ROLLINS INC
Form S-8
May 03, 2018

As filed with the Securities and Exchange Commission on May 3, 2018

Registration Statement No. 333-

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

FORM S-8

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

ROLLINS, INC.
(Exact name of registrant as specified in its charter)

Delaware	51-0068479
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

2170 Piedmont Road, N.E. Atlanta, Georgia 30324
(Address, including zip code, of registrant's principal executive offices)

2018 Stock Incentive Plan
(Full Title of Plan)

R. Randall Rollins
Chairman of the Board
2170 Piedmont Road, N.E.
Atlanta, Georgia 30324
(404) 888-2000
(Name and address, including zip code, and telephone number, including area code, of agent for service)

Copy to:

Stephen D. Fox
Arnall Golden Gregory, LLP
171 Seventeenth Street, NW, Suite 2100
Atlanta, Georgia 30363
(404) 873-8500

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Accelerated filer

Large accelerated filer	Non-accelerated filer reporting company)	(Do not check if asmaller	Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered(1)	Proposed Maximum offering price per share(2)	Proposed maximum aggregate offering price(2)	Amount of registration fee(2)
Common Stock $1.00 par value	6,000,000	$49.02	$294,120,000	$36,617.94

(1)Pursuant to Rule 416(c), promulgated under the Securities Act of 1933, as amended (the “Securities Act”), this registration statement includes an indeterminate number of additional shares that may be issued to adjust the number of shares issued pursuant to the 2018 Stock Incentive Plan as the result of any future stock split, stock dividend or similar adjustment of the registrant’s outstanding common stock.

(2) Estimated pursuant to Rule 457(c) of the Securities Act solely for purposes of calculating amount of registration fee, based upon the average of the high and low prices reported on April 30, 2018, as reported on the New York Stock Exchange.

PART II
Item 3. Incorporation of Documents by Reference.

The following documents filed with the Securities and Exchange Commission by Rollins, Inc. (the "Registrant" or the "Company") are hereby incorporated by reference herein:

(a)
Annual Report on Form 10-K for the fiscal year ended December 31, 2017, including the material incorporated by reference to the proxy statement contained in the Registrant's Schedule 14A, filed March 20, 2018;

(b)
Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2018, filed April 27, 2018;

(c)
Current Reports on Forms 8-K filed on January 3, 2018, January 24, 2018, January 29, 2018, February 1, 2018, February 22, 2018, February 28, 2018, March 2, 2018, March 15, 2018, March 20, 2018, April 2, 2018, April 18, 2018, April 25, 2018, and April 27, 2018 (provided that any portions of such reports that are deemed furnished and not filed pursuant to instructions to Form 8-K shall not be incorporated by reference into this Registration Statement on Form S-8); and

(d)
The description of the registrant's common stock contained in the registrant's registration statement filed under Section 12 of the Securities Exchange Act of 1934, as amended, including any amendment or report filed for the purpose of updating such description.

All documents filed by the Registrant or the Plan pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), after the filing of this Registration Statement on Form S-8 (and prior to the filing of any post-effective amendment to this Registration Statement which indicates that all securities offered hereby have been sold or which de-registers all securities remaining unsold), shall be deemed to be incorporated by reference in this Registration Statement and to be a part hereof from the date of the filing of such reports and documents.

Any statement contained in this Registration Statement, in an amendment hereto or in a document incorporated by reference herein shall be deemed modified or superseded for purposes of this Registration Statement to the extent that a statement contained herein, in any subsequently filed supplement to this Registration Statement or any document that is also incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Statement.

Item 4. Description of Securities.

Not applicable.

Item 5. Interests of Named Experts and Counsel.

Certain legal matters in connection with the common stock covered by this Registration Statement are being passed upon for the Company by Arnall Golden Gregory LLP, Atlanta, Georgia.

Item 6. Indemnification of Directors and Officers.

Delaware Law. The Registrant is a Delaware corporation. Section 145 of the Delaware General Corporation Law provides for indemnification of officers, directors and other persons for losses and expenses incurred under certain circumstances. The Registrant's Amended and Restated By-Laws provide for indemnification of officers, directors and the Registrant's general counsel to the fullest extent permitted by Section 145 of the Delaware General Corporation Law.

D&O Insurance. The Registrant maintains liability insurance for its directors and officers covering, subject to certain exceptions, any actual or alleged negligent act, error, omission, misstatement, misleading statement, neglect or breach of duty by such directors or officers, individually or collectively, in the discharge of their duties in their capacity as directors and officers of the Registrant.

Item 7. Exemption from Registration Claimed.

Not applicable.

Item 8. Exhibits.

Exhibit No.	Description
5.1*	Opinion of Arnall Golden Gregory LLP regarding legality
23.1	Consent of Arnall Golden Gregory LLP (included in Exhibit 5.1)
23.2*	Consent of Grant Thornton LLP
24	Power of Attorney (included on signature page)
99.1	2018 Stock Incentive Plan (incorporated by reference to Appendix A to the Registrant's Proxy Statement filed with the Securities and Exchange Commission on March 21, 2018)

* Filed herewith.

Item 9. Undertakings.

(a)
The undersigned Registrant hereby undertakes as follows:

(1)
To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i)
To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933 (the "Act");

(ii)
To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement;

(iii)
To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

Provided, however, that paragraphs (1)(i) and (1)(ii) shall not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the Registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement.

(2)
That, for the purpose of determining any liability under the Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3)
To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b)
The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Act, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in this registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c)
Insofar as indemnification for liabilities arising under the Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Atlanta, State of Georgia, on April 24, 2018.

ROLLINS, INC.

By: /s/ Gary W. Rollins
Gary W. Rollins
Vice Chairman and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the date indicated. Each person whose signature appears below hereby constitutes and appoints R. Randall Rollins and Gary W. Rollins, or any one of them, as such person's true and lawful attorney-in-fact and agent with full power of substitution for such person and in such person's name, place and stead, in any and all capacities, to sign and to file with the Securities and Exchange Commission, any and all amendments and post-effective amendments to this Registration Statement, with exhibits thereto and other documents in connection therewith, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as such person might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or any substitute therefor, may lawfully do or cause to be done by virtue thereof.

SIGNATURE	TITLE	DATE
/s/ Gary W. Rollins Gary W. Rollins	Vice Chairman and Chief Executive Officer (principal executive officer), and Director	April 24, 2018
/s/ Paul E. Northen Paul E. Northen	Vice President, Chief Financial Officer and Treasurer (principal financial and accounting officer)	April 24, 2018
/s/ R. Randall Rollins R. Randall Rollins	Chairman of the Board of Directors	April 24, 2018
/s/ Larry L. Prince Larry L. Prince	Director	April 24, 2018
/s/ John F. Wilson John F. Wilson	Director	April 24, 2018
/s/ Pam R. Rollins Pam R. Rollins	Director	April 24, 2018
/s/ Henry B. Tippie Henry B. Tippie	Director	April 24, 2018

/s/ James B. Williams James B. Williams	Director	April 24, 2018
/s/ Bill J. Dismuke Bill J. Dismuke	Director	April 24, 2018
/s/ Thomas J. Lawley Thomas J. Lawley	Director	April 24, 2018

EXHIBIT INDEX

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* Filed herewith.

ples in the U.S. ("U.S. GAAP"), and include the accounts of Core Laboratories and its subsidiaries for which we have a controlling voting interest and/or a controlling financial interest. All inter-company transactions and balances have been eliminated in consolidation. The equity method of accounting is used to record our interest in investments in which we have less than a majority interest and do not exercise significant control. We use the cost method to record certain other investments in which we own less than 20% of the outstanding equity and do not exercise significant control. We record non-controlling interest associated with consolidated subsidiaries that are less than 100% owned.

Change in Accounting Principle

On January 1, 2009, we adopted the accounting guidance issued for debt with conversion and other options, which specifies that issuers of such instruments should separately account for the liability and equity components in a manner that will reflect the entity's nonconvertible debt borrowing rate when interest cost is recognized in subsequent periods. The adoption of these accounting standards impacted the historical accounting for our Notes and has been applied retrospectively to all periods presented.

The cumulative effect of the change in accounting principle on periods prior to those presented are an increase to Additional Paid in Capital of $55.9 million, an increase to Deferred Tax Liabilities of $32.7 million, a decrease to Other Assets of $1.3 million with an offset to Retained Earnings of $1.6 million and a discount on the Notes of $88.3 million. The impact to net income was a decrease of $12.1 million and $9.9 million and a decrease to diluted earnings per share of $0.52 and $0.41 for the years ended December 31, 2008 and 2007, respectively.

Subsequent Events

We have performed an evaluation of subsequent events through February 18, 2010, which is the date the financial statements were issued.

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. We evaluate our estimates on an ongoing basis and utilize our historical experience, as well as various other assumptions that we believe are reasonable in a given circumstance, in order to make these estimates. Actual results could differ from our estimates, as assumptions and conditions change.

The following accounts, among others, require us to use critical estimates and assumptions:

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- allowance for doubtful accounts;
- inventory reserves;
- depreciation and amortization;
- pensions and other postretirement benefits;
- stock-based compensation;
- income taxes; and
- long-lived assets, intangibles and goodwill.

Accounting policies relating to these accounts and the nature of these estimates are further discussed under the applicable caption. For each of these critical estimates it is at least reasonably possible that changes in these estimates will occur in the short term which may impact our financial position or results of operations.

Cash and Cash Equivalents

Cash and cash equivalents include all short-term, highly liquid instruments purchased with an original maturity of three months or less. These items are carried at cost, which approximates market value. For the years ended December 31, 2009 and 2008, cash equivalents included time deposits and money market investment accounts.

Concentration of Credit Risk

Our financial instruments that potentially subject us to concentrations of credit risk relate primarily to cash and cash equivalents and trade accounts receivable. All cash and cash equivalents are on deposit at commercial banks or investment firms with significant financial resources. Our trade receivables are with a variety of domestic, international and national oil and gas companies. We had no clients who provided more than 10% of our revenues for the years ended December 31, 2009, 2008 and 2007. We consider our credit risk related to trade accounts receivable to be limited due to the creditworthiness and financial resources of our clients. We evaluate our estimate of the allowance for doubtful accounts on an on-going basis throughout the year.

Accounts Receivable

Trade accounts receivable are recorded at their invoiced amounts and do not bear interest. We perform ongoing credit evaluations of our clients and monitor collections and payments in order to maintain a provision for estimated uncollectible accounts based on our historical collection experience and our current aging of client receivables outstanding, in addition to client's representations and our understanding of the economic environment in which our clients operate. Based on our review we establish or adjust allowances for specific customers and the accounts receivable as a whole, and recognize expense. When an account is determined to be uncollectible, we charge the receivable to our allowance for doubtful accounts. Our allowance for doubtful accounts totaled $3.2 million and $3.5 million at December 31, 2009 and 2008, respectively.

Inventories

Inventories consist of manufactured goods, materials and supplies used for sales or services to clients. Inventories are stated at the lower of cost or estimated net realizable value, and are reflected net of valuation reserves. Inventory costs are recorded at standard cost which approximates the first-in, first-out method.

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets are comprised primarily of income tax receivable of $24.9 million, current deferred tax assets, prepaid insurance, value added taxes and rents.

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Allowances for depreciation and amortization are calculated using the straight-line method based on the estimated useful lives of the related assets as follows:

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Buildings and leasehold improvements	3 - 40 years
Machinery and equipment	3 - 10 years

Expenditures for repairs and maintenance are charged to expense as incurred and major renewals and improvements are capitalized. Cost and accumulated depreciation applicable to assets retired or sold are removed from the accounts, and any resulting gain or loss is included in operations.

We review our assets for impairment when events or changes in circumstances indicate that the net book value of property, plant and equipment may not be recovered over its remaining service life. We evaluate our property, plant and equipment for impairment if a triggering event occurs which may indicate that an impairment is probable. Under these circumstances, we compare the sum of the estimated future undiscounted cash flows relating to the asset group, an estimate of realizable value to the carrying value of the assets. If impairment is still indicated, we compare the fair value of the assets to the carrying amount, and recognize an impairment loss for the amount by which the fair value exceeds the carrying value. Fair value is the amount that would be received from the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants. We did not record any material impairment charges relating to our long-lived assets held for use during the years ended December 31, 2009, 2008 or 2007.

