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COMP/M.4908 - STV FUND / SMITH / @BALANCE

SECTION 1.2

Description of the concentration

Shell Technology Ventures Fund 1 B.V. (“**STV Fund**”) is a joint venture controlled by Shell Technology Ventures B.V. and Collier Partners 502 SCA. STV Fund is an oil and gas technology venture fund, which comprises investments in various existing oil and gas technology companies. The portfolio companies are primarily active in the development and commercialisation of exploration and production (E&P) technologies for the oil and gas sector.

STV Fund presently owns 100 percent of the equity in @Balance B.V., (“@Balance”) a company that provides Managed Pressure Drilling services, a technology used to assist in drilling oil and gas wells.

Through the proposed concentration, STV Fund will relinquish *sole* control over @Balance in favour of *joint* control, together with Smith International, Inc (“**Smith**”).

Smith is a world-wide supplier of premium products and services to the oil and gas exploration and production industry, the petrochemical industry and other industrial markets. Smith supplies a comprehensive line of technologically-advanced products and engineering services, including drilling and completion fluid systems, solids-control equipment, waste-management services, production chemicals, three-cone and fixed cutter drill bits, turbines, fishing services, drilling tools, underreamers, casing exit and multilateral systems, packers, liner hangers and tubular products. Smith offers distribution and supply-chain management solutions through an extensive North American branch network providing pipe, valves, fitting, flanges, mill tool, safety and other maintenance products.

@Balance will be a full-function joint venture for the purpose of the EC Merger Regulation: it has now, and will continue to have after the proposed concentration, all the resources necessary to carry out its operations as an autonomous economic entity. Through the proposed concentration it will be able expand the base of its customers.

@Balance is only a very minor player in a broad market for pressure management while drilling services. The proposed transaction falls within the scope of Council Regulation (EC) No. 139/2004 and qualifies for a simplified procedure.