



HALLIBURTON
100 YEARS

Second Quarter 2019 Update

Investor Relations Contacts

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NYSE Stock Symbol: HAL

Common Dividend: \$0.18 in the second quarter 2019

Shares Outstanding: 876 million as of 07/19/2019

Safe Harbor

The statements in this presentation that are not historical statements, including statements regarding future financial performance, are forward-looking statements within the meaning of the federal securities laws. These statements are subject to numerous risks and uncertainties, many of which are beyond the company's control, which could cause actual results to differ materially from the results expressed or implied by the statements. These risks and uncertainties include, but are not limited to: the continuation or suspension of our stock repurchase program, the amount, the timing and the trading prices of Halliburton common stock, and the availability and alternative uses of cash; changes in the demand for or price of oil and/or natural gas; potential catastrophic events related to our operations, and related indemnification and insurance matters; protection of intellectual property rights and against cyber-attacks; compliance with environmental laws; changes in government regulations and regulatory requirements, particularly those related to offshore oil and natural gas exploration, radioactive sources, explosives, chemicals, hydraulic fracturing services, and climate-related initiatives; the impact of federal tax reform, compliance with laws related to income taxes and assumptions regarding the generation of future taxable income; risks of international operations, including risks relating to unsettled political conditions, war, the effects of terrorism, foreign exchange rates and controls, international trade and regulatory controls and sanctions, and doing business with national oil companies; weather-related issues, including the effects of hurricanes and tropical storms; changes in capital spending by customers; delays or failures by customers to make payments owed to us; execution of long-term, fixed-price contracts; structural changes in the oil and natural gas industry; maintaining a highly skilled workforce; availability and cost of raw materials; agreement with respect to and completion of potential acquisitions and integration and success of acquired businesses and operations of joint ventures. Halliburton's Form 10-K for the year ended December 31, 2018, Form 10-Q for the quarter ended June 30, 2019, recent Current Reports on Form 8-K, and other Securities and Exchange Commission filings discuss some of the important risk factors identified that may affect Halliburton's business, results of operations, and financial condition. Halliburton undertakes no obligation to revise or update publicly any forward-looking statements for any reason.



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Agenda

- Company Overview
 - Returns-focused Strategy
 - *Unconventionals*
 - *Mature Fields*
 - *Deep Water*
 - Financial Review
-

Halliburton Global Footprint



Founded

1919

Employees

60,000*

140+ Nationalities

Operational Countries

80

Research Centers

12

Corporate Headquarters

Houston

**approximate estimate*

Celebrating A Century of Growth and Innovation

1919 – 1950

- 1919**
Erle P. Halliburton starts New Method Oil Well Cementing Co.
- 1921**
Erle P. Halliburton invents the jet mixer for cementing wells
- 1922**
Company cements its 500th well
- 1924**
The company incorporates as Halliburton Oil Well Company (HOWCO)
- 1938**
HOWCO cements first offshore well using a truck on a barge off the coast of Louisiana
- 1948**
HOWCO stock listed on the New York Stock Exchange
- 1949**
HOWCO successfully completes industry's first commercial hydraulic fracturing job

1950 – 1990

- 1952**
Company revenues top \$10 million
- 1957**
Erle P. Halliburton passes away in Los Angeles
- HOWCO purchases Welex, a pioneer in jet perforating
- 1959**
HOWCO acquires Otis Engineering
- 1961**
HOWCO changes name to Halliburton Company
- 1962**
Halliburton acquires engineering and construction company Brown and Root
- 1965**
Halliburton begins pilot operations of a computer network system – the first in the oilfield services industry
- 1989**
Halliburton acquires Gearhart Industries

1990 – 2000

- 1991**
Halliburton helps extinguish over 220 of the 647 well fires set in Kuwait
- 1993**
Halliburton combines its ten energy services units into one unified, global organization, Halliburton Energy Services.
- 1996**
Halliburton acquires information technologies pioneer Landmark Graphics Corporation
- 1998**
Halliburton merges with Dresser Industries bringing Baroid and Sperry subsidiaries into the portfolio. This leads to the merger of Brown & Root with M.W. Kellogg, creating a division known as KBR

2000 – Present

- 2004**
Halliburton performs first remotely operated and monitored offshore cementing operation
- 2006**
Halliburton and KBR separate
- 2008**
Halliburton acquires Pinnacle to expand microseismic capabilities
- 2010**
Halliburton acquires Boots & Coots as final piece of its well control offering
- 2011**
Halliburton acquires Multi-Chem and Artificial Lift
- 2017**
Jeff Miller appointed President and CEO
- Halliburton acquires Summit ESP
- 2019**
Halliburton celebrates its 100-year anniversary

