	—	—	—	45	—	45
Net Income (Loss) Attributable to Weatherford	**$ (584)**	**$ 6,441**	**$ 215**	**$ (8,981)**	**$ 2,325**	**$ (584)**
Comprehensive Income (Loss) Attributable to Weatherford	**$ (1,278)**	**$ 5,811**	**$ (128)**	**$ (9,674)**	**$ 3,991**	**$ (1,278)**

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS) YEAR ENDED DECEMBER 31, 2013

(Dollars in millions)	Weatherford Switzerland	Weatherford Bermuda	Weatherford Delaware	Other Subsidiaries	Eliminations	Consolidation
Revenues	$ —	$ —	$ —	$ 15,263	$ —	$ 15,263
Costs and Expenses	(50)	(139)	(3)	(14,548)	—	(14,740)
Operating Income (Loss)	**(50)**	**(139)**	**(3)**	**715**	**—**	**523**
Other Income (Expense):						
Interest Expense, Net	—	(430)	(61)	(25)	—	(516)
Intercompany Charges, Net	(53)	49	(337)	341	—	—
Equity in Subsidiary Income	(242)	30	461	—	(249)	—
Other, Net	—	(31)	(2)	(144)	—	(177)
Income (Loss) Before Income Taxes	**(345)**	**(521)**	**58**	**887**	**(249)**	**(170)**
(Provision) Benefit for Income Taxes	—	—	145	(289)	—	(144)
Net Income (Loss)	**(345)**	**(521)**	**203**	**598**	**(249)**	**(314)**
Net Income Attributable to Noncontrolling Interests	—	—	—	31	—	31
Net Income (Loss) Attributable to Weatherford	**$(345)**	**$ (521)**	**$ 203**	**$ 567**	**$(249)**	**$ (345)**
Comprehensive Income (Loss) Attributable to Weatherford	**$(695)**	**$ (788)**	**$ 39**	**$ 214**	**$ 535**	**$ (695)**

CONDENSED CONSOLIDATING BALANCE SHEET
DECEMBER 31, 2015

(Dollars in millions)	Weatherford Ireland	Weatherford Bermuda	Weatherford Delaware	Other Subsidiaries	Eliminations	Consolidation
Current Assets:						
Cash and Cash Equivalents	$ —	$ 2	$ 22	$ 443	$ —	$ 467
Other Current Assets	4	—	651	5,146	(704)	5,097
Total Current Assets	**4**	**2**	**673**	**5,589**	**(704)**	**5,564**
Equity Investments in Affiliates	5,693	8,709	9,187	3,483	(27,072)	—
Intercompany Receivables, Net	—	—	—	10,423	(10,423)	—
Other Assets	3	27	18	9,175	—	9,223
Total Assets	**$5,700**	**$ 8,738**	**$ 9,878**	**$28,670**	**$(38,199)**	**$14,787**
Current Liabilities:						
Short-term Borrowings and Current Portion of Long-Term Debt	$ —	$ 1,503	$ 6	$ 73	$ —	$ 1,582
Accounts Payable and Other Current Liabilities	19	212	—	2,922	(704)	2,449
Total Current Liabilities	**19**	**1,715**	**6**	**2,995**	**(704)**	**4,031**
Long-term Debt	—	4,910	864	105	—	5,879
Intercompany Payables, Net	1,362	6,147	2,914	—	(10,423)	—
Other Long-term Liabilities	15	77	10	410	—	512
Total Liabilities	**1,396**	**12,849**	**3,794**	**3,510**	**(11,127)**	**10,422**
Weatherford Shareholders' Equity	4,304	(4,111)	6,084	25,099	(27,072)	4,304
Noncontrolling Interests	—	—	—	61	—	61
Total Liabilities and Shareholders' Equity	**$5,700**	**$ 8,738**	**$ 9,878**	**$28,670**	**$(38,199)**	**$14,787**

CONDENSED CONSOLIDATING BALANCE SHEET
DECEMBER 31, 2014

(Dollars in Millions)	Weatherford Ireland	Weatherford Bermuda	Weatherford Delaware	Other Subsidiaries	Eliminations	Consolidation
Current Assets:						
Cash and Cash Equivalents	$ 1	$ —	$ 22	$ 451	$ —	$ 474
Other Current Assets	4	12	544	7,524	(614)	7,470
Total Current Assets	**5**	**12**	**566**	**7,975**	**(614)**	**7,944**
Equity Investments in Affiliates	8,662	10,490	9,730	3,974	(32,856)	—
Intercompany Receivables, Net	—	—	—	10,490	(10,490)	—
Other Assets	5	35	16	10,889	—	10,945
Total Assets	**$ 8,672**	**$10,537**	**$10,312**	**$33,328**	**$(43,960)**	**$18,889**
Current Liabilities:						
Short-term Borrowings and Current Portion of Long-Term Debt	$ —	$ 618	$ 6	$ 103	$ —	$ 727
Accounts Payable and Other Current Liabilities	43	256	—	3,615	(614)	3,300
Total Current Liabilities	**43**	**874**	**6**	**3,718**	**(614)**	**4,027**
Long-term Debt	—	5,749	911	137	1	6,798
Intercompany Payables, Net	1,666	6,202	2,622	—	(10,490)	—
Other Long-term Liabilities	5	82	5	939	—	1,031
Total Liabilities	**1,714**	**12,907**	**3,544**	**4,794**	**(11,103)**	**11,856**
Weatherford Shareholders' Equity	6,958	(2,370)	6,768	28,459	(32,857)	6,958
Noncontrolling Interests	—	—	—	75	—	75
Total Liabilities and Shareholders' Equity	**$ 8,672**	**$10,537**	**$10,312**	**$33,328**	**$(43,960)**	**$18,889**

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 2015

(Dollars in millions)	Weatherford Ireland	Weatherford Berm uda	Weatherford Delaware	Other Subsidiaries	Eliminations	Consolidation
Cash Flows from Operating Activities:						
Net Income (Loss)	$ (1,985)	$(2,332)	$ (704)	$(1,969)	$ 5,039	$(1,951)
Adjustments to Reconcile Net Income(Loss) to Net Cash Provided (Used) by Operating Activities:						
Charges from Parent or Subsidiary	83	110	282	403	(878)	—
Equity in (Earnings) Loss of Affiliates	1,801	1,868	492	—	(4,161)	—
Deferred Income Tax Provision (Benefit)	—	—	14	(462)	—	(448)
Other Adjustments	(35)	210	(86)	3,016	—	3,105
Net Cash Provided (Used) by Operating Activities	**(136)**	**(144)**	**(2)**	**988**	**—**	**706**
Cash Flows from Investing Activities:						
Capital Expenditures for Property, Plant and Equipment	—	—	—	(682)	—	(682)
Acquisitions of Businesses, Net of Cash Acquired	—	—	—	(14)	—	(14)
Acquisition of Intellectual Property	—	—	—	(8)	—	(8)
Proceeds from Sale of Assets and Businesses, Net	—	—	—	45	—	45
Net Cash Provided (Used) by Investing Activities	**—**	**—**	**—**	**(659)**	**—**	**(659)**
Cash Flows from Financing Activities:						
Borrowings (Repayments) Short-term Debt, Net	—	535	—	(30)	—	505
Borrowings (Repayments) Long-term Debt, Net	—	(411)	(31)	(28)	—	(470)
Borrowings (Repayments) Between Subsidiaries, Net	135	22	33	(190)	—	—
Other, Net	—	—	—	(23)	—	(23)
Net Cash Provided (Used) by Financing Activities	**135**	**146**	**2**	**(271)**	**—**	**12**
Effect of Exchange Rate Changes On Cash and Cash Equivalents	—	—	—	(66)	—	(66)
Net Increase (decrease) in Cash and Cash Equivalents	(1)	2	—	(8)	—	(7)
Cash and Cash Equivalents at Beginning of Year	1	—	22	451	—	474
Cash and Cash Equivalents at End of Year	**$ —**	**$ 2**	**$ 22**	**$ 443**	**$ —**	**$ 467**

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2014

(Dollars in millions)	Weatherford Ireland	Weatherford Bermuda	Weatherford Delaware	Other Subsidiaries	Eliminations	Consolidation
Cash Flows from Operating Activities:						
Net Income (Loss)	$(584)	$ 6,441	$ 215	$(8,936)	$ 2,325	$ (539)
Adjustments to Reconcile Net Income(Loss) to Net Cash Provided (Used) by Operating Activities:						
Charges from Parent or Subsidiary	99	(7,291)	266	8,802	(1,876)	—
Equity in (Earnings) Loss of Affiliates	424	430	(407)	2	(449)	—
Deferred Income Tax Provision (Benefit)	—	—	(25)	(41)	—	(66)
Other Adjustments	23	(180)	(42)	1,767	—	1,568
Net Cash Provided (Used) by Operating Activities	**(38)**	**(600)**	**7**	**1,594**	**—**	**963**
Cash Flows from Investing Activities:						
Capital Expenditures for Property, Plant and Equipment	—	—	—	(1,450)	—	(1,450)
Acquisitions of Businesses, Net of Cash Acquired	—	—	—	18	—	18
Acquisition of Intellectual Property	—	—	—	(5)	—	(5)
Purchase of Equity Investment in Unconsolidated Affiliates	—	—	—	(3)	—	(3)
Proceeds from Sale of Assets and Businesses, Net	—	—	—	1,770	—	1,770
Net Cash Provided (Used) by Investing Activities	**—**	**—**	**—**	**330**	**—**	**330**
Cash Flows from Financing Activities:						
Borrowings (Repayments) Short-term Debt, Net	—	(827)	—	(97)	—	(924)
Borrowings (Repayments) Long-term Debt, Net	—	(153)	(92)	(14)	—	(259)
Borrowings (Repayments) Between Subsidiaries, Net	39	1,580	107	(1,726)	—	—
Proceeds from Capital Contributions	**—**	**—**	**—**	**22**	**—**	**22**
Other, Net	—	—	—	(19)	—	(19)
Net Cash Provided (Used) by Financing Activities	39	600	15	(1,834)	—	(1,180)
Effect of Exchange Rate Changes On Cash and Cash Equivalents	—	—	—	(74)	—	(74)
Net Increase in Cash and Cash Equivalents	1	—	22	16	—	39
Cash and Cash Equivalents at Beginning of Year	—	—	—	435	—	435
Cash and Cash Equivalents at End of Year	**$ 1**	**$ —**	**$ 22**	**$ 451**	**$ —**	**$ 474**

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2013

(Dollars in millions)	Weatherford Switzerland	Weatherford Bermuda	Weatherford Delaware	Other Subsidiaries	Eliminations	Consolidation
Cash Flows from Operating Activities:						
Net Income (Loss)	$(345)	$ (521)	$ 203	$ 598	$ (249)	$ (314)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Charges from Parent or Subsidiary	53	(49)	337	(341)	—	—
Equity in (Earnings) Loss of Affiliates	242	(30)	(461)	—	249	—
Deferred Income Tax (Provision) Benefit	—	—	28	(61)	—	(33)
Other Adjustments	(48)	748	470	406	—	1,576
Net Cash Provided (Used) by Operating Activities	**(98)**	**148**	**577**	**602**	**—**	**1,229**
Cash Flows from Investing Activities:						
Capital Expenditures for Property, Plant and Equipment	—	—	—	(1,575)	—	(1,575)
Acquisitions of Businesses, Net of Cash Acquired	—	—	—	(8)	—	(8)
Acquisition of Intellectual Property	—	—	—	(9)	—	(9)
Acquisition of Equity Investments in Unconsolidated Affiliates	—	—	—	—	—	—
Proceeds from Sale of Assets and Businesses, Net	—	—	—	488	—	488
Capital Contribution to Subsidiary	—	(1,181)	—	—	1,181	—
Net Cash Provided (Used) by Investing Activities	**—**	**(1,181)**	**—**	**(1,104)**	**1,181**	**(1,104)**
Cash Flows from Financing Activities:						
Borrowings (Repayments) Short-term Debt, Net	—	550	(4)	66	—	612
Borrowings (Repayments) Long-term Debt, Net	—	(544)	(30)	(26)	—	(600)
Borrowings (Repayments) Between Subsidiaries, Net	100	1,027	(565)	(562)	—	—
Proceeds from Capital Contribution	—	—	—	1,181	(1,181)	—
Other, Net	(2)	—	22	(26)	—	(6)
Net Cash Provided (Used) by Financing Activities	**98**	**1,033**	**(577)**	**633**	**(1,181)**	**6**
Effect of Exchange Rate Changes on Cash and Cash Equivalents	—	—	—	4	—	4
Net Increase in Cash and Cash Equivalents	—	—	—	135	—	135
Cash and Cash Equivalents at Beginning of Period	—	—	—	300	—	300
Cash and Cash Equivalents at End of Period	**$ —**	**$ —**	**$ —**	**$ 435**	**$ —**	**$ 435**

25. SUBSEQUENT EVENTS

In response to the continued significant decline in the price of crude oil and the continued decline in the level of anticipated level of exploration and production spending in 2016, we initiated a reduction in force plan to reduce our overall costs and workforce to align with the anticipated activity levels and expect to complete a workforce reduction of 6,000 employees in the first half of 2016.

On February 1, 2016, we amended our Credit Agreement and reduced the limit of borrowings to $2 billion. The Credit Agreement was also amended to increase the consolidated indebtedness to total capitalization covenant from 60% to 70% for the fiscal quarters ending March 31, 2016 and June 30, 2016, and 60% thereafter, as well as other covenant changes.

26. QUARTERLY FINANCIAL DATA (UNAUDITED)

Summarized quarterly financial data for the years ended December 31, 2015 and 2014 are presented in the following tables. In the following tables, the sum of basic and diluted "Earnings (Loss) Per Share" for the four quarters may differ from the annual amounts due to the required method of computing weighted average number of shares in the respective periods. Additionally, due to the effect of rounding, the sum of the individual quarterly earnings per share amounts may not equal the calculated year earnings per share amount.

	2015 Quarters				
(Dollars in millions, except per share amounts)	**First**	**Second**	**Third**	**Fourth**	**Total**
Revenues	$ 2,794	$2,390	$ 2,237	$ 2,012	$ 9,433
Gross Profit	592	374	368	78	1,412
Net Loss Attributable to Weatherford[e]	(118)[a]	(489)[b]	(170)[c]	(1,208)[d]	(1,985)
Basic Loss Per Share	(0.15)	(0.63)	(0.22)	(1.54)	(2.55)
Diluted Loss Per Share	(0.15)	(0.63)	(0.22)	(1.54)	(2.55)

(a) Includes charges of $59 million primarily related to severance and restructuring charges.

(b) Includes charges of $395 million primarily related to long-lived asset impairments, litigation, and severance and restructuring.

(c) Includes charges of $77 million primarily related to severance and restructuring and supply contracts.

(d) Includes $668 million primarily related to long-lived asset impairments, severance and restructuring and supply contracts, a $265 million charge for a non-cash tax expense on distribution of subsidiary earnings and $217 million of inventory write-downs.

(e) Includes estimated project income of $42 million, for the first quarter of 2015, estimated project loss of $69 million, $44 million and $82 million for the second, third and fourth quarter of 2015, respectively, from our long-term early production facility construction contracts.

	2014 Quarters				
(Dollars in millions, except per share amounts)	**First**	**Second**	**Third**	**Fourth**	**Total**
Revenues	$ 3,596	$3,711	$3,877	$ 3,727	$ 14,911
Gross Profit	757	882	992	819	3,450
Net Income (Loss) Attributable to Weatherford[j]	(41)[f]	(145)[g]	77[h]	(475)[i]	(584)
Basic Earnings (Loss) Per Share	(0.05)	(0.19)	0.10	(0.61)	(0.75)
Diluted Earnings (Loss) Per Share	(0.05)	(0.19)	0.10	(0.61)	(0.75)

(f) Includes charges of $96 million primarily related to severance and restructuring.

(g) Includes charges of $345 million primarily related to long-lived asset and goodwill impairments, and severance and restructuring.

(h) Includes net charges of $140 million primarily related to severance and restructuring and gain on sale of business.

(i) Includes net charges of $169 million primarily related to long-lived asset impairments, severance and restructuring, gain on sale of business and equity investment of $311 million and $245 million of foreign currency related charges.

(j) Includes estimated project losses of $26 million, $2 million, $10 million and $34 million for the first, second, third and fourth quarter of 2014, respectively, from our long-term early production facility construction contracts.

ITEM 9. CHANGES IN AND DISAGREEMENT WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, are designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. This information is collected and communicated to management, including our Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), as appropriate, to allow timely decisions regarding required disclosures. Our management, under the supervision of and with the participation of our CEO and CFO, evaluated the effectiveness of the design and operation of our disclosure controls and procedures at December 31, 2015. Based on that evaluation, our CEO and CFO concluded that our disclosure controls and procedures were effective as of December 31, 2015.

MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in Rules 13a-15(f) of the Exchange Act. The Company's internal controls are designed to provide reasonable, but not absolute, assurance as to the reliability of its financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP.

Our management, including our CEO and CFO, does not expect that our internal controls over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the benefits of controls must be considered relative to their costs. Because of the inherent limitations in a system of internal control over financial reporting, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any control system is also based, in part, upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Management assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2015 using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control – An Integrated Framework (2013). As a result of this assessment management concluded that as of December 31, 2015, our internal control over financial reporting was effective based on these criteria.

KPMG LLP has issued an attestation report dated February 16, 2016, on our internal control over financial reporting, which is contained in this Annual Report on Form 10-K.

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

At the end of the period covered by this Annual Report on Form 10-K, we carried out an evaluation, under the supervision of and with the participation of management, including the CEO and the CFO, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based upon that evaluation, our CEO and CFO have concluded our disclosure controls and procedures were effective, as of December 31, 2015, to provide reasonable assurance that information required to be disclosed in the reports we file and submit under the Exchange Act is recorded, processed, summarized and reported within the time period specified in the SEC's rules and forms.

CHANGES IN INTERNAL CONTROLS

Our management, identified no change in our internal control over financial reporting that occurred during the fourth quarter ended December 31, 2015, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Pursuant to General Instructions G(3), information on directors and executive officers of the Registrant and corporate governance matters is incorporated by reference from our Proxy Statement for the 2016 Annual General Meeting of Shareholders to be held on June 15, 2016.

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

We intend to satisfy the requirement under Item 5.05 of Form 8-K to disclose any amendments to our Code of Business Conduct and any waiver from any provision of our Code of Business Conduct by posting such information on our web site at www.weatherford.com.

ITEM 11. EXECUTIVE COMPENSATION

Pursuant to General Instructions G(3), information on executive compensation is incorporated by reference from our Proxy Statement for the 2016 Annual General Meeting of Shareholders to be held on June 15, 2016.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Pursuant to General Instructions G(3), information on security ownership of certain beneficial owners is incorporated by reference from our Proxy Statement for the 2016 Annual General Meeting of Shareholders to be held on June 15, 2016.

ITEM 12(B). SECURITY OWNERSHIP OF MANAGEMENT

Pursuant to General Instructions G(3), information on security ownership of management is incorporated by reference from our Proxy Statement for the 2016 Annual General Meeting of Shareholders to be held on June 15, 2016.

ITEM 12(C). CHANGES IN CONTROL

Not applicable.

ITEM 12(D). SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information as of December 31, 2015, about the number of shares to be issued upon vesting or exercise of equity awards as well as the number of shares remaining available for issuance under our equity compensation plans.

Plan Category ***(Shares in thousands, except share prices)***	**Numbers of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights**	**Weighted Average Exercise Price of Outstanding Options, Warrants and Rights[(a)]**	**Number of Securities Available for Future Issuance Under Equity Compensation Plans[(b)]**
Equity compensation plans approved by shareholders[(c) (d)]	15,878	$ 20.50	16,975
Equity compensation plans not approved by shareholders[(e)]	1,580	10.41	—
Total	**17,458**	**14.67**	**16,975**

(a) The weighted average price does not take into account the shares issuable upon vesting of outstanding PUs or RSUs, which have no exercise price.

(b) Excluding shares reflected in the first column of this table.

(c) Includes our Omnibus Plan, which was approved by our shareholders in May 2006, and our 2010 Omnibus Plan, as amended, which was approved by our shareholders in June 2010.

(d) Includes PUs calculated at target.

(e) Includes the following compensation plans that were not approved by our shareholders: our 1998 Employee Stock Option Plan; our Non-Employee Director Deferred Compensation Plan; our Foreign Executive Deferred Compensation Stock Ownership Plan; and our 2003 Restricted Share Plan. No awards have been issued under these plans since May 2006 when our Omnibus Plan was approved.
The unapproved plans and other individual compensation arrangements that were not approved by our shareholders with significant shares to be issued are described below:

Our 1998 Employee Stock Option Plan ("1998 Plan") provides for the grant of nonqualified options to purchase our shares to employees or employees of our affiliates, as determined by the Compensation Committee of our Board of Directors. The price at which shares may be purchased is based on the market price of the shares and cannot be less than the aggregate par value of the shares on the date the option was granted. Unless otherwise provided in an option agreement, no option may be exercised after one day less than 10 years from the date of vesting. All options under this plan are vested. Subsequent to the shareholder approval of our Omnibus Plan in May 2006, awards are no longer granted under the 1998 Plan.

In 2003, our Board of Directors approved a restricted share plan that allows for the grant of our shares to our key employees and directors ("2003 Restricted Share Plan"). Restricted shares are subject to forfeiture restrictions that generally lapse after a specified period from the date of grant and are subject to earlier vesting in the event of death, retirement or a change in control. All shares under this plan are vested. Subsequent to the shareholder approval of our Omnibus Plan in May 2006, awards are no longer made under this plan.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Pursuant to General Instruction G(3), information on certain relationships and related transactions and director independence is incorporated by reference from our Proxy Statement for the 2016 Annual General Meeting of Shareholders to be held on June 15, 2016.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Pursuant to General Instruction G(3), information on principal accounting fees and services is incorporated by reference from our Proxy Statement for the 2016 Annual General Meeting of Shareholders to be held on June 15, 2016.

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 46 of this report.

2. The financial statement schedule on page 104 of this report.

3. The exhibits of the Company listed below under Item 15(b); all exhibits are incorporated herein by reference to a prior filing as indicated, unless designated by a dagger (†) or double dagger (††).

(b) Exhibits:

Exhibit Number	Description	Original Filed Exhibit	File Number
2.1	Merger Agreement, dated April 2, 2014, between Weatherford Switzerland and Weatherford Ireland	Exhibit 2.1 of the Company's Current Report on Form 8-K filed April 2, 2014	File No. 1-34258
3.1	Memorandum and Articles of Association of Weatherford International public limited company	Exhibit 3.1 of the Company's Current Report on Form 8-K12B filed June 17, 2014	File No. 1-36504
4.1	Indenture, dated October 1, 2003, among Weatherford Bermuda, Weatherford Delaware, and Deutsche Bank Trust Company Americas	Exhibit 4.1 to the Company's Current Report on Form 8-K filed October 2, 2003	File No. 1-31339
4.2	First Supplemental Indenture, dated March 25, 2008, among Weatherford Bermuda, Weatherford Delaware and Deutsche Bank Trust Company Americas	Exhibit 4.1 to the Company's Current Report on Form 8-K filed March 25, 2008	File No. 1-31339
4.3	Second Supplemental Indenture, dated as of January 8, 2009, among Weatherford Bermuda Weatherford Delaware, and Deutsche Bank Trust Company Americas	Exhibit 4.1 to the Company's Current Report on Form 8-K filed January 8, 2009	File No. 1-31339
4.4	Third Supplemental Indenture, dated as of February 26, 2009, among Weatherford Bermuda, Weatherford Delaware, Weatherford Switzerland and Deutsche Bank Trust Company Americas	Exhibit 4.2 to the Company's Current Report on Form 8-K filed February 26, 2009	File No. 1-34258
4.5	Fourth Supplemental Indenture, dated as of September 23, 2010, among Weatherford Delaware, Weatherford Bermuda, Weatherford Switzerland, and Deutsche Bank Trust Company Americas	Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2010 filed November 2, 2010	File No. 1-34258
4.6	Fifth Supplemental Indenture, dated as of April 4, 2012, among Weatherford Delaware, Weatherford Bermuda, Weatherford Switzerland, and Deutsche Bank Trust Company Americas	Exhibit 4.1 to the Company's Current Report on Form 8-K filed April 4, 2012	File No. 1-34258
4.7	Sixth Supplemental Indenture, dated as of August 14, 2012, among Weatherford Delaware, Weatherford Bermuda, Weatherford Switzerland, and Deutsche Bank Trust Company Americas	Exhibit 4.1 to the Company's Current Report on Form 8-K filed August 14, 2012	File No. 1-34258

Exhibit Number	Description	Original Filed Exhibit	File Number
4.8	Seventh Supplemental Indenture, dated as of March 31, 2013, among Weatherford Delaware, Weatherford Bermuda, Weatherford Switzerland, and Deutsche Bank Trust Company Americas	Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013 filed May 3, 2013	File No. 1-34258
4.9	Eighth Supplemental Indenture, dated June 17, 2014, among Weatherford Ireland, Weatherford Bermuda, Weatherford Delaware and Deutsche Bank Trust Company Americas, as trustee, to the indenture dated as of October 1, 2003	Exhibit 4.1 of the Company's Current Report on Form 8-K12B filed June 17, 2014	File No. 1-36504
4.10	Indenture, dated June 18, 2007, among Weatherford Delaware, Weatherford Bermuda and Deutsche Bank Trust Company Americas	Exhibit 4.1 to the Company's Current Report on Form 8-K filed on June 18, 2007	File No. 1-31339
4.11	First Supplemental Indenture, dated June 18, 2007, among Weatherford Delaware, Weatherford Bermuda, and Deutsche Bank Trust Company Americas (including forms of notes)	Exhibit 4.2 to the Company's Current Report on Form 8-K filed on June 18, 2007	File No. 1-31339
4.12	Second Supplemental Indenture, dated as of February 26, 2009, among Weatherford Delaware, Weatherford Bermuda, Weatherford Switzerland, and Deutsche Bank Trust Company Americas	Exhibit 4.3 to the Company's Current Report on Form 8-K filed February 26, 2009	File No. 1-31339
4.13	Third Supplemental Indenture, dated as of August 14, 2012, among Weatherford Delaware, Weatherford Bermuda, Weatherford Switzerland and Deutsche Bank Trust Company Americas	Exhibit 4.2 to the Company's Current Report on Form 8-K filed August 14, 2012	File No. 1-34258
4.14	Fourth Supplemental Indenture, dated as of March 31, 2013, among Weatherford Delaware, Weatherford Bermuda, Weatherford Switzerland, and Deutsche Bank Trust Company Americas	Exhibit 4.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013 filed May 3, 2013	File No. 1-34258
4.15	Fifth Supplemental Indenture, dated June 17, 2014, among Weatherford Ireland, Weatherford Bermuda, Weatherford Delaware and Deutsche Bank Trust Company Americas	Exhibit 4.2 of the Company's Current Report on Form 8-K12B filed June 17, 2014	File No. 1-36504
4.16	Officers' Certificate, dated February 17, 2006, establishing the series of 5.50% Senior Notes due 2016	Exhibit 4.2 to the Company's Current Report on Form 8-K filed February 17, 2006	File No. 1-31339
4.17	Officer's Certificate, dated August 7, 2006, establishing the series of 6.50% Senior Notes due 2036	Exhibit 4.1 to the Company's Current Report on Form 8-K filed August 7, 2006	File No. 1-31339
4.18	Form of $350,000,000 global note for 5.50% Senior Notes due 2016	Exhibit 4.1 to the Company's Current Report on Form 8-K filed February 17, 2006	File No. 1-31339
4.19	Form of $500,000,000 global note for 6.50% Senior Notes due 2036	Exhibit 4.2 to the Company's Current Report on Form 8-K filed August 7, 2006	File No. 1-31339
4.20	Form of $100,000,000 global note for 6.50% Senior Notes due 2036	Exhibit 4.3 to the Company's Current Report on Form 8-K filed August 7, 2006	File No. 1-31339
4.21	Form of Global Note for 6.35% Senior Notes due 2017	Exhibit 4.16 to the Company's Registration Statement on Form S-4 filed November 8, 2007	Reg. No. 333-146695

Exhibit Number	Description	Original Filed Exhibit	File Number
4.22	Form of global note for 6.80% Senior Notes due 2037	Exhibit 4.17 to the Company's Registration Statement on Form S-4 filed November 8, 2007	Reg. No. 333-146695
4.23	Form of global note for 6.00% Senior Notes due 2018	Exhibit 4.3 to the Company's Current Report on Form 8-K filed March 25, 2008	File No. 1-31339
4.24	Form of global note for 7.00% Senior Notes due 2038	Exhibit 4.4 to the Company's Current Report on Form 8-K filed March 25, 2008	File No. 1-31339
4.25	Form of global note for 9.625% Senior Notes due 2019	Exhibit 4.2 to the Company's Current Report on Form 8-K filed January 8, 2009	File No. 1-31339
4.26	Form of global note for 9.875% Senior Notes due 2039	Exhibit 4.1 to the Company's Current Report on Form 8-K filed January 8, 2009	File No. 1-31339
4.27	Form of global note for 5.125% Senior Notes due 2020	Exhibit 4.3 to the Company's Current Report on Form 8-K filed September 22, 2010	File No. 1-34258
4.28	Form of global note for 6.750% Senior Notes due 2040	Exhibit 4.4 to the Company's Current Report on Form 8-K filed September 22, 2010	File No. 1-34258
4.29	Form of global note for 4.50% Senior Notes due 2022	Exhibit 4.2 to the Company's Current Report on Form 8-K filed April 4, 2012	File No. 1-34258
4.30	Form of global note for 5.95% Senior Notes due 2042	Exhibit 4.3 to the Company's Current Report on Form 8-K filed April 4, 2012	File No. 1-34258
4.31	Form of guarantee notation	Exhibit 4.5 to the Company's Current Report on Form 8-K filed September 22, 2010	File No. 1-34258
4.32	Form of guarantee notation	Exhibit 4.4 to the Company's Current Report on Form 8-K filed April 4, 2012	File No. 1-34258
4.33	Registration Rights Agreement among Weatherford International Ltd. and certain shareholders dated May 17, 2012	Exhibit 4.1 to the Company's Current Report on Form 8-K filed May 17, 2012	File No. 1-34258
*10.1	Weatherford International Ltd. Nonqualified Executive Retirement Plan, amended and restated effective December 31, 2008	Exhibit 10.8 to the Company's Current Report on Form 8-K filed December 31, 2008	File No. 1-31339
*10.2	Trust under Weatherford International Ltd. Nonqualified Executive Retirement Plan, dated March 23, 2004	Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2004 filed May 6, 2004	File No. 1-31339
*10.3	Weatherford International Ltd. Non-Employee Director Retirement Plan, as amended and restated effective December 31, 2008	Exhibit 10.6 to the Company's Current Report on Form 8-K filed December 31, 2008	File No. 1-31339

Exhibit Number	Description	Original Filed Exhibit	File Number
*10.4	Weatherford International Ltd. Supplemental Executive Retirement Plan, effective January 1, 2010	Exhibit 10.2 to the Company's Current Report on Form 8-K filed December 31, 2009	File No. 1-34258
*10.5	First Amendment to the Weatherford International Ltd. Supplemental Executive Retirement Plan, effective March 31, 2010	Exhibit 10.1 to the Company's Current Report on Form 8-K filed March 23, 2010	File No. 1-34258
*10.6	Second Amendment to the Weatherford International Ltd. Supplemental Executive Retirement Plan, effective April 8, 2010	Exhibit 10.1 to the Company's Current Report on Form 8-K filed April 9, 2010	File No. 1-34258
*10.7	Third Amendment to the Weatherford International Ltd. Supplemental Executive Retirement Plan (as amended on June 16, 2014)	Exhibit 10.10 of the Company's Current Report on Form 8-K12B filed June 17, 2014	File No. 1-36504
*10.8	Weatherford International, Inc. 1998 Employee Stock Option Plan, as amended, including form of agreement for officers	Exhibit 10.18 to the Company's Annual Report on Form 10-K for the year ended December 31, 2003 filed March 10, 2004	File No. 1-13086
*10.9	Deed Poll of Assumption, dated June 16, 2014, executed by Weatherford Ireland	Exhibit 10.3 of the Company's Current Report on Form 8-K12B filed June 17, 2014	File No. 1-36504
*10.10	Weatherford International plc 2006 Omnibus Incentive Plan (as amended and restated, conformed as of June 16, 2015)	Exhibit 10.2 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2015 filed July 24, 2015	File No. 1-36504
*10.11	Form of Restricted Share Unit Award Agreement pursuant to Weatherford International plc 2006 Omnibus Incentive Plan	Exhibit 10.5 of the Company's Current Report on Form 8-K12B filed June 17, 2014	File No. 1-36504
*10.12	Form of Stock Option Agreement for Officers pursuant to Weatherford International Ltd. 2006 Omnibus Incentive Plan	Exhibit 10.46 to the Company's Annual Report on Form 10-K for the year ended December 31, 2006 filed February 23, 2007	File No. 1-31339
*10.13	Executive Deferred Compensation Stock Ownership Trust effective April 1, 2000	Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2000 filed May 15, 2000	File No. 1-13086
*10.14	Weatherford International, Inc. Executive Deferred Compensation Stock Ownership Plan, as amended and restated effective December 31, 2008	Exhibit 10.3 to the Company's Current Report on Form 8-K filed December 31, 2008	File No. 1-31339
*10.15	First Amendment to the Weatherford International, Inc. Executive Deferred Compensation Stock Ownership Plan	Exhibit 10.1 of the Company's Current Report on Form 8-K filed April 2, 2014	File No. 1-34258
*10.16	Weatherford International Ltd. Deferred Compensation Plan for Non-Employee Directors, as amended and restated effective December 31, 2008	Exhibit 10.5 to the Company's Current Report on Form 8-K filed December 31, 2008	File No. 1-31339
*10.17	Weatherford International plc 2010 Omnibus Incentive Plan (as amended and restated)	Exhibit 10.6 of the Company's Current Report on Form 8-K12B filed June 17, 2014	File No. 1-36504

