

We report our financial results in accordance with generally accepted accounting principles (GAAP). However, Weatherford's management believes that certain non-GAAP performance measures and ratios may provide users of this financial information additional meaningful comparisons between current results and results in prior operating periods. One such non-GAAP financial measure we may present from time to time is operating income or income from continuing operations excluding certain charges or amounts. This adjusted income amount is not a measure of financial performance under GAAP. Accordingly, it should not be considered as a substitute for operating income, net income or other income data prepared in accordance with GAAP. See the table below for supplemental financial data and corresponding reconciliations to GAAP financial measures for the three months ended March 31, 2005 and June 30, 2004, and the six months ended June 30, 2005 and 2004. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the Company's reported results prepared in accordance with GAAP.

**Weatherford International Ltd.**  
**Reconciliation of GAAP to Non-GAAP Financial Measures**  
(Unaudited)  
(In thousands, except per share data)

	<b>For the three months ended March 31, 2005</b>		
	<b>GAAP</b>	<b>Items impacting the period*</b>	<b>Non-GAAP Adjusted Earnings</b>
Operating Income	\$ 123,018	\$ 6,762	\$ 129,780
Other Income (Expense), Net	(14,237)	-	(14,237)
Income from Continuing Operations Before Income Taxes	108,781	6,762	115,543
Provision for Income Taxes	(28,346)	(712)	(29,058)
Income from Continuing Operations	<u>\$ 80,435</u>	<u>\$ 6,050</u>	<u>\$ 86,485</u>
Diluted Earnings Per Share from Continuing Operations	\$ 0.55		\$ 0.59
Diluted Weighted Average Shares Outstanding	152,366		152,366

\* Exit and debt restructuring costs primarily related to our equity investment in Universal Compression Holdings, Inc.

	<b>For the three months ended June 30, 2004</b>		
	<b>GAAP</b>	<b>Items impacting the period*</b>	<b>Non-GAAP Adjusted Earnings</b>
Operating Income	\$ 92,022	\$ -	\$ 92,022
Other Income (Expense), Net	8,975	(25,280)	(16,305)
Income from Continuing Operations Before Income Taxes	100,997	(25,280)	75,717
Provision for Income Taxes	(19,965)	-	(19,965)
Income from Continuing Operations	<u>\$ 81,032</u>	<u>\$ (25,280)</u>	<u>\$ 55,752</u>
Diluted Earnings Per Share from Continuing Operations	\$ 0.57		\$ 0.40
Diluted Weighted Average Shares Outstanding	147,597		147,597

\* Gain on sale of shares of Universal Compression Holdings, Inc., with no related income tax effects.

**For the six months ended June 30, 2005**

	<b>GAAP</b>	<b>Items impacting the period*</b>	<b>Non-GAAP Adjusted Earnings</b>
Operating Income	\$ 261,987	\$ 6,762	\$ 268,749
Other Income (Expense), Net	(24,344)	-	(24,344)
Income from Continuing Operations Before Income Taxes	237,643	6,762	244,405
Provision for Income Taxes	(62,483)	(712)	(63,195)
Income from Continuing Operations	<u>\$ 175,160</u>	<u>\$ 6,050</u>	<u>\$ 181,210</u>
Diluted Earnings Per Share from Continuing Operations	1.19		\$ 1.22
Diluted Weighted Average Shares Outstanding	152,792		152,792

\* Exit and debt restructuring costs primarily related to our equity investment in Universal Compression Holdings, Inc.

**For the six months ended June 30, 2004**

	<b>GAAP</b>	<b>Items impacting the period*</b>	<b>Non-GAAP Adjusted Earnings</b>
Operating Income	\$ 179,632	-	\$ 179,632
Other Income (Expense), Net	(6,071)	(25,280)	(31,351)
Income from Continuing Operations Before Income Taxes	173,561	(25,280)	148,281
Provision for Income Taxes	(39,029)	-	(39,029)
Income from Continuing Operations	<u>\$ 134,532</u>	<u>\$ (25,280)</u>	<u>\$ 109,252</u>
Diluted Earnings Per Share from Continuing Operations	\$ 0.95		\$ 0.78
Diluted Weighted Average Shares Outstanding	147,273		147,273

\* Gain on sale of shares of Universal Compression Holdings, Inc., with no related income tax effects.