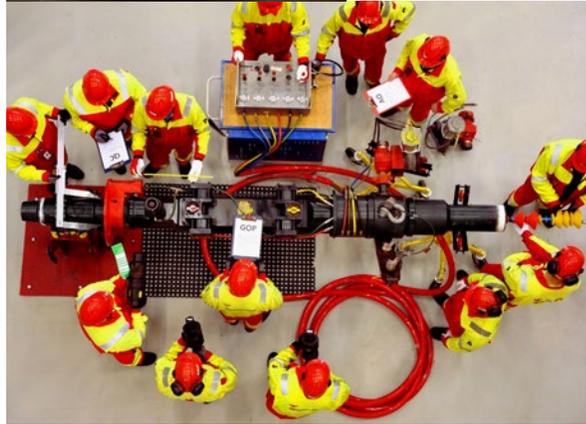




Weatherford[®]

**ANNUAL
REPORT
2018**



LETTER TO SHAREHOLDERS

Welcome to the Weatherford Annual Report 2018. Building on last year's positive response and channeling our collaborative spirit, we again invite you to explore our preceding year's activities through an interactive letter from our President and CEO, Mark A. McCollum.

You can read the letter in this PDF or explore the full Annual Report content online at www.weatherfordannualreport.com

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ANNUAL REPORT 2018

100%
2018 TRANSFORMATION
TARGETS ACHIEVED

**\$400 MILLION
REALIZED**



ONE

Dear Fellow Shareholders,

While 2017 focused on setting the stage for our transformation plan, 2018 aimed at putting that plan into action. This past year, we have been focused on executing on our detailed, comprehensive program to transform Weatherford into a company with sustainable profitability and long-term growth potential. Even in the face of difficult circumstances, we stayed the course and made meaningful progress towards our goals. I am proud of all we have accomplished so far.

During 2018, we achieved a majority of our transformation targets for the year, and by year end we realized \$400 million in annualized recurring transformation benefits. We continue to execute on our transformation plan and believe that we can deliver on our target of \$1 billion in annualized transformation benefits.

During the year, our workstreams made steady progress on their defined initiatives. Throughout the organization, we addressed historical inefficiencies, which has resulted in significant time and money savings.

All our workstreams were focused on driving incremental EBITDA improvements, and the largest contributions to our transformation goals came from our Operational Segment and Product Lines workstream (which reached 69% of its target) and our Sales and Commercial workstream (which reached 46% of its target).

A large part of our strong progress this year is a result of the steps we have taken to rebuild our culture. We hosted a number of culture-shaping sessions at all levels of the organization and established networks that foster inclusivity to unite us toward our common goal. In short order, we have seen a dramatic improvement in cross-office communication and collaboration that is driving company results. Investing in our people by giving them the tools needed to make them successful, such as developing career ladders and rolling out new training programs, remains a core priority.

By making steady financial progress, reshaping our culture, launching distinctive technologies, securing new contracts with and maintaining a high level of service quality delivery for our customers, and strengthening our partnerships with our key suppliers, we are fundamentally improving the way we run our business. Our results to date give us confidence that we are capable of accomplishing our goals when we work together as One Weatherford.



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**NONPRODUCTIVE
TIME REDUCED
SIGNIFICANTLY
YEAR-OVER-YEAR**



DELIVERING CUSTOMER VALUE

At Weatherford, customer satisfaction is the cornerstone of our success. Our employees and the organization as a whole are committed to providing exceptional value to our customers and delivering on this metric more than ever.

In 2018, Weatherford continued to deliver excellent service quality performance results. We exceeded expectations for reduced nonproductive time (NPT) by 22% on a year-over-year basis, our fourth consecutive year of improvement on this measure.

By executing with the highest levels of safety, technology, and service quality, we are keeping customers on schedule and maximizing the value of their projects. These value-added outcomes validate the worth of our services and turn a first-time customer into a repeat customer.

In 2018, we also commercialized several oilfield technologies that incorporated forward-thinking concepts, such as digitalization and automation. We expect these technological advancements will improve our bottom line and create value for our customers in 2019 and beyond.

During the first quarter of 2018, we announced the expanded capabilities of our ForeSite® production optimization platform, which now supports reciprocating rod-lift, gas-lift, and electric-submersible-pump systems, as well as naturally flowing wells. Later in the year, we launched Vero®, an automated connection integrity solution which greatly reduces the risk of catastrophic well failures and significantly enhances well integrity throughout its lifetime.

We devoted efforts to introducing new technologies that leveraged digitalization and automation, while also rolling out products that build upon Weatherford's proven legacy technologies. For example, we introduced our Magnus® push-the-bit rotary steerable system, which has increased efficiencies in drilling campaigns in the United States and Mexico, both onshore and offshore. Additionally, we launched our new Rotaflex® long-stroke pumping unit and have increased manufacturing rates to meet the demand.