Intangibles and Goodwill

Intangibles include patents, trademarks, and trade names. Intangibles with determinable lives are amortized using the straight-line method based on the estimated useful life of the intangible. Intangibles with indeterminable lives, which consisted primarily of corporate trade names, are evaluated for impairment annually or more frequently if circumstances indicate that impairment has occurred.

We record goodwill as the excess of the purchase price over the fair value of the net assets acquired in acquisitions accounted for under the purchase method of accounting. In accordance with generally accepted accounting standards related to goodwill and other intangible assets, we test goodwill for impairment annually, or more frequently if circumstances indicate that a potential impairment has occurred. See Note 7, Goodwill.

Other Assets

Other assets consisted of the following (in thousands):

	2009	2008
Cash surrender value of life insurance	$ 11,717	$ 7,614
Investments	319	341
Debt issuance costs	144	288
Other	1,545	884
Total other assets	$ 13,725	$ 9,127

Cash surrender value of life insurance relates to postretirement benefit plans. See Note 10, Pensions and Other Postretirement Benefit Plans. Investments include our investments in unconsolidated affiliates, accounted for under the equity method, and investments held at cost. We continually evaluate our investments for indicators of a decline in value. If the cost of an investment exceeds its fair value, we evaluate, among other factors, general market conditions, the duration and extent to which the fair value is less than cost and our intent and ability to hold the investment. Once a decline in fair value is determined to be other-than-temporary, an impairment charge is recorded in that reporting period to adjust the carrying value of the investment to its current fair value establishing a new cost basis in the investment. The operations of these entities are in-line with those of our core businesses. These entities are not considered special purpose entities nor do we have special off-balance sheet arrangements through these entities. The debt issuance costs are being amortized over the life of the respective debt instruments.

Income Taxes

We recognize deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the Consolidated Financial Statements or tax returns.

Deferred tax assets and liabilities are determined based on the difference between the financial statement and the tax basis of assets and liabilities using enacted tax rates in effect for the year in which the asset is recovered or the liability is settled. We include interest and penalties from tax judgments in income tax expense.

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On January 1, 2007, we adopted the accounting guidance issued for accounting for uncertainty in income taxes which was issued to create a single model to address accounting for uncertainty in tax positions. This guidance clarifies the accounting for income taxes, by prescribing a minimum recognition threshold a tax position is required to meet before being recognized in the financial statements and also provides guidance on derecognition, measurement, classification, interest and penalties, disclosure and transition. Accordingly, we record a liability for unrecognized tax benefits resulting from uncertain tax positions taken or expected to be taken in our tax return. We also recognize interest and penalties, if any, related to unrecognized tax benefits in income tax expense. See Note 9, Income Taxes.

Comprehensive Income

Comprehensive income is comprised of net income and other charges or credits to equity that are not the result of transactions with owners. For the years ended December 31, 2009, 2008, and 2007, comprehensive income related to prior service costs and an unrecognized net actuarial loss from a pension plan. See Note 10, Pensions and Other Postretirement Benefit Plans.

Revenue Recognition

Revenues are recognized as services are completed or as product title is transferred. All advance client payments are classified as unearned revenues until services are provided or product title is transferred. We recognize revenue when we determine that the following criteria are met: (i) persuasive evidence of an arrangement exists; (ii) delivery has occurred or services have been rendered; (iii) the fee is fixed or determinable; and (iv) collectability is reasonably assured. Revenues from long-term contracts are recorded as services are rendered in proportion to the work performed. All known or anticipated losses on contracts are provided for currently. Revenues are recorded exclusive of taxes. Training and consulting service revenues are recognized as the services are performed.

Foreign Currencies

Our functional currency is the U.S. Dollar ("USD"). All inter-company financing, transactions and cash flows of our subsidiaries are transacted in USD. Additionally, certain significant operations transact contractual business denominated in the USD. Accordingly, foreign entities remeasure monetary assets and liabilities to USD at year-end exchange rates, while non-monetary items are measured at historical rates. Revenues and expenses are remeasured at the applicable month-end rate, except for depreciation and amortization and certain components of cost of sales, which are measured at historical rates. For the year ended December 31, 2009, we incurred a net remeasurement gain of approximately $0.3 million due to the recent strengthening of the USD, while in the year ended December 31, 2008 we incurred a net remeasurement loss of approximately $6.6 million, and a net remeasurement gain of approximately $1.4 million in the year ended December 31, 2007. These amounts were included in Other Expense (Income), net in the accompanying Consolidated Statements of Operations.

Pensions and Other Postretirement Benefits

We maintain a defined benefit pension plan for substantially all of our Dutch employees. As required by current accounting standards, we recognize net periodic pension costs associated with this plan in income from current operations and recognize the unfunded status of the plan, if any, as a long-term liability. In addition, we recognize as a component of other comprehensive income, the gains or losses and prior service costs or credits that arise during the period but are not recognized as components of net periodic pension cost. The projection of benefit obligation and fair value of plan assets requires the use of assumptions and estimates. Actual results could differ from those estimates. See Note 10, Pensions and Other Postretirement Benefit Plans. Furthermore, we sponsor several defined contribution plans for the benefit of our employees. We expense these contributions in the period the contribution is made.

Non-controlling Interests

On January 1, 2009, we adopted the accounting standards related to non-controlling interests, which requires companies with non-controlling interests to disclose such interests clearly as a portion of equity separate from the parent's equity and the amount of consolidated net income attributable to these non-controlling interests must also be clearly presented on the Consolidated Statements of Operations. In addition, when a subsidiary is deconsolidated, any retained non-controlling equity investment in the former subsidiary will be initially measured at fair value and recorded as a gain or loss. Upon adopting this accounting standard, we revised our historical presentation of non-controlling interests to be included as part of the total equity and presented the net income relating to non-controlling interests as a separate component of total net income.

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Stock-Based Compensation

We have two stock-based compensation plans, as described in further detail in Note 13 to our Consolidated Financial Statements. For new awards issued and awards modified, repurchased or cancelled, the compensation expense is equal to the fair value of the award at the date of the grant and is recognized in the Consolidated Statement of Operations for those awards earned over the requisite service period of the award.

Earnings Per Share

We compute basic earnings per common share by dividing net income attributable to Core Laboratories N.V. by the weighted average number of common shares outstanding during the period. Diluted earnings per common and potential common share include additional shares in the weighted average share calculations associated with the incremental effect of dilutive employee stock options, restricted stock awards and contingently issuable shares, as determined using the treasury stock method. The following table summarizes the calculation of weighted average common shares outstanding used in the computation of diluted earnings per share (in thousands):

	Year Ended December 31,		
	2009	2008	2007
Weighted average basic common shares outstanding	22,969	23,008	23,537
Effect of dilutive securities:			
Stock options	58	130	333
Contingent shares	16	25	95
Restricted stock and other	189	168	111
Senior exchangeable notes	96	613	332
Weighted average diluted common and potential common shares outstanding	23,328	23,944	24,408

In prior years, we excluded the effect of anti-dilutive shares associated with the exchangeable senior note hedge from the calculation of the diluted weighted average shares. If these shares had been included, the impact would have been a decrease in diluted weighted average shares outstanding of 572,000 shares and 320,000 shares for the years ended December 31, 2008 and 2007, respectively. In December 2009, the exchangeable note hedge was terminated.

In 2006, we sold warrants that give the holders the right to acquire up to 3.2 million of our common shares at a strike price of $124.64 per share. These warrants could have a dilutive impact on our earnings per share if the share price exceeds the strike price of the warrants. Included in the Senior Exchangeable Notes line in the table above, these warrants had no dilutive impact on our earnings per share for the year ended December 31, 2009, as the average share price did not exceed the strike price of the warrants for the period. On October 3, 2008, the dealer of the warrants filed for bankruptcy protection. The warrants have subsequently been purchased by a third party. See Note 8, Debt and Capital Lease Obligations for additional information.

Reclassifications

Certain reclassifications were made to prior year amounts in order to conform to the current year's presentation. These reclassifications had no impact on reported net income for the years ended December 31, 2009, 2008 and 2007.

3. ACQUISITIONS

In 2008, we acquired all of the shares of Catoni Persa, a Turkey-based petroleum testing laboratory specializing in the characterization of crude oil and its derivative products, for $15.0 million. The acquisition resulted in goodwill of $9.8 million and intangibles of $0.3 million which was recorded in the Reservoir Description business segment. This acquisition was made in order to expand our presence in the Black Sea region.

In 2007, we acquired all of the outstanding common shares of Temco, Inc., a Tulsa-based core analysis and reservoir fluids instrument manufacturing business, for $5.5 million. The acquisition resulted in goodwill of $3.8 million and intangibles of $0.8 million which was recorded in the Reservoir Description business segment.

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In 2007, we acquired all of the assets of Entrada Geosciences LLC, a Denver-based geological and field services business for $2.8 million. The acquisition resulted in goodwill of $2.4 million which has been recorded in the Reservoir Description business segment.

The acquisition of these entities did not have a material impact on our Consolidated Balance Sheet or Consolidated Statements of Operations.

4. INVENTORIES

Inventories consisted of the following at December 31, 2009 and 2008 (in thousands):

	2009	2008
Finished goods	$ 22,161	$ 26,785
Parts and materials	8,756	7,190
Work in progress	1,267	863
Total inventories	$ 32,184	$ 34,838

We include freight costs incurred for shipping inventory to our clients in the Cost of Sales caption in the accompanying Consolidated Statements of Operations.

5. PROPERTY, PLANT AND EQUIPMENT

The components of property, plant and equipment were as follows at December 31, 2009 and 2008 (in thousands):

	2009	2008
Land	$ 5,829	$ 5,874
Building and leasehold improvements	67,887	64,593
Machinery and equipment	167,180	159,593
Total property, plant and equipment	240,896	230,060
Less - accumulated depreciation and amortization	(142,112)	(126,597)
Property, plant and equipment, net	$ 98,784	$ 103,463

6. INTANGIBLES

The components of intangibles as of December 31, 2009 and 2008 are as follows (in thousands):

		2009		2008	
	Original life in years	Gross Carrying Value	Accumulated Amortization	Gross Carrying Value	Accumulated Amortization
	3-20	$ 1,671	$ 939	$ 1,669	$ 797

Acquired trade secrets					
Acquired patents and trademarks	10	3,165	1,965	2,953	1,752
Agreements not to compete	3-7	1,290	933	1,290	636
Acquired trade names	30	583	244	557	184
Acquired trade names	Indefinite	3,892	-	3,892	-
Total intangibles		$ 10,601	$ 4,081	$ $ 10,361	$ 3,369

Our estimated amortization expense relating to these intangibles for the next five years is summarized in the following table (in thousands):

2010	$615
2011	403
2012	331
2013	331
2014	331

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Certain intangibles, primarily relating to trade names, are deemed to have an indefinite life and are not amortized. These intangibles are included in an impairment analysis performed at least annually. We performed this impairment testing at December 31, 2009 and no impairments were identified.

7. GOODWILL

The changes in the carrying amount of goodwill for each business segment for the years ended December 31, 2009, 2008 and 2007 were as follows (in thousands):

	Reservoir Description	Production Enhancement	Reservoir Management	Total
Balance at December 31, 2007	$ 71,132	$ 64,823	$ 2,845	$ 138,800
Goodwill acquired during the year	9,800	-	-	9,800
Balance at December 31, 2008	80,932	64,823	2,845	148,600
Goodwill acquired during the year	-	-	-	-
Balance at December 31, 2009	$ 80,932	$ 64,823	$ 2,845	$ 148,600

In 2008, we acquired all of the shares of Catoni Persa, a Turkey-based petroleum testing laboratory specializing in the characterization of crude oil and its derivative products, for $15.0 million. The acquisition resulted in goodwill of $9.8 million which was recorded in the Reservoir Description business segment.