14 Product Service Lines in 2 Divisions

HALLIBURTON

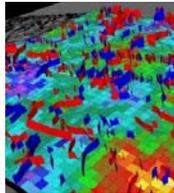
Drilling and Evaluation



Baroid



Drill Bits & Services



Landmark



Consulting & Project Management



Sperry Drilling



Testing & Subsea

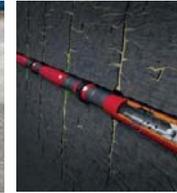


Wireline & Perforating

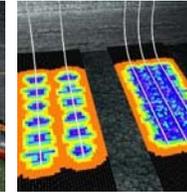
Completion and Production



Cementing



Completion Tools



Production Enhancement



Artificial Lift



Multi-Chem



Pipeline & Process Services



Production Solutions

Returns-focused Strategy

Deliver strong cash flow and industry-leading returns **for our shareholders** by collaborating and engineering solutions that **improve efficiency and maximize recovery for our customers**

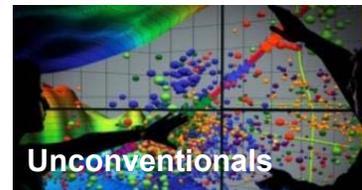
Provide a full range of the highest returning oilfield services globally

Focus on technology, safety, and superior service quality

Invest in innovative technologies and selective acquisitions in order to:

- improve efficiency and recovery for our customers
 - allow Halliburton to maximize growth and returns
-

Strategic Markets



- Well productivity
 - Surface efficiency
 - Lowest cost per BOE
-



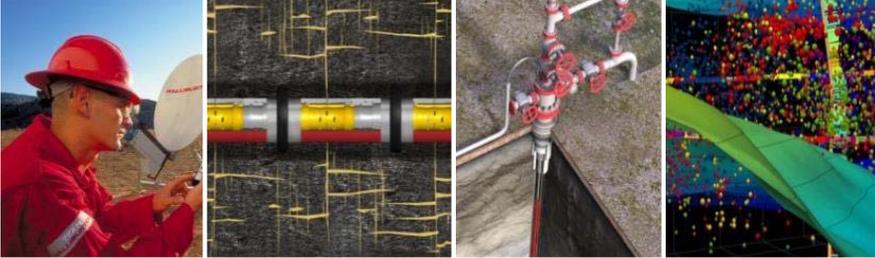
- Well production optimization
 - Improved asset recovery
 - Well abandonment
-



- Increased efficiency
- Reduced uncertainty
- Lowest cost per foot reservoir delivery

