

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Quarterly Report Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934
For the quarterly period ended June 30, 1998

OR

Transition Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934
For the transition period from _____ to _____

Commission File Number 1-3492

HALLIBURTON COMPANY

(a Delaware Corporation)
75-2677995

3600 Lincoln Plaza
500 N. Akard
Dallas, Texas 75201

Telephone Number - Area Code (214) 978-2600

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common stock, par value \$2.50 per share:
Outstanding at July 31, 1998 - 263,194,766

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Exhibits:	
Restated Certificate of Incorporation of Halliburton Company filed with the Secretary of State of Delaware on July 23, 1998.	
Halliburton Elective Deferral Plan, as amended and restated effective January 1, 1998.	
Halliburton Company Senior Executives' Deferred Compensation Plan, as amended and restated effective January 1, 1998.	
Financial data schedule for the six months ended June 30, 1998 (included only in the copy of this report filed electronically with the Commission).	

PART I. FINANCIAL INFORMATION
Item 1. Financial Statements.

HALLIBURTON COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)
(In millions of dollars and shares except per share)

	June 30 1998	December 31 1997
	-----	-----
ASSETS		
Current assets:		
Cash and equivalents	\$ 145.4	\$ 221.3
Receivables:		
Notes and accounts receivable	2,039.4	1,815.8
Unbilled work on uncompleted contracts	503.5	390.0
	-----	-----
Total receivables	2,542.9	2,205.8
Inventories	394.1	326.9
Deferred income taxes, current	129.1	106.6
Other current assets	121.8	111.0
	-----	-----
Total current assets	3,333.3	2,971.6
Property, plant and equipment, less accumulated depreciation of \$2,372.5 and \$2,325.3	1,814.2	1,662.7
Equity in and advances to related companies	415.9	338.7
Excess of cost over net assets acquired	312.2	323.1
Deferred income taxes, noncurrent	77.0	91.3
Other assets	233.4	215.6
	-----	-----
Total assets	\$ 6,186.0	\$ 5,603.0
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term notes payable	\$ 319.1	\$ 2.7
Current maturities of long-term debt	8.1	7.1
Accounts payable	694.8	586.5
Accrued employee compensation and benefits	212.3	262.3
Advance billings on uncompleted contracts	298.1	303.7
Income taxes payable	198.2	213.1
Deferred revenues	44.9	38.4
Other current liabilities	369.8	359.1
	-----	-----
Total current liabilities	2,145.3	1,772.9
Long-term debt	525.4	538.9
Reserve for employee compensation and benefits	329.9	323.6
Other liabilities	370.0	363.2
Minority interest in consolidated subsidiaries	19.3	19.7
	-----	-----
Total liabilities and minority interest	3,389.9	3,018.3
	-----	-----
Shareholders' equity:		
Common stock, par value \$2.50 per share - authorized 400.0 shares, issued 269.5 and 268.8 shares	673.6	672.0
Paid-in capital in excess of par value	106.3	87.2
Cumulative translation adjustment	(17.2)	(15.0)
Retained earnings	2,135.8	1,947.6
	-----	-----
Total shareholders' equity	2,898.5	2,691.8
Less 6.3 and 6.5 shares of treasury stock, at cost	102.4	107.1
	-----	-----
Total shareholders' equity	2,796.1	2,584.7
	-----	-----
Total liabilities and shareholders' equity	\$ 6,186.0	\$ 5,603.0
	=====	=====

See notes to condensed consolidated financial statements.

HALLIBURTON COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)
(In millions of dollars except per share data)

	Three Months Ended June 30		Six Months Ended June 30	
	1998	1997	1998	1997
Revenues				
Energy Group	\$ 1,707.0	\$ 1,456.4	\$ 3,296.2	\$ 2,576.7
Engineering and Construction Group	768.6	774.7	1,534.7	1,551.9
Total revenues	<u>\$ 2,475.6</u>	<u>\$ 2,231.1</u>	<u>\$ 4,830.9</u>	<u>\$ 4,128.6</u>
Operating income				
Energy Group	\$ 198.3	\$ 160.1	\$ 383.3	\$ 277.3
Engineering and Construction Group	49.9	30.0	78.7	59.4
General corporate	(9.8)	(8.1)	(19.6)	(16.0)
Total operating income	238.4	182.0	442.4	320.7
Interest expense	(12.7)	(9.7)	(24.0)	(15.8)
Interest income	3.5	2.1	6.9	6.5
Foreign currency gains (losses)	(0.1)	(0.4)	2.3	0.6
Other nonoperating income (expense), net	(0.4)	(0.1)	(0.5)	0.5
Income before income taxes and minority interests	228.7	173.9	427.1	312.5
Provision for income taxes	(88.3)	(68.5)	(165.3)	(121.2)
Minority interest in net income of subsidiaries	(3.9)	(3.5)	(7.5)	(6.4)
Net income	<u>\$ 136.5</u>	<u>\$ 101.9</u>	<u>\$ 254.3</u>	<u>\$ 184.9</u>
Income per share:				
Basic	\$ 0.52	\$ 0.40	\$ 0.97	\$ 0.73
Diluted	\$ 0.51	\$ 0.40	\$ 0.95	\$ 0.72
Cash dividends paid per share	\$ 0.125	\$ 0.125	\$ 0.25	\$ 0.25

See notes to condensed consolidated financial statements.

HALLIBURTON COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(In millions of dollars)

	Six Months Ended June 30	
	1998	1997
Cash flows from operating activities:		
Net income	\$ 254.3	\$ 184.9
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	167.4	148.1
Provision (benefit) for deferred income taxes	(8.2)	(7.1)
Distributions from (advances to) related companies net of equity in (earnings) or losses	(81.6)	(39.4)
Other non-cash items	12.3	5.2
Other changes, net of non-cash items:		
Receivables	(338.4)	(220.2)
Inventories	(67.3)	(37.1)
Accounts payable	119.3	(83.8)
Other working capital, net	(91.4)	(3.4)
Other, net	11.4	29.0
Total cash flows from operating activities	(22.2)	(23.8)
Cash flows from investing activities:		
Capital expenditures	(326.1)	(259.2)
Sales of property, plant and equipment	26.5	27.8
Sales (purchases) of businesses, net of cash (disposed) acquired	4.0	(124.7)
Other investing activities	(1.5)	(35.9)
Total cash flows from investing activities	(297.1)	(392.0)
Cash flows from financing activities:		
Proceeds from long-term borrowing	-	175.6
Payments on long-term borrowings	(12.7)	(0.4)
Borrowings (repayments) of short-term debt	316.4	100.8
Payments of dividends to shareholders	(66.1)	(63.3)
Proceeds from exercises of stock options	15.1	38.8
Payments to re-acquire common stock	(1.4)	(0.7)
Other financing activities	(4.8)	3.5
Total cash flows from financing activities	246.5	254.3
Effect of exchange rate changes on cash	(3.1)	(1.7)
Decrease in cash and equivalents	(75.9)	(163.2)
Cash and equivalents at beginning of year	221.3	213.6
Cash and equivalents at end of period	\$ 145.4	\$ 50.4
Cash payments during the period for:		
Interest	\$ 24.6	\$ 14.1
Income taxes	158.2	55.6
Non-cash investing and financing activities:		
Liabilities assumed in acquisitions of businesses	\$ 4.6	\$ 286.3
Liabilities disposed of in dispositions of businesses	13.4	17.9

See notes to condensed consolidated financial statements.

HALLIBURTON COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Note 1. Management Representation

The Company employs accounting policies that are in accordance with generally accepted accounting principles in the United States. The preparation of financial statements in conformity with generally accepted accounting principles requires Company management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Ultimate results could differ from those estimates.

The accompanying unaudited condensed consolidated financial statements present information in accordance with generally accepted accounting principles for interim financial information and the instructions to Form 10-Q and applicable rules of Regulation S-X. Accordingly, they do not include all information or footnotes required by generally accepted accounting principles for complete financial statements and should be read in conjunction with the Company's 1997 Annual Report on Form 10-K/A.

In the opinion of the Company, the financial statements include all adjustments necessary to present fairly the Company's financial position as of June 30, 1998, and the results of its operations for the three and six months ended June 30, 1998 and 1997 and its cash flows for the six months then ended. The results of operations for the three and six months ended June 30, 1998 and 1997 may not be indicative of results for the full year. Certain prior year amounts have been reclassified to conform with the current year presentation.

Note 2. Comprehensive Income

	Three Months Ended June 30		Six Months Ended June 30	
	1998	1997	1998	1997
	(Millions of dollars)		(Millions of dollars)	
Comprehensive income:				
Net income	\$ 136.5	\$ 101.9	\$ 254.3	\$ 184.9
Cumulative translation adjustment, net of tax	(4.9)	12.9	(2.2)	1.7
Total comprehensive income	\$ 131.6	\$ 114.8	\$ 252.1	\$ 186.6

Comprehensive income as defined by Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income," is net income plus direct adjustments to shareholders' equity. The cumulative translation adjustment of certain foreign entities is the only such direct adjustment recorded by the Company.

Note 3. Inventories

	June 30 1998	December 31 1997
	(Millions of dollars)	
Sales items	\$ 142.3	\$ 114.9
Supplies and parts	179.2	158.1
Work in process	40.5	29.3
Raw materials	32.1	24.6
Total	\$ 394.1	\$ 326.9

About forty percent of all sales items (including related work in process and raw materials) are valued using the last-in, first-out (LIFO) method. If the average cost method had been in use for inventories on the LIFO basis, total inventories would have been about \$3.1 million and \$3.4 million higher than reported at June 30, 1998 and December 31, 1997, respectively.

Note 4. General and Administrative Expenses

General and administrative expenses were \$64.3 million and \$57.9 million for the three months ended June 30, 1998 and 1997, respectively. General and administrative expenses were \$122.9 million and \$108.9 million for the six months ended June 30, 1998 and 1997, respectively.

Note 5. Income Per Share

Basic income per share amounts are based on the weighted average number of common shares outstanding during the period. Diluted income per share includes additional common shares that would have been outstanding if potential common shares with a dilutive effect had been issued. The following table reconciles basic and diluted net income.