Exhibit Number	Description	Original Filed Exhibit	File Number
*10.18	First Amendment to Weatherford International plc 2010 Omnibus Incentive Plan	Annex A of the Company's Definitive Proxy Statement on Schedule 14A filed April 29, 2015	File No. 1-36504
*10.19	Form of Restricted Share Unit Award Agreement pursuant to Weatherford International plc 2010 Omnibus Incentive Plan	Exhibit 10.7 of the Company's Current Report on Form 8-K12B filed June 17, 2014	File No. 1-36504
*10.20	Form of Performance Unit Award Agreement pursuant to Weatherford International plc 2010 Omnibus Incentive Plan	Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2015 filed April 24, 2015	File No. 1-36504
†*10.21	Form of Restricted Share Units Award Agreement (CIC - Officer) pursuant to the Weatherford International plc 2010 Omnibus Incentive Plan		
*10.22	Form of Restricted Share Units Award Agreement (CIC - Director) pursuant to the Weatherford International plc 2010 Omnibus Incentive Plan	Exhibit 10.5 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2015 filed July 24, 2015	File No. 1-36504
*10.23	Forms of Annex (Relative TSR and Absolute TSR) to Performance Unit Award Agreements for use under the Weatherford International Ltd. 2010 Omnibus Incentive Plan	Exhibit 10.1 to the Company's Current Report on Form 8-K filed February 22, 2012	File No. 1-34258
*10.24	Form of addendum for use with certain equity grants under the Weatherford International plc 2010 Omnibus Incentive Plan	Exhibit 10.26 to the Company's Annual Report on Form 10-K filed February 17, 2015	File No. 1-36504
*10.25	Form of Restricted Share Unit Award Agreement - U.K. pursuant to Weatherford International plc 2010 Omnibus Incentive Plan	Exhibit 10.9 of the Company's Current Report on Form 8-K12B filed June 17, 2014	File No. 1-36504
*10.26	Form of Performance Unit Award Agreement pursuant to Weatherford International Ltd. 2010 Omnibus Incentive Plan	Exhibit 10.1 to the Company's Current Report on Form 8-K filed February 22, 2011	File No. 1-34258
*10.27	Form of Performance Unit Award Agreement pursuant to Weatherford International Ltd. 2010 Omnibus Incentive Plan (Shareholder Return)	Exhibit 10.2 to the Company's Current Report on Form 8-K filed March 4, 2014	File No. 1-34258
†*10.28	Form of Performance Units Award Agreement (CIC) pursuant to the Weatherford International plc 2010 Omnibus Incentive Plan		
*10.29	Weatherford International Ltd. (Switzerland) Executive Non-Equity Incentive Compensation Plan (as amended and restated, February 27, 2014) to be effective January 1, 2014	Exhibit 10.1 of the Company's Current Report on Form 8-K filed March 4, 2014	File No. 1-34258
*10.30	Form of Amended and Restated Employment Agreement entered into by Bernard J. Duroc-Danner (April 10, 2010) and Dharmesh Mehta (November 11, 2011)	Exhibit 10.1 to the Company's Current Report on Form 8-K filed April 13, 2010	File No. 1-34258
*10.31	Executive Employment Agreement, dated June 20, 2013, between Weatherford International Ltd. and Douglas M. Mills	Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2013 filed July 31, 2013	File No. 1-34258
*10.32	Executive Employment Agreement, dated November 4, 2013, between Weatherford International Ltd. and Krishna Shivram	Exhibit 10.1 to the Company's Current Report on Form 8-K filed November 4, 2013	File No. 1-34258

Exhibit Number	Description	Original Filed Exhibit	File Number
†10.33	Form of Amended and Restated Executive Employment Agreement entered into by Antony J. Branch and Lance R. Marklinger, dated December, 22, 2014		
*10.34	Form of Restricted Share Award Agreement, dated November 6, 2013, between Weatherford International Ltd. and Krishna Shivram	Exhibit 10.3 to the Company's Current Report on Form 8-K filed November 4, 2013	File No. 1-34258
*10.35	Form of Change of Control Agreement, entered into by Christina Ibrahim on May 4, 2015	Exhibit 10.7 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2015 filed July 24, 2015	File No. 1-36504
*10.36	Form of Deed of Indemnity of Weatherford Ireland entered into by each director of Weatherford Ireland and each of the following executive officers of Weatherford Ireland: Bernard J. Duroc-Danner, Krishna Shivram, Dharmesh Mehta, Douglas M. Mills, Antony J. Branch and Lance R. Marklinger (June 17, 2014) and Christina Ibrahim (May 4, 2015)	Exhibit 10.11 of the Company's Current Report on Form 8-K12B filed June 17, 2014	File No. 1-36504
*10.37	Form of Deed of Indemnity of Weatherford Bermuda entered into by each director of Weatherford Ireland and each of the following executive officers of Weatherford Ireland: Bernard J. Duroc-Danner, Krishna Shivram, Dharmesh Mehta, Douglas M. Mills, Antony J. Branch and Lance R. Marklinger (June 17, 2014) and Christina Ibrahim (May 4, 2015)	Exhibit 10.12 of the Company's Current Report on Form 8-K12B filed June 17, 2014	File No. 1-36504
*10.38	Form of Employment Agreement Assignment Letter by Weatherford Management Company Switzerland LLC, Weatherford Switzerland, Weatherford Ireland and the following executive officers of Weatherford Ireland: Bernard J. Duroc-Danner, Krishna Shivram, Dharmesh Mehta, and Douglas M. Mills (June 16, 2014)	Exhibit 10.13 of the Company's Current Report on Form 8-K12B filed June 17, 2014	File No. 1-36504
*10.39	Form of Secondment Letter entered into by Weatherford Management Company Switzerland LLC, Weatherford U.S., L.P. and the following executive officers of Weatherford Ireland: Krishna Shivram, Dharmesh Mehta and Douglas M. Mills (June 16, 2014)	Exhibit 10.14 of the Company's Current Report on Form 8-K12B filed June 17, 2014	File No. 1-36504
*10.40	Executive Compensation Clawback Policy, dated February 15, 2012	Exhibit 10.2 to the Company's Current Report on Form 8-K filed February 22, 2012	File No. 1-34258
10.41	Credit Agreement, dated as of October 15, 2010, among Weatherford Bermuda, Weatherford Switzerland, other Borrowers party thereto, Wells Fargo Bank, National Association, as a swingline lender, JPMorgan Chase Bank, N.A., as administrative agent and a swingline lender and the other parties thereto	Exhibit 10.1 to the Company's Current Report on Form 8-K filed October 19, 2010	File No. 1-34258
10.42	Guaranty Agreement, dated October 15, 2010, among Weatherford Switzerland, Weatherford Delaware and JP Morgan Chase Bank, N.A. as administrative agent	Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2010 filed November 2, 2010	File No. 1-34258
10.43	Amendment No. 1, dated July 13, 2011, to Credit Agreement with Weatherford Bermuda, Weatherford Switzerland, Weatherford Delaware, Weatherford Liquidity Management Hungary Limited Liability Company, Weatherford Capital Management Services Limited Liability Company, the lenders and issuing banks party thereto and JPMorgan Chase Bank, N.A., as administrative agent	Exhibit 10.1 to the Company's Current Report on Form 8-K filed July 13, 2011	File No. 1-34258
10.44	Amendment No. 2 and Limited Waiver, dated August 6, 2012, to Credit Agreement with Weatherford Bermuda, Weatherford Switzerland, Weatherford Delaware, Weatherford Liquidity Management Hungary Limited Liability Company, Weatherford Capital Management Services Limited Liability Company, the lenders thereto and JPMorgan Chase Bank, N.A., as administrative agent	Exhibit 10.1 to the Company's Current Report on Form 8-K filed August 6, 2012	File No. 1-34258
10.45	Amendment No. 3, dated June 30, 2015, to Credit Agreement with Weatherford Bermuda, Weatherford Ireland, Weatherford Delaware, Weatherford Liquidity Management Hungary Limited Liability Company, Weatherford Capital Management Services Limited Liability Company, the lenders thereto and issuing banks party thereto and JPMorgan Chase Bank, N.A., as administrative agent	Exhibit 10.1 to the Company's Current Report on Form 8-K filed July 1, 2015	File No. 1-36504

Exhibit Number	Description	Original Filed Exhibit	File Number
10.46	Amendment No. 4, dated February 1, 2016, to Credit Agreement with Weatherford Bermuda, Weatherford Ireland, Weatherford Delaware, Weatherford Liquidity Management Hungary Limited Liability Company, Weatherford Capital Management Services Limited Liability Company, the lenders thereto and issuing banks party thereto and JPMorgan Chase Bank, N.A., as administrative agent	Exhibit 10.1 of the Company's Current Report on Form 8-K filed February 4, 2016	File No. 1-36504
10.47	Assumption Agreement dated June 17, 2014, executed by Weatherford Ireland, relating to the Credit Agreement dated October 15, 2010	Exhibit 10.1 of the Company's Current Report on Form 8-K12B filed June 17, 2014	File No. 1-36504
†12.1	Ratio of Earnings to Fixed Charges		
†21.1	Subsidiaries of Weatherford International plc		
†23.1	Consent of KPMG 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 plc's Annual Report on Form 10-K for the year ended December 31, 2015, formatted in XBRL (eXtensible Business Reporting Language): (1) the Consolidated Balance Sheets, (2) the Consolidated Statements of Operations, (3) the Consolidated Statements of Comprehensive Income (Loss), (4) the Consolidated Statements of Shareholders' Equity, (5) the Consolidated Statements of Cash Flows, and (6) the related notes to the Consolidated Financial Statements		

* Management contract or compensatory plan or arrangement.

** Submitted pursuant to Rule 405 and 406T of Regulation S-T.

† Filed herewith.

†† Furnished herewith.

As permitted by Item 601(b)(4)(iii)(A) of Regulation S-K, the Company has not filed with this Annual Report on Form 10-K certain instruments defining the rights of holders of long-term debt of the Company and its subsidiaries because the total amount of securities authorized under any of such instruments does not exceed 10% of the total assets of the Company and its subsidiaries on a consolidated basis. 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 2000 St James Place, Houston, TX 77056.

FINANCIAL STATEMENT SCHEDULES

1. Valuation and qualifying accounts and allowances.

SCHEDULE II WEATHERFORD INTERNATIONAL PLC AND SUBSIDIARIES VALUATION AND QUALIFYING ACCOUNTS AND ALLOWANCES FOR THE THREE YEARS ENDED DECEMBER 31, 2015

(Dollars in millions)	Balance at Beginning of Period	Expense	(Recovery) and Additions	Other Reductions[(a) (b)]	Balance at End of Period
Year Ended December 31, 2015:					
Allowance for uncollectible accounts receivable	$108	$ 48	$ (1)	$(42)	$113
Valuation allowance on deferred tax assets	732	159	—	(23)	868
Year Ended December 31, 2014:					
Allowance for uncollectible accounts receivable	106	32	(4)	(26)	108
Valuation allowance on deferred tax assets	554	222	—	(44)	732
Year Ended December 31, 2013:					
Allowance for uncollectible accounts receivable	84	102	(12)	(68)	106
Valuation allowance on deferred tax assets	317	264	—	(27)	554

(a) Includes write-offs and amounts reclassified to assets held for sale.

(b) Other reductions in 2015 for valuation allowance on deferred taxes primarily due to currency translation.

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, on February 16, 2016.

Weatherford International plc

/s/Bernard J Duroc-Danner
Bernard J. Duroc-Danner
President, Chief Executive Officer,
Chairman of the Board and Director
(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signatures	Title	Date
/s/Bernard J. Duroc-Danner Bernard J. Duroc-Danner	President, Chief Executive Officer, Chairman of the Board and Director (Principal Executive Officer)	February 16, 2016
/s/Krishna Shivram Krishna Shivram	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	February 16, 2016
/s/Doug M. Mills Doug M. Mills	Vice President and Chief Accounting Officer (Principal Accounting Officer)	February 16, 2016
/s/Mohamed A. Awad Mohamed A. Awad	Director	February 16, 2016
/s/David J. Butters David J. Butters	Director	February 16, 2016
/s/John D. Gass John D. Gass	Director	February 16, 2016
/s/Francis S. Kalman Francis S. Kalman	Director	February 16, 2016
/s/William E. Macaulay William E. Macaulay	Director	February 16, 2016
/s/Robert K. Moses, Jr. Robert K. Moses, Jr.	Director	February 16, 2016
/s/Guillermo Ortiz Guillermo Ortiz	Director	February 16, 2016
/s/Emyr Jones Parry Emyr Jones Parry	Director	February 16, 2016
/s/Robert A. Rayne Robert A. Rayne	Director	February 16, 2016

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Weatherford®

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Prepared by **www.argyle.company**

Weatherford International public limited company

DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

WEATHERFORD INTERNATIONAL PLC
FOR THE YEAR ENDED DECEMBER 31, 2015
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DIRECTORS' REPORT

FOR THE YEAR ENDED DECEMBER 31, 2015

The directors present their annual report and audited Consolidated Financial Statements and related Notes of Weatherford International plc for the year ended December 31, 2015.

The directors have elected to prepare the Consolidated Financial Statements in accordance with the Companies Act 2014, which provides that a true and fair view of the assets and liabilities, financial position and profit or loss of a company and its subsidiary undertakings may be given by preparing its group financial statements in accordance with US accounting standards ("US GAAP"), as defined in section 279 (1) of the Companies Act 2014, to the extent that the use of those standards in the preparation of the financial statements does not contravene any provision of Part 6 of the Companies Act 2014.

This report contains various statements relating to future financial performance and results, including certain projections, business trends and other statements that are not historical facts. These statements constitute "Forward-Looking Statements" as defined in the Securities Act of 1933, as amended (the "Securities Act") and the Private Securities Litigation Reform Act of 1995. These forward-looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "estimate," "intend," "budget," "strategy," "plan," "guidance," "outlook," "may," "should," "could," "will," "would," "will be," "will continue," "will likely result," and similar expressions, although not all forward-looking statements contain these identifying words.

Forward-looking statements reflect our beliefs and expectations based on current estimates and projections. While we believe these expectations, and the estimates and projections on which they are based, are reasonable and were made in good faith, these statements are subject to numerous risks and uncertainties. Accordingly, our actual outcomes and results may differ materially from what we have expressed or forecasted in the forward-looking statements. Furthermore, from time to time, we update the various factors we consider in making our forward-looking statements and the assumptions we use in those statements. However, we undertake no obligation to correct, update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise, except to the extent required under federal securities laws. The following sets forth various risks and uncertainties relating to those statements. Certain of these risks and uncertainties may cause actual results to be materially different from projected results contained in forward-looking statements in this report and in our other disclosures. These risks and uncertainties include, but are not limited to, those described below under "Principal Risks and Uncertainties" and the following:

- the price volatility of oil, natural gas and natural gas liquids, including the impact of the significant prolonged decline in the price of these commodities on our financial condition and results of operations;
- our ability to realize expected revenues and profitability levels from current and future contracts;
- our high level of indebtedness and our ability to service our indebtedness;
- global political, economic and market conditions, political disturbances, war, terrorist attacks, changes in global trade policies, and international currency fluctuations;
- nonrealization of expected benefits from our acquisitions or business dispositions and our ability to execute such acquisitions and dispositions;
- our ability to manage our workforce, supply chain and business processes, information technology systems and technological innovation and commercialization, including the impact of our 2014, 2015 and 2016 cost reduction plans;
- increases in the prices and availability of our raw materials;
- potential non-cash asset impairment charges for long-lived assets, goodwill, intangible assets or other assets;
- changes to our effective tax rate;
- potential charges arising out of the U.S. Securities and Exchange Commission ("SEC") and Department of Justice ("DOJ") investigation into the circumstances surrounding the prior material weakness in our internal controls over financial reporting for income taxes and the restatements of our historical financial statements in 2011 and 2012;
- downturns in our industry which could further affect the carrying value of our goodwill;
- member-country quota compliance within the Organization of Petroleum Exporting Countries ("OPEC");
- adverse weather conditions in certain regions of our operations;
- our ability to realize the expected benefits from our 2014 redomestication from Switzerland to Ireland and to maintain our Swiss tax residency;
- failure to ensure on-going compliance with current and future laws and government regulations, including but not limited to environmental, tax and accounting laws, rules and regulations; and
- limited access to capital, significantly higher cost of capital, or difficulty raising additional funds in the equity or debt capital markets.

Finally, our future results will depend upon various other risks and uncertainties, including, but not limited to, those detailed in our other filings with the SEC under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and the Securities Act. For additional information regarding risks and uncertainties, see our other filings with the SEC.

BASIS OF PRESENTATION

The accompanying Consolidated Financial Statements include the accounts of Weatherford International plc, an Irish public limited company, and its controlled subsidiary companies (collectively, the "Company"). In this Directors' Report, we use the terms "Weatherford," the "Company," "we," "us" and "our" to refer to Weatherford International plc and its subsidiaries.

The Consolidated Financial Statements include the Consolidated Balance Sheets of Weatherford International plc and its subsidiaries as of December 31, 2015 and 2014, and the related Consolidated Statements of Operations, Comprehensive Income, Shareholders' Equity and Cash Flows for the twelve months ended December 31, 2015, 2014 and 2013. The Consolidated Financial Statements and the majority of the information in the Notes thereto have been reconciled to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2015 submitted to the U.S. Securities and Exchange Commission on February 16, 2016.

PRINCIPAL ACTIVITIES

Weatherford is one of the world's leading providers of equipment and services used in the drilling, evaluation, completion, production and intervention of oil and natural gas wells. Many of our businesses, including those of our predecessor companies, have been operating for more than 50 years.

We conduct operations in over 100 countries and have service and sales locations in nearly all of the oil and natural gas producing regions in the world. Our operational performance is reviewed on a geographic basis and we report the following regions as separate, distinct reporting segments: North America, Latin America, Europe/Sub-Sahara Africa ("SSA")/Russia, Middle East/North Africa ("MENA")/Asia Pacific and Land Drilling Rigs.

Our primary objective is to build stakeholder value through profitable growth in our core product lines with disciplined use of capital and a strong customer focus.

Principal components of our strategy include:

- Continuously improving the efficiency, productivity and quality of our products and services and their respective delivery to our customers, in order to grow revenues and operating margins and generate free cash flow from our core operations (Formation Evaluation and Well Construction and Completion and Production) and Land Drilling Rigs operations in all of our geographic markets at a rate exceeding underlying market activity;
- A commitment to the innovation, invention and integration, development and commercialization of new products and services that meet the evolving needs of our customers across the reservoir lifecycle; and
- Further extending the process, productivity, quality, safety and competency across our global infrastructure to meet client demands for our core products and services in an operationally efficient manner.

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

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

OPERATING GROUPS

Our principal business is to provide equipment and services to the oil and natural gas exploration and production industry, both on land and offshore, through our three business groups: (1) Formation Evaluation and Well Construction, (2) Completion and Production and (3) Land Drilling Rigs, which together include 14 product lines.

- ***Formation Evaluation and Well Construction*** includes Managed-Pressure Drilling, Drilling Services, Tubular Running Services, Drilling Tools, Wireline Services, Testing and Production Services, Re-entry and Fishing Services, Cementing, Liner Systems, Integrated Laboratory Services and Surface Logging Systems.
- ***Completion and Production*** includes Artificial Lift Systems, Stimulation and Completion Systems.
- ***Land Drilling Rigs*** encompasses our land drilling rigs business, including the products and services ancillary thereto.

FORMATION EVALUATION AND WELL CONSTRUCTION

Within the Formation Evaluation and Well Construction business group we provide formation evaluation services from early well planning to reservoir management services, including core analysis, surface logging, well site geochemistry, logging while drilling and wireline services. Our full suite of formation evaluation services has broad applications across all types of reservoirs. We also provide well construction services to help clients ensure well integrity for the full life cycle of the well using reliable casing and tubing strings, cementation design, reliable liner top isolation and methods that ensure the well reaches total depth in the best condition possible. Further descriptions of our product lines are as follows:

Managed-Pressure Drilling consists of several drilling techniques including closed-loop drilling, air drilling, managed-pressure drilling and underbalanced drilling.

Drilling Services includes directional drilling, logging while drilling, measurement while drilling and rotary steerable systems. This service line also includes our full range of downhole equipment including high temperature motors, wireline steering tools, air rotary hammer drills, casing exit systems, downhole deployment valves and downhole data acquisition equipment.

Tubular Running Services consists of a wide variety of tubular connection and installation services for the drilling, completion and workover of an oil or natural gas well, including liner systems, solid expandable systems, zonal isolation products and swellable well-construction technologies. We also specialize in critical-service installations.

Drilling Tools includes our patented drilling jars, underreamers, rotating control devices, downhole tools, drillpipe and related tools, tubular handling equipment and other pressure-control equipment used in drilling oil and natural gas wells. We also offer wellhead systems to reduce time in changing wellhead sizes while increasing safety procedures, production monitoring and optimization, and flow measurement which measures how much oil, water and gas is flowing in a well.

Wireline Services includes open hole and cased-hole logging services to measure the physical properties of underground formations and help determine the location and potential deliverability of oil and gas from a reservoir. It also includes production and produced water systems for fracturing, production disposal and enhanced oil recovery operations. We also offer global petroleum consulting services in the geoscience and engineering domain.

Testing and Production Services include drillstem test tools, early production facilities, life-of-field production facilities, produced-water systems, tubing conveyed perforating systems and well testing systems.

Re-entry and Fishing Services provides re-entry services, fishing services, thru-tubing services, well abandonment services and wellbore cleaning services.

Cementing operations comprise one of the most expensive phases of well completion. We produce specialized equipment that allows operators to centralize the casing throughout the wellbore and control the displacement of cement and other fluids for proper zonal isolation. Our cementing engineers also analyze complex wells and provide all job requirements from pre-job planning to installation.

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

Integrated Laboratory Services provides support for fluid reservoir characterization, specialized core and fluid testing, enhanced oil recovery, rock strength and characterization, sour richness and maturity, sorption properties assessment and reservoir flow studies.

Surface Logging Systems provide advanced gas analysis, drilling instrumentation, mud logging services and wellsite consultants.

COMPLETION AND PRODUCTION

The Completion and Production business group provides a comprehensive line of products and services, plus specialized technologies, for stimulating and completing wells effectively in all types of reservoirs. Our completion products, reservoir stimulation design and engineering capabilities are delivered to unlock reserves in deepwater, unconventional and aging reservoirs. Our suite of production optimization services boosts field productivity and profitability through our artificial lift portfolio as well as production workflows and optimization software. Further descriptions are as follows:

Artificial Lift Systems are installed in oil and gas wells without sufficient reservoir pressure to produce oil or natural gas from the well. We provide most forms of lift, including reciprocating rod lift systems which create a pumping action via a downhole rod pump, progressing cavity pumping for predominantly heavy oil, coal-bed methane and medium crude oil applications, gas lift systems for producing reservoirs or in wells that have stopped working, hydraulic lift systems to operate a downhole hydraulic pump (jet or piston), plunger lift systems primarily for dewatering liquid loaded gas wells and hybrid lift systems for special applications.

Stimulation offers clients advanced chemical technology and services for safer and more effective production enhancement. These products and services include: a full fleet of pressure pumping services, which include cementing services, coiled tubing services equipment designed to ensure effective results during operations that require coiled tubing intervention, and reservoir stimulation hydraulic fracturing services for oil and natural gas wells in low-permeability reservoirs.

Completion Systems offers clients a comprehensive line of completion tools such as cased hole and flow control systems, well screens, industrial screens and sand screens. We also offer a full range of completion services including upper completions, lower completions and reservoir monitoring.

LAND DRILLING RIGS

The Land Drilling Rigs business group provides onshore contract drilling services and related operations globally for the oil and gas industry. We operate a fleet of land drilling and workover rigs in most major oil and gas producing regions with the concentration in the Middle East and North Africa. With our technologically diverse fleet, we have the capabilities to perform a broad range of advanced drilling projects that include multi-well pad drilling, high pressure high temperature drilling, deep gas drilling, special well design and other unconventional drilling methods in various climatic conditions.

OTHER BUSINESS DATA

COMPETITION

We provide our products and services worldwide and compete in a variety of distinct segments with a number of competitors. Our principal competitors include Schlumberger, Halliburton, Baker Hughes, National Oilwell Varco, Cameron International, Noble Energy, Nabors Industries and Frank's International. We also compete with various other regional suppliers that provide a limited range of equipment and services tailored for local markets. Competition is based on a number of factors, including performance, safety, quality, reliability, service, price, response time and, in some cases, breadth of products. See "Principal Risks and Uncertainties–The oilfield services business is highly competitive, which may adversely affect our ability to succeed. Additionally, the impact of consolidation and acquisitions of our competitors is difficult to predict and may harm our business."

RAW MATERIALS

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

CUSTOMERS

Substantially all of our customers are engaged in the energy industry. Most of our international sales are to large international or national oil companies and these sales have resulted in a concentration of receivables from certain national oil companies worldwide, especially in Latin America. As of December 31, 2015, our receivables from Latin America customers accounted for 38% of our net outstanding accounts receivable balance with $205 million due from Petroleos de Venezuela, S.A. ("PDVSA") and $47 million from Petroleos Mexicanos ("Pemex"). During 2015, 2014 and 2013, no individual customer accounted for 10% or more of our consolidated revenues.

BACKLOG

Our services are usually short-term in nature, day-rate based and cancellable should our customer wish to alter the scope of work. Consequently, our backlog of firm orders is not material to the Company.

RESEARCH, DEVELOPMENT AND PATENTS

We maintain world-class technology and training centers throughout the world. Additionally, we have research, development and engineering facilities that are focused on improving existing products and services and developing new technologies to meet customer demands for improved drilling performance and enhanced reservoir productivity. Our expenditures for research and development totaled $231 million in 2015, $290 million in 2014 and $265 million in 2013.

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 amortize patents over the years that we expect to benefit from their existence, which is limited by the life of the patent, and ranges from three to 20 years.

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

SEASONALITY

Weather and natural phenomena can temporarily affect the level of demand for our products and services. Spring months in Canada and winter months in the North Sea and Russia can affect our operations negatively. Additionally, heavy rains or an exceedingly cold winter in a given region or climate changes may impact our results. The unpredictable impact of climate changes or unusually harsh weather conditions could lengthen the periods of reduced activity and have a detrimental impact to our results of operations. The widespread geographical locations of our operations serve to mitigate the overall impact of the seasonal nature of our business.

FEDERAL REGULATION AND ENVIRONMENTAL MATTERS

Our operations are subject to federal, state and local laws and regulations relating to the energy industry in general and the environment in particular. Our 2015 expenditures to comply with environmental laws and regulations were not material, and we currently do not expect the cost of compliance with environmental laws and regulations for 2016 to be material.

EMPLOYEES

At December 31, 2015, we employed approximately 39,500 employees. Certain of our operations are subject to union contracts. These contracts cover approximately 17% of our employees. We believe that our relationship with our employees is generally satisfactory.

In response to the significant decline in the price of crude oil and a lower level of exploration and production spending, starting in 2014 and throughout 2015, we reduced our overall costs and workforce to better align with anticipated activity levels. The workforce reductions in 2014 and throughout 2015 totaled approximately 20,300 employees. In response to continued decline and lower prices of crude oil and natural gas and the continued decline in the anticipated level of exploration and production spending in 2016, we initiated a reduction in force plan to reduce our overall costs and workforce to align with the anticipated activity levels and expect to complete a further workforce reduction of 6,000 employees in the first half of 2016.

PRINCIPAL RISKS AND UNCERTAINTIES

In addition to the other information set forth in this report, you should carefully consider the following factors which could materially adversely affect our business, financial condition, results of operations (including revenues and profitability) and/or stock price. Our business is also subject to general risks and uncertainties that may broadly affect companies, including us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also could materially adversely affect our business, financial condition, results of operations or stock price.

Demand for our services and products is affected by fluctuations in oil and natural gas prices, especially a substantial or extended decline, which, in turn, affect the level of exploration, development and production activity of our customers and could have a material adverse effect on our business, financial condition, results of operations and impede our growth.

Demand for our services and products is tied to the level of exploration, development and production activity and the corresponding capital expenditures by oil and natural gas companies, including national oil companies. The level of exploration, development and production activity is directly affected by fluctuations in oil and natural gas prices, which historically have been volatile and are likely to continue to be volatile in the future, especially given current geopolitical and economic conditions. Therefore, declines in oil and natural gas prices (as has occurred since late 2014) or customer perceptions that oil and natural gas prices will remain depressed or further decrease in the future could result in a reduction in the demand and pricing for our equipment and will likely result in lower rates for our services.

Prices for oil and natural gas are highly volatile and are subject to large fluctuations in response to relatively minor changes in the supply of and demand for oil and natural gas. For example, during 2015 oil prices fluctuated from a high of $61.82 per barrel in mid-June to a low of $35.81 per barrel in late December for West Texas Intermediate ("WTI") crude. As recently as February 2016, a barrel of WTI crude traded below $27.00 per barrel on the New York Mercantile Exchange. Factors that can or could cause these price fluctuations include: excess supply of crude oil relative to demand; domestic and international drilling activity; global market uncertainty; the risk of slowing economic growth or recession in the United States, China, Europe or emerging markets; the ability of OPEC to set and maintain production levels for oil; the decision of OPEC to abandon production quotas and/or member-country quota compliance within OPEC; oil and gas production levels by non-OPEC countries; the nature and extent of governmental regulation, including environmental regulation; technological advances affecting energy consumption; adverse weather conditions and a variety of other economic factors that are beyond our control. Any perceived or actual further reduction in oil and natural gas prices will depress the immediate levels of exploration, development and production activity and decrease spending by our customers, which could have a material adverse effect on our business, financial condition and results of operations.

The substantial decline in oil and natural gas prices has led to a significant decrease in spending by our customers, and further decreases in oil and natural gas prices could lead to further cuts in spending. Our customers also take into account the volatility of energy prices and other risk factors when determining whether to pursue capital projects and higher perceived risks generally mandate higher required returns. Any of these factors could affect the demand for oil and natural gas and could have a material adverse effect on our business, financial condition, results of operations and cash flow.

Our business is dependent on capital spending by our customers, and reductions in capital spending by our customers has had and could continue to have an adverse effect on our business, financial condition and results of operations.

The substantial decline in oil and natural gas prices has led to a significant decrease in capital expenditures by our customers. Most of our contracts can be cancelled by our customer at any time. The declines in commodity prices, the short-term tenor of most of our contracts and the extreme financial stress experienced by our customers (some of whom may have to seek bankruptcy protection) have combined to generate demands by many of our customers for significant reductions in the prices of our products and services. Further reductions in capital spending or requests for further cost reductions by our customers could directly impact our business by reducing demand for our services and products and have a material adverse effect on our business, financial condition, results of operations and prospects. Spending by exploration and production companies can also be impacted by conditions in the capital markets, which have been highly volatile in recent months. Limitations on the availability of capital or higher costs of capital may cause exploration and production companies to make additional reductions to capital budgets even if oil and natural gas prices increase from current levels. Any such cuts in spending will curtail drilling programs as well as discretionary spending on well services, which may result in a reduction in the demand for our services, the rates we can charge and the utilization of our assets. Moreover, reduced discovery rates of new oil and natural gas reserves or a decrease in the development rate of reserves in our market areas, whether due to increased governmental regulation, limitations on exploration and drilling activity or other factors, could also have a material adverse impact on our business, even in a stronger oil and natural gas price environment. With respect to national oil company customers, we are also subject to risk of policy, regime, currency and budgetary changes all of which may affect their capital expenditures.

The credit risks of our concentrated customer base in the energy industry could result in losses.

The concentration of our customer base in the energy industry may impact our overall exposure to credit risk as our customers may be similarly affected by prolonged changes in economic and industry conditions. Some of our customers are experiencing extreme financial distress as a result of falling commodity prices and may be forced to seek protection under applicable bankruptcy laws. Furthermore, countries that rely heavily upon income from hydrocarbon exports have been negatively and significantly affected by the drop in oil prices, which could affect our ability to collect from our customers in these countries, particularly national oil companies. Laws in some jurisdictions in which we operate could make collection difficult or time consuming. We perform on-going 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. Additionally, in the event of a bankruptcy of any of our customers, we may be treated as an unsecured creditor and may collect substantially less, or none, of the amounts owed to us by such customer.

Seasonal and weather conditions could adversely affect demand for our services and operations.

Variation from normal weather patterns, such as cooler or warmer summers and winters, can have a significant impact on demand. Adverse weather conditions, such as hurricanes in the Gulf of Mexico or extreme winter conditions in Canada, Russia and the North Sea, may interrupt or curtail our operations, or our customers' operations, cause supply disruptions or loss of productivity or result in a loss of revenue or damage to our equipment and facilities, which may or may not be insured. Any of these outcomes could have a material adverse effect on our business, financial condition and results of operations.