Unconventionals

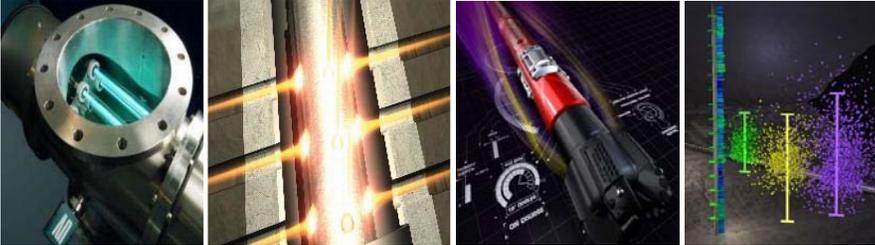
Lowering Cost per BOE for our Customers



Subsurface Insight



Increased Well Productivity

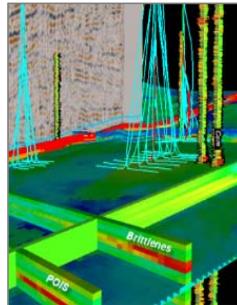


Operational Efficiency

Unconventionals – Lowering Cost per BOE

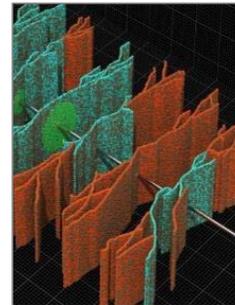


More
Barrels

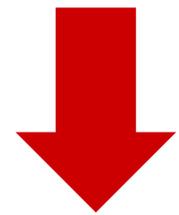


Subsurface Insight

+



Well Productivity



Less
Cost

Operational Efficiency

Drilling Optimization



+

Supply Chain



+

Surface Efficiency



Unconventionals – Well Productivity

Automated Fracturing Service

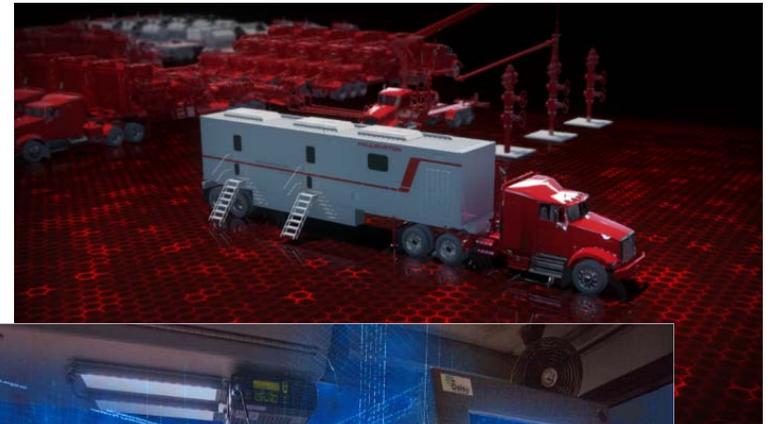
Industry-first **automated fracturing solution**

Machine learning & frac domain expertise combined to **control equipment**

Adapts to formation **variability**

More even distribution of proppant and fluid to each cluster – **30% improvement in cluster efficiency**

Deployed across all major basins in NAM and internationally



Unconventionals – Drilling Optimization

iCruise™ Intelligent Rotary Steerable System



Superior Platform

Deployed in the US shale basins and internationally, with the highest mechanical specs on the market and up to 18 degree/100 feet dogleg capability



Drilling Automation

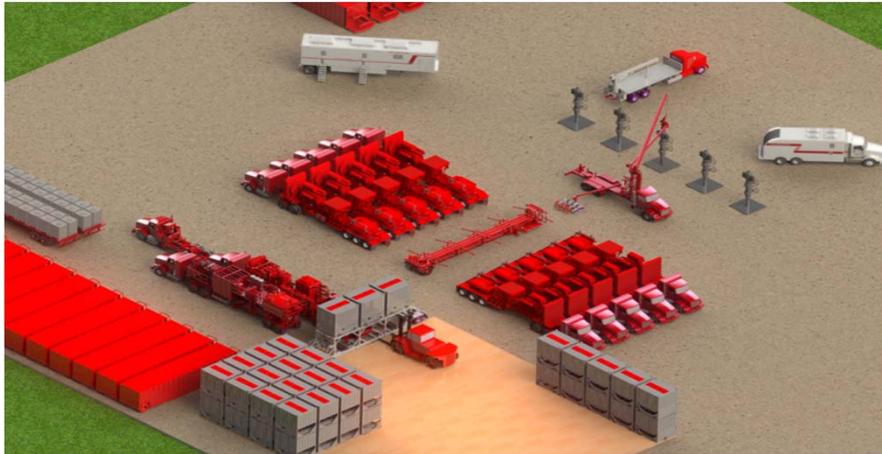
Uses BHA Digital Twin to produce predictable and consistent drilling results, reducing non-productive time and equipment wear



Improved Returns

Modular design compresses R&M time, improving asset velocity

Unconventionals – Operational Efficiency



20%

LESS
CAPITAL

35%

LESS
PERSONNEL

40%

LESS
COMPLETION TIME

Q10™ Pump



Quiet and dual fuel
fleets available

**ExpressKinect™ Wellhead
Connector**



Reduces rig-up time,
increases safety and
operational efficiency

ExpressSand™ System



Reduces footprint at wellsite,
significantly lowers
operational and capital costs