	Three Months Ended June 30		Six Months Ended June 30	
	1998	1997	1998	1997
	(Millions of dollars and shares except per share data)		(Millions of dollars and shares except per share data)	
Net income	\$ 136.5	\$ 101.9	\$ 254.3	\$ 184.9
Basic weighted average shares	262.9	253.1	262.8	252.9
Effect of common stock equivalents	3.6	2.9	3.5	2.8
Diluted weighted average shares	266.5	256.0	266.3	255.7
Net income per share:				
Basic	\$ 0.52	\$ 0.40	\$ 0.97	\$ 0.73
Diluted	\$ 0.51	\$ 0.40	\$ 0.95	\$ 0.72

Options to purchase 1.1 million shares of common stock which were outstanding during the six months ended June 30, 1998 were not included in the computation of diluted net income per share because the option exercise price was greater than the average market price of the common shares.

Note 6. Related Companies

The Company conducts some of its operations through various joint ventures, which are in partnership, corporate and other business forms, which are principally accounted for using the equity method. European Marine Contractors, Limited (EMC), which is 50% owned by the Company and part of the Energy Group, specializes in engineering, procurement and construction of marine pipelines. Summarized operating results for 100% of the operations of EMC are as follows:

	Three Months Ended June 30		Six Months Ended June 30	
	1998	1997	1998	1997
	(Millions of dollars)		(Millions of dollars)	
Revenues	\$ 131.2	\$ 144.8	\$ 198.6	\$ 236.2
Operating income	\$ 17.9	\$ 34.4	\$ 30.7	\$ 41.0
Net income	\$ 12.3	\$ 23.4	\$ 21.2	\$ 28.0

Included in the Company's revenues for the three months ended June 30, 1998 and 1997 are equity in income of related companies of \$31.0 million and \$40.2 million, respectively. The amounts included in revenues for the six months ended June 30, 1998 and 1997 are \$61.2 million and \$60.6 million, respectively.

In the second quarter of 1997, Halliburton Energy Services, which is part of the Energy Group, acquired a 26% ownership interest in Petroleum Engineering Services (PES) for approximately \$33.6 million. The purchase price is included in purchases of businesses in the condensed consolidated statements of cash flows.

Note 7. Long-Term Debt

During 1997 the Company issued notes under its medium-term note program as follows:

Amount	Issue Date	Due	Rate	Prices	Yield
\$ 125 million	02/11/97	02/01/2027	6.75%	99.78%	6.78%
\$ 50 million	05/12/97	05/12/2017	7.53%	Par	7.53%
\$ 50 million	07/08/97	07/08/1999	6.27%	Par	6.27%
\$ 75 million	08/05/97	08/05/2002	6.30%	Par	6.30%

During March 1997, the Company incurred \$56.3 million of term loans in connection with the acquisition of the Royal Dockyard in Plymouth, England (the Dockyard Loans). The Dockyard Loans are denominated in Sterling and bear interest at approximately LIBOR plus 0.75% payable in semi-annual installments through March 2004. Pursuant to certain terms of the Dockyard Loans, the Company was required to provide initially a compensating balance of \$28.7 million which is restricted as to use by the Company. The compensating balance amount decreases in proportion to the outstanding debt related to the Dockyard Loans and earns interest at a rate equal to that of the Dockyard Loans. The compensating balance of \$16.6 million at June 30, 1998 is included in other assets in the condensed consolidated balance sheet.

Note 8. Commitments and Contingencies

The Company is involved as a potentially responsible party (PRP) in remedial activities to clean up various "Superfund" sites under applicable Federal law which imposes joint and several liability, if the harm is indivisible, on certain persons without regard to fault, the legality of the original disposal, or ownership of the site. Although it is very difficult to quantify the potential impact of compliance with environmental protection laws, management of the Company believes that any liability of the Company with respect to all but one of such sites will not have a material adverse effect on the results of operations of the Company. With respect to a site in Jasper County, Missouri (Jasper County Superfund Site), sufficient information has not been developed to permit management to make such a determination and management believes the process of determining the nature and extent of remediation at this site and the total costs thereof will be lengthy. Brown & Root, Inc. (Brown & Root), a subsidiary of the Company, has been named as a PRP with respect to the Jasper County Superfund Site by the Environmental Protection Agency (EPA). The Jasper County Superfund Site includes areas of mining activity that occurred from the 1800s through the mid 1950s in the southwestern portion of Missouri. The site contains lead and zinc mine tailings produced from mining activity. Brown & Root is one of nine participating PRPs which have agreed to perform a Remedial Investigation/Feasibility Study (RI/FS), which, due to various delays, is not expected to be completed until sometime in 1999. Although the entire Jasper County Superfund Site comprises 237 square miles as listed on the National Priorities List, in the RI/FS scope of work, the EPA has only identified seven areas, or subsites, within this area that need to be studied and then possibly remediated by the PRPs. Additionally, the Administrative Order on Consent for the RI/FS only requires Brown & Root to perform RI/FS work at one of the subsites within the site, the Neck/Alba subsite, which only comprises 3.95 square miles. Brown & Root's share of the cost of such a study is not expected to be material. In addition to the superfund issues, the State of Missouri has indicated that it may pursue natural resource damage claims against the PRPs. At the present time Brown & Root cannot determine the extent of its liability, if any, for remediation costs or natural resource damages on any reasonably practicable basis.

The Company and its subsidiaries are parties to various other legal proceedings. Although the ultimate dispositions of such proceedings are not presently determinable, in the opinion of the Company any liability that may ensue will not be material in relation to the consolidated financial position and results of operations of the Company.

Note 9. Acquisitions and Dispositions

During March 1997, the Devonport management consortium, Devonport Management Limited (DML), which is 51% owned by the Company, completed the acquisition of Devonport Royal Dockyard plc, which owns and operates the Government of the United Kingdom's Royal Dockyard in Plymouth, England, for approximately \$64.9 million. Concurrent with the acquisition of the Royal Dockyard, the Company's ownership interest in DML increased from about 30% to 51% and DML borrowed \$56.3 million under term loans.

During April 1997, the Company completed its acquisition of the outstanding common stock of OGC International plc (OGC) for approximately \$118.3 million. OGC is engaged in providing a variety of engineering, operations and maintenance services, primarily to the North Sea oil and gas production industry.

During July 1997, the Company acquired all of the outstanding common stock and convertible debentures of Kinhill Holdings Limited (Kinhill) for approximately \$34 million. Kinhill, headquartered in Australia, provides engineering for mining and minerals processing, petroleum and chemicals, water and wastewater, transportation and commercial and civil infrastructure. Kinhill markets its services primarily in Australia, Indonesia, Thailand, Singapore, India, and the Philippines.

In 1997, the Company recorded approximately \$99.1 million excess of cost over net assets acquired primarily related to the purchase acquisitions of OGC and Kinhill.

On September 30, 1997, the Company completed its acquisition of NUMAR Corporation (NUMAR) through the merger of a subsidiary of the Company with and into NUMAR, the conversion of the outstanding NUMAR common stock into an aggregate of approximately 8.2 million shares of common stock of the Company and the assumption by the Company of the outstanding NUMAR stock options (for the exercise of which the Company has reserved an aggregate of approximately 0.9 million shares of common stock of the Company). The merger qualified as a tax-free exchange and was accounted for using the pooling of interests method of accounting for business combinations. The Company has not restated its financial statements to include NUMAR's historical operating results because they are not material to the Company. NUMAR's assets and liabilities on September 30, 1997 were included in the Company's accounts of the same date, resulting in an increase in net assets of \$21.3 million. Headquartered in Malvern, Pennsylvania, NUMAR designs, manufactures and markets the Magnetic Resonance Imaging Logging (MRIL(R)) tool which utilizes magnetic resonance imaging technology to evaluate subsurface rock formations in newly drilled oil and gas wells.

In December 1997, the Company sold its environmental services business to Tetra Tech, Inc. for approximately \$32 million. The sale was prompted by the Company's desire to divest non-core businesses and had no significant effect on net income in 1997.

Note 10. Halliburton / Dresser Merger

On February 26, 1998 the Company and Dresser Industries, Inc. (Dresser) announced that a definitive merger agreement was approved by the board of directors of both companies and executed on February 25, 1998. Approximately 175 million newly issued shares of Company common stock will be issued to Dresser shareholders at a one-for-one exchange ratio. The transaction will be accounted for by the pooling of interests method of accounting for business combinations and is expected to be tax-free to Dresser's shareholders. Dresser is a diversified company with operations in three industry segments: engineering services; petroleum products and services; and energy equipment. The transaction is subject to regulatory approvals in the United States and several other countries and customary closing conditions. On April 20, 1998, the Company and Dresser announced that the companies had received requests for additional information concerning the proposed merger from the Antitrust Division of the U.S. Department of Justice. The requests were not unexpected and both the Company and Dresser are responding to the Department of Justice. The Company has offered the Department of Justice its written commitment to divest its 36% interest in M-I L.L.C. On June 25, 1998, shareholders of the Company voted their approval for (1) an amendment to the Company's Restated Certificate of Incorporation to increase the number of authorized common shares from 400 million to 600 million and (2) the issuance of Company common stock pursuant to the merger agreement between the Company and Dresser. Also, at a separate meeting on June 25, 1998, shareholders of Dresser approved the merger agreement between Halliburton and Dresser. On July 6, 1998, the Company and Dresser received the European Commission's decision that the Commission will not oppose the merger of the two companies. On July 9, 1998, the Company announced receipt of an Advance Ruling Certificate from the Canadian Bureau of Competition Policy clearing the merger of the two companies. The companies continue to expect to complete the merger during the fall of 1998.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

BUSINESS ENVIRONMENT

The Company operates in over 100 countries around the world to provide a variety of energy services and engineering and construction services to energy, industrial and governmental customers. The industries served by the Company are highly competitive with many substantial competitors. Operations in some countries may be affected by unsettled political conditions, expropriation or other governmental actions, exchange controls and currency devaluations. The Company believes the geographic diversification of its business activities reduces the risk that loss of its operations in any one country would be material to its consolidated results of operations.

About 79% of the Company's revenues in 1997 were derived from the sale of services and products, including construction activities, to the energy industry. The decline in oil prices in the first half of 1998 has translated into a decrease in the worldwide average rotary rig count and some hesitation on the part of customers of the Company to commit to longer-term projects. In response to potentially weakening markets in some areas of the world, the Company is implementing plans to reduce the number of employees in those geographic areas where activity levels are lower than expected, to scale back discretionary spending on capital expenditures and to curtail discretionary travel and other expenses.