The oilfield services business is highly competitive, which may adversely affect our ability to succeed. Additionally, the impact of consolidation and acquisitions of our competitors is difficult to predict and may harm our business.

Our business is highly competitive, particularly with respect to marketing our products and services to our customers and securing equipment and trained personnel. Currently the oilfield service industry has significant excess capacity relative to customer demand, and, in most cases, multiple sources of comparable oilfield services are available from a number of different competitors. This competitive environment could impact our ability to maintain market share, defend, maintain or increase pricing for our products and services and negotiate acceptable contract terms with our customers and suppliers. In order to remain competitive, we must continue to add value for our customers by providing, relative to our peers, new technologies, reliable products and services and competent personnel. The anticipated timing and cost of the development of competitive technology and new product introductions can impact our financial results, particularly if one of our competitors were to develop competing technology that accelerates the obsolescence of any of our products or services. Additionally, we may be disadvantaged competitively and financially by a significant movement of exploration and production operations to areas of the world in which we are not currently active, particularly if one or more of our competitors is already operating in that area of the world.

Furthermore, several of our largest competitors have announced a plan to combine including a merger between Halliburton and Baker Hughes as well as between Schlumberger and Cameron International. Mergers, combinations and consolidations in our industry could result in existing competitors increasing their market share and may result in stronger competitors, which in turn, could have a material adverse effect on our business, financial condition and results of operations. We may not be able to compete successfully in an increasingly consolidated industry and cannot predict with certainty how industry consolidation will affect our other competitors or us.

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 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 require that our customers indemnify us for claims arising from the injury or death of their employees (and those of their other contractors), the loss or damage of their equipment (and that of their other contractors), damage to the well or reservoir and pollution originating from the customer's equipment or from the reservoir (including uncontained oil flow from a reservoir) and claims arising from catastrophic events, such as a well blowout, fire, explosion and from pollution below the surface. Conversely, we typically indemnify our customers for claims arising from the injury or death of our employees, the loss or damage of our equipment (other than equipment lost in the hole) or pollution originating from our equipment above the surface of the earth or water.

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 also be held to be overly broad in some courts and/or contrary to public policy in some jurisdictions, and to that extent unenforceable. Additionally, some jurisdictions which permit indemnification nonetheless limit its scope by statute. We may be subject to claims brought by third parties or government agencies with respect to which we are not indemnified. 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 generally 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 could recognize a loss of those assets.

Our business may be exposed to uninsured claims and, as a result, litigation might result in significant potential losses. The cost of our insured risk management program may increase.

In the ordinary course of business, we become the subject of various claims and litigation. We maintain liability insurance, which includes insurance against damage to people, property and the environment, up to maximum limits of $600 million, subject to self-insured retentions and deductibles.

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. Additionally, insurance rates have in the past been subject to wide fluctuation and may be 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 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, including possible increases in liabilities or funding requirements imposed by governmental agencies. We also cannot ensure that our future business in the deepwater Gulf of Mexico, if any, will be profitable in light of new regulations that have been, and may continue to 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, and those regulations could limit our business where they are imposed.

In addition, members of the U.S. Congress, the U.S. Environmental Protection Agency and various agencies of several states within the U.S. frequently review, consider and propose more stringent regulation of hydraulic fracturing, a service we provide to clients and regulators are investigating whether any chemicals used in the fracturing process might adversely affect groundwater or whether the fracturing processes could lead to other unintended effects or damages. In recent years, several cities and states within the U.S. passed new laws and regulations concerning or banning hydraulic fracturing. A significant portion of North American service activity today is directed at prospects that require hydraulic fracturing in order to produce hydrocarbons. Therefore, additional regulation could increase the costs of conducting our business by subjecting fracturing to more stringent regulation. Such regulation, among other things, may change construction standards for wells intended for hydraulic fracturing, require additional certifications concerning the conduct of hydraulic fracturing operations, change requirements pertaining to the management of water used in hydraulic fracturing operations, require other measures intended to prevent operational hazards or ban hydraulic fracturing completely. Any such federal, state, local or foreign legislation could increase our costs of providing services or could materially reduce our business opportunities and revenues if our customers decrease their levels of activity in response to such regulation or if we are not able to pass along any cost increases to our customers. We are unable to predict whether changes in laws or regulations or any other governmental proposals or responses will ultimately occur, and accordingly, we are unable to assess the potential financial or operational impact they may have on our business.

We conduct some of our business using fixed-fee or turn-key contracts, which subject us to risks associated with cost over-runs, operating cost inflation and potential claims for liquidated damages.

We conduct our business under various types of contracts, including in some cases fixed-fee or turn-key contracts where we estimate costs in advance of our performance. We price these types of contracts based in part on assumptions including prices and availability of labor, equipment and materials as well as productivity, performance and future economic conditions. If our cost estimates prove inaccurate, there are errors or ambiguities as to contract specifications or if circumstances change due to, among other things, unanticipated technical problems, difficulties in obtaining permits or approvals, changes in local laws or labor conditions, weather delays, changes in the costs of equipment and materials or our suppliers' or subcontractors' inability to perform, then cost over-runs may occur. We may not be able to obtain compensation for additional work performed or expenses incurred in all cases. Additionally, in some contracts we may be required to pay liquidated damages if we do not achieve schedule or performance requirements of our contracts. Our failure to accurately estimate the resources and time required for fixed-fee contracts or our failure to complete our contractual obligations within the time frame and costs committed could result in reduced profits or a loss for that contract. If the contract is significant, or we encounter issues that impact multiple contracts, cost over-runs could have a material adverse effect on our business, financial condition and results of operations. For example, during 2015 and 2014, we recognized estimated project losses of $153 million and $72 million, respectively, related to our long-term early production facility construction contracts in Iraq that are accounted for under the percentage-of-completion method. Total estimated losses on these two projects were $532 million at December 31, 2015.

If our long-lived assets, goodwill, other intangible assets and other assets are further impaired, we may be required to record significant non-cash charges to our earnings.

We recognize impairments of goodwill to its implied fair value when the fair value of any of our reporting units becomes less than its carrying value. Our estimates of fair value are based on assumptions about future cash flows of each reporting unit, discount rates applied to these cash flows and current market estimates of value. Based on the uncertainty of future revenue growth rates, gross profit performance, and other assumptions used to estimate our reporting units' fair value, future reductions in our expected cash flows could cause a material non-cash impairment charge of goodwill, which could have a material adverse effect on our results of operations and financial condition. Based on the results of our impairment tests we recognized impairments to goodwill of $161 million in 2014.

We also have certain long-lived assets, other intangible assets and other assets which could be at risk of impairment or may require reserves based upon anticipated future benefits to be derived from such assets. Any change in the valuation of such assets could have a material effect on our profitability. Based on our impairment tests in 2015, we recognized total long-lived impairment charges of $638 million and $25 million related to our equity method investments. In 2014 we recognized total long-lived and other asset impairments of $495 million.

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, Europe and Russia regions 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 or nationalization 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 the third quarter of 2014, geopolitical issues and disruptions in North Africa, primarily Libya, resulted in the decisions to exit product lines in selected markets, which had a negative impact on our 2014 results. We recognized a restructuring and long-lived asset impairment of $81 million related to these markets. We risk loss of assets in any location where hostilities arise and persist. 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.

Continuing political instability in Ukraine, sanctions against Russia, and Russia's response to those sanctions could materially adversely affect our business, results of operations and financial condition.

Due to Russia's annexation of the Crimean region of Ukraine in March 2014, economic sanctions against Russia remain in place, which have, and may continue to adversely impact our business, results of operations and financial condition of our Russia operations. Additionally, in the event of further sanctions or changes to existing sanctions our ability to do business in Russia may be further reduced or impacted.

The divestiture of our land drilling rigs business may not be completed on the currently contemplated timeline, or at all, and we may not achieve the intended benefits of our 2014 divestitures.

In 2014, we divested certain of our non-core businesses (land drilling rigs in Russia and Venezuela, engineered chemistry and Integrity drilling fluids, pipeline and specialty services and production services). We have not yet completed the divestiture of the remaining portion of our land drilling rigs, which we may accomplish through an initial public offering, a spin-off, an asset sale, or some combination of the foregoing. Any such divestiture would be complex in nature and may be affected by unanticipated developments, such as unfavorable market conditions, including as a result of the recent and significant decrease in the price of crude oil, delays in obtaining regulatory or governmental approvals and challenges in establishing processes and infrastructure for both the underlying business and for potential investors or buyers of the business, which may result in such divestiture being delayed, or not being completed at all. There is no guarantee that we will fully realize the intended benefits of consummating such divestiture transactions.

We have been the subject of governmental and internal investigations related to alleged corrupt conduct and violations of U.S. sanctioned country laws, which were costly to conduct, resulted in a loss of revenue and substantial financial penalties and created other disruptions for the business. If we are the subject of such investigations in the future, it could have a material adverse effect on our business, financial condition and results of operations.

In 2013 and 2014, we settled investigations of prior alleged violations by us and certain of our subsidiaries related to certain trade sanctions laws, participation in the United Nations oil-for-food program governing sales of goods into Iraq and non-compliance with the Foreign Corrupt Practices Act ("FCPA"). These settlement agreements required us to pay $253 million and to retain, for a period of 18 months, an independent monitor responsible for assessing our compliance with the terms of the settlement agreements so as to address and reduce the risk of recurrence of alleged misconduct, after which will continue to evaluate our own compliance program and make periodic reports to the Department of Justice ("DOJ") and SEC and to maintain agreed compliance monitoring and reporting systems, all of which was and is costly to us. These settlement agreements also required us to retain an independent third party to retroactively audit our compliance with U.S. export control laws during the years 2012, 2013 and 2014.

Failure to comply with the terms of the settlement agreements could have serious consequences. Breach of the settlement agreements with the DOJ could subject us and certain of our subsidiaries to prosecution for the FCPA criminal violations that were resolved in the settlement. Under such circumstances, the DOJ would be permitted to rely upon the admissions we and certain of our subsidiaries made in the settlement, and would benefit from our waiver of certain procedural and evidentiary defenses. Moreover, failure to abide by the terms of the settlement agreement with the SEC could result in rescission of the settlement agreement, exposing us and certain of our subsidiaries to civil enforcement proceedings in connection with the conduct that had previously been resolved in those settlement agreements.

To the extent we violate trade sanctions laws, the FCPA or other laws or regulations in the future, additional fines and other penalties may be imposed and there would be uncertainty as to the ultimate amount of any penalties we could pay and there can be no assurance that actual fines or penalties, if any, will not have a material adverse effect on our business, financial condition and results of operations.

For additional information about these actions and claims, you should refer to the section entitled "Note 21 – Disputes, Litigation and Contingencies."

Our significant international operations subject us to economic risks and we may be adversely affected by changes in foreign currency including devaluation and changes in local banking and currency regulations and exchange controls.

We operate in virtually every oil and natural gas exploration and production region in the world. In some parts of the world, such as Latin America, the Middle East and Southeast Asia, the currency of our primary economic environment is generally the U.S. dollar, and we use the U.S. dollar as our functional currency. In other parts of the world, we conduct our business in currencies other than the U.S. dollar, and the functional currency is generally the applicable local currency. As such, we are exposed to significant currency exchange risk and devaluation risk. For example, in 2015, 2014 and 2013, we recognized pre-tax currency-related charges of $85 million, $245 million and $100 million, respectively. In 2015, currency devaluation and related charges reflect the impacts of the continued devaluation of the Angolan kwanza and Argentine peso and the recognized remeasurement charges related to the Venezuelan bolivar and the Kazakhstani tenge. The charges in 2014 and 2013 were related to the devaluation of the Venezuelan bolivar. For information about the currency devaluations, refer to the section entitled "Note 1 – Summary of Significant Accounting Policies." Any future change in the exchange rates in these countries could cause us to take additional charges on the foreign denominated assets held by our subsidiaries.

We are also subject to risks resulting from changes in the implementation of exchange controls, as well as limitations on our ability to reinvest earnings from operations in one country to fund the capital needs of our operations in other countries. If we are unable to reinvest earnings or repatriate foreign income, our liquidity and recognition of income tax liabilities may be negatively affected.

Our business in Venezuela subjects us to actions by the Venezuelan government or our primary customer which could have a material adverse effect on our liquidity, results of operations and financial condition.

The future results of our Venezuelan operations may be adversely affected by many factors, including our ability to take action to mitigate the effect of future exchange controls, actions of the Venezuelan government and the general economic conditions in the country, continued inflation, and future customer payments and spending. We may continue to see a delay in payment on our receivables from our primary customer in Venezuela or may be compelled to accept bonds as payment, which may then be sold at a loss, similar to our bond transaction in 2013 related to $127 million of trade receivables. Upon receipt of bonds for these receivables, we immediately sold them, recognizing a loss of $58 million. If PDVSA further delays paying or fails to pay a significant amount of our outstanding receivables, or if there is a major action by the Venezuelan government, it could have a material adverse effect on our liquidity, consolidated results of operations and consolidated financial condition.

Credit rating agencies could further lower our credit ratings.

Our credit ratings have recently been downgraded by multiple credit rating agencies and these agencies could further downgrade our credit ratings. Our Standard & Poor's Ratings Services' ("S&P") credit rating on our senior unsecured debt is currently BB+ and our short-term rating is B, both with a stable outlook. Our Moody's Investors Ratings Services' credit rating on our unsecured debt is currently Ba1 and our short-term rating is SGL-2, both with a stable outlook. However, on January 21, 2016, Moody's placed the company's rating on review for downgrade. On April 15, 2015, Fitch Rating assigned a credit rating on our senior unsecured debt of BBB- and our short-term rating of F3, with a negative outlook. On January 25, 2016, Fitch Ratings lowered its credit rating on our senior unsecured debt to BB from BBB- and lowered our short-term rating to B from F3 and maintained its negative outlook. The lowering of our credit ratings in 2015 to non-investment grade levels resulted in our loss of access to the commercial paper market for our short-term liquidity needs. Furthermore, our non-investment grade status may limit our ability to refinance our existing debt, could cause us to refinance or issue debt with less favorable and more restrictive terms and conditions, and could increase certain fees and interest rates of our borrowings. Suppliers and financial institutions may lower or eliminate the level of credit provided through payment terms or intraday funding when dealing with us thereby increasing the need for higher levels of cash on hand, which would decrease our ability to repay debt balances.

Capital financing may not be available to us at economic rates.

Credit and equity markets have been highly volatile in recent months, the cost to obtain capital financing has increased, and some markets may not be available at certain times. Credit and equity market conditions and the potential impact on liquidity of major financial institutions may have an adverse effect on our ability to fund operational needs or other activities through borrowings under either existing or newly created instruments in the public or private markets on terms we believe to be reasonable. If we are unable to borrow via debt offerings or our credit facility, or to obtain equity financing, we could experience a reduction of liquidity and may result in difficulty funding our operations, repayment of short-term borrowings, payments of interest and other obligations. This could be detrimental to our business and have a material adverse effect on our liquidity, consolidated results of operations and financial condition.

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, illegal detainment, 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.

Our failure to maintain effective internal controls over financial reporting has resulted in governmental investigations and shareholder lawsuits and could further result in material misstatements in our financial statements which, in turn, could require us to restate financial statements, may cause investors to lose confidence in our reported financial information and could have an adverse effect on our share price or our debt ratings.

We have previously identified a material weakness in our internal controls over financial reporting that had resulted in a material weakness in accounting for income taxes. As of December 31, 2013, we remediated our material weakness in accounting for income taxes. We cannot assure that additional material weaknesses in our internal controls over financial reporting will not be identified in the future. Any failure to maintain or implement required new or improved controls, or any difficulties we encounter in their implementation, could result in additional material weaknesses, cause us to fail to meet our periodic reporting obligations or result in material misstatements in our financial statements. Any such failure could also adversely affect the results of periodic management evaluations regarding the effectiveness of our internal controls over financial reporting. The existence of a material weakness could result in errors in our financial statements that could result in a restatement of financial statements, cause us to fail to meet our reporting obligations and/or cause investors to lose confidence in our reported financial information, potentially leading to a decline in our share price.

The SEC and DOJ are investigating the circumstances surrounding the prior material weakness in our internal controls over financial reporting for income taxes and the restatements of our historical financial statements in 2011 and 2012. We are cooperating fully with these investigations. We are unable to predict the outcome of these investigations due to the inherent uncertainties they present and we are unable to predict potential outcomes or estimate the range of potential loss contingencies, if any. The government, generally, has a broad range of civil and criminal penalties available for these types of matters under applicable law and regulation, including injunctive relief, fines, penalties and modifications to business practices, some of which, if imposed on us, could be material to our business, financial condition or results of operations. For additional information about these actions and claims, you should refer to the section entitled "Note 21 – Disputes, Litigation and Contingencies."

In March 2011, a shareholder derivative action was filed purportedly on behalf of the Company against certain current and former officers and directors, alleging breaches of duty related to the material weakness and restatement announcements. In February 2012, a second shareholder derivative action was filed. On June 30, 2015, we signed a stipulation to settle a purported securities class action captioned *Freedman v. Weatherford International LTD.*, et al., No. 12-cv-2121-LAK (SDNY) for $120 million. The case had been filed in the federal court in the Southern District of New York in March 2012. That case alleges violation of the federal securities laws related to the restatement of our historical financial statements announced on February 21, 2012, and later added claims related to the announcement of a subsequent restatement on July 24, 2012. The settlement is subject to notice to the class and court approval. For additional information about these actions and claims, you should refer to the section entitled "Note 21 – Disputes, Litigation and Contingencies."

Additionally, in March 2011, a purported shareholder class action captioned *Dobina v. Weatherford International Ltd., et al*., No. 1:11-cv-01646-LAK (SDNY), was filed in the U.S. District Court for the Southern District of New York, following our announcement on March 1, 2011 of a material weakness in our internal controls over financial reporting for income taxes, and restatement of our historical financial statements. The Dobina lawsuit alleged violation of the federal securities laws by us and certain current and former officers. On January 29, 2014, we, together with certain current and former officers, resolved the Dobina lawsuit. The settlement was approved by the U.S. District Court for the Southern District of New York on January 5, 2015, and final judgment entered on January 30, 2015. Pursuant to the settlement, we were required to pay $53 million, which was entirely funded by our insurers, in exchange for dismissal with prejudice of the litigation and the unconditional release of all claims, known or unknown, that settlement class members brought or could have brought against us and individual defendants related to the facts and allegations in the litigation. As a condition of the settlement, we and the other defendants deny any liability or wrongdoing related to the allegations in the litigation.

Adverse changes in tax laws both in the United States and abroad, changes in tax rates or exposure to additional income tax liabilities could have a material adverse effect on our results of operations.

In 2002, we reorganized from the United States to a foreign jurisdiction. There are frequent legislative proposals in the United States that attempt to treat companies that have undertaken similar transactions as U.S. corporations subject to U.S. taxes or to limit the tax deductions or tax credits available to United States subsidiaries of these corporations. Our tax expense as a foreign incorporated company 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 and other taxing jurisdictions, acting in unison or separately. The inability to reduce our tax expense could have a material impact on our financial statements.

Numerous foreign jurisdictions in which we operate have been influenced by studies performed by the Organization of Economic Cooperation and Development ("OECD") and are increasingly active in evaluating changes to their tax laws. The OECD, which represents a coalition of member countries, has issued various white papers addressing Tax Base Erosion and Jurisdictional Profit Shifting. Their recommendations are aimed at combating what they believe is tax avoidance. Changes in tax laws could significantly increase our tax expense and require us to take actions, at potential significant expense, to seek to preserve our current level of tax expense.

Our effective tax rate has fluctuated in the past and may fluctuate in the future. Future effective tax rates could be affected by changes in the composition of earnings in countries in which we operate with differing tax rates, changes in tax laws, or changes in deferred tax assets and liabilities. We assess our deferred tax assets on a quarterly basis to determine whether a valuation allowance may be required. A prolonged downturn could result in us needing to record a valuation allowance on current or future deferred tax assets, which would negatively impact our financial results.

U.S. persons that own, or are deemed to own, 10% or more of our shares may be subject to U.S. federal income taxation under the controlled foreign corporation ("CFC") rules and may also subject the Company to increased taxation. The potential for shareholders to be taxed under the CFC rules may impact demand for our shares.

Currently, certain of our subsidiary corporations are not considered CFCs because they are less than 50% owned by our U.S. group of subsidiaries and other 10% or greater shareholders. However, there is a risk that if a U.S. shareholder holds 10% or more of our shares, directly, indirectly or by attribution, that some of our subsidiaries could be classified as CFCs for U.S. federal income tax purposes. If one or more of our subsidiaries is classified as a CFC, any shareholder that is a U.S. person that owns, directly or indirectly or by attribution, 10% or more of our outstanding shares, as well as the Company, may be subject to U.S. income taxation at ordinary income tax rates on all or a portion of the CFC's undistributed earnings and profits attributable to "subpart F income." The CFC rules are complex and U.S. persons that hold our shares are urged to consult their own tax advisors regarding the possible application of the CFC rules to them in their particular circumstances. The risk of being subject to increased taxation may deter our current shareholders from acquiring additional ordinary shares or new shareholders from establishing a position in our ordinary shares. Either of these scenarios could impact the demand for, and value of, our shares.

The anticipated benefits of our redomestication to Ireland may not be realized. Additionally, we and our shareholders could be subject to increased taxation if we are considered to be a tax resident in both Switzerland and Ireland.

In 2014, we redomesticated from Switzerland to Ireland. We may not realize the benefits we anticipate from this redomestication. Our failure to realize those benefits could have an adverse effect on our business, results of operations and financial condition. Additionally, while we moved our place of incorporation from Switzerland to Ireland in 2014, we continue to be effectively managed from Switzerland. Under current Swiss law a company is regarded as a Swiss tax resident if it has its place of effective management in Switzerland or is incorporated in Switzerland. Where a company is treated as a tax resident of Switzerland as a result of having its place of effective management in Switzerland, Irish law provides Ireland will generally treat the company as not resident in Ireland for Irish tax purposes. We intend to maintain our place of effective management in Switzerland and therefore qualify as a Swiss, but not Irish, tax resident. However, it is possible that in the future, whether as a result of a change in law or tax treaty or how we manage our business, that we could become a tax resident in Ireland in addition to Switzerland. If we were to be considered to be a tax resident of Ireland, we could become liable for Irish and Swiss corporation tax and any dividends paid to its shareholders could be subject to Irish and Swiss dividend withholding tax.

The rights of our shareholders are governed by Irish law following our 2014 redomestication from Switzerland to Ireland. Irish law differs from the laws in effect in the United States and may afford less protection to holders of our securities.

As an Irish company, we are governed by the Irish Companies Act, which differs in some material respects from laws generally applicable to U.S. corporations and shareholders, including, among others, provisions relating to interested directors, mergers and acquisitions, takeovers, shareholder lawsuits and indemnification of directors. Likewise, the duties of directors and officers of an Irish company generally are owed to the company only. Shareholders of Irish companies generally do not have a personal right of action against directors or officers of the company and may exercise such rights of action on behalf of the company only in limited circumstances. Accordingly, holders of our securities may have more difficulty protecting their interests than would holders of securities of a corporation incorporated in a jurisdiction of the United States. Additionally, while we are an Irish company, we hold shareholders meetings in Switzerland, which may make attendance in person more difficult for some investors.

We are incorporated in Ireland and a significant portion of our assets are located outside the United States. As a result, it might not be possible for shareholders to enforce civil liability provisions of the federal or state securities laws of the United States.

We are organized under the laws of Ireland, and a significant portion of our assets are located outside the United States. The United States currently does not have a treaty with Ireland providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters. As such, a shareholder who obtains a court judgment based on the civil liability provisions of U.S. federal or state securities laws may be unable to enforce the judgment against us in Ireland. In addition, there is some doubt as to whether the courts of Ireland and other countries would recognize or enforce judgments of U.S. courts obtained against us or our directors or officers based on the civil liabilities provisions of the federal or state securities laws of the United States or would hear actions against us or those persons based on those laws. The laws of Ireland do, however, as a general rule, provide that the judgments of the courts of the United States have the same validity in Ireland as if rendered by Irish Courts. Certain important requirements must be satisfied before the Irish Courts will recognize the U.S. judgment. The originating court must have been a court of competent jurisdiction, the judgment must be final and conclusive and the judgment may not be recognized if it was obtained by fraud or its recognition would be contrary to Irish public policy. Any judgment obtained in contravention of the rules of natural justice or that is irreconcilable with an earlier foreign judgment would not be enforced in Ireland.

Similarly, judgments might not be enforceable in countries other than the United States where we have assets.

REVIEW OF THE DEVELOPMENT AND PERFORMANCE OF THE BUSINESS

As used herein, the "Company," "we," "us" and "our" refer to Weatherford International plc ("Weatherford Ireland"), a public limited company organized under the laws of Ireland, and its subsidiaries on a consolidated basis, or for periods prior to June 17, 2014, to our predecessor, Weatherford International Ltd. ("Weatherford Switzerland"), a Swiss joint-stock corporation and its subsidiaries on a consolidated basis.

The following discussion should be read in conjunction with our Consolidated Financial Statements and Notes to Consolidated Financial Statements. Our discussion includes various forward-looking statements about our markets, the demand for our products and services and our future results. These statements include certain risks and uncertainties. For information about these risks and uncertainties, refer to "Principal Risks and Uncertainties."

OVERVIEW

GENERAL

We conduct operations in over 100 countries and have service and sales locations in nearly all of the oil and natural gas producing regions in the world. Our operational performance is reviewed on a geographic basis, and we report the following regions as separate, distinct reporting segments: North America, MENA/Asia Pacific, Europe/SSA/Russia, Latin America and Land Drilling Rigs.

We principally provide products, equipment and services to the oil and natural gas exploration and production industry, both on land and offshore, through our three business groups: (1) Formation Evaluation and Well Construction and (2) Completion and Production, and (3) Land Drilling Rigs, which together include 14 product lines.

- ***Formation Evaluation and Well Construction*** includes Managed-Pressure Drilling, Drilling Services, Tubular Running Services, Drilling Tools, Wireline Services, Testing and Production Services, Re-entry and Fishing, Cementing, Liner Systems, Integrated Laboratory Services and Surface Logging.
- ***Completion and Production*** includes Artificial Lift Systems, Stimulation and Completion Systems.
- ***Land Drilling Rigs*** encompasses our land drilling business, including the products and services ancillary thereto.

We may sell our products and services separately or may bundle them together to provide integrated solutions up to, and including, integrated well construction where we are responsible for the entire process of drilling, constructing and completing a well. Our customers include both exploration and production companies and other oilfield service companies. Depending on the service line, customer and location, our contracts vary in their terms, provisions and indemnities. We earn revenues under our contracts when products are delivered and services are performed. Typically, we provide products and services at a well site where our personnel and equipment may be located together with personnel and equipment of our customer and third parties, such as other service providers. Our services are usually short-term in nature, day-rate based and cancellable should our customer wish to alter the scope of work. Consequently, our backlog of firm orders is not material to the Company.

CHANGE IN REPORTABLE SEGMENTS

In the first quarter of 2015, we changed our business structure to better align with management's current view and future growth objectives. This change involved separating our Land Drilling Rigs business into a reportable segment resulting in a total of five reportable segments which are North America, MENA/Asia Pacific, Europe/SSA/Russia, Latin America and Land Drilling Rigs. We have recast prior periods to conform to the current business segment presentation. See "Note 23 – Segment Information" for additional information.

DIVESTITURES

Throughout 2014, we successfully disposed of several of our non-core businesses and an equity investment. We received cash proceeds totaling approximately $1.7 billion from these dispositions and used approximately $1.2 billion of the proceeds to reduce debt. For the year ended December 31, 2014, we recognized a gain on these dispositions of $349 million. Dispositions in 2014 included our land drilling and workover rig operations in Russia and Venezuela, pipeline and specialty services business, engineered chemistry and Integrity drilling fluids businesses and the disposal of all our shares in Proserv. See "Note 2 – Business Combinations and Divestitures" for additional information. In 2015, we did not complete any material dispositions.

LONG-LIVED ASSET IMPAIRMENTS AND OTHER RELATED CHARGES

In 2015, the continued weakness in crude oil prices contributed to lower exploration and production spending and a decline in the utilization of our land drilling rigs and certain U.S. asset groups. Based on our impairment tests, we recognized total long-lived impairment charges of $638 million in 2015 with $383 million related to pressure pumping, drilling tools and wireline assets in the U.S. and $255 million related to Land Drilling Rigs segment assets. In 2015, we also recognized $130 million related to supply agreement charges in our North America segment. These long-lived asset impairments and other related charges are reported as "Long-Lived Asset Impairments and Other Related Charges" on our Consolidated Statements of Operations.

In connection with our long-lived asset impairments in 2015, we prepared an analysis to determine the fair value of our equity method investments. We assessed these declines in value as other than temporary and recognized an impairment loss of $25 million.

For the year ended December 31, 2014, we had total non-cash asset impairment charges of $656 million. In the fourth quarter of 2014, we recognized a long-lived asset impairment of $352 million and a $40 million goodwill impairment charge to adjust the assets of our Land Drilling Rig business to fair value. In the second and third quarters of 2014, as a result of our commitment to sell our land drilling and workover rig operations in Russia and Venezuela, we recorded a $143 million long-lived asset impairment loss and a $121 million goodwill impairment loss. In addition, within the stand-alone financial statements of 2015 and 2014, Weatherford International plc we recognized a $3.2 billion and $6.7 billion impairment, respectively, of our Investment in Subsidiaries. This impairment did not have an impact on our consolidated financial results presented in accordance with U.S. GAAP within our Form 10-K. See "Note 8 – Long-lived Asset Impairments" and "Note 9 – Goodwill" for additional information regarding the long-lived and goodwill impairments.

See "Note 8 – Long-lived Asset Impairments" and "Note 9 – Goodwill" for additional information regarding the long-lived, other asset and goodwill impairments.

LITIGATION SETTLEMENT

On June 30, 2015, we settled a purported securities class action for $120 million in exchange for the dismissal with prejudice of the litigation and the unconditional release of all claims captioned *Freedman v. Weatherford International Ltd., et al.*, that was filed in the Southern District of New York against us and certain current and former officers in March 2012. The settlement agreement was subject to notice to the class, approval by the U.S. District Court for the Southern District of New York and other conditions and was paid into escrow in August 2015. We are pursuing reimbursement from our insurance carriers and recovered $15 million of the settlement amount in the fourth quarter of 2015. See "Note 21 – Disputes, Litigation and Contingencies" for additional information.

INDUSTRY TRENDS

The level of spending in the energy industry is heavily influenced by changes in the current and expected future prices of oil and natural gas. Changes in expenditures result in an increased or decreased demand for our products and services. Rig count is an indicator of the level of spending for the exploration for and production of oil and natural gas reserves. The following chart sets forth certain statistics that reflect historical market conditions:

	WTI Oil[(a)]	Henry Hub Gas[(b)]	North American Rig Count[(c)]	International Rig Count[(c)]
2015	$ 37.04	$ 2.36	910	1,105
2014	53.27	2.90	2,294	1,315
2013	98.42	4.19	2,129	1,320

(a) Price per barrel of West Texas Intermediate ("WTI") crude oil as of the last business day of the year indicated at Cushing Oklahoma – Source: Thomson Reuters

(b) Price per MM/BTU as of the last business day of the year indicated at Henry Hub Louisiana – Source: Thomson Reuters

(c) Average rig count for the fourth quarter – Source: Baker Hughes Rig Count

Oil prices fluctuated during 2015, ranging from a high of $61.82 per barrel in mid-June to a low of $35.81 per barrel in late December. Natural gas ranged from a high of $3.21 MM/BTU in mid-January to a low of $1.95 MM/BTU in mid-December. As recently as February 2016, a barrel of WTI crude oil traded below $27.00 per barrel on the New York Mercantile Exchange. Factors influencing oil and natural gas prices during the period include hydrocarbon inventory levels, realized and expected global economic growth, realized and expected levels of hydrocarbon demand, the level of production capacity, weather and geopolitical uncertainty.

RESULTS OF OPERATIONS

The following table contains selected financial data comparing our consolidated and segment results from operations for 2015, 2014 and 2013. See "Notes to Consolidated Financial Statements – Note 23 – Segment Information" for additional information regarding variances in operating income.

