

HALLIBURTON COMPANY  
Reconciliation of Effective Tax Rate to Adjusted Effective Tax Rate  
(Millions of dollars)  
(Unaudited)

	Three Months Ended March 31, 2020
As reported loss before income taxes (a)	\$ (896)
Impairments and other charges	1,073
Loss on early extinguishment of debt	168
Adjusted income before income taxes (c)	\$ 345
As reported income tax provision (a)	\$ (119)
Tax provision related to adjusting items (b)	46
Adjusted income tax provision (c)	\$ (73)
As reported effective tax rate (a)	-13%
Adjusted effective tax rate (c)	21%

- (a) As reported effective tax rate is calculated as: "As reported income tax provision" divided by "As reported loss before income taxes."
- (b) During the three months ended March 31, 2020, based on current market conditions and the expected impact on Halliburton's business outlook, the Company recognized a \$310 million tax expense associated with a valuation allowance on its deferred tax assets. Additionally, we recognized the tax effect of impairments and other charges and a loss on early extinguishment of debt during the three months ended March 31, 2020.
- (c) Management believes that the effective tax rate adjusted for special items in the three months ended March 31, 2020 is useful to investors, especially when comparing this rate with previous and subsequent periods, primarily because management views the excluded items to be outside of the company's normal operating results. Management analyzes effective tax rate without the impact of these items as an indicator of normal tax results. Adjusted effective tax rate is calculated as: "Adjusted income tax provision" divided by "Adjusted income before income taxes."