RESULTS OF OPERATIONS

Second Quarter of 1998 Compared with the Second Quarter of 1997
Revenues

Consolidated revenues increased 11% to \$2,475.6 million in the second quarter of 1998 compared with \$2,231.1 million in the same quarter of the prior year. Approximately 61% of the Company's consolidated revenues were derived from international activities in the second quarter of 1998 compared to 59% in the second quarter of 1997. Consolidated international revenues increased 16% in the second quarter of 1998 over the second quarter of 1997. Consolidated United States revenues increased by 3% in the second quarter of 1998 compared to the second quarter of 1997.

Energy Group revenues increased by 17% for the second quarter of 1998 over the same quarter of the prior year notwithstanding an 8% decrease in drilling activity as measured by the worldwide rotary rig count. International revenues increased by 22% and United States revenues increased 6% in the second quarter of 1998 while the United States rig count decreased 7% for the second quarter of 1998 as compared to the same quarter of the prior year. Most of the increased revenues were from pressure pumping activities, notably in Europe/Africa, and upstream oil and gas engineering services.

Engineering and Construction Group revenues were \$768.6 million in the second quarter of 1998 compared to \$774.7 million in the same quarter of the prior year. The slight decrease in revenues was due to the sale of the environmental services business in December 1997, lower activity in the pulp and paper industry, and lower activity levels in the Group's contract to provide technical and logistical support for military peacekeeping operations in Bosnia. These decreases were almost entirely offset by increased revenues recognized for engineering and construction services for refining and civil contracts in the United States and Latin America and increased revenues in Asia/Pacific from Kinhill, which was acquired in the third quarter of 1997.

Operating Income

Consolidated operating income increased 31% to \$238.4 million in the second quarter of 1998 compared with \$182.0 million in the same quarter of the prior year. Approximately 54% of the Company's consolidated operating income was derived from international activities in both the second quarter of 1998 and 1997.

Energy Group operating income increased 24% to \$198.3 million in the second quarter of 1998 compared with \$160.1 million in the same quarter of the prior year. The operating margin for the second quarter of 1998 was 11.6% compared to the prior year second quarter operating margin of 11.0%. Improved operating income was largely due to pressure pumping in the North America, Europe/Africa and Asia/Pacific regions, improved margins on sales of completion products in the Europe/Africa, Latin America and Asia/Pacific regions, and upstream oil and gas engineering services in Europe and North America.

Engineering and Construction Group operating income increased 66% to \$49.9 million in the second quarter of 1998 compared to \$30.0 million in the second quarter of the prior year. Operating margins were 6.5% in the second quarter of

1998 compared to 3.9% in the prior year second quarter. Second quarter operating income benefited from a claim on a Middle Eastern construction project. Excluding this settlement, operating margins for the second quarter of 1998 for the Group were about 4.5%. Included in second quarter operating income are improved results from construction and engineering services for the chemicals and refining lines of business.

Nonoperating Items

Interest expense increased to \$12.7 million in the second quarter of 1998 compared to \$9.7 million in the same quarter of the prior year due primarily to the Company's issuance of debt under the Company's medium-term note program in 1997 for working capital, capital expenditures and acquisitions.

Interest income in the second quarter of 1998 increased to \$3.5 million from \$2.1 million in the second quarter of 1997 primarily due to higher levels of invested cash.

Foreign currency losses were \$0.1 million for the second quarter of 1998 as compared to \$0.4 million for the same quarter in 1997.

The effective income tax rate decreased to 38.6% for the second quarter of 1998 from 39.4% for the second quarter of 1997 and is expected to remain between 38% and 39% for the year of 1998.

Minority interest in net income of subsidiaries for the second quarter of 1998 increased to \$3.9 million compared to \$3.5 million for the second quarter of 1997.

Net Income

Net income in the second quarter of 1998 increased 34% to \$136.5 million, or \$0.51 per diluted share, compared with \$101.9 million, or \$0.40 per diluted share, in the same quarter of the prior year.

First Six Months of 1998 Compared with the First Six Months of 1997

Revenues

Consolidated revenues increased 17% to \$4,830.9 million in the first six months of 1998 compared with \$4,128.6 million in the same period of the prior year. Approximately 61% of the Company's consolidated revenues were derived from international activities in the first six months of 1998 compared to 57% in the same period of 1997. Consolidated international revenues increased 25% in the first six months of 1998 over the same period of 1997. Consolidated United States revenues increased by 6% in the first six months of 1998 compared to the same period of 1997.

Energy Group revenues increased 28% for the first six months of 1998 over the same period of the prior year compared with a 1% increase in drilling activity as measured by the worldwide rotary rig count. International revenues increased by 36% and United States revenues increased 13% in the first six months of 1998 while the international rig count decreased 1% and the United States rig count increased 3% as compared to the same period of the prior year. A large part of the increase in revenues were from upstream oil and gas engineering services.

Engineering and Construction Group revenues decreased 1% to \$1,534.7 million in the first six months of 1998 compared with \$1,551.9 million in the same six month period of the prior year. Lower revenues were due to the sale of the environmental services business in December 1997, lower activity in the pulp and paper industry and lower activity levels in the Group's contract to provide technical and logistical support for military peacekeeping operations in Bosnia. These decreases were partially offset by improved revenues recognized for engineering and construction services for refining and civil contracts in the United States and Latin America and increased revenues in Asia/Pacific from Kinhill, which was acquired in the third quarter of 1997.

Operating Income

Consolidated operating income increased 38% to \$442.4 million in the first six months of 1998 compared with \$320.7 million in the same period of the prior year. Approximately 54% of the Company's consolidated operating income was derived from international activities in the first six months of 1998 compared to 58% in the same period of 1997.

Energy Group operating income increased 38% to \$383.3 million in the first six months of 1998 compared with \$277.3 million in the same period of the prior year. The operating margin for the first six months of 1998 was 11.6% compared to the prior year operating margin for the same period of 10.8%. The improvement in operating income was due largely to pressure pumping in the North America, Europe/Africa and Asia/Pacific regions, improved margins on sales of completion

products in the North America and Latin America regions, and upstream oil and gas engineering services in Europe and North America.

Engineering and Construction Group operating income for the first six months of 1998 increased 32% to \$78.7 million compared to 1997 operating income of \$59.4 million for the same period. Operating margins improved to 5.1% for the first six months of 1998 from 3.8% for the same period in 1997. Operating income includes settlement of a claim on a Middle Eastern construction project. Excluding this settlement, operating margins for the first six months of 1998 for the Group were about 4.2%. Operating income for the first six months of 1998 include improved results from construction and engineering services for the chemicals and refining lines of business.

Nonoperating Items

Interest expense increased to \$24.0 million in the first six months of 1998 compared to \$15.8 million in the same period of the prior year due primarily to the Company's issuance of debt under the Company's medium-term note program in 1997 for working capital, capital expenditures and acquisitions.

Interest income in the first six months of 1998 increased to \$6.9 million from \$6.5 million in the same period of 1997 primarily due to higher levels of invested cash.

Foreign currency gains were \$2.3 million for the first six months of 1998 as compared to \$0.6 million for the same period in 1997.

The effective income tax rate was 38.7% for the first six months of 1998 and 38.8% for the same period of 1997. The effective income tax rate is expected to remain between 38% and 39% for the year of 1998.

Minority interest in net income of subsidiaries was \$7.5 million for the first six months of 1998 compared to \$6.4 million for the same period in the prior year.

Net Income

Net income in the first six months of 1998 increased 38% to \$254.3 million, or \$0.95 per diluted share, compared with \$184.9 million, or \$0.72 per diluted share, in the same period of the prior year.

LIQUIDITY AND CAPITAL RESOURCES

The Company ended the second quarter of 1998 with cash and equivalents of \$145.4 million, a decrease of \$75.9 million from the end of 1997.

Operating Activities

Cash flows used for operating activities were \$22.2 million in the first six months of 1998, as compared to cash flows used for operating activities of \$23.8 million in the first six months of 1997. The major operating activity use of cash in 1998 was to fund working capital requirements related to increased revenues from the Energy Group and for Engineering and Construction Group projects. Operating cash was also used in funding cash needs of unconsolidated subsidiaries.

Investing Activities

Capital expenditures were \$326.1 million for the first six months of 1998, an increase of 26% over the same period of the prior year. The increase in capital spending primarily reflects investments in equipment and infrastructure for the Energy Group which includes strategic investments in oil and gas developments. The Company also continued its planned investments in its enterprise-wide information system.

During March 1997, DML, which is 51% owned by the Company, completed the acquisition of Devonport Royal Dockyard plc, which owns and operates the Government of the United Kingdom's Royal Dockyard in Plymouth, England, for approximately \$64.9 million. Concurrent with the acquisition of the Royal Dockyard, the Company's ownership interest in DML increased from about 30% to 51% and DML borrowed \$56.3 million under term loans (the Dockyard Loans) bearing interest at approximately LIBOR plus 0.75% payable in semi-annual installments through March 2004. Pursuant to certain terms of the Dockyard Loans, the Company was required to provide initially a compensating balance of \$28.7 million which is restricted as to use by the Company. The compensating balance amount decreases in proportion to the outstanding debt related to the Dockyard Loans and earns interest at a rate equal to that of the Dockyard Loans.

During April 1997, the Company completed its acquisition of the outstanding common stock of OGC International plc (OGC) for approximately \$118.3 million. OGC is engaged in providing a variety of engineering, operations and maintenance services, primarily to the North Sea oil and gas production industry.

Also in April 1997, the Company purchased a 26% ownership interest in Petroleum Engineering Services (PES) for approximately \$33.6 million. PES provides specialist well completions and interventions, completion services and completion solutions.

Financing Activities

Cash flows from financing activities were \$246.5 million in the first six months of 1998 compared to cash flows of \$254.3 million in the first six months of 1997. The Company borrowed \$316.4 million in short-term funds consisting of commercial paper and bank loans in the first six months of 1998. Proceeds from exercises of stock options provided cash flows of \$15.1 million in the first six months of 1998 compared to \$38.8 million in the same period of the prior year.

In the first six months of 1997, the Company borrowed \$100.8 million in short-term funds net of repayments consisting of commercial paper and bank loans. Also in the first six months of 1997, the Company issued \$125.0 million principal amount of 6.75% notes and \$50.0 million principal amount of 7.53% notes under the Company's medium-term note program.