	Year Ended December 31,			Percentage Change Favorable (Unfavorable)	
(Dollars in millions, except per share data)	2015	2014	2013	2015 vs 2014	2014 vs 2013
Revenues:					
North America	$ 3,494	$ 6,852	$ 6,390	(49)%	7%
MENA/Asia Pacific	1,947	2,406	2,746	(19)%	(12)%
Europe/SSA/Russia	1,533	2,129	1,947	(28)%	9%
Latin America	1,746	2,282	2,635	(23)%	(13)%
Subtotal	8,720	13,669	13,718	(36)%	—%
Land Drilling Rigs	713	1,242	1,545	(43)%	(20)%
Total Revenues	**$ 9,433**	**$14,911**	**$15,263**	**(37)%**	**(2)%**
Operating Income (Expense):					
North America	$ (308)	$ 1,005	$ 827	(131)%	22%
MENA/Asia Pacific	(28)	115	(62)	(124)%	285%
Europe/SSA/Russia	173	367	266	(53)%	38%
Latin America	254	339	320	(25)%	6%
Subtotal	91	1,826	1,351	(95)%	35%
Land Drilling Rigs	(13)	(103)	(33)	87%	(212)%
Total Segment Operating Income	**78**	**1,723**	**1,318**	**(95)%**	**31%**
Research and Development	(231)	(290)	(265)	20%	(9)%
Corporate Expenses	(194)	(178)	(201)	(9)%	11%
Long-Lived Asset Impairment and Other Related Charges	(768)	(495)	—	(55)%	—%
Restructuring Charges	(232)	(331)	—	30%	—%
Litigation Charges	(116)	—	(153)	—%	100%
Goodwill and Equity Investment Impairment	(25)	(161)	—	84%	—%
Gain (Loss) on Sale of Businesses and Investments, Net	(6)	349	24	(102)%	1,354%
Other Items	(52)	(112)	(200)	54%	44%
Total Operating Income (Expense)	**$ (1,546)**	**$ 505**	**$ 523**	**(406)%**	**(3)%**
Interest Expense, Net	$ (468)	$ (498)	$ (516)	6%	3%
Currency Devaluation and Related Charges	(85)	(245)	(100)	65%	(145)%
Other Income (Expense), Net	3	(17)	(77)	118%	78%
Benefit (Provision) for Income Taxes	145	(284)	(144)	151%	(97)%
Net Loss per Diluted Share	(2.55)	(0.75)	(0.45)	(240)%	(67)%
Weighted Average Diluted Shares Outstanding	779	777	772	—%	(1)%
Depreciation and Amortization	1,200	1,371	1,402	12%	2%

REVENUES

The following table contains the percentage distribution of our consolidated revenues by business groups for 2015, 2014 and 2013:

	Year Ended December 31,		
	2015	2014	2013
Formation Evaluation and Well Construction	55%	52%	52%
Completion and Production	37	40	38
Land Drilling Rigs	8	8	10
Total	**100%**	**100%**	**100%**

CONSOLIDATED REVENUES

2015 vs 2014

Consolidated revenues decreased $5.5 billion, or 37%, in 2015 compared to 2014 across all our segments with declines of $3.4 billion, or 49%, in North America, $1.6 billion, or 23%, in our International segments and $529 million, or 43%, in Land Drilling Rigs. International revenues represent revenues of our regional segments other than North America and the Land Drilling Rigs segments. The decline in North America revenue is consistent with the 60% decrease in North American rig count since December 31, 2014 with significant declines across product lines, particularly pressure pumping, drilling tools, artificial lift, intervention services and drilling services. The decline in the North America segment was driven by a combination of lower activity and customer pricing pressure, with the largest decline primarily in the United States. The disposition of our engineered chemistry business on December 31, 2014 also negatively impacted revenues when compared to the prior year.

The decline in revenues in our International segments is in line with the decrease in international rig count of 16% since 2014 as well as declines in revenue from Europe/SSA/Russia and MENA/Asia Pacific due to pricing pressure and reduced activity across all our product lines. Lastly, our Latin America segment experienced lower activity particularly in the Well Construction and Formation Evaluation product lines.

The decline in our Land Drilling Rigs revenue is primarily attributable to the decline in drilling activity consistent with the rig count declines, decreases in new drilling activity and the 2014 disposal of our land drilling and workover rig operations in Russia and Venezuela.

2014 vs 2013

Consolidated revenues decreased $352 million, or 2%, in 2014 compared to 2013. International revenues decreased $511 million, or 7%, and our Land Drilling Rigs revenues decreased $303 million, or 20%, in 2014 compared to 2013, on a slight decrease in the 2014 annual international rig count and the disposal of our land drilling and workover rig operations in Russia and Venezuela. The decline in Europe/SSA/Russia, Latin America and Land Drilling Rigs revenues was aided by the disposal of our land drilling and workover rig operations in Russia and Venezuela and our pipeline services business. These divestitures were completed on July 31, 2014 and September 1, 2014, respectively. Latin America also experienced additional revenue declines related to the completion of project work in Mexico and the impact of our self-imposed capital discipline to reduce activity in Venezuela which impacted the first half of 2014. The international revenue decline was also attributable to our MENA/Asia Pacific segment due to lower activity on our remaining legacy contracts in Iraq and a reduction in scope of work on a project in China.

The decline in International revenue was partially offset by an increase in North America. Revenue in our North America segment increased $462 million, or 7%, in 2014 compared to the prior year, on an 6% increase in the 2014 annual North American rig count. The increased revenue was primarily due to higher demand for pressure pumping, artificial lift, completions and formation evaluation products and services.

OPERATING INCOME

2015 vs 2014

Consolidated operating income decreased $2.1 billion, or 406%, in 2015 compared to 2014. The decline in operating income is consistent with the reduction in activity resulting from the significant decline in both the price of oil and rig counts, which has put pressure on our pricing and has resulted in a lower volume of work.

Consolidated operating income for 2015 includes $1.2 billion of charges as follows:

- $768 million of long-lived asset impairment charges and supply contract related charges;
- $232 million of severance and restructuring charges;
- $116 million of litigation charges primarily for the settlement of a lawsuit related to the restatement of our historical financial statements in previous years;
- $58 million in professional and other fees, divestiture related charges and facility closures, loss on sale of businesses and investments, and other charges; and
- $25 million of equity investment impairment charges.

For additional information regarding charges by segment, see the subsection entitled "Segment Results" and "Restructuring Charges" below.

2014 vs 2013

Consolidated operating income decreased $18 million, or 3%, in 2014 compared to 2013. Consolidated operating income for 2014 includes the following charges:

- $656 million of non-cash charges primarily for the impairment of long-lived assets and goodwill, of which $495 million is related to long-lived asset impairments and $161 million is related to goodwill impairments;
- $331 million of severance and restructuring charges; and
- $112 million in charges incurred in conjunction with the divestiture of our non-core businesses, restatement related litigation, the settlement of the U.S. government investigations and our redomestication from Switzerland to Ireland.

Partially offsetting these charges in 2014 was a $349 million gain on sale of businesses and investments, which includes gains on the disposition of our engineered chemistry and Integrity drilling fluids businesses, Proserv investment and pipeline and specialty services business, offset by a loss on the sale of our land drilling and workover rig operations in Russia and Venezuela.

Excluding, from both years, the impairment charges for long-lived assets and goodwill, restructuring charges, the $153 million of FCPA settlement charge in 2013 and the gain on the sale of businesses and investments in both years our consolidated adjusted operating income increased $491 million, or 75%, in 2014 compared to 2013, primarily due to improvements in our geographic segments partially offset by the decline in the Land Drilling Rigs segment.

- North America operating income increased $178 million, or 22%, in 2014 driven by the higher revenues from increased demand and improved pricing from our pressure pumping, completions and formation evaluation product lines and a lower cost structure achieved through our reduction in workforce and closure of less profitable locations.
- MENA/Asia Pacific operating income increased $177 million, or 285%, primarily due to decreased operating costs related to lower activity on our remaining legacy contract in Iraq, the completion of another legacy Iraq contract earlier in 2014 and a gain of $16 million from the acquisition of an additional 30% ownership interest in a joint venture in China.
- Europe/SSA/Russia operating income increased $101 million, or 38%, in 2014, which was largely attributable to improvements in activity in Europe and continued growth in Sub-Sahara Africa, generally across all product lines.

- Latin America operating income increased 6% largely related to focus on higher margin activity in Argentina and Brazil with improvements in pressure pumping, formation evaluation and well construction services partially offset by lower demand for our artificial lift and formation evaluation services resulting from the completion of project work in Mexico and our self-imposed capital discipline driven activity reductions in Venezuela during the first half of 2014.
- Land Drilling Rigs operating income decreased $70 million, or 212%, in 2014 compared to 2013 primarily the result of the sale of our Russian Land Drilling Rigs business, slight decrease in the international rig count, and facility closure costs related to the 2014 restructuring plan.

GAIN (LOSS) ON SALE OF BUSINESSES AND INVESTMENTS, NET

During 2015, we did not recognize any material net gain or loss on sale of businesses and investments. During 2014, we recognized a $349 million net gain on sale of businesses and investments, which includes a $250 million gain on the disposition of our engineered chemistry and Integrity drilling fluids businesses, a $65 million gain on the disposition of our Proserv investment and a $49 million gain on the disposition of our pipeline and specialty services business. These gains were partially offset by a $15 million loss on the sale of our land drilling and workover rig operations in Russia and Venezuela.

During 2013, we recognized a $24 million net gain on sale of businesses and investments, which included an $18 million gain on the disposition of our remaining interest in Borets International Limited ("Borets") and a $6 million gain on the disposition of our industrial screens business.

CURRENCY DEVALUATION AND RELATED CHARGES

In 2015, currency devaluations and related charges were $85 million and are included in current earnings in the line captioned "Currency Devaluation and Related Charges" on the accompanying Consolidated Statements of Operations. In 2015, currency devaluation and related charges reflect the impacts of the continued devaluation of the Angolan kwanza of $39 million and Argentine peso of $11 million and the recognized remeasurement charges related to the Venezuelan bolivar of $26 million and the Kazakhstani tenge of $9 million. The Angolan kwanza charges reflect currency devaluations of approximately 24% in 2015. The devaluation of the Argentine peso was due to the modifying of currency control restrictions on purchasing foreign currencies by the Argentine Central Bank. The cumulative depreciation of the Kazakhstani tenge was 46% during 2015 after the National Bank of Kazakhstan abandoned its peg of the tenge to the U.S. dollar. The Venezuelan bolivar charge reflects remeasurement charges when we began using the exchange rate published by the Venezuelan currency exchange system known as the "Marginal Currency System" or SIMADI. The SIMADI opened for trading February 12, 2015, replacing the Venezuela's Supplementary Foreign Currency Administration System auction rate ("SICAD II") mechanism. The SIMADI is intended to provide limited access to a free market rate of exchange.

In 2014 and 2013, we recognized charges of $245 million and $100 million, respectively, on the devaluation of the Venezuelan bolivar. As of December 31, 2014, we adopted the SICAD II daily auction rate of approximately 50 Venezuelan bolivars per U.S. dollar. This rate was used at December 31, 2014 for the purposes of remeasuring Venezuelan bolivar denominated assets and liabilities (primarily cash, accounts receivables, trade payables and other current liabilities). The 2013 devaluation was due to the Venezuelan government changing the official exchange rate of the bolivar from 4.3 per dollar to 6.3 per dollar for all goods and services.

SEGMENT RESULTS

NORTH AMERICA

2015 vs 2014

Revenues in our North America segment decreased $3.4 billion, or 49%, in 2015 compared to 2014 primarily due to the 60% decline in the North America rig count since December 31, 2014. The decline in revenue in 2015 was driven by lower activity and pricing pressure that broadly impacted all product lines, particularly pressure pumping, drilling tools, artificial lift, intervention services and drilling services. The disposition of our engineered chemistry business on December 31, 2014 also negatively impacted revenues when compared to the prior year.

Total revenues in the U.S. were $2.9 billion in 2015, $5.6 billion in 2014 and $5.1 billion in 2013. The remaining revenues of our North America segment of $630 million in 2015, $1.3 billion in 2014 and $1.2 billion in 2013, were derived from our operations in Canada.

Operating income in our North America segment decreased $1.3 billion, or 131%, in 2015 compared to 2014. Operating margins were (9)% in 2015 compared to 15% in 2014. The same factors contributing to the decline in revenues directly contributed to the decline in operating income. During 2015, we recognized inventory write-down charges of $73 million and bad debt expense charges of $20 million.

2014 vs 2013

Revenues in our North America segment increased $462 million, or 7%, in 2014 compared to 2013. North America rig count increased 8% since December 31, 2013. The 2014 revenue increase was due to higher demand for pressure pumping, artificial lift, completion and formation evaluation products and services and improved pricing in North America across essentially all our core product lines. North America results were also positively impacted by less severe spring seasonality in Canada that resulted in increased productivity in Canada. Revenue in these core product lines had growth of approximately 8% for artificial lift and formation evaluation and 20% for pressure pumping and completions in 2014 compared to 2013.

Operating income increased $178 million, or 22%, in 2014 compared to 2013. The increase in operating income was driven by higher demand and improved pricing from pressure pumping, completions and formation evaluation product lines. Additionally, our decision to reduce our workforce and close lower margin operations this year improved our operating income. Operating margins were 15% in 2014 compared to 13% in 2013.

MENA/ASIA PACIFIC

2015 vs 2014

Revenues in our MENA/Asia Pacific segment decreased $459 million, or 19%, in 2015 compared to 2014. The revenue decline affected most product lines although primarily intervention services, wireline, testing and production services, and well construction. The decline was attributable to lower revenues from our legacy Zubair contract in Iraq as it nears completion, lower activity in Yemen from the political disruption and lower activity levels in the Asia Pacific region, primarily in China, Indonesia and Malaysia. Pricing pressure also had an impact on the revenue decline. In addition, our lower revenues reflect the sale of the pipeline and specialty services business in September 2014.

Operating income decreased $143 million, or 124%, in 2015 compared to 2014. The decrease in operating income is primarily attributable to legacy contract project losses in Iraq, lower activity across most product lines and a gain on a step acquisition of a joint venture investment in China in 2014 that did not recur in 2015. The decline was also partially offset by improved profitability for the tubular running services line in 2015 and higher profitability resulting from the closure of unprofitable locations in 2014. During 2015, we recognized inventory write-down charges of $38 million and bad debt expense charges of $7 million.

2014 vs 2013

MENA/Asia Pacific revenues decreased $340 million, or 12%, in 2014 compared to 2013. The lower revenue for 2014 was primarily due to lower activity on legacy contracts in Iraq as a result of lower progress on our percentage-of-completion projects. In addition, we had reduced demand related to decreased activity in Australia and Indonesia, primarily from well construction and our non-core businesses. Furthermore, the 2014 revenues were impacted by a reduction of revenue due to a change in scope on a project in China accounted for under the percentage-of-completion method. Partially offsetting the decline in revenues were improvements across our product lines associated with increased demand for services in the Gulf Countries and Southeast Asia.

Operating income increased $177 million, or 285%, in 2014 compared to 2013. The increase in 2014 operating income was primarily due to decreased operating costs related to lower activity on our remaining legacy contracts in Iraq, the completion of a legacy Iraq contract earlier in 2014 and a gain of $16 million as a result of the acquisition of an additional 30% ownership interest in a joint venture in China. Additionally, our decision to reduce our workforce and close lower margin operations in 2014 improved our operating income. Partially offsetting the improvement in MENA/Asia Pacific operating income was the recognition of a $27 million loss resulting from a change in scope on the otherwise profitable project in China accounted for under the percentage-of-completion method.

EUROPE/SSA/RUSSIA

2015 vs 2014

Revenues in our Europe/SSA/Russia segment decreased $596 million, or 28%, in 2015 compared to 2014. The decline in activity directly impacted the decline in revenues in all product lines due to lower demand and pricing pressure. The overall decline was led by Europe, primarily in Norway and Romania. The lower activity from continued project delays and cancellations in Angola and Gabon in Sub-Sahara Africa contributed to the revenue decline while the sale of the pipeline and specialty services and engineered chemistry product lines in the third and fourth quarters of 2014 also resulted in lower segment revenues.

Operating income decreased $194 million, or 53%, in 2015 compared to 2014. The decline was the direct impact of lower revenue activity and pricing pressure as mentioned above. During 2015, we recognized inventory write-down charges of $32 million and bad debt expense charges of $12 million.

2014 vs 2013

Revenues in our Europe/SSA/Russia segment increased $182 million, or 9%, in 2014 compared to 2013. The increase was driven by increased activity in Europe and new contract start-ups in Sub-Sahara Africa. The Europe and Sub-Sahara Africa regions realized strong performances due to increased demand primarily for our well construction, completions, and formation evaluation products and services. Revenues were down in Russia and the North Sea and due to the impact of a markedly weaker Russian ruble.

Operating income increased $101 million, or 38%, in 2014 compared to 2013. The operating income improvement was primarily attributable to the recovery in the region, improvements in activity in Europe and continued growth in SSA, generally across all product lines. Additionally, our decision to reduce our workforce and close lower margin operations in 2014 improved our operating income. Operating margins were 17% in 2014 and 14% in 2013.

LATIN AMERICA

2015 vs 2014

Revenues in our Latin America segment decreased $536 million, or 23%, in 2015 compared to 2014. The decline in revenue is primarily due to reduced demand across our core product lines, primarily artificial lift, drilling services, intervention and pressure pumping in Mexico, Colombia, Venezuela and Ecuador, partially offset by an increase in sales in our managed-pressure drilling product line in Brazil.

Operating income decreased $85 million, or 25%, in 2015 compared to 2014. The same factors contributing to the decline in revenues directly contributed to the decline in operating income, which were partially offset by cost reduction initiatives in Mexico and a continued focus on higher margin activity in Brazil. During 2015, we recognized inventory write-down charges of $54 million and bad debt expense charges of $9 million.

2014 vs 2013

Revenues in our Latin America segment decreased $353 million, or 13%, and operating income increased $19 million, or 6%, in 2014 compared to 2013. The decline in revenues were largely related to a decline in activity associated with lower demand for our artificial lift and formation evaluation services resulting from the completion of project work in Mexico and our self-imposed capital discipline driven activity reductions in Venezuela, which impacted the first half of the year. The increase in operating income was largely due to a continued focus on improved higher margin activity around unconventionals in Argentina and well construction services in Brazil. Operating margins were 15% in 2014 and 12% in 2013.

LAND DRILLING RIGS

2015 vs 2014

Revenues in our Land Drilling Rigs segment decreased $529 million, or 43%, in 2015 compared to 2014. The decrease is due to the sale of the Russian Land Drilling Rigs business in July 2014, in addition to the overall decrease in the international rig count and drilling activity, partially offset by improved activity in Oman and Kuwait. Operating loss decreased $90 million, or 87%, in 2015 compared to 2014. The decrease is primarily the result of improved drilling efficiencies in Iraq and Oman and contract termination fees in Chad and India while 2014 included facility closure costs that did not reoccur in 2015. During 2015, we recognized inventory write-down charges of $26 million.

2014 vs 2013

Revenues in our Land Drilling Rigs segment decreased $303 million, or 20%, in 2014 compared to 2013. The decrease was primarily driven by the decrease in the international rig count, which reduced drilling activity and the sale of the Russian Rigs business in July 2014. Operating income decreased $70 million, or 212%, in 2014 compared to 2013. The decrease is primarily the result of the sale of our Russian Land Drilling Rigs business and facility closure costs related to the 2014 restructuring plan.

INTEREST EXPENSE, NET

Interest expense, net decreased $30 million, or 6%, in 2015 compared to 2014 primarily due to a reduction in our debt balance as a result of lower net debt from divestiture proceeds received in 2014 and the repurchase of certain senior notes in 2014 and 2015. Interest expense, net decreased $18 million, or 3%, in 2014 compared to 2013 primarily due to repayments of our higher coupon senior notes partially offset by an increase in lower cost short-term borrowings in 2014.

OTHER INCOME/EXPENSE, NET

Other income, net was $3 million in 2015, and other expense, net was $17 million and $77 million in 2014 and 2013, respectively. In 2015, other income was driven by gains on the repurchase of certain senior notes offset by foreign currency exchange losses due to the strengthening U.S. dollar compared to our foreign denominated operations.

In 2014, other expense, net represents foreign currency exchange losses due to the weakening of foreign currencies of our foreign denominated operations compared to the U.S. Dollar, partially offset by gains on the repurchase of certain senior notes. In 2013, other expense, net primarily represent foreign currency exchange losses due to the strengthening U.S. dollar compared to our foreign denominated operations partially offset by the changes in fair value of our foreign currency forward contracts and cross-currency swap contracts.

INCOME TAXES

We provide for income taxes based on the laws and rates in effect in the countries in which operations are conducted, or in which we or our subsidiaries are considered resident for income tax purposes. We are exempt from Swiss cantonal and communal tax on income derived outside Switzerland, and are also granted participation relief from Swiss federal tax for qualifying dividend income and capital gains related to the sale of qualifying investments in subsidiaries. We expect that the participation relief will result in a full exemption of participation income from Swiss federal income tax.

The relationship between our pre-tax income or loss from continuing operations and our income tax benefit or provision varies from period to period as a result of various factors which include changes in total pre-tax income or loss, the jurisdictions in which our income is earned, the tax laws in those jurisdictions, the impacts of tax planning activities and the resolution of tax audits. Our income derived in Switzerland is taxed at a rate of 7.83%; however, our effective rate is substantially above the Swiss statutory tax rate as the majority of our operations are taxed in jurisdictions with much higher tax rates.

Our income tax benefit in 2015 was $145 million compared to an income tax provision of $284 million in 2014 and $144 million in 2013, respectively, which resulted in an effective tax rate of 7%, (111)% and (85)%, respectively. In 2015, we had a tax benefit of $145 million on a loss before income taxes of $2.1 billion. The tax benefit was favorably impacted by a U.S. loss, which included restructuring impairment charges and a worthless stock deduction. Our results for 2015, includes $255 million of Land Drilling Rig impairment charges, $232 million of restructuring charges, $116 million of litigation settlements, $153 million of legacy project losses, $85 million of currency devaluation and related losses and $25 million of equity investment impairment, all with no significant tax benefit. In addition, we recorded a tax charge of $265 million for a non cash tax expense on distribution of subsidiary earnings.

In 2014, we had a tax provision of $284 million on a loss before income taxes of $255 million. Our results for 2014 included a $161 million goodwill impairment charge, a $245 million loss due to the devaluation of Venezuela bolivar and $72 million of project losses related to our early production facility contracts in Iraq, all of which provided no tax benefit. In addition, we incurred a $495 million long-lived assets impairment charge, with limited tax benefit. During 2014, we also sold our land drilling and workover rig operations in Russia and Venezuela, pipeline and specialty services business, engineered chemistry, Integrity drilling fluids business and our equity investment in Proserv for a total gain of approximately $349 million. Our results in 2014 include significant tax losses in Mexico, Venezuela, and Iraq and in 2013 include significant tax losses in Iraq upon which we recorded valuation allowances of $172 million and $134 million, respectively.

In 2013, our income before tax included a $153 million charge for the settlement of the United Nations oil-for-food program governing sales of goods into Iraq and FCPA matters, a $299 million loss on certain projects in Iraq, a $98 million Venezuela notes receivable impairment charge and other bad debt expense and a $100 million loss due to the devaluation of the Venezuelan bolivar, all with no or little tax benefit. Our 2013 tax provision includes certain discrete tax benefits primarily due to tax planning activities, decreases in reserves for uncertain tax positions due to statute of limitation expiration and audit closures, and the enactment of the American Taxpayer Relief Act, which decreased our effective tax rate for the period.

Our effective tax rate for these periods was also negatively impacted by the taxing regimes in certain countries and our operating structure. Several of the countries in which we operate, primarily in our MENA and SSA regions, tax us based on "deemed", rather than actual, profits. We are not currently profitable in certain of those countries, which results in us accruing and paying taxes based on a "deemed profit" instead of recognizing no tax expense or potentially recognizing a tax benefit. Our operating structure results in us paying withholding taxes on intercompany charges for items such as rentals, management fees, royalties, and interest as well as on applicable third party transactions. Such net withholding taxes were $101 million in 2015, $140 million in 2014 and $85 million in 2013 prior to possibly receiving a tax benefit in the jurisdiction of the payee. We also incur pre-tax losses in certain jurisdictions that do not have a corporate income tax and thus we are not able to recognize an income tax benefit on those losses.

Our effective tax rate improved in 2015 compared to 2014 primarily due to utilization of tax benefits on loss from operations, tax restructuring benefits and decrease in our reserve for uncertain tax positions due to audit settlements and statute expirations, offset by additional valuation allowances booked on non U.S. deferred tax assets and a tax charge for a non cash tax expense on distribution of subsidiary earnings. Our effective tax rate increased from 2013 to 2014 primarily due to the sale of our non-core businesses during the year, non-tax deductible losses, such as the Venezuela bolivar devaluation, Iraq project losses and goodwill impairment, which are partially offset by the decrease of our reserve for uncertain tax benefits due to settlements and statute expirations.

RESTRUCTURING CHARGES

In the first quarter of 2014, we announced a cost reduction plan ("the 2014 Plan"), which included a worldwide workforce reduction of 6,300 people and other cost reduction measures. In the fourth quarter of 2014, in response to the significant decline in the price of crude oil and our anticipation of a lower level of exploration and production spending in 2015, we initiated an additional plan ("the 2015 Plan") to reduce our overall costs and workforce to better align with anticipated activity levels. In 2015, we completed a reduction in force targeting 14,000 employee positions and realized annualized cost savings of $973 million from this cost reduction initiative. In response to the continued significant decline in the price of crude oil and the continued decline in the anticipated level of exploration and production spending in 2016, we initiated a reduction in force plan to reduce our overall costs and workforce to align with the anticipated activity levels and expect to complete a workforce reduction of 6,000 employees in the first half of 2016 and estimate we will incur $75 million to $95 million of severance charges.

In connection with the 2015 Plan, we recognized restructuring charges of $232 million in 2015 and $58 million in 2014. Our restructuring charges during 2015 in connection with the 2015 Plan include termination (severance) benefits of $149 million, restructuring related asset charges of $64 million and other restructuring charges of $19 million. Restructuring related asset charges include asset write-offs of $26 million related to Yemen due to the political disruption and $38 million in other regions. Other restructuring charges include exit costs, contract termination costs, relocation costs and other associated costs. Our restructuring charges during 2014 in connection with the 2015 Plan include termination (severance) benefits of $58 million.

In connection with the 2014 Plan, we recognized restructuring charges of $273 million in 2014. Our restructuring charges during 2014 in connection with the 2014 Plan include restructuring related asset charges of $135 million, termination (severance) benefits of $114 million and other restructuring charges of $24 million. Other restructuring charges include contract termination costs, relocation and other associated costs.

The impairments recognized in connection with the 2014 Plan primarily pertain to operations in our MENA region, where geopolitical issues and recent disruptions in North Africa, primarily Libya, resulted in the decisions in the third quarter of 2014 to exit certain businesses in selected markets. The 2014 Plan activities resulted in $106 million of cash payments in 2014.

As of December 31, 2015, we completed our planned headcount reductions and closures of underperforming operating locations in connection with the 2014 and 2015 Plans. The following tables present the components of the restructuring charges by segment and plan for the years ended December 31, 2015 and 2014.

	Year Ended December 31, 2015		
(Dollars in millions)	Severance Charges	Other Restructuring Charges	Total Severance and Other Charges
2015 Plan			
North America	$ 28	$ 24	$ 52
MENA/Asia Pacific	21	35	56
Europe/SSA/Russia	34	22	56
Latin America	38	2	40
Subtotal	121	83	204
Land Drilling Rigs	12	—	12
Corporate and Research and Development	16	—	16
Total	**$149**	**$ 83**	**$232**

	Year Ended December 31, 2014		
(Dollars in millions)	Severance Charges	Other Restructuring Charges	Total Severance and Other Charges
2014 Plan:			
North America	$ 17	$ 27	$ 44
MENA/Asia Pacific	19	106	125
Europe/SSA/Russia	17	13	30
Latin America	29	7	36
Subtotal	82	153	235
Land Drilling Rigs	5	4	9
Corporate and Research and Development	27	2	29
2014 Plan Total	$114	$159	$273
2015 Plan:			
North America	$ 32	$ —	$ 32
MENA/Asia Pacific	8	—	8
Europe/SSA/Russia	5	—	5
Latin America	12	—	12
Subtotal	57	—	57
Land Drilling Rigs	—	—	—
Corporate and Research and Development	1	—	1
2015 Plan Total	$ 58	$ —	$ 58
Total	**$172**	**$159**	**$331**

SHARE REPURCHASES

In conjunction with our 2014 redomestication, we amended our Executive Deferred Compensation Stock Ownership Plan to provide that benefits thereunder may be payable in cash in lieu of our shares of Weatherford. In 2014, the trustee for our executive deferred compensation plan, a consolidated subsidiary, sold 973,611 shares, at $22.41 per share, of our common stock totaling approximately $22 million in cash proceeds for the benefit of the plan participants. There were no share repurchases in 2015.

DIVIDENDS

We have not declared or paid cash dividends on our shares since 1984. We intend to retain any future earnings and do not expect to pay any cash dividends in the near future.

LIQUIDITY AND CAPITAL RESOURCES

CASH FLOWS

At December 31, 2015, we had cash and cash equivalents of $467 million compared to $474 million at December 31, 2014 and $435 million at December 31, 2013. At December 31, 2015, cash and cash equivalents reflected a negative impact of $43 million related to the revaluation of cash balances held in the Venezuelan bolivar, Angolan kwanza, Argentine peso and the Kazakhstani tenge. At December 31, 2014, cash and cash equivalents reflected a $92 million charge due to the devaluation of the Venezuelan bolivar related to our decision to adopt the SICAD II exchange rate. The following table summarizes cash provided by (used in) each type of business activity, for the years ended December 31, 2015, 2014 and 2013:

	Year Ended December 31,		
(Dollars in millions)	**2015**	**2014**	**2013**
Net Cash Provided by Operating Activities	$ 706	$ 963	$ 1,229
Net Cash Provided by (Used in) Investing Activities	(659)	330	(1,104)
Net Cash Provided by (Used in) Financing Activities	12	(1,180)	6

OPERATING ACTIVITIES

Cash flows provided by operating activities were $706 million in 2015 compared to $963 million during 2014. The decrease in operating cash flow is primarily due to the reduction in income associated with the significant decline in drilling activity resulting from the significant decline in commodity prices and the net payment of $105 million related to the Freedman litigation.

Cash flows provided by operating activities was $963 million in 2014 compared to $1.2 billion in 2013. The cash provided by our operating activities in 2014 is a result of our positive operating results excluding the non-cash impact of $656 million in long-lived assets and goodwill impairment, the $245 million Venezuelan bolivar devaluation charge and $112 million of Land Drilling Rig business related write-down and reserve charges. The significant uses of operating cash in 2014 included over $340 million of completion and end of contract payments associated with our legacy percentage-of-completion contracts in Iraq and the payment of $253 million to settle the United Nations oil-for-food program governing sales of goods into Iraq and FCPA matters.

Cash flows provided by operating activities in 2013 were attributable to our positive operating income and improved net working capital operating cash flows of $186 million. Our net loss decreased by $436 million for 2013 compared to the net loss in 2012, primarily due to the non-cash charges related to the impairment of goodwill and equity investment which occurred in 2012 that did not recur in 2013.

INVESTING ACTIVITIES

In 2015, our investing activities used cash of $659 million versus providing cash of $330 million in 2014 and used cash of $1.1 billion in 2013. Cash used in 2015 was primarily for capital expenditures for property, plant and equipment and was $682 million in 2015 compared to $1.45 billion in 2014. The amount we spend for capital expenditures varies each year based on the nature of our contracts, asset availability and our expectations with respect to industry activity levels in the following year. The significant reduction in capital expenditures is responsive to the severe downturn in the industry resulting from the decline in commodity prices and customer spending.

Investing activities in 2014 provided cash of $330 million primarily due to $1.8 billion in cash proceeds from the sale of businesses in 2014. Dispositions in 2014 included our land drilling and workover rig operations in Russia and Venezuela, pipeline and specialty services business, engineered chemistry and Integrity drilling fluids businesses and the disposal of all our shares in Proserv. In 2014, we also received net cash of $18 million from consolidation following the purchase of additional ownership interest in a joint venture in China. See "Note 2 – Business Combinations and Divestitures" for additional information regarding these transactions. While we expect to continue to make business acquisitions when strategically advantageous, our current focus is on disposition of businesses or capital assets that are no longer core to our long-term strategy.

In 2013, cash used in investing activities totaled $1.1 billion primarily for capital expenditures of $1.6 billion, partially offset by $488 million of cash proceeds from dispositions primarily from the sale of our 38.5% equity interest in Borets and our industrial screen business. Cash used for acquisitions of businesses and intellectual property in 2013 totaled $17 million.

FINANCING ACTIVITIES

Our 2015 financing activities primarily consisted of the borrowing and repayment of short-term and long-term debt. Our short-term borrowings, net of repayments, were $505 million and total net long-term repayments were $470 million. In 2015, through a series of open market transactions, we repurchased certain of our senior notes with a total book value of $527 million. We recognized a cumulative gain of $84 million on these transactions in the line captioned "Other, Net" on the accompanying Consolidated Statements of Operations. See "Note 12 – Short-term Borrowings and Current Portion of Long-term Debt" and "Note 13 – Long-term Debt" for additional details of our financing activities. Our other financing activities in 2015 included dividends paid to noncontrolling partners in consolidated joint ventures of $49 million and proceeds from the exercise of stock options issued to our employees and directors of $26 million.

Our 2014 financing activities primarily consisted of repayment and repurchase of approximately $924 million of short-term debt and $259 million of long-term debt, including the repurchase of senior notes. In December 2014, through a series of open market transactions, we repurchased certain of our senior notes with a total book value of $138 million and recognized a gain of approximately $11 million.