Snapshot™ Software



Streamlines wellsite
processes and increases
back-office efficiencies

Unconventionals – Operational Efficiency

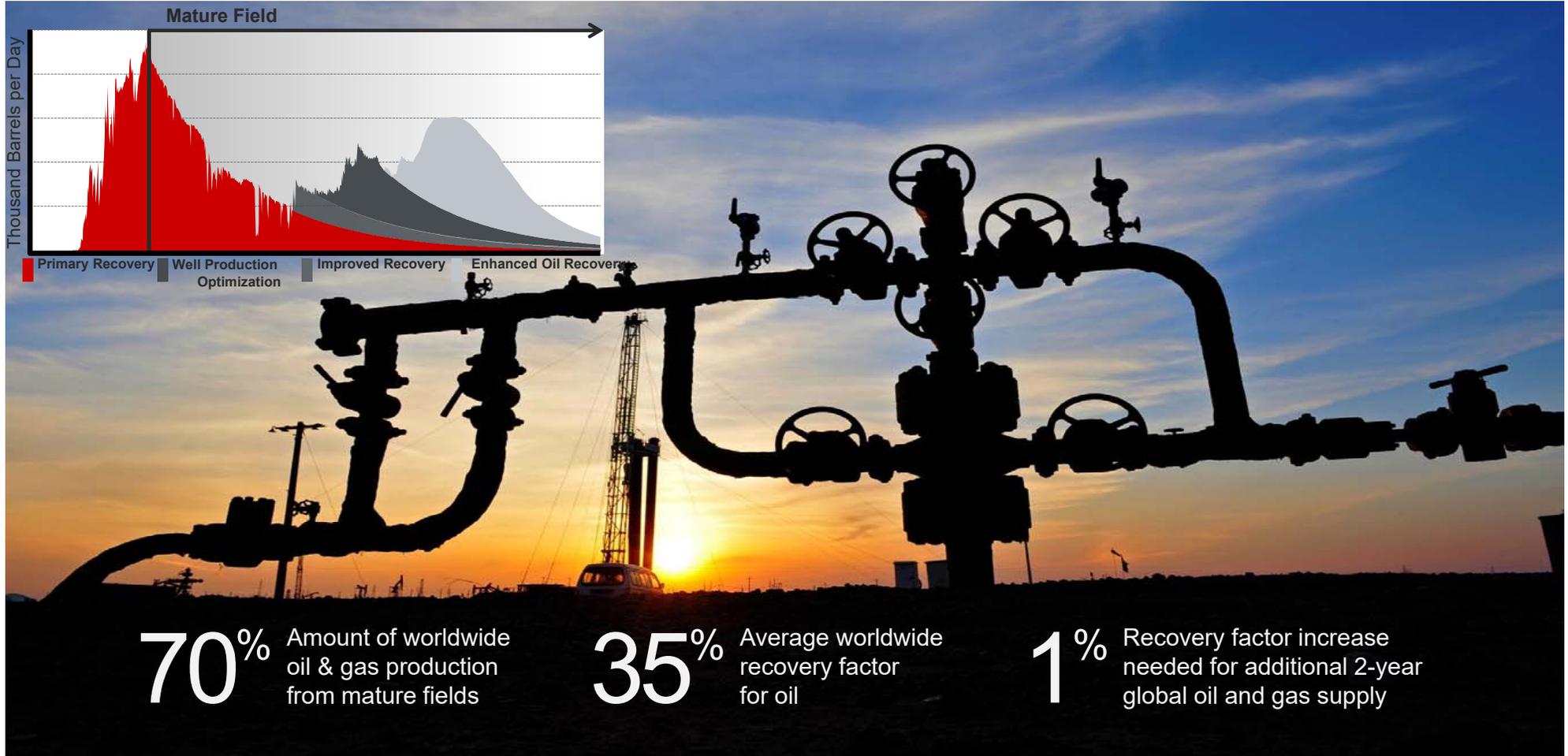
Velocity™ Modular Perforating Gun System

29% of NPT related to gun system failure

- **Reduces assembly** length and weight
- **Minimizes** wellsite **preparation**
- Improved stage **efficiency** and reduces **non-productive time**



Mature Fields – Leading the Recovery in International Markets

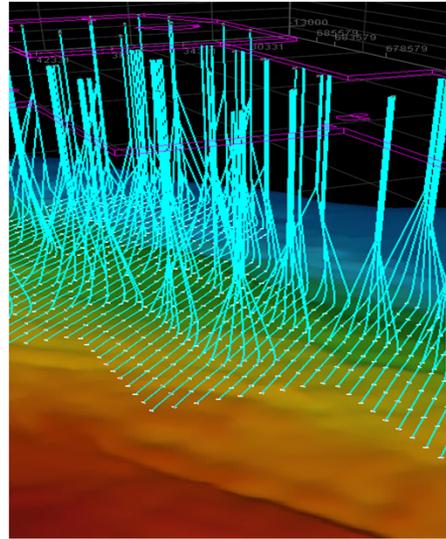


Mature Fields Solutions Portfolio



Well Production Optimization

- Artificial lift
- Specialty chemicals
- Diagnostics (wireline, coil tubing)
- Remediation and cleanout
- Resolution of gas migration issues