We test goodwill for impairment at least annually or more frequently if circumstances indicate a potential impairment. For purposes of this test, we compare the fair value of our reporting units, which are our reportable segments, to their net carrying value as of the balance sheet date, after excluding inter-company transactions and allocating corporate assets to the reportable segments. Fair value is the amount that would be received from the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants. If the carrying value of the reportable segment exceeds the fair value determined, impairment may be indicated. If impairment is indicated, the fair value of the reportable segment would be determined, much like a purchase price allocation under the purchase accounting method. Any remaining goodwill would be deemed impaired and charged to income during the period the impairment was identified. We performed this impairment testing at December 31, 2009. We did not identify a triggering event and no impairment was indicated based on our annual test, and therefore, no impairment has been recorded in 2009 or 2008.

8. DEBT AND CAPITAL LEASE OBLIGATIONS

Debt at December 31, 2009 and 2008 is summarized in the following table (in thousands):

	December 31, 2009	December 31, 2008

Senior exchangeable notes	$	238,658	$	238,658
Discount on senior exchangeable notes		(29,546)		(44,090)
Net senior exchangeable notes	$	209,112	$	194,568

In 2006, Core Laboratories LP, a wholly owned subsidiary of Core Laboratories N.V., issued $300 million aggregate principal amount of Senior Exchangeable Notes due 2011 (the "Notes"). The Notes bear interest at a rate of 0.25% per year paid on a semi-annual basis and are fully and unconditionally guaranteed by Core Laboratories N.V. Cash interest expense was $0.6 million, $0.8 million and $0.7 million for the years ended December 31, 2009, 2008 and 2007, respectively.

On January 1, 2009, we adopted the accounting guidance issued for debt with conversion and other options, which specifies that issuers of such instruments should separately account for the liability and equity components in a manner that will reflect the entity's nonconvertible debt borrowing rate when interest cost is recognized in subsequent periods. See Note 2, Summary of Significant Accounting Policies for the cumulative effect of the change in accounting principle on periods prior to those presented. The adoption of these accounting standards resulted in a discount on the Notes being recorded which is being amortized into interest expense through November 2011.

With the additional amortization of the discount on the Notes, the effective interest rate is 7.48% for the years ended December 31, 2009, 2008 and 2007 which resulted in additional non-cash interest expense of $14.5 million, $16.5 million and $15.8 million for the

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years ended December 31, 2009, 2008 and 2007, respectively. Each Note carries a $1,000 principal amount and is exchangeable into shares of Core Laboratories N.V. under certain circumstances at a conversion rate of $92.58 or 10.8012 per Note. Upon exchange, holders will receive cash up to the principal amount, and any excess exchange value will be delivered in Core Laboratories N.V. common shares. The carrying value of the equity component of the Notes was $84.4 million at December 31, 2009 and December 31, 2008.

The Notes include an early conversion option that is computed quarterly to determine if the Notes can be early converted during the subsequent quarter. During the second quarter of 2008, the early conversion option for the holders of the Notes was enabled. As a result, the Notes could have been converted during the third quarter and were reclassified from a long-term liability to a short-term liability; however, no Note holder exercised their early conversion option before the conversion period ended on September 30, 2008. The related debt acquisition costs of $3.5 million were recorded to interest expense in the second quarter of 2008. The criteria for the early conversion option were not met during the fourth quarter of 2008 and thus the Notes could not be converted during the first quarter of 2009, and accordingly, the Notes were classified as a long-term liability. The criteria for the early conversion option were not met during 2009, and accordingly, the Notes remain classified as a long-term liability. During the fourth quarter of 2008, we repurchased $61.3 million of the Notes at a discount which resulted in a gain of $2.8 million. At December 31, 2009 the Notes were trading at 134% of their face value which would result in $81.1 million of value in excess of the principal. At December 31, 2008, the Notes were trading at 88.1% of their face value.

As part of the issuance of the Notes, we entered into an exchangeable senior note hedge transaction in October 2006 (the "Call Option") through one of our subsidiaries with Lehman Brothers OTC Derivatives Inc. ("Lehman OTC") whereby Lehman OTC is obligated to deliver to us an amount of shares required to cover the shares issuable upon conversion of the Notes. On October 3, 2008, Lehman OTC filed for protection under Chapter 11 of the U.S. Bankruptcy Code. On September 3, 2009, the subsidiary involved in the Call Option filed a proof of claim in the Lehman OTC bankruptcy case related to the Call Option hedge transaction in the amount of $90.1 million. The note hedge contract was formally terminated on December 4, 2009. Subsequently, on December 22, 2009, we sold our claim to a third party for a cash payment of $17.1 million which was recorded to Additional Paid-in Capital on the Consolidated Balance Sheet.

Separate from the Call Option, we also sold to Lehman OTC warrants to purchase up to 3.2 million common shares at a current exercise price of $124.64. The warrants become exercisable beginning in late December 2011 and expire in January 2012. The warrants have subsequently been purchased from Lehman OTC by a third party.

The derivative transactions described above do not affect the terms of the outstanding Notes.

We maintain a revolving credit facility (the "Credit Facility") that allows for an aggregate borrowing capacity of $100.0 million. The Credit Facility provides an option to increase the commitment under the Credit Facility to $150.0 million, if certain conditions are met. The Credit Facility bears interest at variable rates from LIBOR plus 0.5% to a maximum of LIBOR plus 1.125%. Any outstanding balance under the Credit Facility is due in December 2010 when the Credit Facility matures. Interest payment terms are variable depending upon the specific type of borrowing under this facility. Our available borrowing capacity under the Credit Facility at December 31, 2009 was $87.5 million. Our available capacity is reduced by outstanding letters of credit and performance guarantees and bonds totaling $12.5 million at December 31, 2009 relating to certain projects in progress.

The terms of the Credit Facility require us to meet certain financial covenants, including, but not limited to, certain operational and minimum equity and cash flow ratios. We believe that we are in compliance with all such covenants contained in the Credit Facility. All of our material wholly owned subsidiaries are guarantors or co-borrowers under the Credit Facility.

9. INCOME TAXES

The components of income before income tax expense for 2009, 2008 and 2007 are as follows (in thousands):

	2009	2008	2007
United States	$ 69,444	$ 73,641	$ 50,466
Other countries	101,815	114,633	115,106
Operating income before income tax expense	$ 171,259	$ 188,274	$ 165,572

The components of income tax expense for 2009, 2008 and 2007 are as follows (in thousands):

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	2009	2008	2007
Current:			
United States	$ 10,110	$ 35,775	$ 22,831
Other countries	18,628	24,308	26,134
State and provincial	2,790	6,279	5,126
	31,528	66,362	54,091
Deferred:			
United States	23,031	(626)	(336)
Other countries	1,441	(9,514)	584
State and provincial	1,164	544	(82)
Total deferred	25,636	(9,596)	166
Income tax expense	$ 57,164	$ 56,766	$ 54,257

The differences in income tax expense computed using The Netherlands statutory income tax rate of 25.5% in 2009, 2008 and 2007 and our income tax expense as reported in the accompanying Consolidated Statements of Operations for 2009, 2008 and 2007 are as follows (in thousands):

	2009	2008	2007
Tax at The Netherlands income tax rate	$ 43,671	$ 48,010	$ 42,221
Reserve for pending audit settlement	(4,468)	-	6,817
International earnings taxed at rates other than			
The Netherlands statutory rate	8,618	1,736	(803)
Non-deductible expenses	3,366	2,141	2,613
Change in valuation allowance	1,564	1,385	291
State and provincial taxes	3,954	6,823	5,043
Other	459	(3,329)	(1,925)
Income tax expense	$ 57,164	$ 56,766	$ 54,257

Deferred tax assets and liabilities result from various temporary differences between the financial statement carrying amount and their tax basis. Deferred tax assets and liabilities as of December 31, 2009 and 2008 are summarized as follows (in thousands):

	2009	2008
Deferred tax assets:		
Net operating loss carry-forwards	$ 9,811	$ 10,017
Tax credit carry-forwards	8,726	9,853
Reserves	12,391	11,360
Unrealized benefit plan loss	1,309	1,760
Other	1,406	2,822
	33,643	35,812
Valuation allowance	(10,664)	(9,415)
Net deferred tax asset	22,979	26,397
Deferred tax liabilities:		
Intangibles	(227)	(1,917)
Property, plant and equipment	3,001	(574)
Convertible debt	(28,249)	-

Other		(250)		(3,147)
Total deferred tax liabilities		(25,725)		(5,638)
Net deferred income taxes	$	(2,746)	$	20,759

		2009		2008
Current deferred tax assets	$	4,946	$	3,051
Long-term deferred tax (liabilities) assets		(7,692)		17,708
Total deferred tax (liabilities) assets	$	(2,746)	$	20,759

At December 31, 2009, we had tax net operating loss carry-forwards in various tax jurisdictions of approximately $36.5 million. Although we cannot be certain that these operating loss carry-forwards will be utilized, we anticipate that we will have sufficient taxable income in future years to allow us to fully utilize the carry-forwards that are not subject to a valuation allowance as of December 31, 2009. If unused, those carry-forwards which are subject to expiration may expire during the years 2010 through 2019.

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At December 31, 2009, we maintained a valuation allowance of $9.8 million on our net operating loss carry-forwards. During 2009, $2.3 million of operating loss carry-forwards which carried a full valuation allowance expired unused.

As a result of our entering into an exchangeable note hedge transaction in 2006, we recorded $31.9 million to our deferred tax asset and to Additional Paid-In Capital. The deferred tax asset was being utilized ratably over the life of the hedge, however, in 2008, as a result of our repurchasing approximately 20% of the Notes, we recognized a proportionate share of the related deferred tax asset as a reduction in our current tax liability.

In 2009, the exchangeable note hedge was terminated in connection with the Lehman bankruptcy. As a result, the Notes and associated note hedge were no longer considered integrated for tax purposes resulting in the Company recognizing a current tax benefit in 2009 and establishing a higher tax basis for the Notes. The tax basis had been $213 million and is now $288 million. As of December 31, 2009, we recorded a net current tax receivable of $20.9 million, the remaining unamortized deferred tax asset of $9.3 million that was originally established for the integrated Note and note hedge was written off, and a deferred tax liability of $18.1 million was established for the resulting difference in tax basis and book basis in the Notes. The result of the transactions associated with terminating the integrated note hedge transaction had no impact on the effective tax rate for 2009 as the current tax benefit was offset by the deferred tax provision.

In connection with the termination of the note hedge, we filed a claim in the bankruptcy proceedings, and subsequently sold the claim to a third party for a cash payment of approximately $17.1 million. The tax effect of $6.5 million associated with the proceeds from the sale of the claim was recorded as a reduction in Additional Paid-In Capital, consistent with the original accounting for the note hedge.

We file income tax returns in the U.S. federal jurisdiction, various states and foreign jurisdictions. We are currently undergoing multiple examinations in various jurisdictions, and the years 1999 through 2008 remain open for examination in various tax jurisdictions in which we operate.

During 2009, payments were made to certain tax jurisdictions, resulting in a reduction to the unrecognized tax benefits. A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows (in thousands):

	2009	2008	2007
Unrecognized tax benefits at January 1,	$ 5,974	$ 17,864	$ 13,064
Tax positions, current period	4,668	1,001	298
Tax positions, prior period	-	-	4,584
Settlements with taxing authorities	(1,449)	(12,603)	(75)
Lapse of applicable statute of limitations	(869)	(288)	(7)
Unrecognized tax benefits at December 31,	$ 8,324	$ 5,974	$ 17,864

Changes in our estimate of unrecognized tax benefits would affect our effective tax rate. The amounts included in the table above for settlements with tax authorities primarily represent cash payments.

Our policy is to record accrued interest and penalties on uncertain tax positions, net of any tax effect, as part of total tax expense for the period. The corresponding liability is carried along with the tax exposure as a non-current payable in Other Long-term Liabilities. We had approximately $3.2 million accrued for the payment of interest and penalties as of December 31, 2009.

During 2009, we recognized tax benefits of $0.2 million relating to tax deductions in excess of book expense for stock-based compensation awards. These tax benefits are recorded to Additional Paid-in Capital to the extent deductions reduce current taxable income as we are able to realize the tax benefits.