In conjunction with our 2014 redomestication, we amended our Executive Deferred Compensation Stock Ownership Plan to provide that benefits thereunder may be payable in cash in lieu of our shares. The trustee for our executive deferred compensation plan, a consolidated subsidiary, sold 973,611 shares of our common stock realizing $22 million in cash proceeds for the benefit of the plan participants. Our other financing activities in 2014 included dividends paid to noncontrolling partners in consolidated joint ventures of $39 million and proceeds from the exercise of stock options issued to our employees and directors of $11 million.

Our 2013 financing activities primarily consisted of short-term borrowings of $612 million and long-term debt repayments of $603 million, which included the repayment of our senior notes of $544 million. Our other financing activities in 2013 included dividends paid to noncontrolling partners in consolidated joint ventures of $27 million and proceeds from the exercise of stock options issued to our employees and directors of $22 million.

SOURCES OF LIQUIDITY

Our sources of available liquidity include cash and cash equivalent balances, cash generated from operations, dispositions, and availability under committed lines of credit. We also historically have accessed banks for short-term loans from uncommitted borrowing arrangements and have accessed the capital markets with debt and equity offerings. From time to time we may and have entered into transactions to factor accounts receivable or to dispose of businesses or capital assets that are no longer core to our long-term strategy.

Through our sales of assets and businesses in 2014 we realized $1.8 billion in sale proceeds, net of cash on the balance sheets of businesses sold. These proceeds contributed to the early repayment or repurchase of portions of our short-term and long-term debt in 2014 and 2015.

REVOLVING CREDIT FACILITY

At December 31, 2015, we had a $2.25 billion unsecured, revolving credit agreement (the "Credit Agreement") that matures on July 13, 2017. The Credit Agreement can be used for a combination of borrowings, including support for our former commercial paper program and issuances of letters of credit. This agreement required that we maintain a debt-to-total capitalization ratio of less than 60%, and we were in compliance with this covenant at December 31, 2015 with a ratio of 55.6%, which is calculated as total consolidated indebtedness, net of derivative positions of $9 million, divided by total capitalization, including non-controlling interest balances and excluding $1.6 billion of foreign currency translation adjustments. At December 31, 2015, we had $1.3 billion available under the Credit Agreement. There were $16 million in outstanding letters of credit in addition to borrowings under the Credit Agreement. On February 1, 2016, we amended our Credit Agreement and reduced the limit of borrowings to $2 billion. The amended Credit Agreement requires that we maintain a debt-to-total capitalization ratio of less than 70% for the quarters ending March 31 and June 30, 2016, and less than 60% thereafter. In addition, we intend to renegotiate our Credit Agreement to extend the maturity date.

The following summarizes our availability under the Credit Agreement at December 31, 2015 (dollars in millions):

Facility	$ 2,250
Less uses of facility:	
Revolving credit facility	967
Letters of credit	16
Availability	**$ 1,267**

OTHER SHORT-TERM BORROWINGS AND OTHER DEBT ACTIVITY

We have short-term borrowings with various domestic and international institutions pursuant to uncommitted facilities. At December 31, 2015, we had $214 million in short-term borrowings under these arrangements with a weighted average interest rate of 2.0%, including $180 million borrowed under a credit agreement entered into in March 2014 that matures on March 20, 2016 (with respect to $150 million) and June 20, 2016 (with respect to the remaining $30 million), with a LIBOR-based interest rate of 1.95% as of December 31, 2015. On April 9, 2015, the maturity date, we repaid the remaining balance of $175 million on our $400 million, 364-day term loan facility.

RATINGS SERVICES' CREDIT RATINGS

Our Standard & Poor's Rating Services' credit rating on our senior unsecured debt is currently BB+, and our short-term rating is B. On November 3, 2015, S&P lowered our credit rating to the current BB+ from BBB- and changed our outlook from negative to stable. Our Moody's Investors Ratings Services' credit rating on our unsecured debt is currently Ba1, and our short-term rating is SGL-2. On October 27, 2015, Moody Investors lowered our credit rating to the current Ba1 from Baa3 and changed our outlook from negative to stable. However, on January 21, 2016, Moody's placed the company's rating on review for downgrade. On April 15, 2015, Fitch Rating assigned a credit rating on our senior unsecured debt of BBB- and our short-term rating of F3, with a negative outlook. On January 25, 2016, Fitch Ratings lowered its credit rating on our senior unsecured debt to BB from BBB- and lowered our short-term rating to B from F3 and maintained its negative outlook. We have access and expect we will continue to have access to most credit markets.

CASH REQUIREMENTS

During 2016, we anticipate our cash requirements will include payments for capital expenditures, repayment of debt, interest payments on our outstanding debt, severance and payments for short-term working capital needs. Our cash requirements may also include opportunistic debt repurchases, business acquisitions and amounts to settle litigation related matters described in "Principal Risks and Uncertainties" and "Note 21 – Disputes, Litigation and Contingencies." We anticipate funding these requirements from cash generated from operations, availability under our existing or additional credit facilities, and if completed, proceeds from disposals of businesses or capital assets. We anticipate that cash generated from operations will be augmented by working capital improvements driven by capital discipline including further inventory reductions. Capital expenditures for 2016 are projected to be approximately $300 million, which will be 56% lower than capital expenditures of $682 million in 2015. The amounts we ultimately spend will depend on a number of factors including the type of contracts we enter into, asset availability and our expectations with respect to industry activity levels in 2016. Expenditures are expected to be used primarily to supporting ongoing activities of our core businesses and our sources of liquidity are anticipated to be sufficient to meet our needs.

Cash and cash equivalent of $467 million at December 31, 2015, are held by subsidiaries outside of Ireland. Based on the nature of our structure, we are generally able to redeploy cash with no incremental tax. However, in 2015 we recorded a $179 million tax charge to cover future planned distributions of subsidiary earnings to the U.S.

As of December 31, 2015, $149 million of our cash and cash equivalent balance was denominated in Angolan kwanza. The National Bank of Angola supervises all kwanza exchange operations and had limited U.S. Dollar conversions during 2015, causing our kwanza cash balance to increase throughout the year. Prolonged Angolan exchange limitations may limit our ability to repatriate earnings and expose us to additional exchange rate risk.

ACCOUNTS RECEIVABLE FACTORING

From time to time we participate in factoring arrangements to sell accounts receivable to third party financial institutions. In 2015, under these arrangements we sold $78 million, received cash totaling of $77 million and recognized a loss of $0.2 million. We did not sell any accounts receivable in 2014. In 2013, under these arrangements we sold $215 million, received cash totaling $204 million and recognized a loss of $3 million. Our factoring transactions in 2015 and 2013 qualified for sale accounting under U.S. Generally Accepted Accounting Principles ("GAAP") and all related proceeds are included in operating cash flows in our Consolidated Statements of Cash Flows.

FINANCIAL RISK MANAGEMENT

We are currently exposed to market risk from changes in foreign currency and changes in interest rates. From time to time, we may enter into derivative financial instrument transactions to manage or reduce our market risk. A discussion of our market risk exposure in these financial instruments follows.

FOREIGN CURRENCY EXCHANGE RATES AND INFLATIONARY IMPACTS

We operate in virtually every oil and natural gas exploration and production region in the world. In some parts of the world, such as Latin America, the Middle East and Southeast Asia, the currency of our primary economic environment is the U.S. dollar, and we use the U.S. dollar as our functional currency. In other parts of the world, we conduct our business in currencies other than the U.S. dollar, and the functional currency is the applicable local currency.

The currency devaluation and related charges resulting from certain devaluations and depreciation are included in the line captioned "Currency Devaluation and Related Charges" on the accompanying Consolidated Statements of Operations.

In 2015, currency devaluations and related charges were $85 million and reflects the impact of the continued devaluation of the Angolan kwanza of $39 million and Argentine peso of $11 million and the recognized remeasurement charges of $26 million related to the Venezuelan bolivar and Kazakhstani tenge of $9 million. The Angolan kwanza charges reflect currency devaluations of approximately 24% in 2015. After the National Bank of Kazakhstan abandoned its peg of the tenge to the U.S. dollar, the cumulative depreciation of the Kazakhstani tenge was 46% during 2015. The devaluation of the Argentine peso was due to the modifying of currency control restrictions on purchasing foreign currencies by the Argentine Central Bank. The Venezuelan bolivar charge reflects remeasurement charges when we began using the exchange rate published by the Venezuelan currency exchange system known as the "Marginal Currency System" or SIMADI, which opened for trading February 12, 2015, replacing the Venezuela's SICAD II mechanism. The SIMADI is intended to provide limited access to a free market rate of exchange.

In 2014 and 2013, we recognized charges of $245 million and $100 million respectively, on the devaluation of the Venezuelan bolivar. As of December 31, 2014, we adopted the SICAD II daily auction rate of approximately 50 Venezuelan bolivars per U.S. dollar. This rate was used at December 31, 2014 for the purposes of remeasuring Venezuelan bolivar denominated assets and liabilities (primarily cash, accounts receivables, trade payables and other current liabilities). The 2013 devaluation was due to the Venezuelan government changing the official exchange rate of the bolivar from 4.3 per dollar to 6.3 per dollar for all goods and services.

POTENTIAL HIGHLY INFLATIONARY COUNTRY

We have noted the concerns raised by the IMF relating to the accuracy of Argentina's officially reported consumer price index. We are closely monitoring Argentina's price index. As of December 31, 2015, we had a net monetary asset position denominated in Argentine pesos of $42 million, comprised primarily of accounts receivable and current liabilities. Any future change in the inflation rate in Argentina could cause us to change to a U.S. dollar functional currency, which would result in gains or losses on the Argentine peso denominated assets held by our subsidiaries for subsequent changes in the exchange rate.

FOREIGN CURRENCY, FORWARD CONTRACTS AND CROSS-CURRENCY SWAPS

Assets and liabilities of entities for which the functional currency other than the U.S. dollar are translated into U.S. dollars using the exchange rates in effect at the balance sheet date result in translation adjustments that are reflected in Accumulated Other Comprehensive Income (Loss) in the Shareholders' Equity section on our Consolidated Balance Sheets. We recorded a $789 million and $763 million adjustment to decrease shareholders' equity for 2015 and 2014, respectively, to reflect the change in the U.S. dollar against various foreign currencies.

As of December 31, 2015 and 2014, we had outstanding foreign currency forward contracts with total notional amounts aggregating $1.7 billion and $1.6 billion, respectively. These contracts were entered into in order to hedge our net monetary exposure to currency fluctuations in various foreign currencies. The total estimated fair value of these contracts and amounts owed associated with closed contracts at December 31, 2015 and 2014, resulted in a net liability of approximately $9 million and $5 million, respectively. These derivative instruments were not designated as hedges, and the changes in fair value of the contracts are recorded each period in current earnings.

INTEREST RATES

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

Our senior notes that were outstanding at December 31, 2015 and 2014, and that were subject to interest rate risk consist of the following:

	December 31,			
	2015		2014	
(Dollars in millions)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
5.50% Senior Notes due 2016	$ 350	$ 351	$ 352	$ 362
6.35% Senior Notes due 2017	604	585	607	643
6.00% Senior Notes due 2018	499	463	498	533
9.625% Senior Notes due 2019	1,014	965	1,018	1,180
5.125% Senior Notes due 2020	771	626	798	793
4.50% Senior Notes due 2022	644	484	715	642
6.50% Senior Notes due 2036	449	291	556	520
6.80% Senior Notes due 2037	257	180	298	286
7.00% Senior Notes due 2038	459	347	497	493
9.875% Senior Notes due 2039	247	213	247	312
6.75% Senior Notes due 2040	460	327	596	562
5.95% Senior Notes due 2042	372	263	478	407
Total	**$6,126**	**$5,095**	**$6,660**	**$6,733**

During 2015, through a series of open market transactions, we repurchased certain of our 4.5% senior notes, 5.125% senior notes, 5.95% senior notes, 6.5% senior notes, 6.75% senior notes, 6.80% senior notes and 7.00% senior notes with a total book value of $527 million. We recognized a cumulative gain of approximately $84 million on these transactions. In December 2014, through a series of open market transactions, we repurchased certain of our 4.5% senior notes, 5.95% senior notes and 6.5% senior notes with a an aggregate book value of $138 million and recognized a gain of approximately $11 million.

We have various capital lease and other long-term debt instruments of $154 million at December 31, 2015, but believe the impact of changes in interest rates in the near term will not be material to these instruments. The carrying value of our short-term borrowings of $1.2 billion at December 31, 2015 approximates their fair value.

As it relates to our variable rate debt, if market interest rates increase by an average of 1% from the rates as of December 31, 2015, interest expense for 2015 would increase by approximately $12 million. This amount was determined by calculating the effect of the hypothetical interest rate on our variable rate debt. For purposes of this sensitivity analysis, we assumed no changes in our capital structure.

INTEREST RATE SWAPS AND DERIVATIVES

We manage our debt portfolio to limit our exposure to interest rate volatility and may employ interest rate derivatives as a tool to achieve that goal. The major risks from interest rate derivatives include changes in the interest rates affecting the fair value of such instruments, potential increases in interest expense due to market increases in floating interest rates and the creditworthiness of the counterparties in such transactions. The counterparties to our interest rate swaps are multinational commercial banks. We continually re-evaluate counterparty creditworthiness and modify our requirements accordingly.

Amounts paid or received upon termination of the interest rate swaps represent the fair value of the agreements at the time of termination. Derivative gains and losses are recognized each period in current earnings or other comprehensive income (loss), depending on whether the derivative is designated as part of a hedge relationship, and if so, the type of hedge.

FUTURE DEVELOPMENTS

We entered into 2015 challenged by a steep decline in oil prices with a severe market contraction. This decline has materially reduced capital spending by our customers which has reduced our revenue, both through lower activity levels and pricing. In 2015, we completed a reduction in force targeting 14,000 employee positions and realized annualized cost savings of $973 million from this cost reduction initiative. In response to the continued significant decline in the price of crude oil and the continued decline in the anticipated level of exploration and production spending in 2016, we initiated another plan to continue reducing our cost structure through a workforce reduction of 6,000 additional employees that we expect to complete by the first half of 2016. Our 2016 capital expenditures are also expected to be significantly reduced to approximately $300 million, which is 56% lower than our 2015 capital spending.

We have closed approximately 90 operating facilities across North America as of December 31, 2015. In addition to our headcount and operating facility reductions, we have closed six of our manufacturing and service facilities during 2015 and plan additional closures of 9 manufacturing and service facilities during 2016.

We expect market conditions to continue to weaken during the first half of 2016 with the potential for a slight recovery during the second half of the year if commodity prices stabilize. North America will continue to be severely impacted by both lower volume and pricing pressure as our customers continue to respond to the decline in commodity prices. We expect Latin America to show contraction in Mexico, Colombia and Brazil from lower activity levels as well as self-imposed reductions in Ecuador and Venezuela. We expect the Eastern Hemisphere to also show further reductions in all markets due to volume declines and pricing pressure.

Over the longer term, we believe the outlook for our core businesses is favorable. As well production decline rates accelerate and reservoir productivity complexities increase, our clients will continue to face challenges associated with decreasing the cost of extraction activities and securing desired rates of production. These challenges increase our customers' requirements for technologies that improve productivity and efficiency and therefore increase demand for our products and services. These factors provide us with a positive outlook for our core businesses over the longer term. However, the level of improvement in our core businesses in the future will depend heavily on pricing, volume of work and our ability to offer solutions to more efficiently extract hydrocarbons, control costs and penetrate new and existing markets with our newly developed technologies.

We continually seek opportunities to maximize efficiency and value through various transactions, including purchases or dispositions of assets, businesses, investments or joint ventures. We evaluate our disposition candidates based on the strategic fit within our business and/or objectives. It is also our intention to divest our remaining land drilling rigs when market conditions improve. Upon completion, the cash proceeds from any divestitures are expected to be used to repay or repurchase debt. Any such debt reduction may include the repurchase of our outstanding senior notes prior to their maturity in the open market, privately negotiated transaction or otherwise.

The oilfield services industry growth is highly dependent on many external factors, such as our customers' capital expenditures, world economic and political conditions, the price of oil and natural gas, member-country quota compliance within OPEC and weather conditions and other factors, including those described in forward-looking statements and the section entitled "Principal Risks and Uncertainties."

OPPORTUNITIES AND CHALLENGES

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

COMPANY ACCOUNTING RECORDS

The directors believe that they have complied with the requirements of Section 281 to 285 of the Companies Act 2014, with regard to adequate accounting records by engaging the services of a fellow group undertaking who employs accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The accounting records of the Company are made available to the directors at its registered office.

POLITICAL DONATIONS

No political contributions that require disclosure under s26(1) Electoral Act 1997 (as amended) were made during the year ended December 31, 2015.

SUBSIDIARIES

Information regarding subsidiaries is provided in "Note 28 – Significant Subsidiaries" to the Consolidated Financial Statements and the business conducted by these subsidiaries is described above. See "Directors' Report – Principal Activities."

SIGNIFICANT EVENTS SINCE YEAR END

In response to the continued significant decline in the price of crude oil and the continued decline in the level of anticipated level of exploration and production spending in 2016, we initiated a reduction in force plan to reduce our overall costs and workforce to align with the anticipated activity levels and expect to complete a workforce reduction of 6,000 employees in the first half of 2016.

On February 1, 2016, we amended our Credit Agreement and reduced the limit of borrowings to $2 billion. The Credit Agreement was also amended to increase the consolidated indebtedness to total capitalization covenant from 60% to 70% for the fiscal quarters ending March 31, 2016 and June 30, 2016, and 60% thereafter, as well as other covenant changes.

On March 7, 2016, we completed a public offering of 115 million ordinary shares at $5.65 per ordinary share. Net proceeds received by the Company from the offering were approximately $630 million after deducting underwriting discounts and commissions and estimated offering expenses payable by the Company. The Company intends to use the net proceeds for general corporate purposes, including the repayment of existing indebtedness.

DIRECTORS' AND SECRETARIES' INTEREST IN SHARES

The directors and secretaries of the Company as of December 31, 2015 are listed in the table below and, except for Dianne B. Ralston, whom resigned on January 25, 2015, and Nadia Matt, whom resigned on March 6, 2015, have served from the period of January 1, 2015 through December 31, 2015 and through to the date of this report.

No director, secretary or any member of their immediate families had any interest in shares or debentures of any subsidiary. Directors' remuneration is set forth in "Note 26 – Directors' Remuneration" to the Consolidated Financial Statements.

The interest of the directors and secretaries in office at December 31, 2015 and 2014 in the ordinary share capital of Weatherford International plc are shown in the table below:

	December 31, 2015		December 31, 2014	
	Shares	**Options[(a)]**	**Shares**	**Options[(a)]**
Directors:				
Bernard J. Duroc-Danner	1,444,002	7,135,913	1,176,847	7,219,768
Mohamed A. Awad	2,133	23,495	—	14,162
David J. Butters[(b)]	393,042	86,831	283,442	326,831
John D. Gass	20,969	27,587	11,700	27,174
Francis S. Kalman	12,469	27,587	3,200	27,174
William E. Macaulay[(c)]	952,490	34,710	942,890	34,710
Robert K. Moses, Jr.	619,022	35,441	609,422	35,441
Guillermo Ortiz	66,462	24,000	56,862	24,000
Emyr Jones Parry	55,812	24,000	46,212	24,000
Robert A. Rayne[(d)]	533,645	45,767	284,045	285,767
Secretaries:				
Christina M. Ibrahim[(e)]	—	100,000	—	—
Jennifer L. Presnall	97,455	119,325	93,633	49,944
Charity R. Kohl	8,950	12,765	14,511	—

(a) This category consists of unvested restricted share units, unvested performance units, options, notional share units and deferred compensation plan holdings.

(b) Shares include 55,088 shares held by Mr. Butters' wife, over which he has no voting or dispositive power and as to which he disclaims beneficial ownership.

(c) Shares include 26,472 shares held by Mr. Macaulay's wife and 15,504 shares held in the name of or in trust for Mr. Macaulay's adult daughters, over which he has no voting or dispositive power and as to all of which he disclaims beneficial ownership.

(d) Mr. Rayne serves as a non-executive director of LMS Capital plc, which beneficially owns 1,845,000 shares as of December 31, 2015 and 2014. Mr. Rayne disclaims beneficial ownership of all of the shares beneficially owned by LMS Capital plc.

(e) Mrs. Ibrahim was appointed on May 4, 2015.

AUDITORS

KPMG, Chartered Accountants, were appointed auditor in the period and will continue in office in accordance with s383(2) of the Companies Act 2014.

On behalf of the Directors

/s/ Bernard J. Duroc-Danner

Bernard J. Duroc-Danner
Director

/s/ Francis S. Kalman

Francis S. Kalman
Director
March 18, 2016

WEATHERFORD INTERNATIONAL PLC
STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and Consolidated Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Consolidated Financial Statements for each financial period which give a true and fair view of the state of affairs of the parent company and group and of the profit or loss of the group for the period there ended. Under that law, the directors have elected to prepare the Consolidated Financial Statements in accordance with section 279 of the Companies Act 2014, which provides that a true and fair view of the assets and liabilities, financial position and profit or loss of a company and its subsidiary undertakings may be given by preparing its group financial statements in accordance with U.S. accounting standards ("U.S. GAAP"), as defined in section 279(1) of the Companies Act 2014, to the extent that the use of those standards in the preparation of the financial statements does not contravene any provision of Part 6 of the Companies Act 2014. The directors have elected to prepare the Financial Statements of the parent company in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and as adapted by the European Union, and applicable law. Under Company Law the directors must not approve the group and company financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the group and parent company and of the group's profit or loss for that year. In preparing each of the group and company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records which will enable, at any time, the assets, liabilities, financial position and profit or loss of the group and company to be determined with reasonable accuracy, and which will enable them to ensure that the Financial Statements comply with the Companies Act 2014. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Act 2014. The directors are responsible for the maintenance and integrity of the Irish Financials included on the Company's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WEATHERFORD INTERNATIONAL PLC

We have audited the Consolidated Financial Statements and parent company financial statements ("financial statements") of Weatherford International plc for the year ended December 31, 2015, which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income (Loss), Consolidated and Parent Company Cash Flows Statements, Consolidated and Parent Company Shareholders' Equity Statements, Consolidated and Parent Company Balance Sheets and the related notes. The financial reporting framework that has been applied in their preparation of the group financial statements is Irish law and US generally accepted accounting practice (US GAAP), and, as regards the parent company financial statements, International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and as adopted by the European Union, both as applied in accordance with the provisions of the Companies Act 2014.

Opinions and conclusions arising from our audit

(1) Our opinion on the financial statements is unmodified

In our opinion:

- the Consolidated Financial Statements give a true and fair view, in accordance with U.S. GAAP, of the assets, liabilities and financial position at December 31, 2015 and of the profit for the year then ended;
- the parent company balance sheet gives a true and fair view, in accordance with IFRS, of the assets, liabilities and financial position of the Company as at December 31, 2015;
- the Consolidated Financial Statements have been properly prepared in accordance with U.S. GAAP and the parent company balance sheet have been properly prepared in accordance with IFRS; and
- the Consolidated Financial Statements and parent company balance sheet have been properly prepared in accordance with the requirements of the Companies Act 2014.

(2) Our conclusions on other matters on which we are required to report by the Companies Act 2014 are set out below

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records. In our opinion the information given in the Directors' Report is consistent with the financial statements.

(3) We have nothing to report in respect of matters on which we are required to report by exception

ISAs (UK & Ireland) require that we report to you if, based on the knowledge we acquired during our audit, we have identified information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading. In addition, the Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made.

Basis of our report, responsibilities and restrictions on use

As explained more fully in the Statement of Directors' Responsibilities set out on page 38 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

An audit undertaken in accordance with ISAs (UK & Ireland) involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Whilst an audit conducted in accordance with ISAs (UK & Ireland) is designed to provide reasonable assurance of identifying material misstatements or omissions it is not guaranteed to do so. Rather the auditor plans the audit to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements does not exceed materiality for the financial statements as a whole. This testing requires us to conduct significant audit work on a broad range of assets, liabilities, income and expense as well as devoting significant time of the most experienced members of the audit team, in particular the engagement partner responsible for the audit, to subjective areas of the accounting and reporting.

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

/s/ Michael Gibbons

Michael Gibbons
for and on behalf of KPMG
Chartered Accountants, Statutory Audit Firm
1 Stokes Place, St. Stephen's Green, Dublin 2, Ireland
March 18, 2016

WEATHERFORD INTERNATIONAL PLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended December 31,		
(Dollars and shares in millions, except per share amounts)	**2015**	**2014**	**2013**
Revenues:			
Products	$ 3,573	$ 6,059	$ 6,007
Services	5,860	8,852	9,256
Total Revenues	**9,433**	**14,911**	**15,263**
Costs and Expenses:			
Cost of Products	3,433	4,942	4,480
Cost of Services	4,588	6,519	7,822
Research and Development	231	290	265
Selling, General and Administrative Attributable to Segments	1,353	1,727	1,728
Corporate General and Administrative	227	290	316
Long-Lived Asset Impairments and Other Related Charges	768	495	—
Goodwill and Equity Investment Impairment	25	161	—
Severance and Restructuring Charges	232	331	—
Litigation Charges	116	—	153
Loss (Gain) on Sale of Businesses and Investments, Net	6	(349)	(24)
Total Costs and Expenses	**10,979**	**14,406**	**14,740**
Operating Income (Loss)	**(1,546)**	**505**	**523**
Other Income (Expense):			
Interest Expense, Net	(468)	(498)	(516)
Currency Devaluation and Related Charges	(85)	(245)	(100)
Other, Net	3	(17)	(77)
Loss Before Income Taxes	**(2,096)**	**(255)**	**(170)**
Benefit (Provision) for Income Taxes	145	(284)	(144)
Net Loss	**(1,951)**	**(539)**	**(314)**
Net Income Attributable to Noncontrolling Interests	34	45	31
Net Loss Attributable to Weatherford	**$ (1,985)**	**$ (584)**	**$ (345)**
Loss Per Share Attributable to Weatherford:			
Basic & Diluted	$ (2.55)	$ (0.75)	$ (0.45)
Weighted Average Shares Outstanding:			
Basic & Diluted	779	777	772

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

WEATHERFORD INTERNATIONAL PLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

	Year Ended December 31,		
(Dollars in millions)	2015	2014	2013
Net Loss	$ (1,951)	$ (539)	$ (314)
Other Comprehensive Loss, Net of Tax:			
Foreign Currency Translation	(789)	(673)	(353)
Defined Benefit Pension Activity	28	(19)	2
Other	1	(2)	1
Other Comprehensive Loss	**(760)**	**(694)**	**(350)**
Comprehensive Loss	**(2,711)**	**(1,233)**	**(664)**
Comprehensive Income Attributable to Noncontrolling Interests	34	45	31
Comprehensive Loss Attributable to Weatherford	**$(2,745)**	**$(1,278)**	**$(695)**

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

WEATHERFORD INTERNATIONAL PLC AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	December 31,	
(Dollars and shares in millions, except par value)	**2015**	**2014**
Current Assets:		
Cash and Cash Equivalents	$ 467	$ 474
Accounts Receivable, Net of Allowance for Uncollectible Accounts of $113 in 2015 and $108 in 2014	1,781	3,015
Inventories, Net	2,344	3,087
Prepaid Expenses	343	357
Deferred Tax Assets	165	303
Other Current Assets	464	708
Total Current Assets	**5,564**	**7,944**
Property, Plant and Equipment:		
Land, Buildings and Leasehold Improvements	1,780	1,836
Rental and Service Equipment	8,702	9,714
Machinery and Other	2,432	2,468
Property, Plant and Equipment, Gross	12,914	14,018
Less: Accumulated Depreciation	7,235	6,895
Property, Plant and Equipment, Net	5,679	7,123
Goodwill	2,803	3,011
Other Intangible Assets, Net	356	440
Equity Investments	76	106
Other Non-current Assets	309	265
Total Assets	**$14,787**	**$18,889**
Current Liabilities:		
Short-term Borrowings and Current Portion of Long-term Debt	$ 1,582	$ 727
Accounts Payable	948	1,736
Accrued Salaries and Benefits	406	425
Income Taxes Payable	203	230
Other Current Liabilities	892	909
Total Current Liabilities	**4,031**	**4,027**
Long-term Debt	5,879	6,798
Other Non-current Liabilities	512	1,031
Total Liabilities	**10,422**	**11,856**
Shareholders' Equity:		
Shares - Par Value $0.001; Authorized 1,356 shares, Issued and Outstanding 779 shares and 774 shares at December 31, 2015 and 2014, respectively	1	1
Capital in Excess of Par Value	5,502	5,411
Retained Earnings	442	2,427
Accumulated Other Comprehensive Loss	(1,641)	(881)
Weatherford Shareholders' Equity	4,304	6,958
Noncontrolling Interests	61	75
Total Shareholders' Equity	**4,365**	**7,033**
Total Liabilities and Shareholders' Equity	**$14,787**	**$18,889**

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

On behalf of the Directors

/s/ Bernard J. Duroc-Danner
Bernard J. Duroc-Danner
Director

/s/ Francis S. Kalman
Francis S. Kalman
Director

WEATHERFORD INTERNATIONAL PLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(Dollars in millions)	Par Value of Issued Shares	Capital In Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Shares	Non-controlling Interests	Total Shareholders' Equity
Balance at December 31, 2012	**$ 775**	**$4,674**	**$ 3,356**	**$ 163**	**$(182)**	**$ 32**	**$ 8,818**
Net Income (Loss)	—	—	(345)	—	—	31	(314)
Other Comprehensive Loss	—	—	—	(350)	—	—	(350)
Dividends Paid to Noncontrolling Interests	—	—	—	—	—	(27)	(27)
Equity Awards Granted, Vested and Exercised	—	(68)	—	—	145	—	77
Excess Tax Benefit of Share-Based Compensation Plans	—	(1)	—	—	—	—	(1)
Other	—	(5)	—	—	—	5	—
Balance at December 31, 2013	**775**	**4,600**	**3,011**	**(187)**	**(37)**	**41**	**8,203**
Net Income (Loss)	—	—	(584)	—	—	45	(539)
Other Comprehensive Loss	—	—	—	(694)	—	—	(694)
Consolidation of Joint Venture	—	—	—	—	—	27	27
Dividends Paid to Noncontrolling Interests	—	—	—	—	—	(39)	(39)
Change in Common Shares, Treasury Shares and Paid in Capital Associated with Redomestication	(778)	750	—	—	39	—	11
Equity Awards Granted, Vested and Exercised	4	54	—	—	(2)	—	56
Excess Tax Benefit of Share-Based Compensation Plans	—	7	—	—	—	—	7
Other	—	—	—	—	—	1	1
Balance at December 31, 2014	**1**	**5,411**	**2,427**	**(881)**	**—**	**75**	**7,033**
Net Income (Loss)	—	—	(1,985)	—	—	34	(1,951)
Other Comprehensive Loss	—	—	—	(760)	—	—	(760)
Dividends Paid to Noncontrolling Interests	—	—	—	—	—	(48)	(48)
Equity Awards Granted, Vested and Exercised	—	91	—	—	—	—	91
Balance at December 31, 2015	**$ 1**	**$5,502**	**$ 442**	**$(1,641)**	**$ —**	**$ 61**	**$ 4,365**

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

WEATHERFORD INTERNATIONAL PLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in millions)	Year Ended December 31, 2015	2014	2013
Cash Flows From Operating Activities:			
Net Loss	$(1,951)	$ (539)	$ (314)
Adjustments to Reconcile Net Loss to Net Cash Provided by Operating Activities:			
Depreciation and Amortization	1,200	1,371	1,402
Long-Lived Asset Impairments	638	495	—
Goodwill and Equity Investment Impairment	25	161	—
Restructuring and Other Asset Related Charges	396	135	—
Divestiture Related and Other Charges	—	112	—
Currency Devaluation and Related Charges	85	245	100
U.S. Government Investigation Loss	—	—	153
Employee Share-Based Compensation Expense	73	56	66
Bad Debt Expense	48	27	102
Loss (Gain) on Sale of Businesses, Net	6	(349)	6
Deferred Income Tax Benefit	(448)	(66)	(33)
Excess Tax Benefits from Share-Based Compensation	—	(7)	1
Other, Net	74	75	10
Change in Operating Assets and Liabilities, Net of Effect of Businesses Acquired:			
Accounts Receivable	1,031	78	(12)
Inventories	349	(167)	129
Other Current Assets	128	(80)	(65)
Accounts Payable	(813)	(150)	69
Billings in Excess of Costs and Estimated Earnings	(1)	(126)	(154)
Other Current Liabilities	(65)	(219)	(185)
Other, Net	(69)	(89)	(46)
Net Cash Provided by Operating Activities	**706**	**963**	**1,229**
Cash Flows from Investing Activities:			
Capital Expenditures for Property, Plant and Equipment	(682)	(1,450)	(1,575)
Acquisitions of Businesses, Net of Cash Acquired	(14)	18	(8)
Acquisition of Intellectual Property	(8)	(5)	(9)
Acquisition of Equity Investments in Unconsolidated Affiliates	—	(3)	—
Proceeds from Sale of Assets and Businesses, Net	45	1,770	488
Net Cash Provided by (Used in) Investing Activities	**(659)**	**330**	**(1,104)**
Cash Flows From Financing Activities:			
Borrowings of Long-term Debt	4	—	3
Repayments of Long-term Debt	(474)	(259)	(603)
Borrowings (Repayments) of Short-term Debt, Net	505	(924)	612
Excess Tax Benefits from Share-Based Compensation	—	7	(1)
Proceeds from Sale of Executive Deferred Compensation Plan Treasury Shares	—	22	—
Other Financing Activities, Net	(23)	(26)	(5)
Net Cash Provided by (Used in) Financing Activities	**12**	**(1,180)**	**6**
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(66)	(74)	4
Net Increase (Decrease) in Cash and Cash Equivalents	(7)	39	135
Cash and Cash Equivalents at Beginning of Year	474	435	300
Cash and Cash Equivalents at End of Year	**$ 467**	**$ 474**	**$ 435**

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

WEATHERFORD INTERNATIONAL PLC AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND NATURE OF OPERATIONS

Weatherford International plc ("Weatherford Ireland"), an Irish public limited company, together with its subsidiaries ("Weatherford," the "Company," "we," "us" and "our"), is a multinational oilfield service company. Weatherford is one of the world's leading providers of equipment and services used in the drilling, evaluation, completion, production and intervention of oil and natural gas wells. We operate in over 100 countries, which are located in nearly all of the oil and natural gas producing regions in the world. Many of our businesses, including those of our predecessor companies, have been operating for more than 50 years.