Improved Asset Recovery

- Infill drilling
- Multilaterals
- Automation and production analytics
- EOR



Well Abandonment / P&A

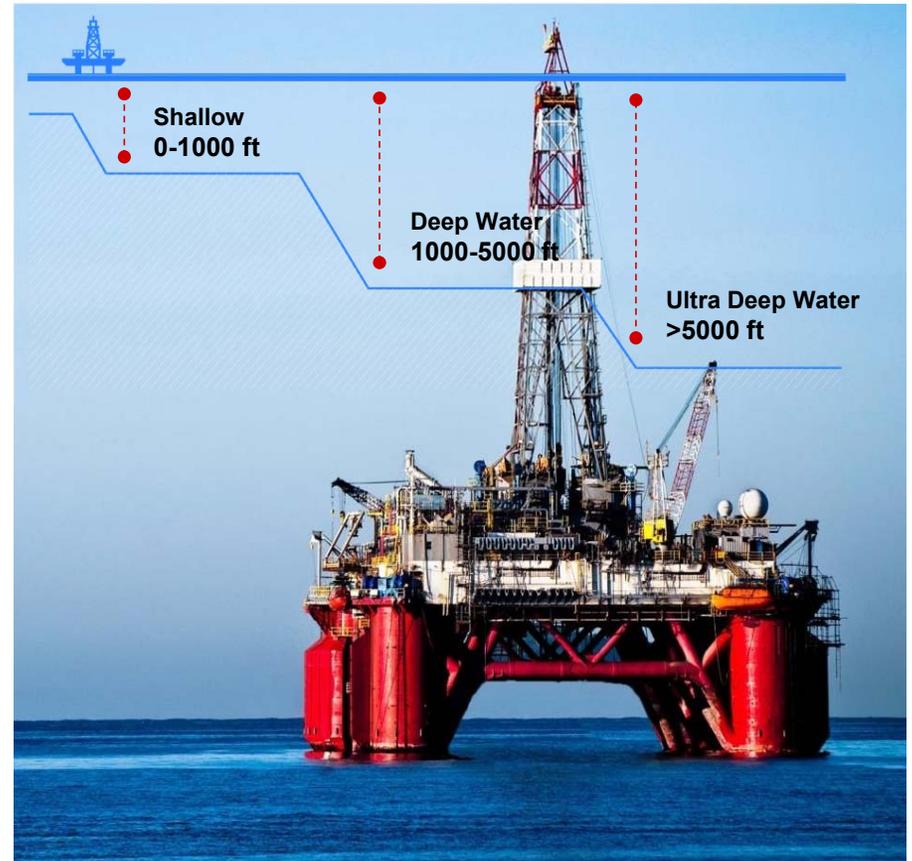
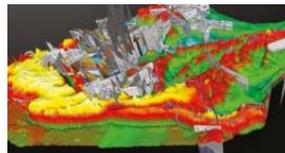
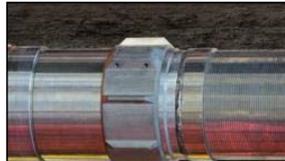
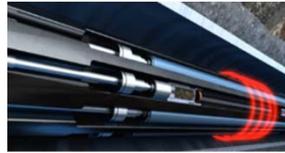
- Safe and compliant operations
- Well integrity
- Reliable barrier assurance