10. PENSION AND OTHER POSTRETIREMENT BENEFIT PLANS

Defined Benefit Plan

On January 1, 2009 we adopted the accounting standards relating to the disclosure requirements for defined benefit plans, which provides guidance on an employer's disclosures about plan assets of a defined benefit position or other post retirement plan.

We provide a noncontributory defined benefit pension plan covering substantially all of our Dutch employees ("Dutch Plan") who were hired prior to 2007 based on years of service and final pay or career average pay, depending on when the employee began participating. Employees are immediately vested in the benefits earned. We fund the future obligations of the Dutch Plan by purchasing investment contracts from a large multi-national insurance company. The investment contracts are purchased annually and

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expire after five years. Each year, as a contract expires, it is replaced with a new contract that is adjusted to include changes in the benefit obligation for the current year and redemption of the expired contract. We determine the fair value of these plan assets with the assistance of an actuary using observable inputs (Level 2). We make annual premium payments, based upon each employee's age and current salary, to the insurance company.

The following table summarizes the change in the projected benefit obligation and the fair value of plan assets for the years ended December 31, 2009 and 2008 (in thousands):

	2009	2008
Projected Benefit Obligation:		
Projected benefit obligation at beginning of year	$ 24,610	$ 24,352
Service cost	1,084	1,139
Interest cost	1,386	1,342
Benefits paid	(484)	(499)
Administrative expenses	(276)	(247)
Actuarial loss (gain), net	2,710	(306)
Unrealized (gain) loss on foreign exchange	669	(1,171)
Projected benefit obligation at end of year	$ 29,699	$ 24,610
Fair Value of Plan Assets:		
Fair value of plan assets at beginning of year	$ 21,187	$ 27,136
Actual (loss) gain on plan assets	907	(6,502)
Employer contributions	2,713	2,231
Benefits paid	(484)	(499)
Administrative expenses	(276)	(247)
Unrealized (loss) gain on foreign exchange	593	(932)
Fair value of plan assets at end of year	$ 24,640	$ 21,187
Over (under)-funded status of the plan at end of the year	$ (5,059)	$ (3,423)
Accumulated Benefit Obligation	$ 24,599	$ 20,150

The following actuarial assumptions were used to determine the actuarial present value of our projected benefit obligation at December 31, 2009 and 2008:

	2009	2008
Weighted average assumed discount rate	5.25%	5.75%
Weighted average rate of compensation increase	3.00%	3.00%

The discount rate used to determine our projected benefit obligation at December 31, 2009 was decreased from 5.75% to 5.25%. The decrease in the discount rate was consistent with a general decrease in long-term interest rates in Europe, including The Netherlands.

Amounts recognized for the Dutch Plan in the Consolidated Balance Sheets for the years ended December 31, 2009 and 2008 consist of (in thousands):

	2009	2008
Deferred tax asset	$ 1,309	$ 1,760
Other long-term liabilities	5,059	3,423
Accumulated other comprehensive income (loss)	(6,536)	(4,927)

Amounts recognized, net of tax, in Accumulated Other Comprehensive Income for the years ended December 31, 2009 and 2008 consist of (in thousands):

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	2009	2008
Prior service cost	$ (971)	$ (1,089)
Transition asset	389	454
Unrecognized net actuarial gain (loss) and foreign exchange	(5,954)	(4,292)
Total accumulated other comprehensive income (loss)	$ (6,536)	$ (4,927)

Unrecognized amounts currently recorded to Accumulated Other Comprehensive Income are expected to be recognized as components of next year's net pension benefit cost are $0.2 million of prior service cost, $0.1 million amortization of transition asset and $0.4 million of unrecognized net actuarial loss.

The components of net periodic pension cost under this plan for the years ended December 31, 2009 and 2008 included (in thousands):

	2009	2008
Service cost	$ 1,084	$ 1,139
Interest cost	1,386	1,342
Expected return on plan assets	(673)	(1,218)
Unrecognized pension obligation (asset), net	(87)	(97)
Prior service cost	159	178
Unrecognized net actuarial (gain)/ loss	243	-
Net periodic pension cost	$ 2,112	$ 1,344

This net periodic pension cost was calculated using the following assumptions:

	2009	2008
Weighted average assumed discount rate	5.75%	5.50%
Expected long-term rate of return on plan assets	5.75%	4.25%
Weighted average rate of compensation increase	3.00%	3.00%

Plan assets at December 31, 2009 and 2008 consisted of insurance contracts with returns comparable with governmental debt securities. Our expected long-term rate of return assumptions are based on the average yield on government bonds in the Netherlands. Dutch law dictates the minimum requirements for pension funding. Our goal is to meet these minimum funding requirements, while our insurance carrier invests to minimize risks associated with future benefit payments.

Our 2010 minimum funding requirements are expected to be approximately $2.7 million. Our estimate of future annual contributions is based on current funding requirements, and we believe these contributions will be sufficient to fund the plan. Expected benefit payments under this plan for the next five years are as follows (in thousands):

2010	$551
2011	640
2012	1,040
2013	1,143

2014	1,246
Succeeding five years	7,640

Defined Contribution Plans

We maintain four defined contribution plans (the "Defined Contribution Plans") for the benefit of eligible employees in the United States, Canada, The Netherlands and the United Kingdom. In accordance with the terms of each plan, we match the required portion of employee contributions up to specified limits and under certain plans, we may make discretionary contributions annually in accordance with the Defined Contribution Plans. For the years ended December 31, 2009, 2008 and 2007, we expensed approximately $4.9 million, $4.7 million and $4.6 million respectively, for our matching and discretionary contributions to the Defined Contribution Plans.

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Deferred Compensation Arrangements

We have entered into deferred compensation contracts for certain key employees and an outside director. The benefits under these contracts are fully vested and benefits are paid when the participants attain 65 years of age. The charge to expense for officer deferred compensation in 2009, 2008 and 2007 was approximately $1.1 million, $1.3 million and $0.8 million, respectively. Life insurance policies with cash surrender values have been purchased for the purpose of funding the deferred compensation contracts.

We have adopted a non-qualified deferred compensation plan that allows certain highly compensated employees to defer a portion of their salary, commission and bonus, as well as the amount of any reductions in their deferrals under the 401(k) Plan, due to certain limitations imposed by the Internal Revenue Code of 1986, as amended. The plan also provides for employer contributions to be made on behalf of participants equal in amount to certain forfeitures of, and/or reductions in, employer contributions that participants could have received under the 401(k) Plan in the absence of certain limitations imposed by the Internal Revenue Code. Employer contributions to the deferred compensation plan were $0.2 million, $0.2 million and $0.2 million of the years ended December 31, 2009, 2008 and 2007, respectively. These employer contributions vest ratably over a period of five years.

Vesting in all employer contributions is accelerated upon the death of the participant or a change in control. Employer contributions under the plans are forfeited upon a participant's termination of employment to the extent they are not vested at that time.

The Company's only financial assets and liabilities which involve fair value measures relate to certain aspects of the Company's benefit plans. On a recurring basis, we use the market approach to value certain liabilities at fair value at quoted prices in an active market (Level 1) and certain assets and liabilities using significant other observable inputs (Level 2). We do not have any assets or liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3). Gains and losses related to the fair value changes in the deferred compensation assets and liabilities are recorded in General and Administrative Expenses in the Consolidated Statement of Operations. The following table summarizes the fair value balances (in thousands):

		Fair Value Measurement at December 31, 2009		
	Total	Level 1	Level 2	Level 3
Assets:				
Deferred compensation plan trust assets	$ 6,193	$ -	$ 6,193	$ -
Liabilities:				
Deferred compensation plan	$ 9,366	$ 1,339	$ 8,027	$ -

		Fair Value Measurement at December 31, 2008		
	Total	Level 1	Level 2	Level 3
Assets:				
Deferred compensation plan trust assets	$ 3,622	$ -	$ 3,622	$ -
Liabilities:				
Deferred compensation plan	$ 5,746	$ 478	$ 5,268	$ -

11. COMMITMENTS AND CONTINGENCIES

From time to time, we may be subject to legal proceedings and claims that arise in the ordinary course of business.

In 1998, we entered into employment agreements with our three senior executive officers that provided for severance benefits. The present value of the long-term liability for the benefits due upon severing the employment of these employees is approximately $4.3 million at December 31, 2009.

We do not maintain any off-balance sheet debt or other similar financing arrangements nor have we formed any special purpose entities for the purpose of maintaining off-balance sheet debt.

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Scheduled minimum rental commitments under non-cancelable operating leases at December 31, 2009, consist of the following (in thousands):

2010	$6,682
2011	4,771
2012	4,038
2013	2,799
2014	1,907
Thereafter	3,733
Total commitments	$23,930

Operating lease commitments relate primarily to rental of equipment and office space. Rental expense for operating leases, including amounts for short-term leases with nominal future rental commitments, was approximately $14.4 million, $14.5 million and $11.5 million for the years ended December 31, 2009, 2008 and 2007, respectively.

During the first quarter of 2008, we revised our estimate of a contingent liability associated with non-income related taxes, and as a result a charge to income of $5.0 million was recorded in the Consolidated Statement of Operations to Other Expense (Income), net. The contingent liability was included in Other Long-term Liabilities in the Consolidated Balance Sheet at December 31, 2008. As a result of finalizing a settlement agreement for $2.5 million, we released the remaining $2.5 million of the contingent liability, to Other Expense (Income), net in the Consolidated Statements of Operations during the second quarter of 2009.

12. EQUITY

Equity Instruments

See Note 8, Debt and Capital Lease Obligations for additional information on the exchangeable note hedge and warrant transactions.

Treasury Shares

In connection with our initial public offering in September 1995, our shareholders authorized our Management Board to repurchase up to 10% of our issued share capital, the maximum allowed under Dutch law at the time, for a period of 18 months. This authorization was renewed at subsequent annual shareholder meetings. At a special shareholders' meeting on January 29, 2009, following a change in Dutch law that permitted us to repurchase up to 50% of our issued share capital in open market purchases, our shareholders authorized an extension through July 29, 2010 to purchase up to 25.6% of our issued share capital, consisting of 10% of our issued share capital to be used for any legal purpose, and an additional 15.6% of our issued share capital to fulfill obligations relating to the Notes or warrants. The repurchase of shares in the open market is at the discretion of management pursuant to this shareholder authorization. From the activation of the share repurchase program on October 10, 2002 through December 31, 2009, we have repurchased 15,480,228 shares for an aggregate purchase price of approximately $633.8 million, or an average price of $40.94 per share and have cancelled 12,767,747 shares at a cost of $373.3 million. At December 31, 2009, we held 2,533,252 shares in treasury and with the authority to repurchase 3,999,857 additional shares under our stock repurchase program. The cancellation of shares has also been approved by shareholders at prior shareholder meetings. Subsequent to year end, we have repurchased 687,373 shares at a total cost of approximately $84.4 million.

In February, April, July and October 2009, we declared and paid quarterly $0.10 per share of common stock dividends. In addition to the quarterly cash dividends, a special non-recurring cash dividend of $0.75 per share of common stock was also paid on August 24, 2009. The total dividends paid in 2009 were $26.4 million. On January 14, 2010, we declared a quarterly dividend of $0.12 per share of common stock payable February 25, 2010 to shareholders of record on January 25, 2010.

13. STOCK-BASED COMPENSATION

We have granted stock options and restricted stock awards under two stock incentive plans: the 2007 Long-Term Incentive Plan (the "Plan") and the 2006 Nonemployee Director Stock Incentive Plan (the "Director Plan "). Awards under the following three compensation programs have been granted pursuant to the Plan: (1) the Executive Restricted Share Matching Program ("ESMP"), (2) the Performance Share Award Program ("PSAP") and (3) the Restricted Share Award Program ("RSAP").