The Company believes it has sufficient borrowing capacity to fund its working capital requirements and investing activities. The Company's debt was 23% of total capitalization at June 30, 1998 compared to 18% at December 31, 1997. At June 30, 1998, the Company had committed short-term lines of credit totaling \$350.0 million available and unused, and other short-term lines of credit totaling \$315.0 million with several U.S. banks. Short-term borrowings of \$182.0 million were outstanding under these facilities at June 30, 1998.

FINANCIAL INSTRUMENT MARKET RISK

The Company is currently exposed to market risk from changes in foreign currency exchange rates, and to a lesser extent, to changes in interest rates. To mitigate market risk, the Company selectively hedges its foreign currency exposure through the use of currency derivative instruments. The objective of such hedging is to protect the Company's dollar cash flows from fluctuations in currency rates of foreign denominated sales or purchases of goods or services. Inherent in the use of derivative instruments are certain types of market risk: volatility of the currency rates, tenor (time horizon) of the derivative instruments, market cycles and the type of derivative instruments used. The Company does not use derivative instruments for trading or speculative purposes. There have been no material changes at June 30, 1998 to the amounts reported at December 31, 1997 to the Company's calculated value at risk from foreign exchange derivative instruments. The Company's interest rate exposures at June 30, 1998 were not materially changed from December 31, 1997.

HALLIBURTON / DRESSER MERGER

On February 26, 1998 the Company and Dresser Industries, Inc. (Dresser) announced that a definitive merger agreement was approved by the board of directors of both companies and executed on February 25, 1998. Approximately 175 million newly issued shares of Company common stock will be issued to Dresser shareholders at a one-for-one exchange ratio. The transaction will be accounted for by the pooling of interests method of accounting for business combinations and is expected to be tax-free to Dresser's shareholders. Dresser is a diversified company with operations in three industry segments: engineering services; petroleum products and services; and energy equipment. The transaction is subject to regulatory approvals in the United States and several other countries and customary closing conditions. On April 20, 1998, the Company and Dresser announced that the companies had received requests for additional information concerning the proposed merger from the Antitrust Division of the U.S. Department of Justice. The requests were not unexpected and both the Company and Dresser are responding to the Department of Justice. The Company has offered the Department of Justice its written commitment to divest its 36% interest in M-I L.L.C. On June 25, 1998, shareholders of the Company voted their approval for (1) an amendment to the Company's Restated Certificate of Incorporation to increase the number of authorized common shares from 400 million to 600 million and (2) the issuance of Company common stock pursuant to the merger agreement between the Company and Dresser. Also, at a separate

meeting on June 25, 1998, shareholders of Dresser approved the merger agreement between Halliburton and Dresser. On July 6, 1998, the Company and Dresser received the European Commission's decision that the Commission will not oppose the merger of the two companies. On July 9, 1998, the Company announced receipt of an Advance Ruling Certificate from the Canadian Bureau of Competition Policy clearing the merger of the two companies. The companies continue to expect to complete the merger during the fall of 1998.

ENVIRONMENTAL MATTERS

The Company is involved as a potentially responsible party in remedial activities to clean up various "Superfund" sites under applicable federal law which imposes joint and several liability, if the harm is indivisible, on certain persons without regard to fault, the legality of the original disposal, or ownership of the site. Although it is very difficult to quantify the potential impact of compliance with environmental protection laws, management of the Company believes that any liability of the Company with respect to all but one of such sites will not have a material adverse effect on the results of operations of the Company. See Note 8 to the condensed consolidated financial statements for additional information on the one site.

YEAR 2000 ISSUE

The Year 2000 (Y2K) issue is the risk that systems, products and equipment utilizing date-sensitive software or computer chips with two-digit date fields will fail to properly recognize the Year 2000. Such failures by the Company's software and hardware or that of government entities, service providers, suppliers and customers could result in interruptions of the Company's business which could have a material adverse impact on the Company.

In response to the Y2K issue, the Company has implemented an enterprise-wide Year 2000 Program designed to identify, assess and address significant Y2K issues in the Company's key business operations, including products and services, suppliers, business and engineering applications, information technology systems, facilities and infrastructure and joint venture projects.

The Year 2000 Program is a comprehensive, integrated, multi-phase process covering information technology systems and hardware as well as equipment and products with embedded computer chips technology. The primary phases of the program are: (1) inventorying existing equipment and systems; (2) analyzing equipment and systems to identify those which are not Y2K ready and to prioritize critical items; (3) remediating, repairing or replacing non-Y2K ready equipment and systems; and (4) testing to verify Y2K readiness has been achieved. The Company anticipates having the Company's products and mission-critical systems and equipment Y2K ready during the first half of 1999 with the balance of the year reserved for testing and implementation of new and modified programs as required.

At the end of the second quarter of 1998, the inventory of equipment and systems was substantially complete. The analysis phase is underway. Remediation/installation for the majority of these systems will be performed internally. The Company is utilizing outside contractors for remediation of major legacy accounting and administrative systems. Some information technology systems and Company manufactured products and developed software have been remediated and have entered the testing phase.

The Company is in contact with its major suppliers and service providers to establish a mutual understanding of Y2K issues and to develop solutions with those suppliers. These suppliers are being surveyed as to their ability to provide products that are Y2K ready and to provide uninterrupted services. Critical suppliers are being further evaluated to review their Y2K programs. No suppliers have been identified who expect interruption of services or supplies to the Company.

Independent of, but concurrent with, the Company's Y2K review, the Company is installing an enterprise-wide business information system. This information system is scheduled to replace approximately one-half of the Company's key finance, administrative and marketing software systems by the end of 1999 and is Y2K ready. In addition, the Company is in the process of replacing its desktop computing equipment and software and updating its communications infrastructure. The Company has determined that although some of the replaced desktop computing equipment and software may not be strictly Y2K compliant, such replacements are nevertheless suitable for the usage intended by the Company.

Based on the Company's review to date, it does not expect the cost of software replacement or modification not currently included in the Company's enterprise-wide information system to be material to its financial position or results of operations.

The Company entered into a merger agreement with Dresser on February 25, 1998. Within the guidelines of the U.S. Department of Justice regulations on pre-merger activities, the Company is evaluating Dresser's Y2K program in order to bring the two companies into a common Y2K program after the merger.

ACCOUNTING PRONOUNCEMENTS

In June 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 131, "Disclosures about Segments of an Enterprise and Related Information." This standard defines reporting requirements for operating segments and related information about products and services, geographic areas and reliance on major customers. The Company is evaluating the impact of this statement on its current reporting and expects to adopt the new standard for its year ending December 31, 1998, with interim reporting beginning in 1999.

In February 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 132, "Employers' Disclosures about Pensions and Other Postretirement Benefits." This standard revises existing requirements for employers' disclosures for pensions and other postretirement benefit plans. The standard does not change measurement or recognition standards for these plans. The Company plans to present the revised disclosure requirements in its 1998 Annual Report.

In March 1998, the American Institute of Certified Public Accountants issued Statement of Position No. 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use" (SOP 98-1). SOP 98-1 provides guidelines for companies to capitalize or expense costs incurred to develop or obtain internal use software. The guidelines set forth in SOP 98-1 do not differ significantly from the Company's current accounting policy for internal use software and therefore the Company does not expect a material impact on its results of operations or financial position from the adoption of SOP 98-1. The Company plans to adopt SOP 98-1 effective January 1, 1999.

In April 1998, the American Institute of Certified Public Accountants issued Statement of Position 98-5, "Reporting on the Costs of Start-Up Activities" (SOP 98-5). SOP 98-5 requires costs of start-up activities and organization costs to be expensed as incurred. The Company is evaluating when it will adopt SOP 98-5 and is currently analyzing the impact on its results of operations from the adoption of SOP 98-5.

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and for Hedging Activities" (SFAS 133). This standard requires entities to recognize all derivatives on the statement of financial position as assets or liabilities and to measure the instruments at fair value. Accounting for gains and losses from changes in those fair values are specified in the standard depending on the intended use of the derivative and other criteria. SFAS 133 is effective for the Company beginning January 1, 2000. The Company is currently evaluating SFAS 133 to identify implementation and compliance methods and has not yet determined the effect, if any, on its results of operations or financial position.

FORWARD-LOOKING INFORMATION

In accordance with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, the Company cautions that the statements in this quarterly report and elsewhere, which are forward-looking and which provide other than historical information, involve risks and uncertainties that may impact the Company's actual results of operations. While such forward-looking information reflects the Company's best judgment based on current information, it involves a number of risks and uncertainties and there can be no assurance that other factors will not affect the accuracy of such forward-looking information. While it is not possible to identify all factors, the Company continues to face many risks and uncertainties that could cause actual results to differ from those forward-looking statements. Such factors include: unsettled political conditions, war, civil unrest, currency controls and governmental actions in over 100 countries of operation; trade restrictions and economic embargoes imposed by the United States and other countries; environmental laws, including those that require emission performance standards for new and existing facilities; the magnitude of governmental spending for military and logistical support of the type provided by the Company; operations in countries with significant amounts of political risk, including, without limitation, Algeria and Nigeria; technological and structural changes in the industries served by the Company; computer software and hardware and other equipment utilizing computer technology used by governmental entities, service providers, vendors, customers and the Company which may be impacted by the Y2K issue; completion of

the announced merger with Dresser; integration of acquired businesses into the Company; changes in the price of oil and natural gas; changes in the price of commodity chemicals used by the Company; changes in capital spending by customers in the hydrocarbon industry for exploration, development, production, processing, refining and pipeline delivery networks; increased competition in the hiring and retention of employees; changes in capital spending by customers in the wood pulp and paper industries for plants and equipment; risks from entering into fixed fee engineering, procurement and construction projects where failure to meet schedule, cost estimates or performance targets could result in non-reimbursable costs which cause the project not to meet expected profit margins; and changes in capital spending by governments for infrastructure. In addition, future trends for pricing, margins, revenues and profitability remain difficult to predict in the industries served by the Company.