Deep Water – Delivering the Lowest Cost-per-foot Reservoir

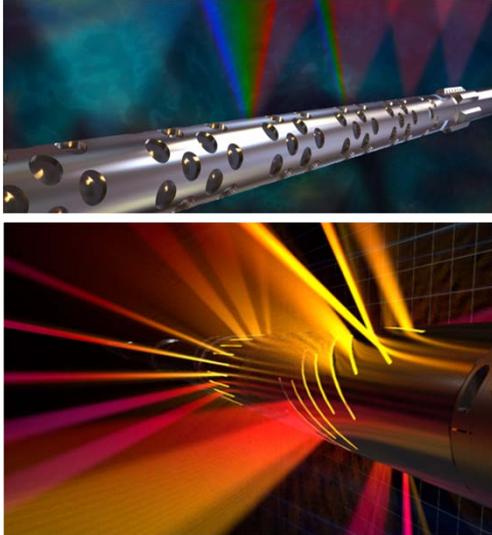
Reduced Uncertainty

Increased Efficiency

Increased Reliability



Deepwater Solutions Portfolio



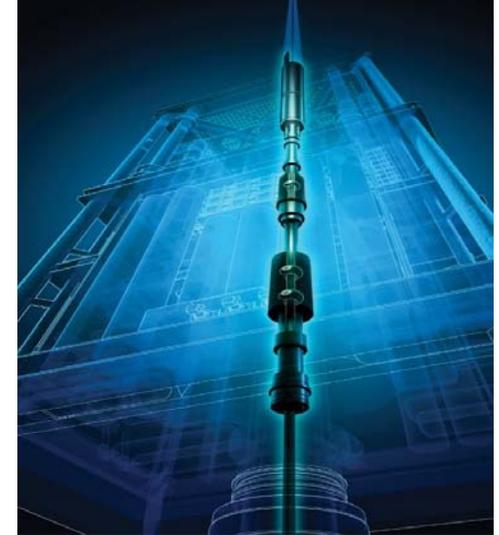
Reduced Uncertainty

- Logging-while-drilling
- Open hole wireline
- Field development planning



Increased Efficiency

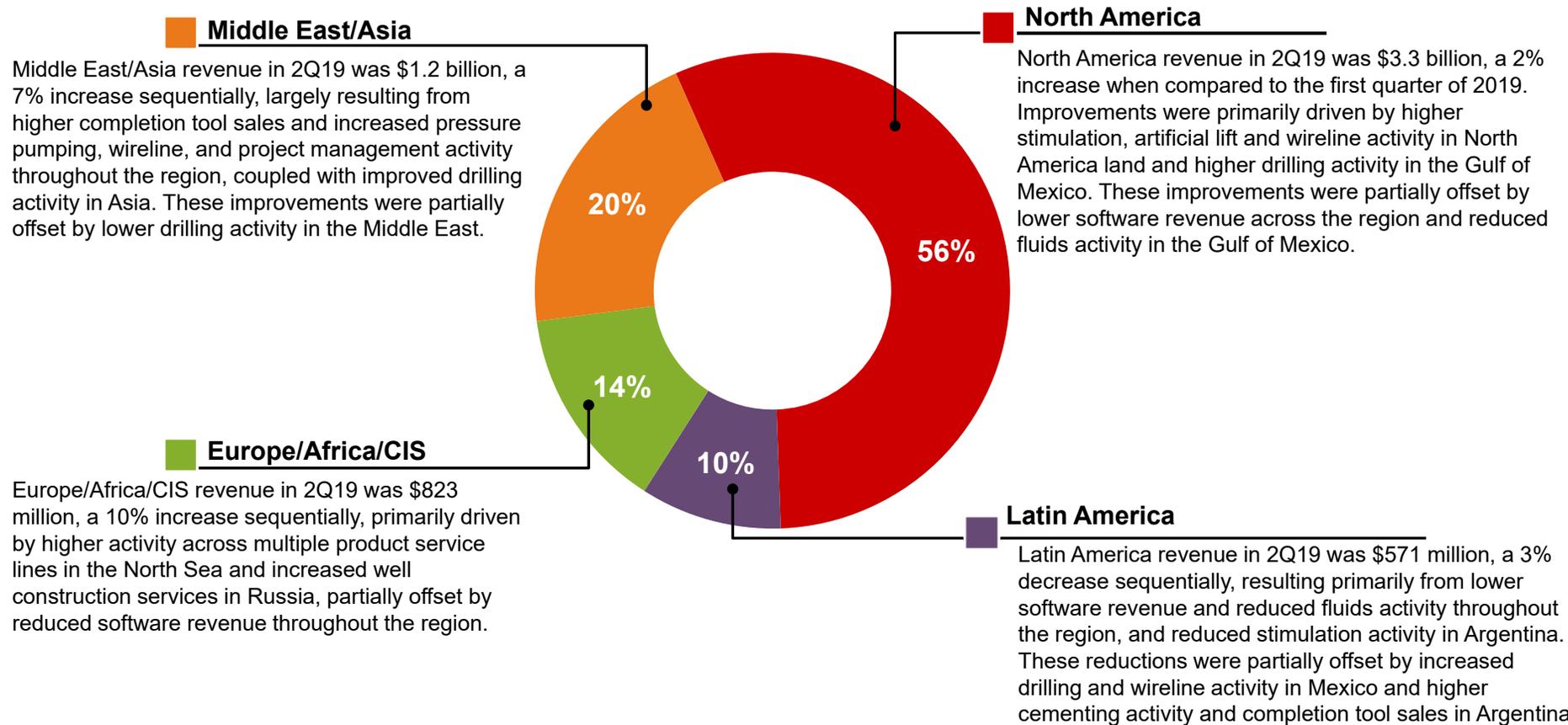
- Integrated drilling solutions
- Real-time monitoring and decision making
- Well control for safe and seamless operations