On June 17, 2014, we completed the change in our place of incorporation from Switzerland to Ireland, whereby Weatherford Ireland became the new public holding company and the parent of the Weatherford group of companies (the "Merger"). The Merger was effected through an agreement between Weatherford International Ltd. ("Weatherford Switzerland") and Weatherford Ireland pursuant to which each registered share of Weatherford Switzerland was exchanged for the allotment of one ordinary share of Weatherford Ireland. The authorized share capital of Weatherford Ireland includes 1.356 billion ordinary shares with a par value of $0.001 per share. Our ordinary shares are listed on the New York Stock Exchange (the "NYSE") under the symbol "WFT," the same symbol under which Weatherford Switzerland registered shares were previously listed.

In February 2009, we completed a share exchange transaction in which Weatherford International Ltd., a Bermuda exempted company ("Weatherford Bermuda"), and our then parent company, became a wholly-owned subsidiary of Weatherford Switzerland, for purposes of changing the Company's place of incorporation from Bermuda to Switzerland. Prior to 2002, our parent company was Weatherford International, Inc., a Delaware corporation ("Weatherford Delaware"), until we moved our incorporation to Bermuda in 2002. Weatherford Bermuda and Weatherford Delaware continue to be wholly-owned subsidiaries of Weatherford Ireland. In 2013, Weatherford Delaware converted its corporate form and now exists as Weatherford International, LLC, a Delaware limited liability company.

PRINCIPLES OF CONSOLIDATION

We consolidate all wholly-owned subsidiaries, controlled joint ventures and variable interest entities where the Company has determined it is the primary beneficiary. All material intercompany accounts and transactions have been eliminated in consolidation.

Investments in affiliates in which we exercise significant influence over operating and financial policies are accounted for using the equity method. We recognize equity in earnings of unconsolidated affiliates in Selling, General and Administration attributable to segments in our Consolidated Statements of Operations (see "Note 11 – Equity Investments").

USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP 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 on-going 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 post-retirement benefit plans, contingencies and share based payments. 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.

CHANGE IN REPORTABLE SEGMENTS

During the first quarter of 2015, we changed our business structure to better align with management's current view and future growth objectives. This change involved separating our Land Drilling Rigs business into a reportable segment resulting in a total of five reportable segments. We have recast prior periods to conform to the current business segment presentation. See "Note 23 – Segment Information" for additional information.

DISPUTES, LITIGATION AND CONTINGENCIES

We accrue an estimate of the probable and estimable cost to resolve certain legal and investigation matters. For matters not deemed probable and reasonably estimable, we have not accrued any amounts in accordance with U.S. GAAP. Our contingent loss estimates are based upon an analysis of potential results, assuming a combination of probable litigation and settlement strategies. The accuracy of these estimates is impacted by the complexity of the associated issues.

CASH AND CASH EQUIVALENTS

We consider all highly liquid investments with original maturities of three months or less to be cash equivalents.

ALLOWANCE FOR DOUBTFUL ACCOUNTS

We establish an allowance for doubtful accounts based on various factors including historical experience, the current aging status of our customer accounts, the financial condition of our customers and the business and political environment in which our customers operate. Provisions for doubtful accounts are recorded when it becomes probable that customer accounts are uncollectible.

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 on-going credit evaluations of our customers and do not generally require collateral in support of our trade receivables. We maintain allowances 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, or result in the deprivation of contract rights or the taking of property without fair consideration. Most of our international sales are to large international or national oil companies and these sales have resulted in a concentration of receivables from certain national oil companies in Latin America. As of December 31, 2015, our receivables from Latin America customers accounted for 38% of our net outstanding accounts receivable balance with $205 million due from Petroleos de Venezuela, S.A. ("PDVSA") and $47 million due from Petroleos Mexicanos ("Pemex"). In 2013, we accepted bonds with a face value of $127 million from PDVSA in full settlement of $127 million in trade receivables. Upon receipt, we immediately sold, in a series of transactions, these bonds for a loss of $58 million. During 2015, 2014 and 2013, no individual customer accounted for more than 10% of our consolidated revenues.

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. Work in process and finished goods inventories include the cost of materials, labor and manufacturing overhead. To maintain a book value that is the lower of cost or market, we maintain reserves for excess, slow moving and obsolete inventory. We regularly review inventory quantities on hand and record provisions for excess, slow moving and obsolete inventory.

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 improvements as well as renewals and replacements that extend the useful life of the asset. We depreciate our fixed assets on a straight-line basis over their estimated useful lives, allowing for salvage value where applicable.

Our depreciation expense was $1.1 billion, $1.3 billion and $1.3 billion for the years ended December 31, 2015, 2014 and 2013, 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:

Major Classes of Property, Plant and Equipment	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

Goodwill represents the excess of consideration paid over the fair value of net tangible and identifiable intangible assets acquired in a business combination. Goodwill is not amortized but is evaluated for impairment. We perform an impairment test for goodwill annually as of October 1 or more frequently if indicators of potential impairment exist that would more-likely-than-not reduce the fair value of the reporting unit below its carrying value. Goodwill impairment is evaluated using a two-step process. The first step of the goodwill impairment test involves a comparison of the fair value of each of our reporting units with their carrying values. We have the option to assess qualitative factors to determine if it is necessary to perform the first step of the impairment test. If it is not more-likely-than-not that the fair value of a reporting unit is less than its carrying value, further testing is not required. We also have the option to bypass the qualitative assessment at any time and perform the first step.

If the fair value of a reporting unit is less than the recorded book value of the reporting unit's net assets (including goodwill), then a hypothetical purchase price allocation is performed on the reporting unit's assets and liabilities using the fair value of the reporting unit as the purchase price in the calculation. If the implied fair value of goodwill is less than the recorded amount of goodwill, the recorded goodwill is written down to the new amount.

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 initially record our long-lived assets at cost, and review on a regular basis 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, the introduction of competing technologies, legal challenges, a reduction in the utilization rate of the assets, 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 estimate the fair value of the asset using market prices when available or, in the absence of market prices, based on an estimate of discounted cash flows or replacement cost. Cash flows are generally discounted using an interest rate commensurate with a weighted average cost of capital for a similar asset.

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.

DERIVATIVE FINANCIAL INSTRUMENTS

We record derivative instruments on the balance sheet at their fair value 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 (loss), depending on whether the derivative is designated as part of a hedge relationship, and if so, the type of hedge.

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 (Loss), a component of shareholders' equity.

For our subsidiaries that have a functional currency that differs from the currency of their balances and transactions, 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 monetary assets and liabilities are remeasured at current exchange rates. All revenues and expenses are translated at average exchange rates. Remeasurement gains and losses for these subsidiaries are recognized in our results of operations during the period incurred. We had foreign currency losses, net of gains and losses on foreign currency derivatives (See "Note 15 – Derivative Instruments"), but excluding currency devaluations and other related charges of the Venezuelan bolivar fuertes ("bolivar"), the Angolan kwanza, Argentinian peso and Kazakhstani tenge, of $53 million, $18 million and $66 million in 2015, 2014 and 2013, respectively. The gain or loss related to individual foreign currency transactions and gains and losses on foreign currency derivatives, excluding the currency devaluations and other related charges, is included in "Other, Net" on our Consolidated Statements of Operations.

CURRENCY DEVALUATION AND RELATED CHARGES

In 2015, currency devaluations and related charges resulting from certain devaluations and depreciation were $85 million and are included in the line captioned "Currency Devaluation and Related Charges" on the accompanying Consolidated Statements of Operations. These charges reflect the impacts of the continued devaluation of the Angolan kwanza of $39 million, the recognized remeasurement charges of $26 million related to the Venezuelan bolivar, $11 million related to the devaluation of the Argentina peso and $9 million related to the depreciated Kazakhstani tenge.

At December 31, 2015 our net monetary asset position denominated in Angolan kwanza and Argentine peso was approximately $144 million and $42 million, respectively. The net monetary positions denominated in Venezuelan bolivar and Kazakhstani tenge were not material.

In 2014 and 2013, we recognized charges of $245 million and $100 million, respectively, on the devaluation of the Venezuelan bolivar. The loss related to the devaluation of foreign currency transactions is included in "Currency Devaluation and Related Charges" in our Consolidated Statements of Operations. Our 2014 charges of $245 million were related to our adoption of the SICAD II exchange rate provided by Venezuela's Supplementary Foreign Currency Administration System approximately of 50 Venezuelan bolivars per U.S. dollar, and our 2013 charges of $100 million were related to the devaluation of the official Venezuelan exchange rate of the bolivar from 4.3 per dollar to 6.3 per dollar for all goods and services.

SHARE-BASED COMPENSATION

We account for all share-based payment awards, including shares issued under employee stock purchase plans, stock options, restricted shares, restricted share units and performance units by measuring these awards at the date of grant and recognizing the grant date fair value as an expense, net of expected forfeitures, 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 is 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: (1) evidence of an arrangement exists; (2) delivery to and acceptance by the customer has occurred; (3) the price to the customer is fixed or determinable; and (4) collectability is reasonably assured.

Our services and products are generally sold based upon purchase orders, contracts or other persuasive evidence of an arrangement with our customers that include fixed or determinable prices but do not generally include right of return provisions or other significant post-delivery obligations. Our products are produced in a standard manufacturing operation, even if produced to our customer's specifications. Revenue is recognized for products upon delivery and when the customers assume the risks and rewards of ownership. Revenue is recognized for services when they are rendered. Both contract drilling and pipeline service revenue is contractual by nature and generally governed by day-rate based contracts. We recognize revenue for day-rate contracts as the services are rendered.

We may receive up-front payments for preparation and mobilization of equipment and personnel in connection with new drilling contracts, which are deferred along with any directly related incremental costs incurred directly related to preparation and mobilization. The deferred revenue and costs are recognized over the primary contract term using the straight-line method. Costs of relocating equipment without contracts 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 customs costs and duties. We recognize the revenue associated with these rebillable expenses when reimbursed by customers as Product Revenues and all related costs as Cost of Products in the accompanying Consolidated Statements of Operations.

PERCENTAGE-OF-COMPLETION

Revenue from certain long-term construction type contracts is reported based 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 available revenue under the contracts;
- 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
- amount of any change orders or claims included in revenue.

Measurements of progress are based on costs incurred to date as a percentage of total estimated costs or output 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 multiplied by the current estimated percentage complete for the contract. There are many factors that impact future costs, including but not limited to weather, inflation, customer activity levels and budgeting constraints, labor and community disruptions, timely availability of materials, productivity and other factors.

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 including participating securities. Diluted earnings per share is computed by dividing net income by the weighted average number of our shares outstanding during the period including participating securities, adjusted for the dilutive effect of our stock options, restricted shares and performance units.

Unvested share-based payment awards that contain non-forfeitable 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 include our restricted share awards ("RSA"), which contain the right to vote and receive dividends, in the computation of both basic and diluted earnings per share.

NEW ACCOUNTING PRONOUNCEMENTS

In November 2015, the Financial Accounting Standards Board ("FASB") issued ASU 2015-17, *Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes,* which eliminates the current requirement to present deferred tax liabilities and assets as current and noncurrent in a classified balance sheet. Instead, all deferred tax assets and liabilities will be required to be classified as noncurrent. The new standard will be effective for us beginning with the first quarter of 2017. Early adoption is permitted. We are evaluating the impact that this new standard will have on our Consolidated Financial Statements.

In July 2015, the FASB issued ASU 2015-11, *Inventory (Topic 330): Simplifying the Measurement of Inventory,* which requires inventory not measured using either the last in, first out (LIFO) or the retail inventory method to be measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable cost of completion, disposal, and transportation. The new standard will be effective for us beginning with the first quarter of 2017, and will be applied prospectively. Early adoption is permitted. We are evaluating the impact that this new standard will have on our Consolidated Financial Statements.

In April 2015, the FASB issued ASU 2015-03, *Interest, Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs*, which requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability. The new standard is effective for us beginning with the first quarter of 2016. We do not expect the impact of our pending adoption to have a material effect on our Consolidated Financial Statements.

In February 2015, the FASB issued ASU 2015-02, *Consolidation (Topic 810): Amendments to the Consolidation Analysis*, which amends the guidelines for determining whether certain legal entities should be consolidated and reduces the number of consolidation models. The new standard is effective for annual and interim periods in fiscal years beginning after December 15, 2015. Early adoption is permitted. We are currently evaluating the impact this standard will have on our Consolidated Financial Statements.

In May 2014, the FASB issued ASU 2014-09. *Revenue from Contracts with Customers (Topic 606)*, which will require an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 will replace most existing revenue recognition guidance in GAAP when it becomes effective. ASU 2015-14, *Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date*, deferred the effective date of ASU 2014-09 to annual and interim periods in fiscal years beginning after December 15, 2017. Earlier application is permitted only as of annual and interim reporting periods in fiscal years beginning after December 15, 2016. ASU 2014-09 permits either a retrospective application or a cumulative effect transition method. We have not yet selected the application date or a transition method, and we are currently evaluating the impact our adoption of this standard would have on our Consolidated Financial Statements.

2. BUSINESS COMBINATIONS AND DIVESTITURES

ACQUISITIONS

From time to time, we acquire businesses we believe are important to our long-term strategy. Results of operations for acquisitions are included in the accompanying Consolidated Statements of Operations from the date of acquisition. The balances included in the Consolidated Balance Sheets related to current year 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 for the acquisitions is allocated to the net assets acquired based upon their estimated fair values at the date of acquisition. We did not complete any material acquisitions or divestitures during the year ended December 31, 2015.

In April 2014, we acquired an additional 30% ownership interest in a joint venture in China. We paid $13 million for the incremental interest, thereby increasing our ownership interest from 45% to 75% and gaining control of the joint venture. As a result of this transaction, we adjusted our previously held equity investment to fair value, recognizing a $16 million gain, and we applied the consolidation method of accounting, recognizing $6 million of goodwill and $30 million of cash. During the year ended December 31, 2013, we acquired businesses for cash consideration of $8 million, net of cash acquired.

In May 2012, we acquired a company that designs and produces well completion tools. Our purchase consideration included a contingent consideration arrangement valued at approximately $15 million at December 31, 2015 that is expected to be settled in early 2016. This contingent consideration arrangement is dependent on the acquired company's revenue and is marked to market through current earnings in each reporting period prior to settlement. The liability is valued using Level 3 inputs.

DIVESTITURES

On December 31, 2014, we completed the sale of our engineered chemistry and Integrity drilling fluids businesses for proceeds totaling $750 million less estimated working capital adjustments of $16 million and transaction fees of $12 million and recognized a gain of $250 million. In addition, we disposed of all of our shares in Proserv Group Inc. ("Proserv") and recognized a gain of $65 million resulting from this transaction.

The following amounts related to our engineered chemistry and Integrity drilling fluids businesses have been segregated from our Consolidated Statements of Operations and Consolidated Statement of Cash Flows:

	Year Ended December 31,	
(Dollars in millions)	**2014**	**2013**
Income Before Income Taxes	$57	$58

The carrying amounts of the major classes of assets and liabilities of our engineered chemistry and Integrity drilling fluids businesses divested are as follows:

	December 31,
(Dollars in millions)	**2014**
Assets:	
Accounts Receivable, Net	$ 48
Inventory, Net	99
Property, Plant and Equipment, Net	55
Goodwill	270
Other Intangible Assets, Net	43
Other Assets	1
Total Assets	**$516**
Liabilities:	
Accounts Payable	$ 32
Deferred Tax Liabilities	10
Other Liabilities	2
Total Liabilities	**$ 44**

In September 2014, we completed the sale of our pipeline and specialty services business. We received cash consideration of $246 million ($245 million, net of cash disposed) and recognized a gain of approximately $49 million resulting from this transaction.

In July 2014, we completed the sale of our land drilling and workover rig operations in Russia and Venezuela. We received cash consideration upon closing of $499 million ($486 million, net of cash disposed). As a result of our commitment to sell, we recorded a $143 million long-lived assets impairment loss and a $121 million goodwill impairment loss in the second quarter of 2014. Of the $121 million goodwill impairment loss, $95 million pertained to goodwill attributable to our divested land drilling and workover rig operations in Russia. See "Note 9 – Goodwill" for additional information regarding the goodwill impairment.

On October 7, 2013, we completed the sale of our 38.5% equity interest in Borets International Limited ("Borets") for $400 million, net of settlement items. Borets is an electric submersible pump manufacturer that operates in Russia. The consideration consisted of $359 million in cash and a three-year $30 million promissory note. As part of the sale, it was agreed that any payables or receivables between the parties would be net settled and, as a result, $11 million that we owed to Borets was deducted from the total consideration. We recorded a gain on sale of $18 million.

In 2013, we also completed the sale of our industrial screen business for proceeds totaling $137 million. Through our industrial screen operations, we delivered screen technologies used in numerous industries and, as a result, the screen business was not closely aligned with our goals as a leading provider of equipment and services used in the drilling, evaluation, completion, production and intervention of oil and natural gas wells. During the year ended December 31, 2013, we recognized gains totaling $6 million resulting from these industrial screen transactions. The major classes of assets sold in these transactions included $54 million in cash, $36 million of accounts receivable, $37 million of inventory and $93 million of other assets primarily comprised of property, plant and equipment, other intangible assets and goodwill. Liabilities of $69 million were also transferred in the sale, of which $60 million were current liabilities.

3. RESTRUCTURING CHARGES

In 2015, due to the significant decline in the price of crude oil and our anticipation of a lower level of exploration and production spending in 2015, we initiated a plan to reduce our overall costs and workforce to better align with anticipated activity levels. This cost reduction plan (the "2015 Plan") includes a workforce reduction and other cost reduction measures initiated across our geographic regions. During 2015, we increased the expected workforce reduction by 75% from the originally planned workforce reduction due to the continued weakness in the price and demand of crude oil, as well as lower than expected exploration and production spending in 2015.

In connection with the 2015 Plan, we recognized restructuring charges of $232 million in 2015 and $58 million in 2014. Our restructuring charges during 2015 in connection with the 2015 Plan include termination (severance) benefits of $149 million, restructuring related asset charges of $64 million and other restructuring charges of $19 million. Restructuring related asset charges include asset write-offs of $26 million related to Yemen due to the political disruption and $38 million in other regions. Other restructuring charges include exit costs, contract termination costs, relocation costs and other associated costs. Our restructuring charges during 2014 in connection with the 2015 Plan include termination (severance) benefits of $58 million.

In the first quarter of 2014, we announced a cost reduction plan (the "2014 Plan"), which included a worldwide workforce reduction and other cost reduction measures. In connection with the 2014 Plan, we recognized restructuring charges of $273 million in 2014. Our restructuring charges during 2014 in connection with the 2014 Plan include restructuring related asset charges of $135 million, termination (severance) benefits of $114 million, and other restructuring charges of $24 million, for a total of $273 million. Other restructuring charges include contract termination costs, relocation and other associated costs.

The impairments recognized in connection with the 2014 Plan primarily pertain to operations in our Middle East/North Africa ("MENA") region, where geopolitical issues and recent disruptions in North Africa, primarily Libya, resulted in the decisions in the third quarter of 2014 to exit product lines in selected markets. The 2014 Plan activities resulted in $106 million of cash payments in 2014.

As of December 31, 2015, we completed our planned headcount reductions and closures of underperforming operating locations in connection with the 2014 and 2015 Plans. The following tables present the components of the restructuring charges by segment and plan for the years ended December 31, 2015 and 2014.

	Year Ended December 31, 2015		
(Dollars in millions)	Severance Charges	Other Restructuring Charges	Total Severance and Other Charges
2015 Plan			
North America	$ 28	$ 24	$ 52
MENA/Asia Pacific	21	35	56
Europe/SSA/Russia	34	22	56
Latin America	38	2	40
Subtotal	121	83	204
Land Drilling Rigs	12	—	12
Corporate and Research and Development	16	—	16
Total	**$149**	**$ 83**	**$232**

(Dollars in millions)	Year Ended December 31, 2014 Severance Charges	Other Restructuring Charges	Total Severance and Other Charges
2014 Plan:			
North America	$ 17	$ 27	$ 44
MENA/Asia Pacific	19	106	125
Europe/SSA/Russia	17	13	30
Latin America	29	7	36
Subtotal	82	153	235
Land Drilling Rigs	5	4	9
Corporate and Research and Development	27	2	29
2014 Plan Total	$114	$159	$273
2015 Plan:			
North America	$ 32	$ —	$ 32
MENA/Asia Pacific	8	—	8
Europe/SSA/Russia	5	—	5
Latin America	12	—	12
Subtotal	57	—	57
Land Drilling Rigs	—	—	—
Corporate and Research and Development	1	—	1
2015 Plan Total	$ 58	$ —	$ 58
Total	**$172**	**$159**	**$331**

The severance and other restructuring charges gave rise to certain liabilities, the components of which are summarized below, and largely relate to the severance accrued as part of the 2014 Plan and 2015 Plan that will be paid pursuant to the respective arrangements and statutory requirements.

	At December 31, 2015				
	2015 Plan		2014 Plan		
(Dollars in millions)	Severance Liability	Other Restructuring Liability	Severance Liability	Other Restructuring Liability	Total Severance and Other Restructuring Liability
North America	$ 7	$ —	$ —	$ 1	$ 8
MENA/Asia Pacific	7	—	—	4	11
Europe/SSA/Russia	9	8	—	1	18
Latin America	1	—	—	—	1
Subtotal	24	8	—	6	38
Land Drilling Rigs	—	—	—	—	—
Corporate and Research and Development	8	—	5	—	13
Total	**$32**	**$ 8**	**$ 5**	**$ 6**	**$51**

The following table presents the restructuring accrual activity for the year ended December 31, 2015.

(Dollars in millions)	Accrued Balance at December 31, 2014	Year Ended December 31, 2015 Charges	Cash Payments	Other	Accrued Balance at December 31, 2015
2015 Plan:					
Severance liability	$53	$149	$(168)	$(2)	$32
Other restructuring liability	—	19	(12)	1	8
2014 Plan:					
Severance liability	14	—	(7)	(2)	5
Other restructuring liability	12	—	(6)	—	6
Total severance and other restructuring liability	**$79**	**$168**	**$(193)**	**$(3)**	**$51**

4. SUPPLEMENTARY INFORMATION

Cash paid for interest and income taxes was as follows:

	Year Ended December 31,		
(Dollars in millions)	**2015**	**2014**	**2013**
Interest paid, net of capitalized interest	$477	$511	$525
Income taxes paid, net of refunds	331	386	442

In 2015, currency devaluation and related charges reflect the impacts of the continued devaluation of the Angolan kwanza and Argentine peso and the recognized remeasurement charges related to the Venezuelan bolivar and the Kazakhstani tenge resulting in a $85 million pre-tax charge of which $43 million negatively impacted cash. The Angolan kwanza charges reflect currency devaluations in 2015 and the Kazakhstan tenge depreciated after the National Bank of Kazakhstan abandoned its peg of the tenge to the U.S. dollar. The devaluation of the Argentine peso was due to the modifying of currency control restrictions on purchasing foreign currencies by the Argentine Central Bank. The Venezuelan bolivar charge reflects remeasurement charges when we began using the latest Venezuelan currency exchange system known as the "Marginal Currency System" or SIMADI. The SIMADI opened for trading February 12, 2015, replacing the Venezuela Supplementary Foreign Currency Administration System auction rate ("SICAD II") mechanism. The SIMADI is intended to provide limited access to a free market rate of exchange.

In December 2014, we remeasured our Venezuelan bolivar denominated monetary assets and liabilities (primarily cash, accounts receivables, trade payables and other current liabilities) to the SICAD II exchange rate of 50 Venezuelan bolivars per U.S. dollar resulting in a $245 million pre-tax charge of which $92 million was related to the remeasurement of cash held in Venezuelan bolivar.

5. PERCENTAGE-OF-COMPLETION CONTRACTS

During 2015, we recognized an estimated project loss of $153 million related to our long-term early production facility construction contracts in Iraq accounted for under the percentage-of-completion method. The total estimated loss on these projects was $532 million at December 31, 2015.

As of December 31, 2015, our percentage-of-completion project estimate includes $116 million of claims revenue and $28 million of back charges. During 2015, an additional $32 million of claims revenue was included in our project estimates. Our costs in excess of billings as of December 31, 2015 were $6 million and are shown in the "Other Current Assets" line on our Consolidated Balance Sheets. We also have a variety of unapproved contract change orders or claims that are not included in our revenues as of December 31, 2015. The amounts associated with these contract change orders or claims are included in revenue only when they can be reliably estimated and their realization is reasonably assured.

During 2014, we recognized estimated project losses of $72 million related to our long-term early production facility construction contracts in Iraq accounted for under the percentage-of-completion method. Total estimated losses on these projects were $379 million at December 31, 2014. As of December 31, 2014, our percentage-of-completion project estimates include $90 million of claims revenue and $24 million of back charges. Our costs in excess of billings as of December 31, 2014 were $128 million and are shown in the "Other Current Assets" line on the balance sheet. We had a variety of unapproved contract change orders or claims that were not included in our revenues as of December 31, 2014. During 2014, an additional $80 million of claims revenue was included in our project estimates and $26 million of our prior claims were approved.

During 2013, we recognized estimated project losses of $232 million related to our long-term early production facility construction contracts in Iraq accounted for under the percentage-of-completion method. The total estimated losses on these projects were $307 million at December 31, 2013. As of December 31, 2013, our percentage-of-completion project estimates include $36 million of claims revenue and $82 million for liquidated damages that we are contractually obligated to pay as a result of delays in the expected completion of the project. We had a variety of unapproved contract change orders or claims that were not included in our revenues as of December 31, 2013.

6. ACCOUNTS RECEIVABLE FACTORING

From time to time we participate in factoring arrangements to sell accounts receivable to third party financial institutions. In 2015, under these arrangements we sold $78 million, received cash totaling $77 million and recognized a loss of $0.2 million. We did not sell any accounts receivable during 2014. In 2013, under these arrangements we sold $215 million, received cash totaling $204 million and recognized a loss of $3 million. Our factoring transactions in 2015 and 2013 qualified for sale accounting and all related proceeds are included as operating cash flows in our Consolidated Statements of Cash Flows.

7. INVENTORIES, NET

Inventories, net of reserves, by category were as follows:

	December 31,	
(Dollars in millions)	**2015**	**2014**
Raw materials, components and supplies	$ 172	$ 194
Work in process	61	135
Finished goods	2,111	2,758
	$2,344	**$3,087**

Work in process and finished goods inventories include cost of materials, labor and manufacturing overhead. During 2015, 2014, and 2013, we recognized charges for excess and obsolete inventory totaling $186 million, $113 million and $62 million, respectively.

8. LONG-LIVED ASSET IMPAIRMENTS

We recognized total long-lived impairment charges of $638 million in 2015 due to the continued weakness in crude oil prices contributing to lower exploration and production spending and a decline in the utilization of our assets. The decline in oil prices and its impact on demand represented a significant adverse change in the business climate and an indication that these long-lived assets may not be recoverable. Based on the presence of impairment indicators, we performed an analysis of these asset groups and recorded long-lived asset impairment charges to adjust the assets to fair value.

During the second quarter of 2015, we recognized long-lived asset impairment charges of $124 million in our pressure pumping assets of our North America segment. In the fourth quarter of 2015 we recorded impairment charges of $126 million, $72 million and $61 million, respectively, to our drilling tools, pressure pumping and wireline assets in our North America segment and $255 million in our Land Drilling Rigs segment. The fair value of our drilling tools, pressure pumping, and wireline assets were estimated using a combination of the income approach, the cost approach, and the market approach. See "Note 14 – Fair Value of Financial Instruments, Assets and Equity Investments" for additional information regarding the fair value determination.

In the fourth quarter of 2014, a significant decline in crude oil prices contributed to lower anticipated exploration and production spending and a decline in the anticipated utilization of our drilling rig fleet. Based on the impairment indicators noted we performed an analysis of our drilling rig fleet and recorded long-lived asset impairment charges of $352 million to adjust the assets of our Land Drilling Rig business to fair value. The impairment charges included the impairment of our drilling rigs and certain related intangible assets. To determine the fair value of these assets we utilized an income approach.

In July 2014, we completed the sale of our rig operations in Russia and Venezuela. We expected the sale would significantly impact the revenues and results of operations of our Russia reporting unit. As a result of our commitment to sell, we recorded a $143 million long-lived assets impairment charge during the second quarter of 2014.

In addition, within the stand-alone financial statements of 2015 and 2014, Weatherford International plc recognized a $3.2 billion and $6.7 billion impairment, respectively, of our Investment in Subsidiaries. The investment value for Irish statutory filing purposes was originally based upon our market capitalization as of the date of the Merger undertaken to effect a change in our place of incorporation from Switzerland to Ireland. The impairment was recognized in response to the significant decline in our market capitalization. This impairment did not have an impact on our consolidated financial results presented in accordance with U.S. GAAP within our Form 10-K.

9. GOODWILL

In 2015, our annual goodwill impairment test indicated that goodwill was not impaired. In 2014, our annual goodwill impairment test indicated that the goodwill of the Land Drilling Rigs reporting units in Latin America, Europe and Asia Pacific was impaired. The results of our "step-one" analysis were accompanied by other indicators in the form of a decline in the anticipated utilization rates for our drilling rig fleet. Responsive to the impairment indicators noted, we performed a "step two" analysis, comparing the implied fair value of reporting unit goodwill with the carrying amount of that goodwill. The "step two" analysis indicated that the goodwill for these reporting units was fully impaired and we recognized an impairment loss of $40 million related to Land Drilling Rigs segment in Latin America, Europe and Asia Pacific.

In addition, during the second quarter of 2014, we engaged in negotiations to sell our land drilling and workover operations in Russia and Venezuela, and we subsequently entered into an agreement to sell the business in July 2014. During this time frame we expected the sale would significantly impact the revenues and results of operations of our Russia reporting unit, and consequently, we considered the associated circumstances to assess whether an event or change had occurred that, more likely than not, reduced the fair value of our reporting units below their carrying amount. We concluded that the planned sale represented an indicator of impairment, and we prepared the analysis necessary to identify the potential impairment and recognize any necessary impairment loss. The analysis indicated that the goodwill for the Russia reporting unit was impaired, and we recognized a goodwill impairment loss of $121 million, $95 million of which pertained to goodwill that had been reclassified during 2014 into current assets held for sale. See "Note 2 – Business Combinations and Divestitures" for additional information regarding the non-cash impairment charges to our assets held for sale.

The changes in the carrying amount of goodwill by reportable segment for the two years ended December 31, 2015 and 2014, were as follows:

(Dollars in millions)	North America	MENA/Asia Pacific	Europe/SSA/ Russia	Latin America	Land Drilling Rigs	Total
Balance at December 31, 2013	$ 1,981	$196	$ 753	$304	$ 56	$ 3,290
Impairment	—	—	(26)	—	(40)	(66)
Acquisitions	—	6	—	—	—	6
Purchase price and other adjustments	1	—	8	—	(14)	(5)
Foreign currency translation	(86)	(7)	(112)	(7)	(2)	(214)
Balance at December 31, 2014	**$1,896**	**$195**	**$ 623**	**$297**	**$ —**	**$3,011**
Acquisitions	3	—	—	—	—	3
Purchase price and other adjustments	—	1	—	—	—	1
Foreign currency translation adjustments	(143)	(6)	(50)	(13)	—	(212)
Balance at December 31, 2015	**$1,756**	**$190**	**$ 573**	**$284**	**$ —**	**$2,803**

10. OTHER INTANGIBLE ASSETS

The components of intangible assets were as follows:

	December 31, 2015			December 31, 2014			
(Dollars in millions)	Gross Carrying Amount	Accumulated Amortization	Net Intangible Assets	Gross Carrying Amount	Accumulated Amortization	Impairment	Net Intangible Assets
Acquired technology	$ 386	$ (291)	$ 95	$ 420	$ (287)	$ —	$133
Licenses	234	(176)	58	242	(169)	—	73
Patents	233	(123)	110	232	(117)	—	115
Customer relationships and contracts	198	(139)	59	205	(122)	(5)	78
Other	88	(54)	34	85	(38)	(6)	41
	$1,139	**$(783)**	**$356**	**$1,184**	**$(733)**	**$(11)**	**$440**

Additions to intangible assets were $26 million and $5 million for the years ended December 31, 2015 and 2014, respectively. During 2014 we recognized impairment charges to indefinite lived trademarks, as well as other intangible asset impairments primarily related to our Land Drilling Rigs business.