PART II. OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Security Holders

At the Special Meeting held in lieu of the Annual Meeting of Stockholders of the Company on June 25, 1998, stockholders of the Company were asked to consider and act upon (i) a proposal to amend the Company's Restated Certificate of Incorporation (the Charter) to increase the number of authorized shares of common stock from 400 million to 600 million, (ii) the proposal to issue approximately 175 million shares of Company common stock pursuant to a merger agreement between the Company and Dresser, (iii) the election of Directors for the ensuing year, and (iv) a proposal to ratify the appointment of Arthur Andersen LLP as independent accountants to examine the financial statements and books and records of the Company for 1998. Set forth below with respect to each such matter, where applicable, is the number of votes cast for, against or withheld, as well as the number of abstentions and broker non-votes.

i. Proposal to amend the Charter:

Number of Votes For	189,647,051
Number of Votes Against	3,181,243
Number of Votes Abstaining	326,657
Number of Broker Non-Votes	27,228,652

ii. Proposal to issue approximately 175 million shares of Company common stock pursuant to the merger agreement with Dresser:

Number of Votes For	191,980,121
Number of Votes Against	461,627
Number of Votes Abstaining	713,203
Number of Broker Non-Votes	27,228,652

iii. Election of Directors:

Name of Nominee	Votes For	Votes Withheld
Anne L. Armstrong	219,675,972	707,631
Richard B. Cheney	219,736,074	647,529
Lord Clitheroe	219,710,834	672,769
Robert L. Crandall	219,670,530	713,073
Charles J. DiBona	219,749,004	634,599
William R. Howell	219,717,060	666,543
Dale P. Jones	219,763,895	619,708
Delano E. Lewis	219,775,401	608,202
C. J. Silas	219,770,552	613,051
Richard J. Stegemeier	219,709,495	674,108

iv. Proposal to ratify the appointment of Arthur Andersen LLP as independent accountants to examine the financial statements and books and records of the Company for 1998:

Number of Votes For	219,832,966
Number of Votes Against	299,950
Number of Votes Abstaining	250,687

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

- 2(a) Agreement and Plan of Merger dated as of February 25, 1998 by and among Halliburton Company, Halliburton N.C., Inc., and Dresser Industries, Inc. (incorporated by reference to Exhibit C to Halliburton Company's Schedule 13D filed on March 9, 1998).
- 2(b) Stock Option Agreement dated as of February 25, 1998 by and between Halliburton Company and Dresser Industries, Inc. (incorporated by reference to Exhibit B to Halliburton Company's Schedule 13D filed on March 9, 1998).
- * 3(a) Restated Certificate of Incorporation of Halliburton Company filed with the Secretary of State of Delaware on July 23, 1998.
- 3(b) By-laws of Halliburton Company, as amended (incorporated by reference to Halliburton Company's Registration Statement on Form S-3 File No. 333-32731 filed with the Securities and Exchange Commission on August 1, 1997).
- * 10(a) Halliburton Elective Deferral Plan, as amended and restated effective January 1, 1998.
- * 10(b) Halliburton Company Senior Executives' Deferred Compensation Plan, as amended and restated effective January 1, 1998.
- * 27 Financial data schedule for the six months ended June 30, 1998 (included only in the copy of this report filed electronically with the Commission).

* filed with this Form 10-Q

(b) Reports on Form 8-K

During the second quarter of 1998:

A Current Report on Form 8-K dated April 20, 1998, was filed reporting on Item 5. Other Events, regarding a press release dated April 20, 1998 disclosing an information request from the U.S. Department of Justice concerning the proposed merger between the Company and Dresser.

A Current Report on Form 8-K dated April 22, 1998, was filed reporting on Item 5. Other Events, regarding a press release dated April 22, 1998 announcing the Company's first quarter earnings.

A Current Report on Form 8-K dated May 8, 1998, was filed reporting on Item 5. Other Events, regarding a press release dated May 8, 1998 announcing the date of the special meeting of shareholders.

A Current Report on Form 8-K dated May 19, 1998, was filed reporting on Item 5. Other Events, regarding a press release dated May 19, 1998 announcing declaration of the second quarter dividend.

A Current Report on Form 8-K dated June 1, 1998, was filed reporting on Item 5. Other Events, regarding a press release dated June 1, 1998 announcing the Company had renotified its proposed merger with Dresser to the European Commission.

A Current Report on Form 8-K dated June 12, 1998, was filed reporting on Item 5. Other Events, regarding a press release dated June 12, 1998 announcing the initial one-month review period under the European Community's merger regulations will expire on July 6, 1998.

A Current Report on Form 8-K dated June 25, 1998, was filed reporting on Item 5. Other Events, regarding a press release dated June 25, 1998 announcing the results of the Company's special shareholders' meeting.

During the third quarter of 1998 to the date hereof:

A Current Report on Form 8-K dated July 6, 1998, was filed reporting on Item 5. Other Events, regarding a press release dated July 6, 1998 announcing the proposed merger of the Company and Dresser was cleared by the European Commission.

A Current Report on Form 8-K dated July 7, 1998, was filed reporting on Item 5. Other Events, regarding a press release dated July 7, 1998 announcing the Company's Halliburton Energy Services business unit was awarded a contract to provide zonal isolation and pumping services to Phillips Petroleum Norway.

A Current Report on Form 8-K dated July 9, 1998, was filed reporting on Item 5. Other Events, regarding a press release dated July 9, 1998 announcing receipt of an Advance Ruling Certificate from the Canadian Bureau of Competition Policy clearing the merger of the Company and Dresser.

A Current Report on Form 8-K dated July 16, 1998, was filed reporting on Item 5. Other Events, regarding a press release dated July 16, 1998 announcing declaration of the third quarter dividend.

A Current Report on Form 8-K dated July 22, 1998, was filed reporting on Item 5. Other Events, regarding a press release dated July 22, 1998 announcing 1998 second quarter earnings.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

HALLIBURTON COMPANY

Date August 12, 1998

By /s/ Gary V. Morris

Gary V. Morris
Executive Vice President and
Chief Financial Officer

Date August 12, 1998

By /s/ R. Charles Muchmore, Jr.

R. Charles Muchmore, Jr.
Vice President and Controller
(Principal Accounting Officer)

Index to exhibits filed with this quarterly report.

Exhibit Number -----	Description -----
3(a)	Restated Certificate of Incorporation of Halliburton Company filed with the Secretary of State of Delaware on July 23, 1998.
10(a)	Halliburton Elective Deferral Plan, as amended and restated effective January 1, 1998.
10(b)	Halliburton Company Senior Executives' Deferred Compensation Plan, as amended and restated effective January 1, 1998.
27	Financial data schedule for the six months ended June 30, 1998 (included only in the copy of this report filed electronically with the Commission).

RESTATED
CERTIFICATE OF INCORPORATION
OF
HALLIBURTON COMPANY

Halliburton Company (the "Corporation"), a corporation organized and existing under the laws of the State of Delaware, hereby certifies as follows:

1. The name of the Corporation is HALLIBURTON COMPANY. HALLIBURTON COMPANY was originally incorporated under the name HALLIBURTON HOLD CO., and the original Certificate of Incorporation of the Corporation was filed with the Secretary of State of the State of Delaware on November 7, 1996.

2. Pursuant to Section 245 of the General Corporation Law of the State of Delaware, the Board of Directors of the Corporation has duly adopted this Restated Certificate of Incorporation which only restates and integrates and does not further amend the provisions of the Restated Certificate of Incorporation as theretofore amended or supplemented of the Corporation and there is no discrepancy between those provisions and the provisions of this Restated Certificate of Incorporation.

3. The text of the Restated Certificate of Incorporation is as follows:

FIRST: The name of this Corporation is HALLIBURTON COMPANY.

SECOND: The location of its principal office in the State of Delaware is 1209 Orange Street in the City of Wilmington, County of New Castle. The name of the agent therein and in charge of thereof is THE CORPORATION TRUST COMPANY, 1209 Orange Street, Wilmington, Delaware.

THIRD: The nature of the business, or objects, or purposes to be transacted, promoted or carried on are:

(a) To acquire, own and hold United States and Foreign Letters patent; and Licenses thereunder, relating to the cementing and finishing of oil wells, gas wells and water wells, including processes and machines for mixing cement and other substances in an efficient manner and forcing same into such wells; and measuring devices used in the process of cementing wells; and under such patents and licenses and to conduct the business of cementing and finishing oil wells, gas and water wells, and to purchase, own and use all necessary and convenient tools, implements and appliances, including trucks, for the conduct of such business; also such real and personal property as may be needful in its operations. To transact any of its business in any part of the world.

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(b) To manufacture, sell, lease, use or service any and all kinds of supplies, tools, appliances, accessories, specialties, machinery and equipment relating to or useful in connection with the cementing, testing, drilling, completing, cleaning, repairing or operating oil wells, gas wells and water wells.

(c) To acquire, own and operate such machinery, apparatus, appliances and equipment as may be necessary, proper or incidental to the cementing, testing, completing, repairing, cleaning and operating of oil wells, gas wells and water wells, or for any of the purposes for which this Corporation is organized.

(d) To apply for, purchase or in any manner to acquire, hold, use, sell, assign, lease, grant licenses in respect of, mortgage, or otherwise dispose of letters patent of the United States or any foreign country, patent rights, licenses and privileges, inventions, improvements, and processes, copyrights, trademarks, and trade names relating to or useful in connection with any business of this Corporation, and to work, operate or develop the same, and to carry on any business, manufacturing or otherwise, which may directly or indirectly effectuate these objects or any of them.

(e) In general, upon approval of the Board of Directors of the Corporation, to carry on any other business, including selling, leasing, manufacturing and servicing, even though unrelated to the objects and purposes enumerated in paragraphs (a), (b), (c) and (d) hereof, and to have and exercise all the powers conferred by the laws of Delaware upon corporations, and to have one or more offices out of the State of Delaware, and to hold, purchase, mortgage and convey real and personal property out of the State of Delaware, and to do any or all of the things hereinbefore set forth to the same extent as natural persons might or could do.

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(f) The objects and purposes specified in the foregoing clauses shall, except where otherwise expressed, be in no wise limited or restricted by reference to, or inference from, the terms of any other clause in this Certificate of Incorporation, but the objects and purposes specified in each of the foregoing clauses of this article shall be regarded as independent objects and purposes.