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2007 Long-term Incentive Plan

On April 2, 2007, the 1995 Long-Term Incentive Plan was amended, restated and renamed as the 2007 Long-Term Incentive Plan. The primary changes effected by the 2007 amendment and restatement was to (a) extend the period during which awards may be granted under the Plan to February 13, 2017, (b) require all stock options awarded under the Plan to have an exercise price per share that is at least equal to the fair market value of a common share as of the date of grant of the option (subject to adjustment under certain circumstances, such as upon a reorganization, stock split, recapitalization, or other change in our capital structure), (c) provide that stock appreciation rights may be granted under the Plan, (d) prohibit the repricing of stock options awarded under the Plan, (e) provide that no amendment to the Plan that would require shareholder approval pursuant to the requirements of the New York Stock Exchange or any exchange on which we are listed will be effective prior to approval of our shareholders, and (f) expand the performance goals enumerated under the Plan upon which restricted share awards may be based. The amendment and restatement of the Plan does not increase the number of common shares subject to the Plan. The Plan provides for a maximum of 5,400,000 common shares to be granted to eligible employees. Specifically, we encourage share ownership by awarding various long-term equity incentive awards under the Plan, consisting of the ESMP, PSAP and RSAP. We believe that widespread common share ownership by key employees is an important means of encouraging superior performance and employee retention. Additionally, our equity-based compensation programs encourage performance and retention by providing additional incentives for executives to further our growth, development and financial success over a longer time horizon by personally benefitting through the ownership of our common shares and/or rights.

Since the inception of the Plan in 1995 to 2001, we awarded stock options as the primary form of equity compensation. In 2001, we reassessed the form of award and elected to begin the use of restricted share grants which we believe are a stronger motivational tool for our employees. Restricted share awards provide some value to an employee during periods of stock market volatility, whereas stock options may have limited perceived value and may not be as affective in retaining and motivating employees when the current value of our stock is less than the option price. Currently, our long-term equity incentive compensation is exclusively in the form of restricted shares and performance restricted shares as no stock options were granted during 2009 under the Plan. At December 31, 2009, approximately 438,666 shares were available for the grant of new awards under the Plan.

2006 Nonemployee Director Stock Incentive Plan

The Director Plan provides common shares for grant to our eligible Supervisory Directors. The maximum number of shares available for award under this plan is 700,000 common shares. On June 28, 2006, the 1995 Nonemployee Director Stock Option Plan was amended, restated and renamed as the 2006 Nonemployee Director Stock Incentive Plan. The primary change effected by the 2006 amendment was to eliminate the automatic, formula grant of stock options under the prior plan and to replace that formula approach with the discretionary right of the Supervisory Board to grant stock options, restricted shares, or any combination thereof. Under the Director Plan, each nonemployee Supervisory Director is generally granted an equivalent of $100,000 in value of performance restricted shares based on the closing price of our common stock on the date of grant and will vest at the end of a three-year measurement period subject to our performance as measured against certain predetermined metrics. Only nonemployee Supervisory Directors are eligible for these equity-based awards under the Director Plan. As of December 31, 2009, approximately 291,254 shares were available for issuance under the Director Plan. Although restricted shares have been granted in 2009 pursuant to the Director Plan, no stock options were granted during 2009.

We issue shares from either treasury stock or authorized shares upon the exercise of options or lapsing of vesting restrictions on restricted stock. We have issued 27,650 shares and 78,150 shares out of treasury stock relating to the exercise of stock options and the vesting of restricted stock, respectively. We do not use cash to settle equity instruments issued under stock-based compensation awards.

Executive Restricted Share Matching Program

The ESMP was implemented in June 2002 to encourage personal investment in our common stock by our executive officers. Under the program, we matched on a one-for-one basis each share that an executive purchased on the open market or held in his deferred compensation, 401(k) or other retirement account as of June 1, 2002, up to a maximum of 50,000 shares per participant.

Pursuant to the ESMP, on June 1, 2005, we issued an additional 76,200 restricted shares (the "Restricted Gross-up Shares") in the aggregate to reimburse the participants for tax liabilities resulting from the vesting of the original grant of 132,853 restricted shares under the ESMP and their eventual vesting in the Restricted Gross-up Shares. Historically, we had accounted for the Restricted Gross-up Shares as a variable award and remeasured it at each balance sheet date. Upon adoption of revised accounting standards in 2006, the Restricted Gross-up Shares were classified as an equity award resulting in the fair value being fixed at the original grant-date fair value. Compensation expense was recorded over the vesting period based on the estimated number of shares that management

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believed would ultimately vest. The Restricted Gross-up Shares vested on June 1, 2007. During the year ended December 31, 2007, we recorded $0.4 million of compensation expense for the Restricted Gross-up Shares. The total fair value which is the intrinsic value of the shares vested was $7.0 million in 2007. We have recognized a tax benefit from the vesting of the ESMP of $0.3 million in 2008.

Performance Share Award Program

Awards Under the Plan

Under the PSAP, certain executives were awarded rights to receive a pre-determined number of common shares if our calculated return on equity ("ROE"), as defined in the PSAP, equals or exceeds a pre-determined target ROE on the measurement date of December 31, 2007, which is the last day of the applicable three year performance period. Unless there is a change in control as defined in the PSAP, none of these awards will vest if the specified performance targets are not met as of the last day of the respective performance periods. Under this arrangement we have granted rights relating to an aggregate of 120,000 shares in 2005. In February 2008, the Equity Awards Subcommittee of our Compensation Committee of our Board of Supervisory Directors determined that the performance target criteria had been met relating to rights to an aggregate of 118,000 shares. We issued these 118,000 common shares on February 12, 2008 and, simultaneously, the participants surrendered 40,736 common shares to settle any personal tax liabilities which may result from the award, as permitted by the agreement. We recorded these surrendered shares as treasury stock with an aggregate cost of $4.5 million, at $111.26 per share. We recognized compensation expense of $0.9 million in 2007. We have recognized a tax benefit from the vesting of the PSAP of $7.8 million in 2008.

Awards Under the Director Plan

On September 15, 2006, we awarded rights relating to an aggregate of 12,000 PSAP shares under the Director Plan to our nonemployee Supervisory Directors for which the performance period began on September 15, 2006 and ended on September 15, 2009. The performance target for this award is based on a calculated ROE, as defined in the agreement, with full vesting occurring if our ROE equals or exceeds the pre-determined target ROE of 35% at the end of the three-year performance period. In September 2009, it was determined that the performance target criteria had been met relating to rights to an aggregate of 12,000 shares. We issued these 12,000 common shares on September 15, 2009 and, simultaneously, the participants surrendered 2,093 common shares to settle any personal tax liabilities which may result from the award, as permitted by the agreement. We recorded these surrendered shares as treasury stock with an aggregate cost of $0.2 million, at $101.96 per share. This arrangement is recorded as an equity award that requires us to recognize compensation expense totaling $0.8 million over a three-year period that began on September 15, 2006, of which, $0.2 million, $0.3 million, and $0.3 million was recognized in 2009, 2008, and 2007, respectively.

On August 15, 2007, we awarded rights relating to an aggregate of 12,000 PSAP shares under the Director Plan to our nonemployee Supervisory Directors for which the performance period began on August 15, 2007 and ends on August 15, 2010. The performance target for this award is based on a calculated ROE, as defined in the agreement, with full vesting occurring if our ROE equals or exceeds the pre-determined target ROE of 50% at the end of the three-year performance period. If our ROE for the performance period does not meet the target ROE but equals or exceeds 40%, then the number of shares to be issued would be interpolated based on the terms of the agreement. This arrangement is recorded as an equity award that requires us to recognize compensation expense based on the probability of the performance target being achieved. Compensation expense totaling $1.2 million will be recognized over a three-year period that began on August 15, 2007, of which, $0.4 million, $0.4 million, and $0.2 million has been recognized in 2009, 2008, and 2007, respectively. The unrecognized compensation expense is expected to be recognized over an estimated amortization period of 8 months.

On July 15, 2008, we awarded rights relating to an aggregate of 4,452 PSAP shares under the Director Plan to our nonemployee Supervisory Directors for which the performance period began on July 15, 2008 and ends on July 15, 2011. The performance target for this award is based on a calculated ROE, as defined in the agreement, with full vesting occurring if our ROE equals or exceeds the pre-determined target ROE of 200% at the end of the three-year performance period. If our ROE for the performance period does not meet the target ROE but equals or exceeds 160%, then the number of shares to be issued would be interpolated based on the terms of the agreement. This arrangement is recorded as an equity award that requires us to recognize compensation expense totaling $0.6 million over a three-year period that began on July 15, 2008, of which, $0.2 million and $0.1 million has been recognized in 2009 and 2008, respectively. The unrecognized compensation expense is expected to be recognized over an estimated amortization period of 19 months.

On July 15, 2009, we awarded rights relating to an aggregate of 6,942 PSAP shares under the Director Plan to our nonemployee Supervisory Directors for which the performance period began on July 15, 2009 and ends on July 15, 2012. The performance target for this award is based on a calculated ROE, as defined in the agreement, with full vesting occurring if our ROE equals or exceeds the returns earned by members of the S&P 500 Oil & Gas Equipment & Services index, with 50% of the shares vesting if our return is at or above the 50th percentile of the members' return and 100% of the shares vesting if our return is at or above the 75th percentile of the

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members' return. This arrangement is recorded as an equity award that requires us to recognize compensation expense totaling $0.6 million over a three-year period that began on July 15, 2009, of which, $0.1 million as been recognized in 2009. The unrecognized compensation expense is expected to be recognized over an estimated amortization period of 31 months.

Restricted Share Award Program

In 2004, the Equity Awards Subcommittee of our Compensation Committee of our Board of Supervisory Directors approved the RSAP to continue to attract and retain the best employees, and to better align employee interests with those of our shareholders. Under this arrangement we have granted 123,550 shares in 2009. The shares issued in 2009 have a six year ratable vesting schedule where 1/6th of the grant vests on each following anniversary date. No performance accelerators for early vesting exist for these awards. Awards under the RSAP are classified as an equity award and recorded at the grant-date fair value and the compensation expense is being recognized over the expected life of the award. As of December 31, 2009, there was $21.7 million of unrecognized total stock-based compensation relating to nonvested RSAP awards. The unrecognized compensation expense is expected to be recognized over an estimated weighted-average amortization period of 46 months. The weighted-average grant-date fair value of shares granted was $10.8 million, $15.2 million and $5.9 million in 2009, 2008 and 2007, respectively and we have recognized compensation expense of $5.0 million, $3.9 million and $3.0 million in 2009, 2008 and 2007, respectively. The total fair value which is the intrinsic value of the shares vested was $5.7 million, $3.1 million and $3.3 million in 2009, 2008 and 2007, respectively. We have recognized a tax benefit from the vesting of the RSAP of $0.2 million, $1.5 million and $0.2 million in 2009, 2008 and 2007, respectively.

Nonvested restricted share awards as of December 31, 2009 and changes during the year were as follows:

	Number of Shares	Weighted Average Grant Date Fair Value
Nonvested at December 31, 2008	330,702	$ 90.49
Granted	130,492	87.57
Vested	(78,150)	82.21
Forfeited	(8,300)	97.64
Nonvested at December 31, 2009	374,744	$ 91.05

Stock Options

The following table presents the change in outstanding stock options issued under the Plan and the Director Plan for the years ended December 31, 2009, and 2008. All options outstanding at December 31, 2009 are fully vested.

	Shares	Range of Exercise Prices	Weighted Average Exercise Price	Weighted Average Remaining Life	Average Intrinsic Value - Per Share
Balance as of December 31, 2008	120,951	$ 0.01 - 25.00	$ 9.58	2.5	$ 50.28
Options granted	-	-	-		
Options exercised	(27,650)	10.26 - 25.00	14.77		
	(41,465)	0.01	0.01		

Options forfeited					
Balance as of December 31, 2009	51,836	$ 8.84 - 25.00	$ 14.48	1.7	$ 103.64

The total intrinsic value of options exercised during 2009, 2008 and 2007 were $1.7 million, $9.1 million and $99.2 million, respectively. We have recognized a tax benefit from the exercise of the stock options of $1.4 million and $28.7 million in 2008 and 2007, respectively.