Amortization expense was $88 million, $108 million and $120 million for the years ended December 31, 2015, 2014 and 2013, respectively. Future estimated amortization expense for the carrying amount of intangible assets as of December 31, 2015 is expected to be as follows (dollars in millions):

Period	Amount
2016	$64
2017	57
2018	46
2019	38
2020	31

11. EQUITY INVESTMENTS

Our equity investments in unconsolidated affiliates were $76 million and $106 million for the years ended December 31, 2015 and 2014, respectively. Equity in earnings of unconsolidated affiliates for the years ended December 31, 2015, 2014 and 2013 totaled $3 million, $9 million and $37 million, respectively.

During 2015, we prepared analyses to determine the fair value of our equity investments in less than majority owned entities. Upon completion of these valuations, we determined that the fair value attributable to certain equity investments were significantly below its carrying value. We assessed this decline in value as other than temporary and recognized an impairment loss of $25 million. See "Note 14 – Fair Value of Financial Instruments, Assets and Equity Investments" for additional information regarding the fair value determination.

During 2014, we sold our interests in Proserv, resulting in a gain on the sale of $65 million. In 2013, we sold our interest in Borets resulting in a gain on the sale of $18 million (see "Note 2 – Business Combinations and Divestitures").

12. SHORT-TERM BORROWINGS AND CURRENT PORTION OF LONG-TERM DEBT

Our short-term borrowings and current portion of long-term debt consists of the followings:

	December 31,	
(Dollars in millions)	**2015**	**2014**
Commercial paper program	$ —	$245
Revolving credit facility	967	—
364-day term loan facility	—	175
Other short-term bank loans	214	257
Total short-term borrowings	**1,181**	**677**
Current portion of long-term debt	401	50
Short-term borrowings and current portion of long-term debt	**$1,582**	**$727**
Weighted average interest rate on short-term borrowings outstanding at end of year	2.7%	1.4%

REVOLVING CREDIT FACILITY

At December 31, 2015, we had a $2.25 billion unsecured, revolving credit agreement (the "Credit Agreement") that matures on July 13, 2017. The Credit Agreement can be used for a combination of borrowings, including support for our former commercial paper program and issuances of letters of credit. This agreement required that we maintain a debt-to-total capitalization ratio of less than 60%, and we were in compliance with this covenant at December 31, 2015. On February 1, 2016, we amended our Credit Agreement and reduced borrowing limit to $2 billion. The amended Credit Agreement requires that we maintain a debt-to-total capitalization ratio of less than 70% for the quarters ending March 31 and June 30, 2016, and 60% thereafter.

At December 31, 2015, we had $1.3 billion available under the Credit Agreement. There were $16 million in outstanding letters of credit in addition to borrowings under the Credit Agreement.

364-DAY TERM LOAN FACILITY

On April 9, 2015, we repaid the remaining $175 million balance of our $400 million, 364-day term loan facility with a syndicate of banks. Previously in 2014, proceeds from this 364-day term loan facility were used to refinance our prior 364-day term loan facility and had substantially similar terms and conditions to our prior 364-day term loan facility.

OTHER SHORT-TERM BORROWINGS AND OTHER DEBT ACTIVITY

We have short-term borrowings with various domestic and international institutions pursuant to uncommitted credit facilities. At December 31, 2015, we had $214 million in short-term borrowings under these arrangements, including $180 million borrowed under a credit agreement entered into in March 2014 that matures on March 20, 2016 (with respect to $150 million) and June 20, 2016 (with respect to the remaining $30 million), with a LIBOR-based weighted average interest rate of 1.95% as of December 31, 2015. In addition, at December 31, 2015, we had $626 million of letters of credit under various uncommitted facilities and $149 million of surety bonds, primarily performance bonds, issued by financial sureties against an indemnification from us.

The carrying value of our short-term borrowings approximates their fair value as of December 31, 2015. The current portion of long-term debt at December 31, 2015, is primarily related to our 5.5% senior notes maturing February 2016 and our capital leases.

13. LONG-TERM DEBT

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

	December 31,	
(Dollars in millions)	**2015**	**2014**
5.50% Senior Notes due 2016	$ 350	$ 352
6.35% Senior Notes due 2017	604	607
6.00% Senior Notes due 2018	499	498
9.625% Senior Notes due 2019	1,014	1,018
5.125% Senior Notes due 2020	771	798
4.50% Senior Notes due 2022	644	715
6.50% Senior Notes due 2036	449	556
6.80% Senior Notes due 2037	257	298
7.00% Senior Notes due 2038	459	497
9.875% Senior Notes due 2039	247	247
6.75% Senior Notes due 2040	460	596
5.95% Senior Notes due 2042	372	478
4.82% secured borrowing	9	12
Capital and other lease obligations	116	136
Other	29	40
Total Senior Notes and other debt	6,280	6,848
Less amounts due in one year	401	50
Long-term debt	**$5,879**	**$6,798**

The following is a summary of scheduled Long-term Debt maturities by year (dollars in millions):

2016	$ 401
2017	630
2018	514
2019	1,005
2020	812
Thereafter	2,918
	$6,280

In 2015, through a series of open market transactions, we repurchased certain of our 4.5% senior notes, 5.125% senior notes, 5.95% senior notes, 6.5% senior notes, 6.75% senior notes, 6.80% senior notes and 7.00% senior notes with a total book value of $527 million. We recognized a cumulative gain of approximately $84 million on these transactions in the line captioned "Other, Net" on the accompanying Consolidated Statements of Operations.

In December 2014, through a series of open market transactions, we repurchased certain of our 4.5% senior notes, 5.95% senior notes and 6.5% senior notes with an aggregate book value of $138 million and recognized a gain of approximately $11 million in the line captioned "Other, Net" on the accompanying Consolidated Statements of Operations.

14. FAIR VALUE OF FINANCIAL INSTRUMENTS, ASSETS AND EQUITY INVESTMENTS

FINANCIAL INSTRUMENTS MEASURED AND RECOGNIZED AT FAIR VALUE

We estimate fair value at a price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal market for the asset or liability. Our valuation techniques require inputs that we categorize using a three level hierarchy, from highest to lowest level of observable inputs. Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities. Level 2 inputs are quoted prices or other market data 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 judgment and 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. Other than the contingent consideration discussed in "Note 2 – Business Combinations and Divestitures" and our derivative instruments discussed in "Note 15 – Derivative Instruments," we had no assets or liabilities measured and recognized at fair value on a recurring basis at December 31, 2015 and 2014.

FAIR VALUE OF OTHER FINANCIAL INSTRUMENTS

Our other financial instruments include cash and cash equivalents, accounts receivable, accounts payable, short-term borrowings and long-term debt. The carrying value of our cash and cash equivalents, accounts receivable, accounts payable, short-term borrowings approximates their fair value due to their short maturities. These short-term borrowings are classified as Level 2 in the fair value hierarchy.

The fair value and carrying value of our senior notes were as follows:

The fair value of our long-term debt fluctuates with changes in applicable interest rates among other factors. Fair value will generally exceed carrying value when the current market interest rate is lower than the interest rate at which the debt was originally issued and will generally be less than the carrying value when the market rate is greater than the interest rate at which the debt was originally issued. The fair value of our long-term debt is classified as Level 2 in the fair value hierarchy and is established based on observable inputs in less active markets.

	December 31,	
(Dollars in millions)	**2015**	**2014**
Fair value	$5,095	$6,733
Carrying value	6,126	6,660

FAIR VALUE MEASUREMENTS ON IMPAIRMENTS

During 2015, long-lived assets related to pressure pumping, drilling tools, wireline, and land drilling rigs were impaired and written down to their estimated fair values. The level 3 fair values of the long-lived assets were determined using a combination of the income approach, the cost approach and the market approach, which used inputs that included replacement costs (unobservable), physical deterioration estimates (unobservable), projections of estimated future operating cash flows (unobservable), discount rates for the applicable assets and market sales data for comparable assets. Also during 2015, an equity method investment was impaired and written down to its fair value. The equity investment level 3 fair value was determined using an income based approach utilizing estimates of future cash flow, discount rate, long-term growth rate, and marketability discount, all of which were unobservable.

During the second quarter of 2014, long-lived assets in the rig operations in Russia and Venezuela and goodwill for the Russia reporting unit were impaired and written down to their estimated fair values. The level 3 fair value of the long-lived assets in the rig operations was determined using the market approach that considered the estimated sales price of those businesses. The goodwill level 3 fair value was determined using a combination of the income and market approaches with observable inputs that consisted of earnings multiples and unobservable inputs that included estimates of future cash flows, discount rate, long-term growth rate, and control premiums. During the fourth quarter of 2015, we impaired to the fair values of certain land drilling rigs and related intangible assets, The level 3 fair values were determined using an income approach that considered the remaining estimated cash flows of the associated assets, which were unobservable.

15. DERIVATIVE INSTRUMENTS

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. We enter into foreign currency forward contracts and cross-currency swap contracts to economically hedge our exposure to fluctuations in various foreign currencies. 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, changes in foreign exchange 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. Level 2 values for financial assets and liabilities are based on quoted prices in inactive markets, or whose values are based on models. Level 2 inputs to those models are observable either directly or indirectly for substantially the full term of the asset or liability.

FAIR VALUE HEDGES

We may use interest rate swaps to help mitigate exposures related to changes in the fair values of the fixed-rate debt. The interest rate swap is recorded at fair value with changes in fair value recorded in earnings. The carrying value of fixed-rate debt is also adjusted for changes in interest rates, with the changes in value recorded in earnings. After termination of the hedge, any discount or premium on the fixed-rate debt is amortized to interest expense over the remaining term of the debt.

As of December 31, 2015 and 2014, we had net unamortized premiums on fixed-rate debt of $23 million and $33 million, respectively, associated with fair value hedge swap terminations. These premiums are being amortized over the remaining term of the originally hedged debt as a reduction of interest expense which are included in the line captioned "Interest Expense, Net" on the accompanying Consolidated Statements of Operations.

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. These hedges were terminated at the time of the issuance of the debt, and the associated loss is being amortized from Accumulated

Other Comprehensive Income (Loss) to interest expense over the remaining term of the debt. As of December 31, 2015 and 2014, we had net unamortized losses of $10 million and $11 million, respectively, associated with our cash flow hedge terminations.

FOREIGN CURRENCY DERIVATIVE INSTRUMENTS

At December 31, 2015 and 2014, we had outstanding foreign currency forward contracts with total notional amounts aggregating $1.7 billion and $1.6 billion, respectively. The notional amounts of our foreign currency forward contracts do not generally represent amounts exchanged by the parties and thus are not a measure of the cash requirements related to these contracts or of any possible loss exposure. The amounts actually exchanged are calculated by reference to the notional amounts and by other terms of the derivative contracts, such as exchange rates.

Our foreign currency forward contracts and cross-currency swaps are not designated as hedges, and the changes in fair value of the contracts are recorded in current earnings each period in the line captioned "Other, Net" on the accompanying Consolidated Statements of Operations.

The total estimated fair values of these foreign currency forward contracts and amounts receivable or owed associated with closed foreign currency contracts and the total estimated fair value of our cross-currency contracts are as follows:

	December 31,		
(Dollars in millions)	**2015**	**2014**	**Classifications**
Derivative assets not designated as hedges:			
Foreign currency forward contracts	$ 5	$ 12	*Other Current Assets*
Derivative liabilities not designated as hedges:			
Foreign currency forward contracts	(14)	(17)	*Other Current Liabilities*
Cross-currency swap contracts	—	(5)	*Other Liabilities*

The amount of derivative instruments' gain or (loss) on the Consolidated Statements of Operations is in the table below.

	Year Ended December 31,			
(Dollars In millions)	**2015**	**2014**	**2013**	**Classification**
Foreign currency forward contracts	$ (115)	$ (22)	$ (12)	*Other, Net*
Cross-currency swap contracts	13	16	13	*Other, Net*

16. SHAREHOLDERS' EQUITY

Changes in our Issued and Treasury shares during the years ended December 31, 2015, 2014 and 2013, were as follows:

(Shares in millions)	**Issued**	**Treasury**
Balance at December 31, 2012	**840**	**(79)**
Equity awards granted, vested and exercised	—	6
Balance at December 31, 2013	**840**	**(73)**
Change in Shares Associated with Redomestication	(840)	71
Issuance of Weatherford Ireland Shares	774	—
Equity awards granted, vested and exercised	—	2
Balance at December 31, 2014	**774**	**—**
Equity awards granted, vested and exercised	5	—
Balance at December 31, 2015	**779**	**—**

On June 17, 2014, we completed the change in our place of incorporation from Switzerland to Ireland, whereby Weatherford Ireland became the new public holding company and the parent of the Weatherford group of companies, pursuant to which each registered share of Weatherford Switzerland was exchanged as consideration for the allotment of one ordinary share of Weatherford Ireland (excluding shares held by, or for the benefit of, Weatherford Switzerland or any of its subsidiaries). The Weatherford Switzerland shares were then cancelled. Weatherford Ireland issued ordinary shares with a par value of $0.001 per share. In conjunction with the redomestication, the shares held by our executive deferred compensation plan were sold and the remaining treasury shares were cancelled.

ACCUMULATED OTHER COMPREHENSIVE LOSS

The following table presents the changes in our accumulated other comprehensive loss by component for the year ended December 31, 2015 and 2014:

(Dollars in millions)	Currency Translation Adjustment	Defined Benefit Pension	Deferred Loss on Derivatives	Total
Balance at January 1, 2014	**$ (140)**	**$ (38)**	**$ (9)**	**$ (187)**
Other comprehensive income before reclassifications	(763)	(21)	—	(784)
Reclassifications	90	2	—	92
Other	—	—	(2)	(2)
Net activity	(673)	(19)	(2)	(694)
Balance at December 31, 2014	**(813)**	**(57)**	**(11)**	**(881)**
Other comprehensive income before reclassifications	(789)	28	—	(761)
Reclassifications	—	—	1	1
Net activity	(789)	28	1	(760)
Balance at December 31, 2015	**$(1,602)**	**$ (29)**	**$ (10)**	**$(1,641)**

The other comprehensive income before reclassifications from the defined benefit pension component of other comprehensive income for the year ended December 31, 2015 relates primarily to the conversion of one of our international pension plans from a defined benefit plan to a defined contribution plan. In addition, other comprehensive income reflects the reclassification of our deferred loss on derivatives related to the early redemption of our senior notes.

The reclassification from the currency translation adjustment component of other comprehensive income includes $90 million from the sale of our land drilling and workover rig operations in Russia and Venezuela and pipeline and specialty service businesses. This amount was recognized in the "Gain on Sale of Businesses and Investments, Net" line in our Consolidated Statements of Operations for the year ended December, 31 2014.

17. 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 including participating securities. Diluted earnings per share is computed by dividing net income by the weighted average number of our shares outstanding during the period including participating securities, adjusted for the dilutive effect of our stock options, restricted shares and performance units.

The following discloses basic and diluted weighted average shares outstanding:

	Year Ended December 31,		
(Shares in millions)	**2015**	**2014**	**2013**
Basic and Diluted weighted average shares outstanding	779	777	772

Our basic and diluted weighted average shares outstanding for the years ended December 31, 2015, 2014 and 2013, are equivalent due to the net loss attributable to shareholders. Diluted weighted average shares outstanding for the years ended December 31, 2015, 2014 and 2013, exclude potential shares for stock options, restricted shares and performance units outstanding as we have net losses for those periods and their inclusion would be anti-dilutive. The following table discloses the number of anti-dilutive shares excluded:

	Year Ended December 31,		
(Shares in millions)	**2015**	**2014**	**2013**
Anti-dilutive potential shares	3	5	5

18. SHARE-BASED COMPENSATION

INCENTIVE PLANS

Our incentive plans permit the grant of options, stock appreciation rights, RSAs, restricted share units ("RSUs"), performance share awards, performance unit awards ("PUs"), other share-based awards and cash-based awards to any employee, non-employee directors and other individual service providers or any affiliate. Compensation expense is recognized on a straight-line basis over the requisite service period for the separately vesting portion of each award.

The provisions of each award vary based on the type of award granted and are determined 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 10 years. Upon grant of an RSA, the recipient 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, but not the right to disposition prior to vesting. 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, 2015, approximately 17 million shares were available for grant under our incentive plans.

SHARE-BASED COMPENSATION EXPENSE

We recognized the following share-based compensation expense during each of the years ended December 31, 2015, 2014 and 2013:

	Year Ended December 31,		
(Dollars in millions)	2015	2014	2013
Share-based compensation	$73	$56	$66
Related tax benefit	14	12	11

OPTIONS

Stock options were granted with an exercise price equal to or greater than the fair market value of our shares as of the date of grant. We used the Black-Scholes option pricing model to determine the fair value of stock options awarded. The estimated fair value of our stock options was expensed over their vesting period, which was generally one to four years. There were no stock options granted during 2015, 2014 or 2013. The intrinsic value of stock options exercised during 2015, 2014 and 2013 was $15 million, $13 million and $12 million, respectively. We received cash proceeds of $26 million from the exercise of stock options during the year ended December 31, 2015. All options were fully vested.

A summary of option activity for the year ended December 31, 2015, is presented below:

	Options	Weighted Average Exercise Price	Weighted Average Remaining Term	Aggregate Intrinsic Value
	(In thousands)			*(In thousands)*
Outstanding at December 31, 2014	6,643	$ 9.52	1.18 years	$ 23,500
Exercised	(4,066)	6.35		
Expired	(74)	9.56		
Outstanding and Vested at December 31, 2015	2,503	14.67	0.93 years	36
Exercisable at December 31, 2015	15	5.94	0.74 years	36

RESTRICTED SHARE AWARDS AND RESTRICTED SHARE UNITS

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 December 31, 2015, 2014 and 2013 was $11.94, $18.98 and $13.49, respectively. The total fair value of RSAs and RSUs vested during the years ended December 31, 2015, 2014 and 2013 was $37 million, $52 million and $61 million, respectively. As of December 31, 2015, there was $120 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. A summary of RSA and RSU activity for the year ended December 31, 2015 is presented below:

	RSA	Weighted Average Grant Date Fair Value	RSU	Weighted Average Grant Date Fair Value
	(In thousands)		*(In thousands)*	
Non-Vested at December 31, 2014	**2,254**	**$15.31**	**4,300**	**$17.21**
Granted	—	—	10,492	11.94
Vested	(1,111)	15.12	(1,981)	16.53
Forfeited	(272)	17.55	(847)	13.71
Non-Vested at December 31, 2015	**871**	**14.85**	**11,964**	**12.94**

PERFORMANCE UNITS

The performance units we granted in 2015 and 2014 vest over three years and the performance units we granted prior to 2014 vest at the end of a three-year period assuming continued employment and the Company's achievement of certain market-based performance goals. Depending on the performance levels achieved in relation to the predefined targets, shares may be issued for up to 225% of the units awarded. If the established performance goals are not met, the performance units will expire unvested and no shares will be issued.

The grant date fair value of the performance units we have granted was determined through use of the Monte Carlo simulation method. The assumptions used in the Monte Carlo simulation during the year ended December 31, 2015, included a risk-free rate of 0.51%, volatility of 46.1% and a zero dividend yield. The weighted-average grant date fair value of the performance units we granted during the years ended December 31, 2015, 2014 and 2013 was $10.45, $14.31 and $10.81, respectively. For the year ended December 31, 2015, we did not issue any shares. The total fair value of shares issued in connection with performance units during the years ended December 31, 2014 and

2013 was $11 million and $8 million, respectively. For the year ended December 31, 2014 and 2013, 541 thousand and 1.3 million shares of stock were issued, respectively, for the performance units related to the departure of certain former executive officers. As of December 31, 2015, there was $13 million of unrecognized compensation expense related to performance units, which is expected to be recognized over a weighted average period of one year.

A summary of performance unit activity for the year ended December 31, 2015, is presented below:

	Performance Units	Weighted Average Grant Date Fair Value
	(In thousands)	
Non-vested at December 31, 2014	**1,948**	**$12.74**
Granted	1,561	10.45
Vested	—	—
Forfeited	(652)	14.14
Non-vested at December 31, 2015	**2,857**	**11.17**

19. RETIREMENT AND EMPLOYEE BENEFIT PLANS

We have defined contribution plans covering certain employees. Contribution expenses related to these plans totaled $66 million, $79 million and $73 million in 2015, 2014 and 2013, respectively. The decrease in employer contributions in 2015 compared to 2014 relates to the reduction in force initiative implemented during the year.

We have defined benefit pension and other post-retirement benefit plans covering certain U.S. and international employees. Plan benefits are generally based on factors such as age, compensation levels and years of service. Early in 2015, we converted one of our larger defined benefit plans to a defined contribution plan. As a result, amounts shown for 2015 are significantly lower than previous years. Net periodic benefit cost related to these plans totaled $9 million, $18 million and $20 million in 2015, 2014 and 2013, respectively. The projected benefit obligations on a consolidated basis were $245 million and $325 million as of December 31, 2015 and 2014, respectively. Curtailments and settlements totaling $63 million and currency fluctuations of $17 million were the main components reducing the obligation during the year. The fair values of plan assets on a consolidated basis (determined primarily using Level 2 inputs) were $121 million and $161 million as of December 31, 2015 and 2014, respectively. Settlements were the primary factor contributing to the decrease in assets this year. The net underfunded obligation was substantially all recorded within Other Noncurrent Liabilities at each balance sheet date. Additionally, consolidated amounts in accumulated other comprehensive loss that have not yet been recognized as components of net periodic benefit cost were $38 million and $75 million as of December 31, 2015 and 2014, respectively. The decrease in other comprehensive loss year over year is due primarily to pre-tax curtailment and settlement gains of $30 million resulting from the conversion of our defined benefit plan to a defined contribution plan, as mentioned above, and also our reduction in force initiatives.

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

	Year Ended December 31,	
	2015	**2014**
Discount rate:		
United States plans	1.00% - 4.25%	1.00% - 4.00%
International plans	2.30% - 8.00%	1.65% - 7.00%
Rate of compensation increase:		
United States plans	—	—
International plans	2.00% - 3.20%	2.00% - 3.30%

During 2015 and 2014, we contributed $6 million and $14 million, respectively, to our defined benefit pension and other post-retirement benefit plans. In 2016, we expect to contribute approximately $5 million to those plans.

20. INCOME TAXES

We are exempt from Swiss cantonal and communal tax on income derived outside Switzerland, and we are also granted participation relief from Swiss federal tax for qualifying dividend income and capital gains related to the sale of qualifying investments in subsidiaries. We expect that the participation relief will result in a full exemption of participation income from Swiss federal income tax.

We provide for income taxes based on the laws and rates in effect in the countries in which operations are conducted, or in which we or our subsidiaries are considered resident for income tax purposes. The relationship between our pre-tax income or loss and our income tax provision or benefit varies from period to period as a result of various factors which include changes in total pre-tax income or loss, the jurisdictions in which our income is earned, the tax laws in those jurisdictions and in our operating structure.

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

	Year Ended December 31,		
(Dollars in millions)	**2015**	**2014**	**2013**
Total current provision	$(303)	$(350)	$(177)
Total deferred benefit	448	66	33
(Provision) Benefit for Income Taxes	**$ 145**	**$(284)**	**$(144)**

The difference between the income tax (provision) benefit at the Swiss federal income tax rate and the income tax (provision) benefit attributable to "Loss Before Income Taxes" for each of the three years ended December 31, 2015, 2014 and 2013 is analyzed below:

	Year Ended December 31,		
(Dollars in millions)	**2015**	**2014**	**2013**
Swiss federal income tax rate at 7.83%	$ 164	$ 20	$ 13
Tax on operating earnings subject to rates different than the Swiss federal income tax rate	411	(70)	89
Tax on divestitures gains subject to different tax rate	—	(109)	—
Non-cash tax expense on distribution of subsidiary earnings	(265)	—	—
Change in valuation allowance	(159)	(222)	(264)
Change in uncertain tax positions	(6)	97	18
(Provision) Benefit for Income Taxes	**$ 145**	**$(284)**	**$ (144)**

Our income tax benefit in 2015 was $145 million on a loss before income taxes of $2.1 billion. The tax benefit was favorably impacted by a U.S. loss, which included restructuring, impairment charges and a worthless stock deduction. Our results for 2015 include $255 million of Land Drilling Rig impairment charges, $232 million of restructuring charges, $116 million of litigation settlements, $153 million of legacy project losses, $85 million of currency devaluation and related losses and $25 million of equity investment impairment, all with no significant tax benefit. In addition, we recorded a tax charge of $265 million for a non-cash tax expense on distribution of subsidiary earnings.

In 2014, we had a tax provision of $284 million on a loss before income taxes of $255 million. Our results for 2014 include a $161 million goodwill impairment charge, a $245 million loss due to the devaluation of Venezuela bolivar and $72 million of project losses related to our early production facility contracts in Iraq, all of which provided no tax benefit. In addition, we incurred a $495 million long-lived assets impairments charge, with limited tax benefit. During 2014, we also sold our land drilling and workover rig operations in Russia and Venezuela, pipeline and specialty services business, engineered chemistry, Integrity drilling fluids business and our equity investment in Proserv for a total gain of approximately $349 million.

In 2013, our income before tax included a $153 million charge for the settlement of the United Nations oil-for-food program governing sales of goods into Iraq and Foreign Corrupt Practices Act ("FCPA") matters, a $299 million loss on certain legacy projects in Iraq, $98 million of bad debt expense, which included an increase to the allowance for doubtful accounts in Venezuela, and a $100 million loss due to the devaluation of the Venezuelan bolivar, all with no or little tax benefit. Our 2013 tax provision included certain discrete tax benefits primarily due to tax planning activities, decreases in reserves for uncertain tax positions due to statute of limitation expiration and audit closures and the enactment of the American Taxpayer Relief Act, which decreased our effective tax rate for the period.

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 Consolidated 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,	
(Dollars in millions)	**2015**	**2014**
Net operating losses carryforwards	$ 972	$ 600
Accrued liabilities and reserves	190	235
Tax credit carryforwards	102	103
Employee benefits	52	70
Inventory	64	70
Other differences between financial and tax basis	267	108
Valuation allowance	(868)	(732)
Total deferred tax assets	779	454
Deferred tax liabilities:		
Property, plant and equipment	(53)	(324)
Intangible assets	(209)	(206)
Deferred Income	(21)	(22)
Undistributed Subsidiary Earnings	(179)	—
Other differences between financial and tax basis	(12)	(21)
Total deferred tax liabilities	(474)	(573)
Net deferred tax asset (liability)	**$ 305**	**$(119)**

The overall increase in the valuation allowance in both 2015 and 2014 is primarily attributable to the establishment of a valuation allowance against current year net operating losses ("NOLs") and tax credits in various jurisdictions. Our results in 2015 and 2014 include significant tax losses in Mexico, Venezuela, and Iraq.

Deferred income taxes generally have not been recognized on the cumulative undistributed earnings of our non-Swiss subsidiaries because they are considered to be indefinitely reinvested or they can be distributed on a tax free basis. Distribution of these earnings in the form of dividends or otherwise may result in a combination of income and withholding taxes payable in various countries. In 2015 the company reversed its indefinitely reinvested assertion on a portion of those earnings and recorded a non-cash tax charge of $265 million. This charge covers the tax expense on 2015 distributions and planned distributions of earnings from subsidiaries to the U.S. As of December 31, 2015, the cumulative undistributed earnings of our non-Swiss subsidiaries that are considered indefinitely reinvested and may be subject to tax if distributed amount to approximately $103 million. Due to complexities in the tax laws and the manner of repatriation, it is not practicable to estimate the unrecognized amount of deferred income taxes and the related dividend withholding taxes associated with these undistributed earnings.

At December 31, 2015, we had approximately $3.5 billion of NOLs in various jurisdictions, $867 million of which were generated by certain U.S. subsidiaries. Loss carryforwards, if not utilized, will mostly expire for U.S. subsidiaries in 2033 and 2035 and at various dates from 2016 through 2035 for non-U.S. subsidiaries. At December 31, 2015, we had $102 million of tax credit carryovers, of which $82 million is for U.S. subsidiaries. The U.S. credits primarily consists of $30 million of research and development tax credit carryforwards which expire from 2018 through 2035, and $52 million of foreign tax credit carryforwards which expire from 2016 through 2023.

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

	Year Ended December 31,		
(Dollars in millions)	**2015**	**2014**	**2013**
Balance at beginning of year	$235	$289	$296
Additions as a result of tax positions taken during a prior period	28	23	64
Reductions as a result of tax positions taken during a prior period	(9)	(35)	(12)
Additions as a result of tax positions taken during the current period	5	2	31
Reductions relating to settlements with taxing authorities	(46)	(24)	(60)
Reductions as a result of a lapse of the applicable statute of limitations	(7)	(9)	(19)
Foreign exchange effects	(11)	(11)	(11)
Balance at end of year	**$195**	**$235**	**$289**

Substantially all of the uncertain tax positions, 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 and other non-current liabilities in the Consolidated Financial Statements in accordance with our accounting policy. We recorded benefits of $4 million, $53 million and $21 million of interest and penalty for the years ended December 31, 2015, 2014 and 2013, respectively. The amounts in the table above exclude cumulative accrued interest and penalties of $50 million, $58 million and $121 million at December 31, 2015, 2014 and 2013, respectively, which are included in other liabilities.

We are subject to income tax in many of the over 100 countries where we operate. As of December 31, 2015, the following table summarizes the tax years that remain subject to examination for the major jurisdictions in which we operate:

Canada	2008 - 2015
Mexico	2007 - 2015
Russia	2013 - 2015
Switzerland	2010 - 2015
United States	2010 - 2015
Venezuela	2010 - 2015

We anticipate that it is reasonably possible that the amount of uncertain tax positions may decrease by up to $10 million in the next twelve months due to expiration of statutes of limitations, settlements and/or conclusions of tax examinations.

21. DISPUTES, LITIGATION AND CONTINGENCIES

SHAREHOLDER LITIGATION

In 2010, three shareholder derivative actions were filed, purportedly on behalf of the Company, asserting breach of duty and other claims against certain current and former officers and directors of the Company related to the United Nations oil-for-food program governing sales of goods into Iraq, the FCPA and trade sanctions related to the U.S. government investigations disclosed in our U.S. Securities and Exchange Commission (the "SEC") filings since 2007. Those shareholder derivative cases were filed in Harris County, Texas state court and consolidated under the caption *Neff v. Brady, et al.*, No. 2010040764 (collectively referred to as the "*Neff Case*"). Other shareholder demand letters covering the same subject matter were received by the Company in early 2014, and a fourth shareholder derivative action was filed, purportedly on behalf of the Company, also asserting breach of duty and other claims against certain current and former officers and directors of the Company related to the same subject matter as the Neff Case. That case, captioned *Erste-Sparinvest KAG v. Duroc-Danner, et al.*, No. 201420933 (Harris County, Texas) was consolidated into the Neff Case in September 2014. A motion to dismiss was granted May 15, 2015 and an appeal, which remains pending, was filed on June 15, 2015.

We cannot reliably predict the outcome of the appeal including the amount of any possible loss. If one or more negative outcomes were to occur relative to the *Neff Case,* the aggregate impact to our financial condition could be material.

On June 30, 2015, we signed a stipulation to settle a shareholder securities class action captioned *Freedman v. Weatherford International Ltd., et al.*, No. 1:12-cv-02121-LAK (S.D.N.Y.) for $120 million subject to notice to the class and court approval. The *Freedman* lawsuit had been filed in the U.S. District Court for the Southern District of New York in March 2012, and alleged that we and certain current and former officers of Weatherford violated the federal securities laws in connection with the restatements of the Company's historical financial statements announced on February 21, 2012 and July 24, 2012. On November 4, 2015, the U.S. District Court for the Southern District of New York entered a final judgment and an order approving the settlement. Pursuant to the settlement, we were required to pay $120 million, which was partially funded by insurance proceeds. There was no admission of liability or fault by an party in connection with the settlement. We are pursuing reimbursement from our insurance carriers and recovered $15 million of the settlement amount in the fourth quarter of 2015.

We signed an amended stipulation of settlement in November 2014 to resolve two shareholder derivative actions related to the Company's restatement of its financial statements and material weakness in internal controls over financial reporting for income taxes. On June 24, 2015, the U.S. District Court for the Southern District of New York approved the settlement and entered final judgment in one of the two cases, *Wandel v. Duroc-Danner, et al.*, No. 1:12-cv-01305-LAK. By agreement with the plaintiffs, a substantially identical shareholder derivative case, *Iron Workers Mid-South Pension Fund v. Duroc-Danner, et al.*, No. 201119822, pending in Harris County, Texas, state court was voluntarily dismissed with prejudice. The two cases, purportedly brought on behalf of the Company against certain current and former officers and directors, alleged breaches of duty related to our material weakness and restatements. The settlement included an agreed upon set of revised corporate procedures, no monetary payment by the defendants and an award of attorney's fees and reimbursement of expenses for a total amount of $0.6 million for the plaintiff's counsel, which we paid in July 2015. There was no admission of liability or fault by any party in connection with the settlement.

On January 30, 2015, the U.S. District Court for the Southern District of New York approved the settlement of a purported shareholder securities class action captioned *Dobina v. Weatherford International Ltd., et al.*, No. 1:11-cv-01646-LAK (S.D.N.Y.) for $53 million. The action named Weatherford and certain current and former officers as defendants. It alleged violation of the federal securities laws in connection with the material weakness in our internal controls over financial reporting for income taxes, and restatement of our historical financial statements announced in March 2011. The settlement was entirely funded by our insurers. There was no admission of liability or fault by any party in connection with the settlement.