FOURTH: The aggregate number of shares which the Corporation shall have authority to issue shall be six hundred five million (605,000,000), consisting of six hundred million (600,000,000) shares of Common Stock of the par value of Two & 50/100 Dollars (\$2.50) per share and five million (5,000,000) shares of Preferred Stock without par value. The relative rights, preferences and limitations of the shares of each class are as follows:

(A) PREFERRED STOCK

(1) Shares of the Preferred Stock may be issued in one or more series at such time or times and for such consideration or considerations as the Board of Directors may determine and authority is vested in the Board of Directors, by resolution or resolutions from time to time to establish and designate series, to issue shares of any such series and to fix the relative, participating, optional, or other rights, powers, privileges, preferences, and the qualifications, limitations or restrictions thereof, including, but not limited to, the following:

(a) The distinctive designation and number of shares comprising any series, which number may (except where otherwise provided by the Board of Directors in creating such series) be increased or decreased (but not below the number of shares thereof then outstanding) from time to time by like action of the Board of Directors;

(b) The dividend rate or rates on the shares of any series and the preference or preferences, if any, over any other series (or of any other series over such series) with respect to dividends, the terms and conditions upon which such dividends shall be payable, and whether and upon what conditions dividends on the shares of any series shall be cumulative, and on such shares of any series having cumulative dividend rights, the date or dates from which dividends on the shares of such series shall be cumulative;

(c) The terms, if any, upon which the shares of any series shall be convertible into, or exchangeable for, shares of a different series of Preferred Stock or for Common Stock including but not limited to the price or prices or rate of exchange, and conditions of any adjustments thereof, which price or rate may, but need not, vary according to the time or circumstances of the conversion or exchange;

(d) Whether or not the shares of any series shall be subject to purchase or redemption, the time or times when, and the price or prices at which such shares shall be redeemable as well as the manner for selecting shares to be redeemed, if less than all of a series is to be redeemed at any given time, and other terms and conditions of such purchase or redemption;

(e) The obligation, if any, of the Corporation to purchase or redeem shares of any series pursuant to a sinking or other fund and the price or prices which, the period or periods within which and the terms and conditions upon which the shares of the series shall be redeemed in whole or in part pursuant to such fund;

(f) The rights to which the holders of shares of any series shall be entitled upon liquidation, dissolution of, or winding up of the Corporation, whether the same be a voluntary or involuntary liquidation, dissolution or winding up of the Corporation.

(g) The voting powers, full or limited, if any, to which the shares of any series shall be entitled in addition to those required by law, including without limitation the vote or votes per share and the transaction of any business or of any specified item of business in connection with which the shares of any series shall vote as a class;

(h) Any other preferences, privileges and powers and relative, participating, optional or other rights and qualifications, limitations or restrictions thereof, of any series not inconsistent herewith or with applicable law.

(2) The shares of each series of Preferred Stock shall entitle the holders thereof to receive, when, as and if declared by the Board of Directors out of funds legally available for dividends, cash dividends at the rate, under the conditions and for the periods fixed by resolution or resolutions of the Board of Directors pursuant to authority granted in this Article for each series, and no more, and so long as any Preferred Stock or any series thereof shall remain outstanding, no dividends shall be declared or paid upon any shares of the Common Stock, other than dividends payable in shares of any series or class subordinate to the Preferred Stock, unless dividends on all outstanding Preferred Stock of all series fixed by the Board of Directors in accordance with and pursuant to the authority granted in this Article for each series shall be paid or set apart for payment.

(3) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of the Preferred Stock of each series then outstanding shall be entitled to receive payment out of the net assets of the Corporation whether from capital or surplus or both of the liquidation price fixed for such series by the Board of Directors by resolution, if any is so fixed, at the time and under the circumstances applicable before any payment shall be made to the holders of shares of any series of lesser rank to such series or to holders of shares of Common Stock of the Corporation. If the stated amounts payable in such event on the Preferred Stock of all series are not paid in full, the shares of all series of equal rank shall share ratably in any distribution of assets in accordance with the sums which would be payable on such distribution if all sums payable were discharged in full. Neither the merger or the consolidation of the Corporation nor the voluntary sale or conveyance of the Corporation property as an entirety or any part thereof shall be deemed to be a liquidation, dissolution or winding up of the Corporation for the purposes of this paragraph.

(4) Except as is otherwise required by law or as otherwise provided in a resolution or resolutions by the Board of Directors in accordance with the provisions of this Article, the holders of any series of Preferred Stock shall not be entitled to vote at any meeting of the stockholders for the election of Directors or for any other purpose or otherwise to participate in any action taken by the Corporation or the stockholders thereof, or to receive notice of any meeting of stockholders. If the holders of any series of Preferred Stock should become entitled to vote at any meeting of the stockholders for the election of Directors, no such holder shall have the right of cumulative voting.

(5) Each share of a series of Preferred Stock shall be equal in every respect to every other share of the same series.

(6) Shares of Preferred Stock which have been purchased or redeemed, whether through the operation of a sinking fund or otherwise, or which, if convertible or exchangeable, have been converted into or exchanged for shares of stock of any other class or series shall have the status of authorized and unissued shares of Preferred Stock of the same series and may be reissued as a part of the series of which they were originally a part or may be reclassified and reissued as part of a new series of Preferred Stock to be created by resolution or resolutions of the Board of Directors or as part of any other series of Preferred Stock, unless otherwise provided with respect to any series in the resolution or resolutions adopted by the Board of Directors providing for the issuance of any series of Preferred Stock.

(The Designation, Rights and Preferences of Series A Junior Participating Preferred Stock, Without Par Value is set forth in Exhibit A hereto.)

(B) COMMON STOCK

(1) Subject to the rights of the outstanding Preferred Stock with respect to the payment of preferential dividends, if any, and after the Corporation shall have complied with the requirements, if any, with respect to setting aside sinking or analogous funds as to any series of Preferred Stock, holders of the Common Stock shall be entitled to receive such dividends as may be declared from time to time by the Board of Directors out of any funds of the Corporation legally available therefor.

(2) Upon any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, and after the full amounts, if any, to which the holders of outstanding Preferred Stock of each series are respectively preferentially entitled have been distributed or set apart for distribution, all the remaining assets of the Corporation available for distribution shall be distributed pro rata to the holders of Common Stock.

(3) Except as may be otherwise required by law or provided by this Certificate of Incorporation, each holder of Common Stock shall have one vote in respect of each share of stock held by him on all matters voted upon by the stockholders.

FIFTH: The name and mailing address of the Incorporator are as follows:
NAME MAILING ADDRESS

Robert M. Kennedy	Halliburton Company 3600 Lincoln Plaza 500 North Akard Dallas, Texas 75201-3391
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SIXTH: The Corporation is to have perpetual existence.

SEVENTH: The private property of the stockholders shall not be subject to the payment of corporate debts to any extent whatever.

EIGHTH: Cumulative voting shall not be allowed. Each Stockholder shall be entitled, at all elections of Directors of this Corporation, to as many votes as shall equal the number of shares of stock held and owned by him and entitled to vote at such meeting under this Certificate of Incorporation for as many Directors as there are to be elected, unless such right to vote in such manner is limited or denied by other provisions of this Certificate of Incorporation.

Vacancies caused by the death or resignation of any Director and newly created directorships resulting from any increase in the authorized number of Directors may be filled by a vote of at least a majority of the Directors then in office, though less than a quorum, and the Director so chosen shall hold office until the next annual meeting of the Stockholders.

NINTH: The By-laws may be altered or repealed at any regular meeting of the Stockholders, or at any special meeting of the Stockholders at which a quorum is present or represented, provided notice of the proposed alteration or repeal be contained in the notice of such special meeting, by the affirmative vote of the majority of the Stockholders entitled to vote at such meeting and present or represented thereat, or by the affirmative vote of the majority of the Board of Directors at any regular meeting of the Board, or at any special meeting of the Board, if notice of the proposed alteration or repeal be contained in the notice of such special meeting; provided, however, that no change of the time or place of the meeting for the election of Directors shall be made within sixty (60) days next before the day on which such meeting is to be held, and that in case of any change of time or place, notice thereof shall be given to each Stockholder in person or by letter mailed to his last known post office address at least twenty (20) days before the meeting is held.

Voting for Directors need not be by ballot except upon the demand, at or before the election, of the holders of ten percent (10%) or more of the shares in person or by proxy and entitled to vote at such election.

TENTH: The Corporation is hereby authorized to, and shall, indemnify directors, officers and employees of the Corporation and such other parties as are set forth below in accordance with the following provisions:

(a) The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the

fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(b) The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses, including attorneys' fees actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application

that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

(c) To the extent that any such person referred to hereinabove has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections (a) and (b), or in the defense of any claim, issue or matter therein, he shall be indemnified against expenses, including attorneys' fees, actually and reasonably incurred by him in connection therewith.

(d) Except in those instances where the provisions of subsection (c) of this Article are applicable, or unless ordered by a court, any indemnification under subsections (a) and (b) hereof shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of such person referred to hereinabove is proper in the circumstances because he has met the applicable standard of conduct set forth in subsections (a) and (b) of this Article. Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable, if a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (3) by the Stockholders.

(e) Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Corporation as authorized in this Article.

(f) The indemnification provided by this Article shall not be deemed exclusive of any other rights to which any person referred to hereinabove may be entitled under any By-law, agreement, vote of the Stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to

action in another capacity while holding such office, and shall continue as to a person who has ceased to act in any capacity hereinabove named in this Article and shall inure to the benefit of the heirs, executors and administrators of such a person.

(g) The indemnification provided by this Article shall not be deemed exclusive of any other power to indemnify or right to indemnification which the Corporation or any person referred to hereinabove may have or acquire under the laws of the State of Delaware including without limitation the General Corporation Law of Delaware or any amendment thereto or substitute therefor.

(h) The provisions of this Article shall be applicable to claims, actions, suits or other proceedings referred to in subsections (a) and (b) of this Article made or commenced after the adoption hereof, whether arising from conduct or act or omission occurring before or after the adoption hereof.

ELEVENTH: Both Stockholders and Directors shall have power, if the By-laws so provide, to hold their meeting either within or without the State of Delaware and to keep the books of this Corporation (subject to the provisions of the Statutes) outside of the State of Delaware at such places as may be from time to time designated in the By-laws.

TWELFTH: In furtherance and not in limitation of the power conferred by statute, the Board of Directors of this Corporation are expressly authorized to fix the amount to be reserved as working capital, to authorize and cause to be executed mortgages and liens upon the real and personal property belonging to it.

THIRTEENTH: This Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation in the manner now or hereafter prescribed by statute and all rights conferred on Stockholders herein are granted subject to this reservation.

FOURTEENTH: No holder of any class of stock of this Corporation shall have any preemptive or preferential right of subscription or purchase with reference to the issuance or sale of any class of stock of the Corporation whether now or hereafter authorized, or of any securities or obligations convertible into or carrying or evidencing any right to purchase any class of stock of the Corporation whether now or hereafter authorized.