Increased Reliability

- Wellbore integrity solutions
- Optimized completions
- Sustainable production

2Q19 Revenue Breakdown



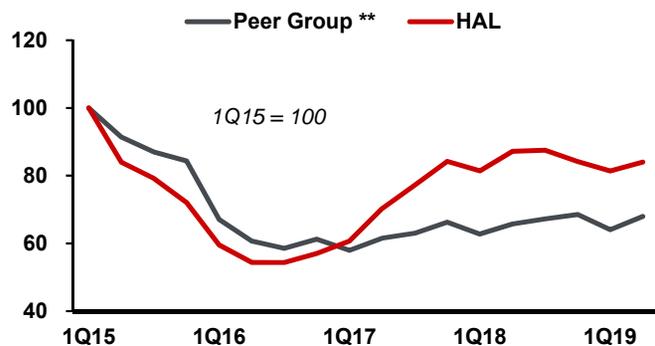
Segment and Geographic Results

Millions of dollars

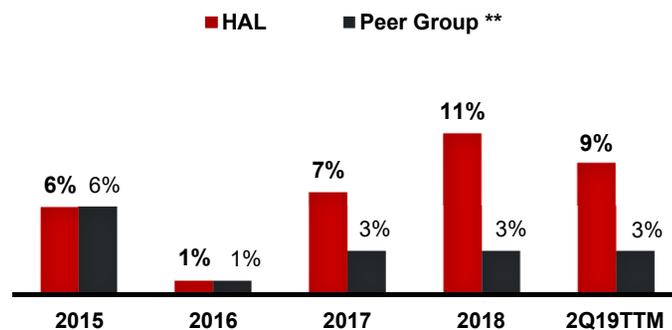
Revenue	Q117	Q217	Q317	Q417	Q118	Q218	Q318	Q418	Q119	Q219	2017	2018	2Q19 YTD
<i>By segment results:</i>													
Completion and Production	\$2,604	\$3,132	\$3,537	\$3,804	\$3,807	\$4,164	\$4,170	\$3,832	\$3,662	\$3,805	\$13,077	\$15,973	\$7,467
Drilling and Evaluation	1,675	1,825	1,907	2,136	1,933	1,983	2,002	2,104	2,075	2,125	7,543	8,022	4,200
Total	\$4,279	\$4,957	\$5,444	\$5,940	\$5,740	\$6,147	\$6,172	\$5,936	\$5,737	\$5,930	\$20,620	\$23,995	\$11,667
<i>By geographic region:</i>													
North America	\$2,231	\$2,770	\$3,163	\$3,400	\$3,517	\$3,834	\$3,739	\$3,341	\$3,275	\$3,327	\$11,564	\$14,431	\$6,602
Latin America	463	508	530	615	457	479	522	607	587	571	2,116	2,065	1,158
Europe / Africa / CIS	604	679	722	776	716	726	757	746	748	823	2,781	2,945	1,571
Middle East / Asia	981	1,000	1,029	1,149	1,050	1,108	1,154	1,242	1,127	1,209	4,159	4,554	2,336
Total	\$4,279	\$4,957	\$5,444	\$5,940	\$5,740	\$6,147	\$6,172	\$5,936	\$5,737	\$5,930	\$20,620	\$23,995	\$11,667
Operating Income/(Loss)	Q117	Q217	Q317	Q417	Q118	Q218	Q318	Q418	Q119	Q219	2017	2018	2Q19 YTD
Completion and Production	\$147	\$397	\$527	\$554	\$500	\$669	\$613	\$496	\$368	\$470	\$1,625	\$2,278	\$838
Drilling and Evaluation	122	125	186	293	188	191	181	185	123	145	726	745	268
Corporate and other	(66)	(114)	(71)	(79)	(69)	(71)	(78)	(73)	(65)	(65)	(330)	(291)	(130)
Impairments and other charges	—	(262)	—	(385)	(265)	—	—	—	(61)	(247)	(647)	(265)	(308)
Total	\$203	\$146	\$642	\$383	\$354	\$789	\$716	\$608	\$365	\$303	\$1,374	\$2,467	\$668
CAPEX	\$ 265	\$ 327	\$ 342	\$ 439	\$ 501	\$ 565	\$ 409	\$ 551	\$ 437	\$ 408	\$ 1,373	\$ 2,026	\$ 845
DDA	383	386	394	393	394	390	400	422	416	420	1,556	1,606	836