U.S. GOVERNMENT AND INTERNAL INVESTIGATIONS

On January 17, 2014, the U.S. District Court for the Southern District of Texas approved the settlement agreements between us and certain of our subsidiaries and the U.S. Department of Justice ("DOJ"). On November 26, 2013, we announced that we and our subsidiaries, also entered into settlement agreements with the U.S. Departments of Treasury and Commerce and with the SEC, which the U.S. District Court for the Southern District of Texas entered on December 20, 2013. These agreements collectively resolved investigations of prior alleged violations by us and certain of our subsidiaries relating to certain trade sanctions laws, participation in the United Nations oil-for-food program governing sales of goods into Iraq and non-compliance with FCPA matters.

The $253 million payable by us and our subsidiaries was paid in January and February 2014 pursuant to the terms of the settlement agreements. These agreements include a requirement to retain, for a period of at least 18 months, an independent monitor responsible for assessing our compliance with the terms of the agreement so as to address and reduce the risk of recurrence of alleged misconduct, after which we would continue to evaluate our own compliance program and make periodic reports to the DOJ and SEC and maintain agreed upon compliance monitoring and reporting systems. In April 2014, the independent monitor was retained and the compliance assessment period began. In October 2015, the independent monitor submitted a report to the DOJ and SEC with his assessment that we had satisfied the relevant terms of the settlement agreements and recommending that the monitorship be terminated, after which our self-reporting period has begun. These agreements also required us to retain an independent third party to retroactively audit our compliance with U.S. export control laws for the years 2012, 2013 and 2014. We retained an independent third party, who has completed these audits.

The SEC and DOJ are also investigating the circumstances surrounding the material weakness in our internal controls over financial reporting for income taxes that was disclosed in a notification of late filing on Form 12b-25 filed on March 1, 2011 and in current reports on Form 8-K filed on February 21, 2012 and on July 24, 2012 and the subsequent restatements of our historical financial statements. We are cooperating fully with these investigations. We are unable to predict the outcome of these matters due to the inherent uncertainties presented by such investigations, and we are unable to predict potential outcomes or estimate the range of potential loss contingencies, if any. The government, generally, has a broad range of civil and criminal penalties available for these types of matters under applicable law and regulation, including injunctive relief, fines, penalties and modifications to business practices, some of which, if imposed on us, could be material to our business, financial condition or results of operations.

OTHER

Additionally, we are aware of various disputes and potential claims and are a party in various litigation involving claims against us, including as a defendant in various employment claims alleging our failure to pay certain classes of workers overtime in compliance with the Fair Labor Standards Act. Some of these disputes and claims 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 which we do not believe a negative outcome is probable or for which we can only estimate a range of liability. It is possible, however, that an unexpected judgment could be rendered against us, or we could decide to resolve a case or cases, that would result in liability that could be uninsured and beyond the amounts we currently have reserved and in some cases those losses could be material. If one or more negative outcomes were to occur relative to these matters, the aggregate impact to our financial condition could be material.

22. COMMITMENTS AND OTHER CONTINGENCIES

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 commitments under noncancellable operating leases are as follows (dollars in millions):

2016	$ 349
2017	217
2018	165
2019	102
2020	62
Thereafter	277
	$1,172

Total rent expense incurred under operating leases was approximately $426 million, $536 million and $581 million for the years ended December 31, 2015, 2014 and 2013, respectively. The future rental commitment table above does not include leases that are short-term in nature or can be cancelled with notice of less than three months. We maintain a contractual residual value guarantee at December 31, 2015 of $68 million in "Other Current Liabilities" and $28 million in "Other Non-Current Liabilities" related to certain lease equipment in our North America pressure pumping business and our Land Drilling Rigs segment on our Consolidated Balance Sheets.

We have supply contract related minimum purchase commitments and maintain a liability at December 31, 2015 of $124 million, of which $47 million is recorded in "Other Current Liabilities" and $77 million is recorded in "Other Non-Current Liabilities" on our Consolidated Balance Sheets.

23. SEGMENT INFORMATION

REPORTING SEGMENTS

In the first quarter of 2015, we changed our business structure to better align with management's current view and future growth objectives. This involved separating our Land Drilling Rigs business into a reportable segment resulting in a total of five reportable segments which are North America, MENA/Asia Pacific, Europe/SSA/Russia, Latin America and Land Drilling Rigs. The operational performance of our segments is reviewed and managed primarily on a geographic basis, and we report the regional segments as separate, distinct reporting segments. In addition, our Land Drilling Rigs business, which we intend to divest, is reviewed and managed apart from our regional segments. Our corporate and other expenses that do not individually meet the criteria for segment reporting continue to be reported separately as Corporate and Research and Development. Each business reflects a reportable segment led by separate business segment management that reports directly or indirectly to our chief operating decision maker ("CODM"). Our CODM assesses performance and allocates resources on the basis of the five reportable segments. We have revised our business segment reporting to reflect our current management approach and recast prior periods to conform to the current business segment presentation.

Financial information by segment is summarized below. Revenues are attributable to countries based on the ultimate destination of the sale of products or performance of services. The accounting policies of the segments are the same as those described in "Note 1 – Summary of Significant Accounting Policies". Included in the income (loss) from operations in MENA/Asia Pacific are losses related to our long-term early production facility construction contracts in Iraq accounted for under the percentage-of-completion method as described in "Note 5 – Percentage of Completion Contracts".

	Year Ended December 31, 2015			
(Dollars in millions)	Net Operating Revenues	Income (Loss) from Operations [(a)]	Depreciation and Amortization	Capital Expenditures
North America	$ 3,494	$ (308)	$ 362	$ 161
MENA/Asia Pacific	1,947	(28)	254	75
Europe/SSA/Russia	1,533	173	201	132
Latin America	1,746	254	249	227
Subtotal	8,720	91	1,066	595
Land Drilling Rigs	713	(13)	110	68
	9,433	78	1,176	663
Corporate and Research and Development		(425)	24	19
Long-Lived Asset Impairment and Other Related Charges[(b)]		(768)		
Equity Investment Impairment		(25)		
Severance and Restructuring Charges[(c)]		(232)		
Litigation Charges		(116)		
Loss on Sale of Businesses and Investments, Net		(6)		
Other Items[(d)]		(52)		
Total	**$ 9,433**	**$ (1,546)**	**$ 1,200**	**$ 682**

(a) During 2015, we recognized inventory write-downs of $223 million attributable to each reporting segment as follows: $73 million in North America, $54 million in Latin America, $38 million in MENA/Asia Pacific, $32 million in Europe/SSA/Russia, and $26 million for Land Drilling Rigs. We recognized a charge for bad debt expense of $48 million of which $31 million was taken in the fourth quarter. The charges attributable to our reporting segments are as follows: $20 million in North America, $12 million for Europe/SSA/Russia, $9 million in Latin America, and $7 million in MENA/Asia Pacific.

(b) Includes asset impairment charges of $638 million, supply agreement charges related to a non-core business divestiture of $67 million, and pressure pumping business related charges of $63 million.

(c) We recognized 2015 Plan severance and restructuring charges of $232 million: $52 million in North America, $56 million in MENA/Asia Pacific, $56 million in Europe/SSA/Russia, $40 million in Latin America, $12 million in Land Drilling Rigs and $16 million in Corporate and Research and Development.

(d) Includes $17 million in professional and other fees, $11 million in divestiture related charges and facility closures and $24 million in other charges.

	Year Ended December 31, 2014			
(Dollars in millions)	Net Operating Revenues	Income (Loss) from Operations	Depreciation and Amortization	Capital Expenditures
North America	$ 6,852	$ 1,005	$ 430	$ 454
MENA/Asia Pacific	2,406	115	280	183
Europe/SSA/Russia	2,129	367	218	282
Latin America	2,282	339	241	311
Subtotal	13,669	1,826	1,169	1,230
Land Drilling Rigs	1,242	(103)	179	158
	14,911	1,723	1,348	1,388
Corporate and Research and Development		(468)	23	62
Long-Lived Asset Impairments		(495)		
Goodwill Impairment		(161)		
Severance and Restructuring Charges[(e)]		(331)		
Gain on Sale of Businesses and Investments, Net		349		
Other Items[(f)]		(112)		
Total	**$14,911**	**$ 505**	**$1,371**	**$1,450**

(e) We recognized 2014 and 2015 Plan severance and restructuring charges of $331 million: $76 million in North America, $133 million in MENA/Asia Pacific, $35 million in Europe/SSA/Russia, $48 million in Latin America, $9 million in Land Drilling Rigs and $30 million in Corporate and Research and Development.

(f) Includes professional fees of $107 million related to the divestiture of our non-core businesses, restatement related litigation, the settlement of the U.S. government investigations, and our 2014 redomestication from Switzerland to Ireland and other charges of $5 million.

	Year Ended December 31, 2013			
(Dollars in millions)	Net Operating Revenues	Income (Loss) from Operations[(g)]	Depreciation and Amortization	Capital Expenditures
North America	$ 6,390	$ 827	$ 424	$ 434
MENA/Asia Pacific	2,746	(62)	284	278
Europe/SSA/Russia	1,947	266	207	228
Latin America[(h)]	2,635	320	254	245
Subtotal	13,718	1,351	1,169	1,185
Land Drilling Rigs	1,545	(33)	213	327
	15,263	1,318	1,382	1,512
Corporate and Research and Development		(466)	20	63
Litigation Charges		(153)		
Gain on Sale of Businesses and Investments, Net		24		
Other Items[(i)]		(200)		
Total	**$15,263**	**$ 523**	**$1,402**	**$1,575**

(g) We recognized a charge for bad debt expense of $98 million attributable to our reporting segments as follows: $51 million in Latin America, $26 million in Land Drilling Rigs, $10 million for Europe/SSA/Russia, $9 million in MENA/Asia Pacific, and $2 million in North America. During 2013, we recognized a charge for excess and obsolete inventory of $62 million attributable to each reporting segment as follows: $35 million in North America, $13 million in Europe/SSA/Russia, $7 million in MENA/Asia Pacific, $6 million in Latin America and $1 million for Land Drilling Rigs.

(h) On December 17, 2013, we accepted bonds with a face value of $127 million from PDVSA in full settlement of $127 million in trade receivables. Upon receipt, we immediately sold these bonds in a series of transactions recognizing a loss of $58 million.

(i) Includes $67 million of professional fees and expenses for U.S. government investigations and the remediation of our material weakness related to income taxes, $94 million of severance and $39 million of other items.

The following table presents total assets by segment at December 31:

	Total Assets at December 31,	
(Dollars in millions)	2015	2014
North America	$ 5,100	$ 7,297
MENA/Asia Pacific	2,536	3,022
Europe/SSA/Russia	2,480	3,106
Latin America	2,683	3,211
Land Drilling Rigs	1,516	1,907
Corporate and Research and Development	472	346
Total	**$14,787**	**$18,889**

Total assets in the United States, which is part of our North America segment, were $4.4 billion and $6.1 billion as of December 31, 2015 and 2014, respectively. The remaining North America total assets balance of $731 million and $1.2 billion, respectively as of December 31, 2015 and 2014, is related to our operations in Canada.

PRODUCTS AND SERVICES

We are one of the world's leading providers of equipment and services used in the drilling, evaluation, completion, production and intervention of oil and natural gas wells. The composition of our consolidated revenues by product service line group is as follows:

	Year Ended December 31,		
	2015	2014	2013
Formation Evaluation and Well Construction	55%	52%	52%
Completion and Production	37	40	38
Land Drilling Rigs	8	8	10
Total	**100%**	**100%**	**100%**

GEOGRAPHIC AREAS

Financial information by geographic area is summarized below. Revenues from customers and long-lived assets in Ireland were insignificant in each of the years presented. Long-lived assets exclude goodwill and intangible assets as well as deferred tax assets of $207 million and $129 million at December 31, 2015 and 2014, respectively.

	Revenues			Long-lived Assets	
(Dollars in millions)	2015	2014	2013	2015	2014
United States	$ 2,864	$ 5,567	$ 5,147	$ 1,505	$ 2,114
Middle East and North Africa	1,843	2,038	2,197	1,686	1,987
Latin America	1,782	2,381	2,835	1,143	1,226
Europe/SSA/Russia	1,613	2,584	2,693	862	1,158
Asia Pacific	701	1,057	1,148	471	616
Canada	630	1,284	1,243	191	264
	$ 9,433	**$14,911**	**$15,263**	**$5,858**	**$7,365**

24. SUBSEQUENT EVENTS

In response to the continued significant decline in the price of crude oil and the continued decline in the level of anticipated level of exploration and production spending in 2016, we initiated a reduction in force plan to reduce our overall costs and workforce to align with the anticipated activity levels and expect to complete a workforce reduction of 6,000 employees in the first half of 2016.

On February 1, 2016, we amended our Credit Agreement and reduced the limit of borrowings to $2 billion. The Credit Agreement was also amended to increase the consolidated indebtedness to total capitalization covenant from 60% to 70% for the fiscal quarters ending March 31, 2016 and June 30, 2016, and 60% thereafter, as well as other covenant changes.

On March 7, 2016, we completed a public offering of 115 million ordinary shares at $5.65 per ordinary share. Net proceeds received by the Company from the offering were approximately $630 million after deducting underwriting discounts and commissions and estimated offering expenses payable by the Company. The Company intends to use the net proceeds for general corporate purposes, including the repayment of existing indebtedness.

25. EMPLOYEES

As described in "Note 1 – Summary of Significant Accounting Policies", during the first quarter of 2015, we changed our business structure to better align with management's current view and future growth objectives. This change involved separating our Land Drilling Rigs business into a reportable segment resulting in a total of five reportable segments. We have recast the prior period to conform to the current business segment presentation.

The average number of persons employed by the Company during the years ended December 31, 2015 and 2014 was as follows:

	Year Ended December 31,	
	2015	2014
North America	12,344	$ 16,467
MENA/Asia Pacific	9,714	11,997
Europe/SSA/Russia	8,072	9,475
Latin America	8,401	9,996
Land Drilling Rigs	5,090	10,489
Corporate and Research and Development	2,013	2,198
	45,634	**60,622**

Employee costs for the years ended December 31, 2015 and 2014 were as follows:

	Year Ended December 31,	
(Dollars in millions)	**2015**	**2014**
Salaries and wages	$ 2,771	$ 3,776
Benefits and payroll taxes	543	776
Employee welfare	89	136
Bonus and incentives	116	136
Employee stock plans	72	53
Severance	149	182
	$ 3,740	**$ 5,059**

26. DIRECTORS' REMUNERATION

Directors' remuneration for the years ended December 31, 2015 and 2014 is presented in the table below. Mr. Bernard J. Duroc-Danner, the Company's Chairman and chief executive officer, is not compensated for his services as a director. Accordingly, the amounts below include compensation for Mr. Bernard J. Duroc-Danner as chief executive officer (referred to as "Managerial Services") as well as compensation for all non-employee directors in their capacities as such (referred to as "Director Services").

	Year Ended December 31,	
(Dollars in millions)	**2015**	**2014**
Managerial services[(a)]	$ 16	$ 15
Director services	2	4
	$ 18	**$ 19**

(a) This calculation includes the following during the years ended December 31, 2015 and 2014, respectively. The base compensation earned of $2 million and $2 million; non-equity incentive plan cash payments of $2 million and $3 million; share-based compensation of $10 million and $8 million calculated in accordance with U.S. GAAP; and other of $2 million and $2 million.

27. AUDITORS' REMUNERATION

Fees paid to KPMG, the Company's statutory auditor, during the years ended December 31, 2015 and 2014 were as follows:

	Year Ended December 31,	
(Dollars in millions)	**2015**	**2014**
Audit fees		
Audit fees paid to KPMG and its affiliates	$ 20	$ 20
Audit of the parent company financial statements	—	—
Total audit fees	20	20
Audit-related fees	—	—
Tax fees	1	1
All other fees	—	—
Total	**$ 21**	**$ 21**

28. SIGNIFICANT SUBSIDIARIES

Listed below are the significant subsidiaries of Weatherford International plc as of December 31, 2015, and the states or jurisdictions in which they are incorporated or organized. The indentation reflects the principal parenting of each subsidiary. The name of other subsidiaries have been omitted from the list below, since they would not constitute, in the aggregate, a significant subsidiary as of December 31, 2015.

Weatherford International plc - Ireland

Name of Company	Jurisdiction
Weatherford Worldwide Holdings GmbH	Switzerland
Weatherford International Ltd.	Bermuda
Weatherford Bermuda Holdings Ltd.	Bermuda
Weatherford Services and Rentals Ltd.	British Virgin Islands
Weatherford Services, Ltd.	Bermuda
Weatherford Colombia Limited	British Virgin Islands
Weatherford Oil Tool Middle East Limited	British Virgin Islands
Weatherford Saudi Arabia Limited	Saudi Arabia
Weatherford Al-Rushaid Co. Ltd.	Saudi Arabia
Weatherford (Malaysia) Sdn. Bhd.	Malaysia
Weatherford KSP Company Limited	Thailand
PT. Weatherford Indonesia	Indonesia
Weatherford Asia Pacific Pte Ltd	Singapore
Weatherford International de Argentina S.A.	Argentina
Weatherford, LLC	Russia
Weatherford Capital Management Services Limited Liability Company	Hungary
PD Oilfield Services Mexicana, S. de R.L. de C.V.	Mexico
Weatherford de Mexico, S. de R.L. de C.V.	Mexico
WPA S.A. de C.V.	Mexico
Weatherford Artificial Lift Systems, LLC	Delaware
Weatherford International, LLC	Delaware
WEUS Holding, LLC	Delaware
Weatherford U.S., L.P.	Louisiana
Precision Drilling Services M.E. W.L.L.	United Arab Emirates
Precision Drilling Services (Netherlands) B.V.	Netherlands
Weatherford Danmark AS	Denmark
WFO S.A. de C.V.	Mexico
Weatherford Canada Ltd.	Canada
Precision Energy Services Saudi Arabia Co. Ltd.	Saudi Arabia
Weatherford Canada Partnership	Canada
Weatherford Australia Pty. Limited	Australia
Petrowell Limited	Scotland
Reeves Wireline Technologies Limited	England
Weatherford Trinidad Limited	Trinidad
Weatherford Liquidity Management Hungary Limited Liability Company	Hungary
Weatherford Latin America, S.C.A.	Venezuela
EVI de Venezuela, S.A.	Venezuela
Weatherford Industria e Comercio Ltda.	Brazil
Weatherford Drilling International Holdings (BVI) Ltd.	British Virgin Islands
Weatherford Drilling International (BVI) Ltd.	British Virgin Islands
Key International Drilling Company Limited	Bermuda
Desert Rig Operations, Inc.	Cayman
Weatherford Holding GmbH	Germany
Weatherford Oil Tool GmbH	Germany
Weatherford Products GmbH	Switzerland
Weatherford Management Company Switzerland Sarl	Switzerland
Weatherford Switzerland Trading and Development GmbH	Switzerland

WEATHERFORD INTERNATIONAL PLC COMPANY BALANCE SHEET
DECEMBER 31, 2015

(In USD millions)	December 31, 2015	December 31, 2014
NON-CURRENT ASSETS		
Investment in Subsidiaries	$ 9,381	$ 12,103
Loans Receivable from Affiliates	—	—
Other Long-Term Assets	3	5
TOTAL NON-CURRENT ASSETS	**9,384**	**12,108**
CURRENT ASSETS		
Intercompany Debtors	90	54
Other Current Assets	4	4
Cash and Cash Equivalents	—	1
TOTAL CURRENT ASSETS	**94**	**59**
TOTAL ASSETS	9,478	12,167
EQUITY		
Called Up Share Capital	$ 1	$ 1
Share-based Payments Reserve	121	30
Retained Earnings	7,887	10,384
SHAREHOLDERS' EQUITY	**8,009**	**10,415**
NON-CURRENT LIABILITIES		
Loans Payable to Affiliates	1,116	1,387
Other Long-Term Liabilities	15	5
TOTAL NON-CURRENT LIABILITIES	**1,131**	**1,392**
CURRENT LIABILITIES		
Intercompany Creditors	319	317
Accounts Payable and Other Current Liabilities	19	43
TOTAL CURRENT LIABILITIES	**338**	**360**
TOTAL LIABILITIES	1,469	1,752
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**$ 9,478**	**$ 12,167**

The balance sheet was approved and signed on behalf of the Board of Directors on March 18, 2016 by:

/s/ Bernard J. Duroc-Danner
Bernard J. Duroc-Danner
Director

/s/ Francis S. Kalman
Francis S. Kalman
Director

WEATHERFORD INTERNATIONAL PLC COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY DECEMBER 31, 2015

(In USD millions)	Called up Share Capital	Share Premium	Share-based Payments Reserve	Retained Earnings	Total
Balance as of March 3, 2014	$ —	$ —	$ —	$ —	$ —
No Activity	—	—	—	—	—
Balance as of June 16, 2014	**—**	**—**	**—**	**—**	**—**
Issuance of Shares upon Reorganization	1	17,167	—	—	17,168
Transfer to Retained Earnings[a]	—	(17,167)	—	17,167	—
Net activity related to share-based payments reserve	—	—	30	—	30
Profit/(Loss) for period	—	—	—	(6,783)	(6,783)
Balance at December 31, 2014	**$ 1**	**$ —**	**$ 30**	**$ 10,384**	**$ 10,415**
Net activity related to share-based payments reserve	—	—	91	—	91
Net activity related to subsidiary share transactions		—	—	—	—
Profit/(Loss) for period	—	—	—	(2,497)	(2,497)
Balance at December 31, 2015	**$ 1**	**$ —**	**$ 121**	**$ 7,887**	**$ 8,009**

(a) In July 2014, the Company applied to the Irish High Court to release $17,167 million from share premium to retained earnings. This application was granted.

WEATHERFORD INTERNATIONAL PLC COMPANY CASH FLOW STATEMENT DECEMBER 31, 2015

(In USD millions)	December 31, 2015	December 31, 2014
Cash Flows From Operating Activities:		
Net (Loss)/Income	$ (2,497)	$ (6,783)
Adjustments to Reconcile Net Loss to Net Cash Provided by Operating Activities:		
Employee Share-Based Compensation Expense	3	—
Impairment of Investment in Subsidiaries (IFRS Reporting)	3,179	6,673
Adjustments Related to Litigation Charges	97	25
Changes in Operating Assets and Liabilities:		
Other, Net	(143)	85
Net Cash Inflow/(Outflow) from Operating Activities	**639**	**—**
Cash Flows From Investing Activities:		
Investment in Subsidiaries	(385)	—
Net Cash (Outflow)/Inflow from Investing Activities	(385)	—
Capital Flows from Financing Activities:		
Net Repayment of Loans Payable to Affiliates	(271)	—
Share-Based Option Exercises	17	—
Net Cash (Outflow)/Inflow from Capital Expenditure and Financial Investment	**(254)**	**—**
Increase/(Decrease) in Cash in the Year	**$ —**	**$ —**

WEATHERFORD INTERNATIONAL PLC
NOTES TO COMPANY FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

Weatherford International plc (the "Company" or "Weatherford") is a company incorporated and registered in Ireland. The parent company financial statements have been prepared in accordance with IFRS, as issued by the IASB and as adopted by the EU, and in accordance with the Companies Act of 2014. The IFRS that were adopted in these financial statements are those that were effective from June 1, 2015.

The following new and amended standards and interpretations were effective for the Company for the first time for the financial year beginning January 1, 2015. None of these had a material impact on the Company:

- IAS 27 Separate Financial Statements (2011);
- IAS 28 Investments in Associates and Joint Ventures (2011);
- Annual Improvements to IFRS 2011-2013 Cycle;
- Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32);
- IAS 36 Recoverable Amount Disclosures for Non-Financial Assets;
- IFRS 10 Consolidated Financial Statements;
- IFRS 11 Joint Arrangements;
- IFRS 12 Disclosure of Interests in Other Entities; and
- Amendments to IFRS

FUNCTIONAL CURRENCY

Items included in the balance sheet are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The balance sheet is presented in United States dollars, which is the Company's functional currency. Transactions in currencies other than the functional currency are recorded at the rate ruling at the date of the transaction. The resulting monetary assets and liabilities are translated at the balance sheet rate with the resulting gains or losses reflected in the profit and loss account.

PROFIT AND LOSS ACCOUNT

In accordance with Section 304 of the Companies Act 2014, the Company has availed itself of the exemption and has not presented the profit and loss account. The Company's loss for the year ended December 31, 2015 and for the period from March 3, 2014 (the date of incorporation) through December 31, 2014 were approximately \$2.5 billion and \$6.8 billion, respectively.

FINANCIAL ASSETS

The Company's investment in its subsidiaries was recorded at cost where the cost also equaled fair value on June 17, 2014, based on the market capitalization of Weatherford International plc at that time. This initial valuation is the Company's cost basis for its investment in its subsidiaries. The investment is tested for impairment if circumstances or indicators suggest that impairment may exist. Impairments are recognized directly in the profit and loss account.

TAXATION

The Company is a tax resident in Switzerland. Current tax is provided on the Company's taxable profits, at amounts expected to be paid, using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is accounted for in respect of timing differences that have originated but not reversed at the balance sheet date and is provided for at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse. Timing differences arise from the inclusion of items in income and expenditure in tax computations in periods different from those in which they are included in the financial statements.

A deferred tax asset is only recognized when it is more likely than not the asset will be recoverable in the foreseeable future out of suitable taxable profits from which the underlying timing differences can be recovered.

SHARE-BASED PAYMENTS

The Company and its subsidiaries operate a number of share-based incentive plans the details of which are presented in "Note 18 – Share-Based Compensation" to the Consolidated Financial Statements.

Our share-based payment plans permit the grant of options, stock appreciation rights, restricted stock awards ("RSAs"), restricted share units ("RSUs"), performance share awards, performance unit awards ("PUs") and other share-based awards. These share-based payments may be granted to any employee, non-employee director, individual service provider or any affiliate.

The expense associated with the share-based payment plans is recognized by the entity or subsidiary that receives services in exchange for the share-based compensation. Share-based payment expense is recognized over the requisite service period for awards of equity instruments to employees based on the grant date fair value of those awards expected to ultimately vest.

Forfeitures are estimated initially on the date of grant and revised if actual or expected forfeiture activity differs materially from original estimates. The profit and loss account of the Company is charged with the expense related to the services received by the Company. The remaining portions of the share-based payments represent a contribution to Company entities and are added to the carrying amount of those investments.

The Company issues new Weatherford International plc shares to fulfill its obligations under its share-based payment plans.

The net effect of the grant date fair value of the Company's share-based compensation to employees of the Company's subsidiaries and any recharges received from those subsidiaries is presented as a movement in Investment in Subsidiaries. For more information on financial fixed assets, see "Note 3 – Investment in Subsidiaries" below.

2. HISTORY AND DESCRIPTION OF THE COMPANY

On March 3, 2014 the Company was incorporated in Ireland, as a private limited liability company. The Company was subsequently converted to a public limited company, to effect a move of Weatherford International Ltd. ("Weatherford Switzerland") to Ireland (the "Transaction" or "Merger"). The Transaction was completed on June 17, 2014, at which time the Company replaced Weatherford Switzerland as the ultimate parent company of the Weatherford group of companies. In the Transaction, each registered share of Weatherford Switzerland was exchanged for the allotment of one ordinary share of Weatherford Ireland. The Weatherford International Ltd. shares were immediately cancelled.

The principal activity of the company is an investment holding company. The Company is the parent company of one of the world's leading providers of equipment and services used in the drilling, evaluation, completion, production and intervention of oil and natural gas wells. Weatherford and its subsidiaries operate in over 100 countries, which are located in nearly all of the oil and natural gas producing regions in the world.

3. INVESTMENT IN SUBSIDIARIES

The Company's investment was recorded at fair value on June 17, 2014 (date of the Transaction) based on the market price of the Weatherford International Ltd. common shares and the book value of the net assets acquired at the time of the Merger. This initial valuation became the Company's cost basis in its investments. This initial investment has been subsequently adjusted to reflect the activity related to share-based payment transactions and impairments.

(In USD millions)	
Balance as of March 3, 2014	**$ —**
Reorganization - Investment as of June 17, 2014	18,741
Net activity related to share-based payment plans	35
Impairment	(6,673)
Balance as of December 31, 2014	**$ 12,103**
Net activity related to subsidiary share transactions	385
Net activity related to share-based payment plans	72
Impairment	(3,179)
Balance as of December 31, 2015	**$ 9,381**

See "Note 8 – Long-lived Asset Impairments" of the Consolidated Financial Statements for additional information on the impairment of our Investment in Subsidiaries.

4. CALLED UP SHARE CAPITAL

(In USD millions, except shares and par value)	December 31, 2015	December 31, 2014
Authorized:		
40,000 deferred ordinary shares of €1.00 par value	$ —	$ —
1,356,000,000 ordinary shares of $0.001 par value	1	1
	$ 1	$ 1
Allotted, Called Up and Fully Paid Equity:		
Deferred ordinary shares of €1.00 par value, 0 and 7 shares as of December 31, 2015 and 2014, respectively	$ —	$ —
Ordinary shares, par value $0.001 per share, 779,158,000 and 774,082,000 shares as of December 31, 2015 and 2014, respectively	1	1
	$ 1	$ 1

DEFERRED ORDINARY SHARES

The Company has 40,000 authorized ordinary shares, par value €1.00 per share. Each ordinary share of Weatherford International plc entitles its holder to receive payments upon a liquidation of Weatherford International plc; however a holder of an ordinary share is not entitled to vote on matters submitted to a vote of shareholders of Weatherford plc or to receive dividends.

ORDINARY SHARES

The Company has 1,356,000,000 authorized ordinary shares, par value $0.001 per share which entitles its holder to one vote per share, and no cumulative voting rights. Shareholders rights to attend, participate in a general meeting and exercise their vote are subject to the Company's right to set record dates to determine eligibility. Each ordinary share entitles its holder to a pro-rata part of any dividend declared including any dividend declared in the event of the Company's winding up.

5. RELATED PARTY TRANSACTIONS

The company has availed itself of the exemption provided in International Accounting Standard 24, Related Party Disclosures, for subsidiary undertakings, 100% of whose voting rights are controlled within the group. Consequently, the financial statements do not contain disclosures of transactions with entities in Weatherford International plc.

In addition, we lease our London office space from Central London Commercial Estates Limited, which is affiliated with Derwent London, of which one of our directors, Mr. Robert A. Rayne, is the Non-executive Chairman. Mr. Rayne was not personally involved in the negotiation of the lease transaction and receives no personal benefit from this transaction. The lease transaction was reviewed by the Corporate Governance and Nominating Committee of our Board of Directors and approved by our Board of Directors, with Mr. Rayne abstaining from voting on the matter. In their review, our Corporate Governance and Nominating Committee considered, among other factors, a report from an independent real estate brokerage firm with expertise in the relevant market analyzing lease alternatives to conclude that the transactions were, taken as a whole, at least as fair to us as would have been obtained on an arms-length basis from a non-affiliated party. We paid the lessor a total of approximately $702 thousand and $396 thousand for the year ended December 31, 2015 and for the period from March 3, 2014 (the date of incorporation) through December 31, 2014, respectively.

6. GUARANTEES

Weatherford International plc, the ultimate parent company of the Weatherford group of companies, guarantees the obligations of Weatherford International Ltd., a Bermuda exempt company and Weatherford International, LLC, a Delaware limited liability company. The guaranteed debt includes a revolving credit facility, short-term commercial paper, notes and debentures totaling approximately $7.5 billion as of December 31, 2015 and 2014. "Note 12 – Short-term Borrowings and Current Portion of Long-term Debt" and "Note 13 – Long-term Debt" in the Company's consolidated financial statements contain more detailed information on the underlying debt guaranteed by the Company. Our revolving credit facility requires that we maintain a debt-to-total capitalization ratio of less than 60%; we were in compliance with this covenant at December 31, 2015. On February 1, 2016, we amended our Credit Agreement and reduced borrowing limit to $2 billion. The amended Credit Agreement requires that we maintain a debt-to-total capitalization ratio of less than 70% for the quarters ending March 31 and June 30, 2016, and 60% thereafter.

7. TAX

As of December 31, 2015 and December 31, 2014, the Company had an accrued net income tax payable of $102 thousand and $573 thousand, respectively. There were no deferred tax liabilities nor recognized or unrecognized deferred tax assets as of the balance sheet date.

8. EMPLOYEE

As of December 31, 2015, the Company had one employee. "Note 25 – Employees" of the Consolidated Financial Statements provides additional information on the overall number and cost of the persons employed by the Company.

9. DIRECTORS' AND AUDITORS' REMUNERATION

"Note 26 – Directors' Remuneration" and "Note 27 – Auditors' Remuneration" of the Consolidated Financial Statements provide additional details regarding the fees paid by the Company to Directors and Auditors. Fees for the audit of the 2015 and 2014 Weatherford International plc individual accounts were $75 thousand in each year.

10. FINANCIAL INSTRUMENTS

The Company's policies related to financial instruments are the same as those described in the Consolidated Financial Statements. The Company has no material third party financial assets or liabilities that can not be immediately settled and has no significant exposure to interest rate or currency risk.

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