FIFTEENTH: No director shall be personally liable to the Corporation or any stockholder for monetary damages for breach of fiduciary duty by such director as a director; except for any matter in respect of which such director shall be liable under Section 174 of the Delaware General Corporation Law or any amendment thereto or successor provision thereof or shall be liable by reason that, in addition to any and all other requirements for such liability, such director (i) shall have breached the duty of loyalty to the Corporation or its stockholders, (ii) in acting or failing to act, shall not have acted in good faith or shall have acted in a manner involving intentional misconduct or a knowing violation of law or (iii) shall have derived an improper personal benefit. Neither the amendment nor repeal of this Article FIFTEENTH shall eliminate or reduce the effect of this Article FIFTEENTH in respect of any matter occurring, or any cause of action, suit or claim that, but for this Article FIFTEENTH, would accrue or arise, prior to such amendment or repeal. If the Delaware General Corporation Law is amended after approval by the stockholders of this Article FIFTEENTH to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law, as so amended from time to time.

IN WITNESS WHEREOF, this Restated Certificate of Incorporation has been executed on behalf of the Corporation by its Vice President and Secretary this 23rd day of July, 1998.

HALLIBURTON COMPANY

By: /s/ Susan S. Keith

Susan S. Keith
Vice President and Secretary

Exhibit A
to Restated Certificate of Incorporation

DESIGNATION,
RIGHTS AND PREFERENCES

OF

SERIES A JUNIOR PARTICIPATING PREFERRED
STOCK, WITHOUT PAR VALUE

of

HALLIBURTON COMPANY

At a meeting of the Board of Directors of Halliburton Company (the "Company") the following resolution increasing the series of Preferred Stock designated as Series A Junior Participating Preferred Stock from two (2) million shares to three (3) million shares was duly adopted pursuant to the authority granted to and vested in the Board of Directors of the Company in accordance with the provisions of its Restated Certificate of Incorporation:

RESOLVED, that the series of 2,000,000 shares of Series A Junior Participating Preferred Stock, without par value, of the Company be, and hereby is, increased to 3,000,000 shares pursuant to the authority granted to and vested in the Board of Directors of the Company in accordance with the provisions of the Restated Certificate of Incorporation of the Company and that the designation and amount thereof and the relative rights, preferences and limitations thereof (in addition to the provisions set forth in the Restated Certificate of Incorporation of the Company which are applicable to the Preferred Stock of all series) are as follows:

I. Designation and Amount. The shares of such series shall be designated as the "Series A Junior Participating Preferred Stock" (the "Junior Preferred Stock") and the number of shares constituting such series shall be three (3) million. Such number of shares may be increased or decreased by resolution of the Board of Directors; provided, that no decrease shall reduce the number of shares of Junior Preferred Stock to a number less than that of the shares then outstanding plus the number of shares issuable upon exercise of outstanding rights, options or warrants or upon conversion of outstanding securities issued by the Company.

II. Dividends and Distributions.

(A) Subject to the prior and superior rights of the holders of any shares of any series of Preferred Stock ranking prior and superior to the shares of Junior Preferred Stock with respect to dividends, the holders of shares of Junior Preferred Stock, in preference to the holders of common stock, \$2.50 par value, of the Company (the "Common Stock") and of any other stock ranking junior (as to dividends) to Junior Preferred Stock, shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, cumulative quarterly dividends payable in cash or in kind, as hereinafter provided, on the last day of March, June, September and December in each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Junior Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (a) \$1.00 (payable in cash) or (b) subject to the provision for adjustment hereinafter set forth, 100 times the aggregate per share amount (payable in cash) of all cash dividends, and 100 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions, other than a dividend payable in shares of Common Stock (by reclassification or otherwise), declared on the Common Stock since the immediately preceding Quarterly Dividend Payment Date or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Junior Preferred Stock. If the Company shall at any time declare or pay any dividend on Common Stock payable in shares of Common Stock or effect a subdivision or combination of the outstanding shares of Common Stock (by reclassification or otherwise), into a greater or lesser number of shares of Common Stock, then in each such case the amount to which holders of shares of Junior Preferred Stock were entitled immediately prior to such event under clause (b) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that was outstanding immediately prior to such event.

(B) The Company shall declare a dividend or distribution on the Junior Preferred Stock as provided in paragraph (A) of this Section immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock); provided that, if no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend

Payment Date and the next subsequent Quarterly Dividend Payment Date, a dividend of \$1.00 per share on the Junior Preferred Stock shall nevertheless accrue and be cumulative on the outstanding shares of Junior Preferred Stock as provided in paragraph (C) of this Section.

(C) Dividends shall begin to accrue and be cumulative on outstanding shares of Junior Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares of Junior Preferred Stock, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Junior Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Junior Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share by share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Junior Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be not more than 60 days prior to the date fixed for the payment thereof.

III. Voting Rights. The holders of shares of Junior Preferred Stock shall have the following voting rights:

(A) Subject to the provision for adjustment hereinafter set forth, each share of Junior Preferred Stock shall entitle the holder thereof to 100 votes on all matters submitted to a vote of the shareholders of the Company. If the Company shall at any time declare or pay any dividend on Common Stock payable in shares of Common Stock, or effect a subdivision or combination of the outstanding shares of Common Stock (by reclassification or otherwise) into a greater or lesser number of shares of Common Stock, then in each such case the number of votes per share to which holders of shares of Junior Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) Except as otherwise provided in the Restated Certificate of Incorporation or by law, the holders of shares of Junior Preferred Stock and the holders of shares of Common Stock shall vote together as one class on all matters submitted to a vote of shareholders of the Company.

IV. Certain Restrictions.

(A) Whenever quarterly dividends or other dividends or distributions payable on the Junior Preferred Stock as provided in Section II are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Junior Preferred Stock outstanding shall have been paid in full, the Company shall not:

- (i) declare or pay dividends on, make any other distributions on, or redeem or purchase or otherwise acquire for consideration any shares of stock ranking junior (as to dividends) to the Junior Preferred Stock;
- (ii) declare or pay dividends on or make any other distributions on any shares of stock ranking on a parity (as to dividends) with the Junior Preferred Stock, except dividends paid ratably on the Junior Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled; or
- (iii) purchase or otherwise acquire for consideration any shares of Junior Preferred Stock, or any shares of stock ranking on a parity (as to dividends) with the Junior Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(B) The Company shall not permit any subsidiary of the Company to purchase or otherwise acquire for consideration any shares of stock of the Company unless the Company could, under paragraph (A) of this Section IV, purchase or otherwise acquire such shares at such time and in such manner.

V. Reacquired Shares. Any shares of Junior Preferred Stock purchased or otherwise acquired by the Company in any manner whatsoever shall be retired and cancelled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Preferred Stock and may be reissued as part of a series of Preferred Stock to be created by resolution or resolutions of the Board of Directors, subject to the conditions and restrictions on issuance set forth herein.

VI. Liquidation, Dissolution or Winding Up. Upon any liquidation, dissolution or winding up of the Company, no distribution shall be made (1) to the holders of shares of stock ranking junior (as to amounts payable upon liquidation, dissolution or winding up) to the Junior Preferred Stock unless, prior thereto, the holders of Junior Preferred Stock shall have received an amount per share (rounded to the nearest cent) equal to the greater of (a) \$100.00 per share, or (b) an amount per share, subject to the provision for adjustment hereinafter set forth, equal to 100 times the aggregate amount to be distributed per share to holders of Common Stock, plus, in either case, an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment, or (2) to the holders of stock ranking on a parity (as to amounts payable or upon liquidation, dissolution or winding up) with the Junior Preferred Stock, except distributions made ratably on the Junior Preferred Stock and all other such parity stock in proportion to the total amounts to which the holders of all such shares are entitled upon such liquidation, dissolution or winding up. If the Company shall at any time declare or pay any dividend on Common Stock payable in shares of Common Stock, or effect a subdivision or combination of the outstanding shares of Common Stock (by reclassification or otherwise) into a greater or lesser number of shares of Common Stock, then in each such case the aggregate amount to which holders of shares of Junior Preferred Stock were entitled immediately prior to such event under the provision in clause (1) (b) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

VII. Consolidation, Merger, etc. If the Company shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash

or any other property, or any combination thereof, then in any such case the shares of Junior Preferred Stock shall at the same time be similarly exchanged or changed in an amount per share (subject to the provision for adjustment hereinafter set forth) equal to 100 times the aggregate amount of stock, securities, cash or any other property, or any combination thereof, into which or for which each share of Common Stock is changed or exchanged. If the Company shall at any time declare or pay any dividend on Common Stock payable in shares of Common Stock, or effect a subdivision or combination of the outstanding shares of Common Stock (by reclassification or otherwise) into a greater or lesser number of shares of Common Stock, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Junior Preferred Stock shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

VIII. No Redemption. The shares of Junior Preferred Stock shall not be redeemable. So long as any shares of Junior Preferred Stock remain outstanding, the Company shall not purchase or otherwise acquire for consideration any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Junior Preferred Stock unless the Company shall substantially concurrently also purchase or acquire for consideration a proportionate number of shares of Junior Preferred Stock.

IX. Rank. Except as otherwise provided in its Restated Certificate of Incorporation, the Company may authorize or create any series of Preferred Stock ranking prior to or on a parity with the Junior Preferred Stock as to dividends or as to distribution of assets upon liquidation, dissolution or winding up.

X. Amendment. The Restated Certificate of Incorporation of the Company shall not be amended in any manner which would materially alter or change the powers, preferences or special rights of the Junior Preferred Stock so as to affect them adversely without the affirmative vote of the holders of a majority of the outstanding shares of Junior Preferred Stock, voting together as a single class.

The foregoing resolution was adopted by the Board of Directors of the Corporation, pursuant to the authority vested in it by the Restated Certificate of Incorporation of the Corporation, at a meeting of the Board of Directors duly held on the 19th day of May, 1998 and the Certificate of Designation, Rights and Preferences of Series A Junior Participating Preferred Stock, Without Par Value was filed with the Secretary of State of the State of Delaware on July 2, 1998.

HALLIBURTON ELECTIVE DEFERRAL PLAN
AS AMENDED AND RESTATED EFFECTIVE
JANUARY 1, 1998

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HALLIBURTON ELECTIVE DEFERRAL PLAN

HALLIBURTON COMPANY, having heretofore established the Halliburton Elective Deferral Plan, pursuant to Section 10.4 of said Plan, hereby amends and restates said Plan effective as of January 1, 1998.