Financial Metrics

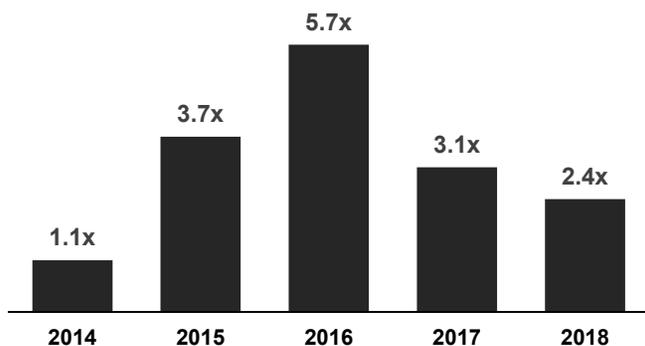
Total Revenue (Normalized)



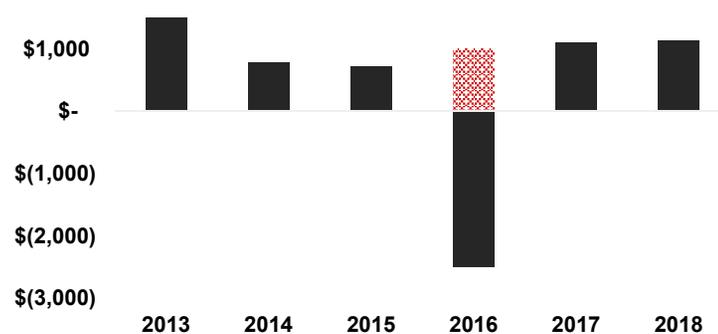
Return on Capital Employed*



Debt/EBITDA



Free Cash Flow* (\$Mn)



* Excludes certain charges. See slide 21 for reconciliation of Return on Capital Employed to Adjusted Return on Capital Employed and slide 22 for reconciliation of Cash Flow from Operating Activities to Adjusted Free Cash Flow.

** Peer Group includes Schlumberger and Baker Hughes, a GE Company

Reconciliation of As Reported ROCE to Adjusted ROCE

(\$millions)	2015	2016	2017	2018	2Q19TTM
As reported net income attributable to company	\$(671)	\$(5,763)	\$(463)	\$1,655	\$1,327
Interest expense, after-tax	329	529	517	479	469
As reported operating profit, after-tax	(341)	(5,234)	54	2,134	1,796
Adjustments, after-tax	1,972	5,621	1,440	5	(29)
Adjusted operating profit, after-tax (a)	\$1,631	\$387	\$1,494	\$2,139	\$1,767
Average capital employed (b)	27,606	26,378	20,561	19,591	19,860
As reported ROCE (c)	(1%)	(20%)	0%	11%	9%
Adjusted ROCE (c)	6%	1%	7%	11%	9%

- (a) Management believes that operating income adjusted for certain charges is useful to investors to assess and understand operating performance, especially when comparing results with previous and subsequent periods or forecasting performance for future periods, primarily because management views the charges to be outside of the company's normal operating results. Management analyzes operating income without the impact of these charges as an indicator of performance, to identify underlying trends in the business, and to establish operational goals. See slide 19 for further details on these adjustments, pre-tax.
- (b) Average capital employed is a statistical mean of the combined values of debt and shareholders' equity for the beginning and end of the period.
- (c) As reported return on capital employed (ROCE) is calculated as: "As reported operating profit, after-tax" divided by "Average capital employed." Adjusted ROCE is calculated as: "Adjusted operating profit, after-tax" divided by "Average capital employed."

Reconciliation of Cash Flow from Operating Activities to Adjusted Free Cash Flow

(\$millions)	2013	2014	2015	2016	2017	2018
Total cash provided by (used in) operating activities	\$4,447	\$4,062	\$2,906	\$(1,703)	\$2,468	\$3,157
Capital expenditures	(2,934)	(3,283)	(2,184)	(798)	(1,373)	(2,026)
Free cash flow (a)	\$1,513	\$779	\$722	\$(2,501)	\$1,095	\$1,131
BHI termination fee	-	-	-	(3,500)	-	-
Adjusted free cash flow	\$1,513	\$779	\$722	\$999	\$1,095	\$1,131

- (a) Management believes that free cash flow, which is defined as "Total cash provided by (used in) operating activities" less "Capital expenditures," is useful to investors to assess and understand liquidity, especially when comparing results with previous and subsequent periods. Management views free cash flow as a key measure of financial performance and liquidity in the company's business.

Why Invest in Halliburton?

Globally diversified oilfield services company with 14 different product service lines

Leading position in North America and a strong international franchise

Collaborating and engineering differentiated solutions to maximize asset value for our customers

Delivering strong cash flow and industry-leading returns