For the years ended December 31, 2009, 2008 and 2007, stock-based compensation expense recognized in the income statement is as follows (in thousands):

	2009	2008	2007
Cost of sales and services	$ 3,868	$ 2,986	$ 2,256
General and administrative	2,028	1,755	2,411
Total stock-based compensation expense	$ 5,896	$ 4,741	$ 4,667

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14. OTHER EXPENSE (INCOME), NET

The components of other expense (income), net, are as follows (in thousands):

	Year Ended December 31, 2009	2008	2007
Loss (gain) on sale of assets	$ 90	$ (2,015)	$ (10,354)
Equity in (income) loss of affiliates	(92)	(300)	656
Foreign exchange (gain) loss	(331)	6,555	(1,413)
Interest income	(138)	(848)	(1,282)
Non-income tax expense (benefit)	(2,500)	5,030	-
Other	(231)	(2,842)	(3,522)
Total other (income) expense, net	$ (3,202)	$ 5,580	$ (15,915)

During the later part of 2008, the USD strengthened significantly against most other currencies across the globe. As a result, we experienced unusually high losses in foreign currency translation for the fourth quarter of 2008. In 2009, most foreign currencies partially recovered some of the value lost in 2008 against the USD and as a result we experienced foreign currency translation gains. However, virtually all the foreign currency gains experienced in 2009 were offset by our foreign currency losses related to Venezuela.

In 2008, we revised our estimate of a contingent liability associated with non-income related taxes, and as a result, a charge to income of $5.0 million was recorded in the Consolidated Statements of Operations to Other Expense (Income), net. The contingent liability is included in Other Long-term Liabilities in the Consolidated Balance Sheet at December 31, 2008. As a result of finalizing a settlement agreement for $2.5 million, we released the remaining $2.5 million of the contingent liability during the second quarter of 2009.

In 2008, we recorded a gain of $1.1 million in connection with the sale of a small office building.

In 2007, we moved our administrative and operational offices to a building better suited for our current operating activities in Russia and sold our building in Moscow for approximately $13.1 million which resulted in a gain of $10.2 million.

Foreign Currency Risk

We operate in a number of international areas which exposes us to foreign currency exchange rate risk. We do not currently hold or issue forward exchange contracts or other derivative instruments for hedging or speculative purposes. (A foreign exchange contract is an agreement to exchange different currencies at a given date and at a specified rate.) Foreign exchange gains and losses are the result of fluctuations in the USD against foreign currencies and are included in other expense (income) in the statements of operations. We recognized foreign exchange losses in countries where the USD weakened against the local currency and we had net monetary liabilities denominated in the local currency; as well as countries where the USD strengthened against the local currency and we had net monetary assets denominated in the local currency. We recognized foreign exchange gains in countries where the USD strengthened against the local currency and we had net monetary liabilities denominated in the local currency and in countries where the USD weakened against the local currency and we had net monetary assets denominated in the local currency. Foreign exchange gains and losses are summarized in the following table (in thousands):

Losses (gains) by currency	Year Ended December 31, 2009	2008	2007

Australian Dollar	$ (438)	$ 654	$ (15)
British Pound	(106)	654	48
Canadian Dollar	(1,686)	2,706	(637)
Euro	(81)	(132)	(374)
Mexican Peso	(99)	683	73
Russian Ruble	421	688	(562)
Venezuelan Bolivar	1,335	(2)	6
Other currencies	323	1,304	48
Total losses (gains)	$ (331)	$ 6,555	$ (1,413)

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As a result of the political and financial instability in Venezuela, the Bolivar ("VEB") declined in value relative to other currencies. In January 2010, the Venezuelan government announced that the fixed official exchange rate would be changed to a dual system that includes a rate of 2.6 VEB per USD for food and heavy machine importers and a rate of 4.3 VEB per USD for all others from 2.15 VEB per USD. However, the freely traded or parallel market valued the exchange rate at approximately 5 VEB per USD at year end. Management determined the parallel market rate is the most appropriate rate to use for remeasuring the financial statements. Using the parallel market rate we recognized a devaluation of our net monetary assets resulting in a foreign exchange loss of approximately $1.3 million in the fourth quarter of 2009. At December 31, 2009, our net monetary assets denominated in VEB in Venezuela were $1.2 million. We continue to de-emphasize our operations and financial position in this country.

15. SEGMENT REPORTING

We operate our business in three reportable segments: (1) Reservoir Description, (2) Production Enhancement and (3) Reservoir Management. These business segments provide different services and utilize different technologies.

- Reservoir Description: Encompasses the characterization of petroleum reservoir rock, fluid and gas samples. We provide analytical and field services to characterize properties of crude oil and petroleum products to the oil and gas industry.

- Production Enhancement: Includes products and services relating to reservoir well completions, perforations, stimulations and production. We provide integrated services to evaluate the effectiveness of well completions and to develop solutions aimed at increasing the effectiveness of enhanced oil recovery projects.

- Reservoir Management: Combines and integrates information from reservoir description and production enhancement services to increase production and improve recovery of oil and gas from our clients' reservoirs.

Results for these business segments are presented below. We use the same accounting policies to prepare our business segment results as are used to prepare our Consolidated Financial Statements. We evaluate performance based on income or loss before income tax, interest and other non-operating income (expense). Summarized financial information concerning our segments is shown in the following table (in thousands):

	Reservoir Description	Production Enhancement	Reservoir Management	Corporate & Other (1)	Consolidated
DECEMBER 31, 2009					
Revenues from unaffiliated customers	$ 414,934	$ 230,652	$ 49,953	$ -	$ 695,539
Inter-segment revenues	1,076	1,424	1,866	(4,366)	-
Segment income	106,421	65,076	14,620	665	186,782
Total assets	251,671	173,117	25,073	208,305	658,166
	12,311	3,383	247	1,348	17,289

Capital expenditures					
Depreciation and amortization	14,334	5,858	700	2,926	23,818
DECEMBER 31, 2008					
Revenues from unaffiliated customers	$ 435,425	$ 293,017	$ 52,394	$ -	$ 780,836
Inter-segment revenues	864	1,096	1,664	(3,624)	-
Segment income (loss)	101,783	93,025	16,224	(3,977)	207,055
Total assets	244,913	181,476	21,195	73,951	521,535
Capital expenditures	19,766	8,711	665	1,808	30,950
Depreciation and amortization	12,639	5,562	619	2,953	21,773
DECEMBER 31, 2007					
Revenues from unaffiliated customers	$ 374,455	$ 244,830	$ 51,255	$ -	$ 670,540
Inter-segment revenues	968	1,132	1,533	(3,633)	-
Segment income (loss)	99,950	68,917	14,650	434	183,951
Total assets	213,140	162,864	21,392	79,358	476,754
Capital expenditures	15,693	6,208	908	1,018	23,827
Depreciation and amortization	10,430	5,126	501	3,419	19,476

(1)"Corporate and other" represents those items that are not directly relating to a particular segment and eliminations.

We are a Netherlands company and we derive our revenues from services and product sales to customers primarily in the oil and gas industry. No single client accounted for 10% or more of revenues in any of the periods presented. The following is a summary of our U.S. and non-U.S. operations for 2009, 2008 and 2007 (in thousands):

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GEOGRAPHIC INFORMATION	United States	Canada	Other Countries	Consolidated
DECEMBER 31, 2009				
Revenues	$ 339,235	$ 54,888	$ 301,416	$ 695,539
Operating income	112,158	14,430	60,194	186,782
Total assets	326,223	45,344	286,599	658,166
DECEMBER 31, 2008				
Revenues	$ 391,519	$ 80,449	$ 308,868	$ 780,836
Operating income	122,064	35,066	49,925	207,055
Total assets	237,240	46,221	238,074	521,535
DECEMBER 31, 2007				
Revenues	$ 328,073	$ 72,647	$ 269,820	$ 670,540
Operating income	96,218	31,030	56,703	183,951
Total assets	213,596	43,765	219,393	476,754

Revenues are attributed to the country in which the revenue is earned. U.S. revenues derived from exports were approximately $42.8 million, $48.0 million and $47.1 million in 2009, 2008 and 2007, respectively. Operating income and total assets associated with our corporate operations have been included in the results for the United States.

16. CONDENSED CONSOLIDATING FINANCIAL INFORMATION

Core Laboratories N.V. has fully and unconditionally guaranteed all of the Notes issued by Core Laboratories LP in 2006. Core Laboratories LP is a 100% indirectly owned affiliate of Core Laboratories N.V.

The following condensed consolidating financial information is included so that separate financial statements of Core Laboratories LP are not required to be filed with the U.S. Securities and Exchange Commission. The condensed consolidating financial statements present investments in both consolidated and unconsolidated affiliates using the equity method of accounting.

The following condensed consolidating financial information presents: condensed consolidating balance sheets as of December 31, 2009 and 2008, statements of income and the consolidating statements of cash flows for each of the three years in the period ended December 31, 2009 of (a) Core Laboratories N.V., parent/guarantor, (b) Core Laboratories LP, issuer of public debt securities guaranteed by Core Laboratories N.V. and (c) the non-guarantor subsidiaries, (d) consolidating adjustments necessary to consolidate Core Laboratories N.V. and its subsidiaries and (e) Core Laboratories N.V. on a consolidated basis.

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Condensed Consolidating Balance Sheets

(In thousands)	December 31, 2009				
	Core Laboratories N.V. (Parent/ Guarantor)	Core Laboratories LP (Issuer)	Other Subsidiaries (Non-Guarantors)	Consolidating Adjustments	Consolidated Total
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	$ 73,998	$ 95,048	$ 11,999	$ -	$ 181,045
Accounts receivable, net	1	29,452	104,305	-	133,758
Inventories, net	-	2,679	29,505	-	32,184
Prepaid expenses and other current assets	11,809	22,209	9,532	-	43,550
Total current assets	85,808	149,388	155,341	-	390,537
PROPERTY, PLANT AND EQUIPMENT, net	-	21,988	76,796	-	98,784
GOODWILL AND INTANGIBLES, net	46,986	7,949	100,185	-	155,120
INTERCOMPANY RECEIVABLES	37,681	216,670	232,802	(487,153)	-
INVESTMENT IN AFFILIATES	540,724	-	1,387,715	(1,928,118)	321
DEFERRED TAX ASSET	2,951	4,644	14,359	(21,954)	-
OTHER ASSETS	2,828	8,770	1,806	-	13,404
TOTAL ASSETS	$ 716,978	$ 409,409	$ 1,969,004	$ (2,437,225)	$ 658,166
LIABILITIES AND EQUITY					
CURRENT LIABILITIES:					
Accounts payable	$ 501	$ 6,404	$ 26,104	$ -	$ 33,009
Other accrued expenses	673	29,738	42,988	-	73,399
Total current liabilities	1,174	36,142	69,092	-	106,408
LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS	-	209,112	-	-	209,112
DEFERRED COMPENSATION	6,046	10,094	726	-	16,866
DEFERRED TAX LIABILITY	-	29,646	-	(21,954)	7,692
INTERCOMPANY PAYABLES	417,618	-	69,535	(487,153)	-
OTHER LONG-TERM LIABILITIES	12,772	7,702	15,856	-	36,330

SHAREHOLDERS' EQUITY	279,368	116,713	1,811,405	(1,928,118)	279,368
NON-CONTROLLING INTEREST	-	-	2,390	-	2,390
TOTAL EQUITY	279,368	116,713	1,813,795	(1,928,118)	281,758
TOTAL LIABILITIES AND EQUITY	$ 716,978	$ 409,409	$ 1,969,004	$ (2,437,225)	$ 658,166

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Condensed Consolidating Statements of Operations