As we look ahead to 2019 and beyond, we will continue to build world class wells and deliver innovative technologies to our customers, so they can continue to produce the energy that powers the world.



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**BUILDING A STRONG CULTURE
TO INSTILL A COMMON
LANGUAGE AND EXPERIENCE
ACROSS WEATHERFORD**

**A HEALTHY CORPORATE CULTURE
IS THE DIFFERENCE BETWEEN
A GOOD COMPANY AND A
GREAT COMPANY**



STRENGTHENING OUR CULTURE

We believe a healthy corporate culture is the difference between a good company and a great company. During the past year, the cultural improvements that are part of our business transformation have revitalized our workforce and united us toward our common goal. We are achieving this through actions big and small—such as culture-shaping sessions, global events, local town halls, and culture-moment meeting starters. Through these actions and our ongoing commitment to strengthening our corporate culture, we are instilling a common language and experience across the organization. Our employees also have found camaraderie in several diversity and inclusion (D&I) networks, which help them to thrive regardless of age, race, gender, sexual orientation, or veteran status. It makes me proud to see employees at all levels of the organization embracing our Company's mission and values as we work together to create a collaborative, inclusive, and effective workplace where everyone is empowered to take initiative and make decisions to improve the products and services we offer our customers.



IMPROVING OUR PROFITABILITY

As we mentioned in our last annual report, our key priorities for 2018 were to reduce our long-term debt, strengthen our balance sheet, and restore profitability. Strategically divesting non-core assets and re-focusing our portfolio around our core businesses is a key component of our transformation plan and is helping us to achieve our stated goals.

During the course of the year, we completed a number of transactions that contributed to reducing our net debt to EBITDA ratio. First, we reported a series of agreements with ADES International Ltd. to sell our land drilling rigs operating in Kuwait, Saudi Arabia and Algeria. We closed two of the four tranches, which was immediately accretive to cash flow as these assets historically accounted for a significant amount of our capital expenditures.

In addition, we signed an agreement to sell our laboratory services business to a group led by CSL Capital for \$205 million. This specialized product line commanded a premium sales multiple and the proceeds from the sale will further improve our debt metrics. Finally, we announced the agreement to sell our surface data logging business to Excellence Logging for \$50 million.

Although we were not able to reduce our net debt in 2018, we managed to reduce our net debt to trailing 12-month EBITDA ratio to below 10 times as of the end of 2018, compared to approximately 17 times at the end of 2017. Improved operations results were the key driver for this improvement, while proceeds from divestitures helped to fund the required investments for future efficiency gains.

Despite the improvements we have made during the year, we remain mindful of our current debt levels and maturities, and we continue to diligently review our capital structure and proactively evaluate all options for improving the long-term financial strength of our business.



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POSITIONING WEATHERFORD FOR THE FUTURE

As we continue to make strides toward reaching our goal of \$1 billion in profit improvements, we know that there is more work to be done. Our longer-term objective is to achieve greater financial stability so we are able to invest in projects that will create value for us and our customers.

We are cautiously optimistic about the opportunities ahead in 2019 and beyond. Since we exited the pressure pumping sector in the United States at the end of 2017, we have been relatively insulated from pricing and utilization fluctuations, and this trend is expected to continue in 2019. At the same time, we have the potential to benefit from increased international activity and higher operator spending in international markets. We anticipate that our new technologies, such as the Magnus[®] RSS, Rotaflex[®] long-stroke pumping unit, ForeSite[®] production optimization platform, and Vero[®] automated connection integrity, will make healthy full-year contributions as they have already been well received in the market.

Optimizing our global footprint will play a critical role in helping to create new growth opportunities after the consolidation of Weatherford facilities during the past year. Our dedicated teams are focused on finding ways to improve manufacturing efficiencies, lower operating costs, and increase profitability, all while providing best-in-class service and products to our customers. Successfully right-sizing our global infrastructure will enable us to generate higher product volumes without significant incremental capital investment. The combination of an optimized infrastructure and lower operating costs will establish a strong foundation for increased operating margins going forward.



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**WE HAVE MADE
REMARKABLE PROGRESS
AND I'M ENERGIZED
BY WHAT LIES AHEAD**



**THANKS
FOR BEING PART
OF OUR TEAM**

INSPIRING PROGRESS WITH PEOPLE

For the past year, our organization has truly put the “We” in Weatherford. We have readily embraced the required changes required to make our targets a reality. Our employees have stepped up to implement new processes, learn new disciplines, and instill a new culture—all while continuing to perform day-to-day duties. We have made strong progress, and I am confident that we are on the right path.

I am pleased with the progress we made in 2018 towards achieving our transformation goals and I look forward to capitalizing on that momentum to achieve the full potential of our business transformation. I firmly believe we will persevere with our plan to fully realize the potential that I know lies within Weatherford. With your valued confidence and support, we will strive to go beyond expectations not only for our customers, but also for our shareholders.

Mark A. McCollum

President and CEO