(In thousands)	Year Ended December 31, 2009				
	Core Laboratories N.V. (Parent/ Guarantor)	Core Laboratories LP (Issuer)	Other Subsidiaries (Non-Guarantors)	Consolidating Adjustments	Consolidated Total
REVENUES					
Operating revenues	$ -	$ 166,295	$ 529,244	$ -	$ 695,539
Intercompany revenues	1,471	24,611	114,421	(140,503)	-
Earnings from consolidated affiliates	104,578	-	246,011	(350,589)	-
Total revenues	106,049	190,906	889,676	(491,092)	695,539
OPERATING EXPENSES					
Operating costs	1,603	90,950	365,216	-	457,769
General and administrative expenses	6,787	23,572	13	-	30,372
Depreciation and amortization	-	5,526	18,292	-	23,818
Other expense (income), net	(17,491)	4,394	137,207	(127,312)	(3,202)
Operating income	115,150	66,464	368,948	(363,780)	186,782
Gain on repurchase of senior exchangeable notes	-	-	-	-	-
Interest expense	7	15,481	35	-	15,523
Income before income tax expense	115,143	50,983	368,913	(363,780)	171,259
Income tax expense (benefit)	1,539	31,489	24,136	-	57,164
Net income	113,604	19,494	344,777	(363,780)	114,095
Net income attributable to non-controlling interest	-	-	491	-	491
Net income attributable to Core Laboratories N.V.	$ 113,604	$ 19,494	$ 344,286	$ (363,780)	$ 113,604

Condensed Consolidating Statements of Cash Flows

(In thousands)	Year Ended December 31, 2009				
	Core Laboratories N.V. (Parent/ Guarantor)	Core Laboratories LP (Issuer)	Other Subsidiaries (Non- Guarantors)	Consolidating Adjustments	Consolidated Total
Net cash provided by operating activities	$ 78,818	$ 88,940	$ 14,115	$ -	$ 181,873
				-	
CASH FLOWS FROM INVESTING ACTIVITIES:					
Capital expenditures	-	(3,501)	(13,788)	-	(17,289)
Patents and other intangibles	-	(20)	(220)	-	(240)
Proceeds from sale of assets	-	197	387	-	584
Premiums on life insurance	-	(1,595)	-	-	(1,595)
Net cash used in investing activities	-	(4,919)	(13,621)	-	(18,540)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Proceeds from sale of note hedge claim	17,060	-	-	-	17,060
Non-controlling interest - dividend	-	-	(259)	-	(259)
Stock options exercised	408	-	-	-	408
Repurchase of common shares	(9,389)	-	-	-	(9,389)
Dividends paid	(26,416)	-	-	-	(26,416)
Excess tax benefit from stock-based payments	170	-	-	-	170
Net cash used in financing activities	(18,167)	-	(259)	-	(18,426)
NET CHANGE IN CASH AND CASH EQUIVALENTS	60,651	84,021	235	-	144,907
CASH AND CASH EQUIVALENTS, beginning of period	13,347	11,027	11,764	-	36,138
CASH AND CASH EQUIVALENTS, end of period	$ 73,998	$ 95,048	$ 11,999	$ -	$ 181,045

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Condensed Consolidating Balance Sheets

(In thousands)	December 31, 2008				
	Core Laboratories N.V. (Parent/ Guarantor)	Core Laboratories LP (Issuer)	Other Subsidiaries (Non- Guarantors)	Consolidating Adjustments	Consolidated Total
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	$ 13,347	$ 11,027	$ 11,764	$ -	$ 36,138
Accounts receivable, net	232	34,346	109,715	-	144,293
Inventories, net	-	3,683	31,155	-	34,838
Prepaid expenses and other current assets	4,989	6,630	8,757	-	20,376
	18,568	55,686	161,391	-	235,645
PROPERTY, PLANT AND EQUIPMENT, net	-	24,072	79,391	-	103,463
GOODWILL AND INTANGIBLES, net	46,986	8,303	100,303	-	155,592
INTERCOMPANY RECEIVABLES	108,491	318,780	456,421	(883,692)	-
INVESTMENT IN AFFILIATES	389,500	-	1,147,137	(1,536,296)	341
DEFERRED TAX ASSET	3,283	10,179	4,246	-	17,708
OTHER ASSETS	2,319	5,215	1,252	-	8,786
TOTAL ASSETS	$ 569,147	$ 422,235	$ 1,950,141	$ (2,419,988)	$ 521,535
LIABILITIES AND EQUITY					
CURRENT LIABILITIES:					
Accounts payable	$ 626	$ 8,364	$ 32,598	$ -	$ 41,588
Other accrued expenses	4,221	20,940	28,941	-	54,102
	4,847	29,304	61,539	-	95,690
LONG-TERM DEBT	-	194,568	-	-	194,568
DEFERRED COMPENSATION	6,118	6,138	559	-	12,815
DEFERRED TAX LIABILITY	-	-	-	-	-
INTERCOMPANY PAYABLES	356,963	96,351	430,378	(883,692)	-
OTHER LONG-TERM LIABILITIES	15,092	7,276	7,809	-	30,177
	186,127	88,598	1,447,698	(1,536,296)	186,127

SHAREHOLDERS' EQUITY					
NON-CONTROLLING INTEREST	-	-	2,158	-	2,158
TOTAL EQUITY	186,127	88,598	1,449,856	(1,536,296)	188,285
TOTAL LIABILITIES AND EQUITY	$ 569,147	$ 422,235	$ 1,950,141	$ (2,419,988)	$ 521,535

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Condensed Consolidating Statements of Operations

(In thousands)	Year Ended December 31, 2008				
	Core Laboratories N.V. (Parent/ Guarantor)	Core Laboratories LP (Issuer)	Other Subsidiaries (Non-Guarantors)	Consolidating Adjustments	Consolidated Total
REVENUES					
Operating revenues	$ -	$ 179,393	$ 601,443	$ -	$ 780,836
Intercompany revenues	1,569	21,540	146,708	(169,817)	-
Earnings from consolidated affiliates	121,268	-	191,812	(313,080)	-
Total revenues	122,837	200,933	939,963	(482,897)	780,836
OPERATING EXPENSES					
Operating costs	1,310	100,793	412,679	-	514,782
General and administrative expenses	11,067	20,518	61	-	31,646
Depreciation and amortization	-	5,392	16,381	-	21,773
Other expense (income), net	(26,223)	(2,341)	155,301	(121,157)	5,580
Operating income	136,683	76,571	355,541	(361,740)	207,055
Gain on repurchase of senior exchangeable notes	-	2,829	-	-	2,829
Interest expense	1,319	20,239	52	-	21,610
Income before income tax expense	135,364	59,161	355,489	(361,740)	188,274
Income tax expense (benefit)	4,198	25,413	27,155	-	56,766
Net income	131,166	33,748	328,334	(361,740)	131,508
Net income attributable to non-controlling interest	-	-	342	-	342
Net income attributable to Core	$ 131,166	$ 33,748	$ 327,992	$ (361,740)	$ 131,166

Laboratories N.V.

Condensed Consolidating Statements of Cash Flows

(In thousands)	Year Ended December 31, 2008				
	Core Laboratories N.V. (Parent/ Guarantor)	Core Laboratories LP (Issuer)	Other Subsidiaries (Non- Guarantors)	Consolidating Adjustments	Consolidated Total
Net cash provided by operating activities	$ 56,840	$ 66,034	$ 32,333	$ -	$ 155,207
				-	
CASH FLOWS FROM INVESTING ACTIVITIES:					
Capital expenditures	-	(10,017)	(20,933)	-	(30,950)
Patents and other intangibles	-	(48)	(306)	-	(354)
Acquisitions, net of cash acquired	-	-	(11,536)	-	(11,536)
Non-controlling interest contribution	-	-	370	-	370
Proceeds from sale of assets	-	2,698	1,100	-	3,798
Premiums on life insurance	-	(2,436)	-	-	(2,436)
Net cash used in investing activities	-	(9,803)	(31,305)	-	(41,108)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Repayment of debt borrowings	(3,024)	(58,022)	-	-	(61,046)
Proceeds from debt borrowings	-	5,000	-	-	5,000
Capital lease obligations	-	-	(351)	-	(351)
Stock options exercised	1,167	-	-	-	1,167
Repurchase of common shares	(31,740)	-	-	-	(31,740)
Dividends paid	(27,645)	-	-	-	(27,645)
Excess tax benefit from stock-based payments	11,037	-	-	-	11,037
Net cash used in financing activities	(50,205)	(53,022)	(351)	-	(103,578)
NET CHANGE IN CASH AND CASH EQUIVALENTS	6,635	3,209	677	-	10,521
CASH AND CASH EQUIVALENTS,	6,712	7,818	11,087	-	25,617

beginning of period					
CASH AND CASH EQUIVALENTS, end of period	$ 13,347	$ 11,027	$ 11,764	$ -	$ 36,138

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Condensed Consolidating Statements of Operations

(In thousands)	Year Ended December 31, 2007				
	Core Laboratories N.V. (Parent/ Guarantor)	Core Laboratories LP (Issuer)	Other Subsidiaries (Non-Guarantors)	Consolidating Adjustments	Consolidated Total
REVENUES					
Operating revenues	$ -	$ 136,719	$ 533,821	$ -	$ 670,540
Intercompany revenues	1,281	18,215	128,159	(147,655)	-
Earnings from consolidated affiliates	109,725	-	192,546	(302,271)	-
Total revenues	111,006	154,934	854,526	(449,926)	670,540
OPERATING EXPENSES					
Operating costs	1,146	80,638	367,407	-	449,191
General and administrative expenses	8,576	25,225	36	-	33,837
Depreciation and amortization	-	5,504	13,972	-	19,476
Other expense (income), net	(17,297)	(8,921)	113,851	(103,548)	(15,915)
Operating income	118,581	52,488	359,260	(346,378)	183,951
Interest expense	115	18,225	39	-	18,379
Income before income tax expense	118,466	34,263	359,221	(346,378)	165,572
Income tax expense (benefit)	7,254	22,729	24,274	-	54,257
Net income	111,212	11,534	334,947	(346,378)	111,315
Net income attributable to non-controlling interest	-	-	103	-	103
Net income attributable to Core Laboratories N.V.	$ 111,212	$ 11,534	$ 334,844	$ (346,378)	$ 111,212

Condensed Consolidating Statements of Cash Flows

(In thousands) Year Ended December 31, 2007

	Core Laboratories N.V. (Parent/ Guarantor)	Core Laboratories LP (Issuer)	Other Subsidiaries (Non- Guarantors)	Consolidating Adjustments	Consolidated Total
Net cash provided by operating activities	$ 139,192	$ (13,245)	$ (252)	$ - -	$ 125,695
CASH FLOWS FROM INVESTING ACTIVITIES:					
Capital expenditures	-	(4,428)	(19,399)	-	(23,827)
Patents and other intangibles	-	(69)	(248)	-	(317)
Acquisitions, net of cash acquired	-	(7,338)	-	-	(7,338)
Proceeds from sale of assets	-	62	13,727	-	13,789
Premiums on life insurance	-	(2,282)	-	-	(2,282)
Net cash used in investing activities	-	(14,055)	(5,920)	-	(19,975)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Repayment of debt borrowings	(4,146)	(100)	-	-	(4,246)
Proceeds from debt borrowings	4,516	-	-	-	4,516
Capital lease obligations	-	-	(7)	-	(7)
Stock options exercised	18,454	-	-	-	18,454
Repurchase of common shares	(181,812)	-	-	-	(181,812)
Debt refinancing costs	-	(167)	-	-	(167)
Excess tax benefit from stock-based payments	28,936	-	-	-	28,936
Net cash used in financing activities	(134,052)	(267)	(7)	-	(134,326)
NET CHANGE IN CASH AND CASH EQUIVALENTS	5,140	(27,567)	(6,179)	-	(28,606)
CASH AND CASH EQUIVALENTS, beginning of period	1,572	35,385	17,266	-	54,223
CASH AND CASH EQUIVALENTS, end of period	$ 6,712	$ 7,818	$ 11,087	$ -	$ 25,617

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17. RECENT ACCOUNTING PRONOUNCEMENTS

In June 2009, the FASB issued the FASB Accounting Standards Codification ("ASC"). The Codification has become the single source for all authoritative GAAP recognized by the FASB to be applied for financial statements issued for periods ending after September 15, 2009. We applied the Codification to our Annual Report on Form 10-K for the period ending December 31, 2009. The Codification does not change GAAP and did not have an effect on our financial position or results of operations.

In June 2009, the FASB issued an update to ASC 810-10, Consolidation –Variable Interest Entities, which becomes effective as of the beginning of the first annual reporting period beginning after November 15, 2009. This new guidance requires revised evaluations of whether entities represent variable interest entities, modifies the analysis by which a controlling interest of a variable interest entity is determined, requires ongoing assessments of control over such entities and provides guidance on the additional disclosure requirements for variable interests. We do not expect this new guidance to have a material impact on our financial statements.

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18. UNAUDITED SELECTED QUARTERLY RESULTS OF OPERATIONS

Summarized below is our unaudited quarterly financial data for the quarters ended December 31, 2009 and 2008 (in thousands, except per share data).

Quarter ended 2009	December 31	September 30	June 30	March 31
Services and product sales revenues	$ 181,599	$ 167,802	$ 167,262	$ 178,876
Cost of services and product sales	120,565	112,175	108,997	116,032
Other operating expenses	16,758	11,428	6,577	16,225
Operating income	44,276	44,199	51,688	46,619
Interest expense	3,988	3,895	3,840	3,800
Income before income tax expense	40,288	40,304	47,848	42,819
Income tax expense	16,511	9,189	17,884	13,580
Net income	23,777	31,115	29,964	29,239
Net income attributable to non-controlling interest	160	127	157	47
Net income attributable to Core Laboratories N.V.	$ 23,617	$ 30,988	$ 29,807	$ 29,192
Per share information:				
Basic earnings per share	$ 1.03	$ 1.35	$ 1.30	$ 1.27
Diluted earnings per share (1)	$ 1.00	$ 1.33	$ 1.29	$ 1.26
Weighted average common shares outstanding:				
Basic	22,983	22,969	22,955	22,970
Diluted	23,677	23,250	23,179	23,210

Quarter ended 2008	December 31	September 30	June 30	March 31
Services and product sales revenues	$ 201,188	$ 202,523	$ 197,688	$ 179,437
Cost of services and product sales	130,194	134,205	130,910	119,473
Other operating expenses	18,579	13,145	11,682	15,593
Operating income	52,415	55,173	55,096	44,371
Gain on repurchase of senior exchangeable notes	2,829	-	-	-
Interest expense	4,235	4,593	8,000	4,782
Income before income tax expense	51,009	50,580	47,096	39,589
Income tax expense	15,732	13,643	14,652	12,739
Net income	35,277	36,937	32,444	26,850
Net income attributable to non-controlling interest	59	103	77	103
	$ 35,218	$ 36,834	$ 32,367	$ 26,747

Net income attributable to Core Laboratories N.V.				
Per share information:				
Basic earnings per share	$ 1.53	$ 1.60	$ 1.41	$ 1.16
Diluted earnings per share (1)	$ 1.51	$ 1.53	$ 1.32	$ 1.11
Weighted average common shares outstanding:				
Basic	23,022	23,034	22,995	22,982
Diluted	23,289	24,082	24,452	23,998

(1) The sum of the individual quarterly diluted earnings per share amounts may not agree with the year-to-date diluted earnings per share amounts as each quarterly computation is based on the weighted average number of diluted common shares outstanding during that period.

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CORE LABORATORIES N.V.

Schedule II - Valuation and Qualifying Account
(In thousands)

	Balance at Beginning of Period	Additions Charged to/ Recovered from Expense	Write-offs	Other (1)	Balance at End of Period
Year ended December 31, 2009					
Reserve for doubtful accounts	$ 3,535	$ 545	$ (943)	$ 65	$ 3,202
Year ended December 31, 2008					
Reserve for doubtful accounts	$ 4,199	$ (233)	$ (510)	$ 79	$ 3,535
Year ended December 31, 2007					
Reserve for doubtful accounts	$ 4,340	$ 262	$ (629)	$ 226	$ 4,199

(1) Comprised primarily of differences due to changes in exchange rate.

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Exhibit 21.1

Subsidiaries of the Registrant

Name	Legal Seat	Ownership %
Core Laboratories Resources N.V.	Curacao, Netherlands Antilles	100%
Core Laboratories International Licensing N.V.	Curacao, Netherlands Antilles	100%
Core Laboratories International Trading N.V.	Curacao, Netherlands Antilles	100%
Core Laboratories I.P. Inc.	Delaware, United States	100%
Core Laboratories Holding Inc.	Delaware, United States	100%
Core Laboratories Middle East Services B.V.	Rotterdam, The Netherlands	100%
Core Laboratories LP	Delaware, United States	100%
Core Laboratories Canada Limited	Alberta, Canada	100%
PT Corelab Indonesia	Jakarta, Indonesia	70%
Core Laboratories Malaysia SDN BHD	Kuala Lumpur, Malaysia	100%
Core Laboratories Australia PTY LTD	Perth, Australia	100%
Core Laboratories International B.V.	Amsterdam, The Netherlands	100%
Core Laboratories Sales N.V.	Curacao, Netherlands Antilles	100%
Core Laboratories (U.K.) Limited	London, United Kingdom	100%
Core Laboratories Coöperatief U.A.	Amsterdam, The Netherlands	100%
Corelab Nigeria Limited	Lagos, Nigeria	100%
Core Laboratories Venezuela S.A.	Caracas, Venezuela	100%
Core Laboratories Corporate Holding B.V.	Amsterdam, The Netherlands	100%
Corelab Brasil Ltda	Rio de Janeiro, Brazil	100%
Abdullah Fuad Core Laboratory Company	Dammam, Saudi Arabia	51%
Core Laboratories Holdings LLC	Delaware, United States	100%
Core Laboratories LLC	Delaware, United States	100%
Saybolt International B.V.	Rotterdam, The Netherlands	100%
Saybolt Holding B.V.	Rotterdam, The Netherlands	100%
Saybolt Denmark A/S	Copenhagen, Denmark	100%
Saybolt van Duyn GmbH	Essen, Germany	100%
Saybolt Espana S.A.	Madrid, Spain	100%
Saybolt Estonia Ltd.	Tallinn, Estonia	100%
Saybolt Finland Oy	Hamina, Finland	100%
Saybolt Italia S.R.L.	Siracusa, Italy	100%
Saybolt Malta Ltd.	Kalafran, Malta	100%
Saybolt Greece, Ltd.	Athens, Greece	100%
Saybolt (Portugal) Inspeccao de Productos Petroliferos, Lda.	Lisbon, Portugal	100%
Saybolt South Africa PTY LTD	Cape Town, South Africa	73%
Saybolt Sweden AB	Gothenburg, Sweden	100%
Saybolt United Kingdom Ltd.	Purfleet, United Kingdom	100%
Saybolt North America B.V.	Rotterdam, The Netherlands	100%
Saybolt de Mexico S.A. de C.V.	Coatzacoalcos, Mexico	100%
Saybolt LP	Delaware, United States	100%
Core Laboratories Panama, S.A.	Panama City, Panama	100%
E.W. Saybolt & Co. (Cayman) Ltd.	Georgetown, Grand Cayman	100%
Saybolt Analyt Holding B.V.	Rotterdam, The Netherlands	100%
ZAO Saybolt Eurasia	Moscow, Russian Federation	100%

Saybolt–Ukraine	Odessa, Ukraine	100%
Saybolt Bulgaria Ltd.	Bourgas, Bulgaria	100%
UAB Saybolt-Baltija, Ltd.	Klaipeda, Lithuania	100%
Saybolt Latvia	Ventspils, Latvia	100%
Saybolt St. Eustatius	St. Eustatius, Netherland Antilles	100%
Saybolt Bahamas Ltd.	Freeport, Bahamas	100%
Saybolt de Costa Rica, S.A.	San Jose, Costa Rica	99%
Saybolt de Colombia Ltda.	Barranquilla, Colombia	95%
Saybolt Aruba N.V.	San Nicolas, Aruba	100%
Saybolt Bonaire N.V.	Bonaire, Netherlands Antilles	100%
Saybolt Caribbean N.V.	San Nicolas, Aruba	100%

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Name	Legal Seat	Ownership %
Saybolt Curacao N.V.	Curacao, Netherlands Antilles	100%
Saybolt Trinidad & Tobago Ltd.	Marabella, Trinidad	100%
Saybolt Eastern Hemisphere B.V.	Rotterdam, The Netherlands	100%
Saybolt Malaysia SDN BHD	Kuala Lumpur, Malaysia	49%
PT Citra Wosaji Indonesia	Jakarta, Indonesia	65%
Saybolt Azerbaijan	Baku, Azerbaijan	100%
Saybolt Azerbaijan B.V.	Rotterdam, The Netherlands	50%
Beheersmaatschappij Het Scheur BV	Rotterdam, The Netherlands	100%
Core Laboratories El Salvador S.A. de C.V.	San Salvador, El Salvador	100%
Saybolt Belgium N.V.	Antwerp, Belgium	100%
Saybolt (Tianjin) Meteorology & Inspection Company Ltd.	Tianjin, China	100%
Core Lab Science and Technology (Beijing) Co Ltd.	Beijing, China	100%
Saybolt Latin America B.V.	Rotterdam, The Netherlands	100%
Core Laboratories Angola Ltd.	Luanda, Angola	100%
Saybolt Inspection Services India Private Limited	Mumbai, India	100%
Saybolt Inspection Services Kazakhstan LLP	Aktau, Kazakhstan	100%
Saybolt (Singapore) PTE LTD	Singapore, Singapore	100%
Core Laboratories (H.K.) Limited	Hong Kong, China	100%
Quantoil Ltd.	London, United Kingdom	100%
E.W. Saybolt & Co. S.A.	Panama City, Panama	100%
Saybolt Surveillance and Laboratory Services Joint Stock Corporation	Istanbul, Turkey	100%
Saybolt Inspection Romania S.R.L.	Constanta, Romania	100%
Owen Oil Tools LP	Delaware, United States	100%
Owen Oil Tools de Mexico, S.A. de C.V.	Tabasco, Mexico	100%
Owen Compliance Services, Inc.	Texas, United States	100%
Owen de Mexico S.A. de C.V.	Mexico City, Mexico	100%
Owen Oil Tools (U.K.) Ltd.	Croydon, United Kingdom	100%
Owen Oil Tools de Argentina, S.A.	Buenos Aires, Argentina	100%
Core Laboratories LLP (Kazakhstan)	Aktau, Kazakhstan	100%
ZAO Petroleum Analysts	Moscow, Russian Federation	100%
ZAO Lab Technics	Moscow, Russian Federation	100%
Saybolt Test OOO	Bashkortostan, Russian Federation	100%
Saybolt Armenia	Yerevan, Armenia	100%
Core Lab de Mexico, S.A. de C.V.	Mexico City, Mexico	100%
Core Lab Operations S.A. de C.V.	Mexico City, Mexico	100%
Colab Newco S.A. de C.V.	Mexico City, Mexico	100%
ProTechnics de Mexico, S.A. de C.V.	Mexico City, Mexico	100%
Core Lab Services S.A. de C.V.	Mexico City, Mexico	100%
Stim-Lab, Inc.	Oklahoma, United States	100%
Core Laboratories Global N.V.	Curacao, Netherlands Antilles	100%
CTC Pulsonic Nigeria Limited	Lagos, Nigeria	80%
Production Enhancement Corporation	Delaware, United States	100%
PENCOR International Ltd.	Jersey, Channel Islands	100%

Coreton Limited	Croydon, United Kingdom	100%
Labton Limited	London, United Kingdom	100%
FE & FEFH Holding, Inc.	Alberta, Canada	100%
Saybolt Tunisie SarL	Tunis, Tunisia	49%
Saybolt Med S.A.	Tunis, Tunisia	49%
Saybolt Saudi Arabia Co., Ltd.	Jubail, Saudi Arabia	45%
Core Laboratories Malta Holding Limited	Valletta, Malta	99%
Core Laboratories Malta Limited	Valletta, Malta	99%
Saybolt Maroc	Mohammedia, Morocco	49%
Shanghai SIC - Saybolt Commodities Surveying Co Ltd.	Beijing, China	50%

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Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Forms S-8 (Nos. 333-73772 and 333-73774) and Form S-3 (No. 333-139506-01) of Core Laboratories N.V. of our report dated February 19, 2010 relating to the financial statements, financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

PricewaterhouseCoopers LLP

Houston, Texas
February 19, 2010

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