(ii)

I.

Definitions and Construction

1.1 Definitions. Where the following words and phrases appear in the Plan, they shall have the respective meanings set forth below, unless their context clearly indicates to the contrary.

- (1) Account: A memorandum bookkeeping account established on the records of the Employer for a Participant that is credited with amounts determined in accordance with Article III of the Plan. As of any determination date, a Participant's benefit under the Plan shall be equal to the amount credited to his Account as of such date. A Participant shall have a 100% nonforfeitable interest in his Account at all times.
- (1A) Act: The Employee Retirement Income Security Act of 1974, as amended.
- (2) Base Salary: The base rate of cash compensation paid by the Employer to or for the benefit of a Participant for services rendered or labor performed while a Participant, including base pay a Participant could have received in cash in lieu of (A) deferrals pursuant to Section 3.1 and (B) contributions made on his behalf to any qualified plan maintained by the Employer or to any cafeteria plan under section 125 of the Code maintained by the Employer.
- (3) Bonus Compensation: With respect to any Participant for a Plan Year, the amount awarded under a bonus plan maintained by the Employer.
- (4) Code: The Internal Revenue Code of 1986, as amended.
- (5) Compensation Committee: The Compensation Committee of the Directors.
- (6) Committee: The administrative committee appointed by the Compensation Committee to administer the Plan.
- (7) Company: Halliburton Company.
- (8) Directors: The Board of Directors of the Company.
- (9) Employer: The Company and each eligible organization designated as an Employer in accordance with the provisions of Article IX of the Plan.
- (10) Participant: Each individual who has been selected for participation in the Plan and who has become a Participant pursuant to Article II.
- (11) Plan: The Halliburton Elective Deferral Plan, as amended from time to time.

- (12) Plan Year: The twelve-consecutive month period commencing January 1 of each year.
- (13) Retirement: The date the Participant retires in accordance with the terms of his Employer's retirement policy as in effect at that time.
- (14) Trust: The trust, if any, established under the Trust Agreement.
- (15) Trust Agreement: The agreement, if any, entered into between the Employer and the Trustee pursuant to Article VIII.
- (16) Trust Fund: The funds and properties, if any, held pursuant to the provisions of the Trust Agreement, together with all income, profits and increments thereto.
- (17) Trustee: The trustee or trustees appointed by the Committee who are qualified and acting under the Trust Agreement at any time.
- (18) Unforeseeable Emergency: A severe financial hardship to the Participant resulting from a sudden and unexpected illness or accident of the Participant or of a dependent (as defined in section 152(a) of the Code) of the Participant, loss of the Participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant.

1.2 Number and Gender. Wherever appropriate herein, words used in the singular shall be considered to include the plural and words used in the plural shall be considered to include the singular. The masculine gender, where appearing in the Plan, shall be deemed to include the feminine gender.

1.3 Headings. The headings of Articles and Sections herein are included solely for convenience, and if there is any conflict between such headings and the text of the Plan, the text shall control.

II.

Participation

2.1 Participation. Participants in the Plan are those employees of the Employer (a) who are subject to the income tax laws of United States, (b) who are officers or members of a select group of highly compensated employees of the Employer, and (c) who are selected by the Committee, in its sole discretion, as Participants. The Committee shall notify each Participant of his selection as a Participant. Subject to the provisions of Section 2.2, a Participant shall remain eligible to defer Base Salary and/or Bonus Compensation hereunder for each Plan Year following his initial year of participation in the Plan.

2.2 Cessation of Active Participation. Notwithstanding any provision herein to the contrary, an individual who has become a Participant in the Plan shall cease to be entitled to defer Base Salary and/or Bonus Compensation hereunder effective as of any date designated by the Committee. Any such Committee action shall be communicated to the affected individual prior to the effective date of such action.

III.

Account Credits

3.1 Base Salary Deferrals.

(a) Any Participant may elect to defer receipt of an integral percentage of from 5% to 50% of his Base Salary, in 5% increments, for any Plan Year; provided, however, that a Participant may elect to defer receipt of an integral percentage of from 5% to 90% of his Base Salary, in 5% increments, for the Plan Year in which he is first eligible to participate in the Plan. A Participant's election to defer receipt of a percentage of his Base Salary for any Plan Year shall be made on or before the last day of the preceding Plan Year. Notwithstanding the foregoing, if an individual initially becomes a Participant other than on the first day of a Plan Year, such Participant's election to defer receipt of a percentage of his Base Salary for such Plan Year may be made no later than 30 days after he becomes a Participant, but such election shall be prospective only. The reduction in a Participant's Base Salary pursuant to his election shall be effected by Base Salary reductions as of each payroll period within the election period. Base Salary for a Plan Year not deferred by a Participant pursuant to this Paragraph shall be received by such Participant in cash, except as provided by any other plan maintained by the Employer. Deferrals of Base Salary under this Plan shall be made before elective deferrals or contributions of Base Salary under any other plan maintained by the Employer. Base Salary deferrals made by a Participant shall be credited to such Participant's Account as of the date the Base Salary deferred would have been received by such Participant in cash had no deferral been made pursuant to this Section. Except as provided in Paragraph (b), deferral elections for a Plan Year pursuant to this Section shall be irrevocable.

(b) A Participant shall be permitted to revoke his election to defer receipt of his Base Salary for any Plan Year in the event of an Unforeseeable Emergency, as determined by the Committee in its sole discretion. For purposes of the Plan, the decision of the Committee regarding the existence or nonexistence of an Unforeseeable Emergency of a Participant shall be final and binding. Further, the Committee shall have the authority to require a Participant to provide such proof as it deems necessary to establish the existence and significant nature of the Participant's Unforeseeable Emergency. A Participant who is permitted to revoke his Base Salary deferral election during a Plan Year shall not be permitted to resume Base Salary deferrals under the Plan until the next following Plan Year.

3.2 Bonus Compensation Deferrals. Any Participant may elect to defer receipt of an integral percentage of from 5% to 90% of his Bonus Compensation, in 5% increments, for any Plan Year. A Participant's election to defer receipt of a percentage of his Bonus Compensation for any Plan Year shall be made on or before the last day of the preceding Plan Year. Notwithstanding the foregoing, if any individual initially becomes a Participant other than on the first day of a Plan Year, such Participant's election to defer receipt of a percentage of his Bonus Compensation for such Plan Year may be made no later than 30 days after he becomes a Participant, but such election shall apply only to a pro rata portion of his Bonus Compensation for such Plan Year based upon the number of complete months remaining in such Plan Year divided by twelve. If Bonus Compensation for

a Plan Year is payable in more than one future Plan Year under the applicable bonus plan, a Participant shall also make a separate election under this Section with respect to such Bonus Compensation for each Plan Year in which such Bonus Compensation is payable. Deferrals of Bonus Compensation under this Plan shall be made before elective deferrals or contributions of Bonus Compensation under any other plan maintained by the Employer. Bonus Compensation deferrals made by a Participant shall be credited to such Participant's Account as of the date the Bonus Compensation deferred would have been received by such Participant had no deferral been made pursuant to this Section 3.2. Deferral elections for a Plan Year pursuant to this Section shall be irrevocable.

3.3 Earnings Credits. For each Plan Year, a Participant's Account shall be credited semi-annually on June 30 and December 31 with an amount of earnings based on the weighted average balance of such Account during the preceding six months and the Moody's corporate bond average annual yield for long-term investment grade bonds during the six-month period ended seven months prior to each semi-annual earnings credit date, plus 2%. (For example, the rate earned for the six months ended December 31, 1995 would be based on the average Moody's rate for the six months ended May 31, 1995, plus 2%.) So long as there is any balance in any Account, such Account shall continue to receive earnings credits pursuant to this Section.

IV.

Withdrawals

Participants shall be permitted to make withdrawals from the Plan only in the event of an Unforeseeable Emergency, as determined by the Committee in its sole discretion. No withdrawal shall be allowed to the extent that such Unforeseeable Emergency is or may be relieved (a) through reimbursement or compensation by insurance or otherwise, (b) by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship or (c) by cessation of Base Salary deferrals under the Plan pursuant to Section 3.1(b). Further, the Committee shall permit a Participant to withdraw only the amount it determines, in its sole discretion, to be reasonably needed to satisfy the Unforeseeable Emergency.

Payment of Benefits

5.1 Payment Election Generally. In conjunction with each deferral election made by a Participant pursuant to Article III for a Plan Year, such Participant shall elect, subject to Sections 5.4, 5.5, 5.7 and 5.8, the time and the form of payment with respect to such deferral and the earnings credited thereto. Except as provided in Section 5.3, any such election regarding the time and form of payment of a deferral and the earnings credited thereto shall be irrevocable once made.

5.2 Time of Benefit Payment. With respect to each deferral election made by a Participant pursuant to Article III, such Participant shall elect to commence payment of such deferral and the earnings credited thereto on one of the following dates:

(a) Retirement; or

(b) A specific future month and year, but not earlier than five years from the date of the deferral if the Participant has not attained age fifty-five at the time of the deferral or one year from the date of the deferral if the Participant has attained age fifty-five at the time of the deferral, and not later than the first day of the year in which the Participant attains age seventy.

5.3 Form of Benefit Payment. With respect to each deferral election made by a Participant pursuant to Article III, such Participant shall elect the form of payment with respect to such deferral and the earnings credited thereto from one of the following forms:

(a) A lump sum; or

(b) Installment payments for a period not to exceed ten years.

Installment payments shall be paid annually on the first business day of January of each Plan Year; provided however, that not later than sixty days prior to the date payment is to commence, a Participant may elect to have his installment payments paid quarterly on the first business day of each calendar quarter. Each installment payment shall be determined by multiplying the deferral and the earnings credited thereto at the time of the payment by a fraction, the numerator of which is one and the denominator of which is the number of remaining installment payments to be made to Participant. In the event the total amount credited to a Participant's Account does not exceed \$50,000, the Committee may, in its sole discretion, pay such amounts in a lump sum.

5.4 Total and Permanent Disability. If a Participant becomes totally and permanently disabled while employed by the Employer, payment of the amounts credited to such Participant's Account shall commence on the first business day of the second calendar quarter following the date the Committee makes a determination that the Participant is totally and permanently disabled, in the form of payment determined in accordance with Section 5.3. The above notwithstanding, if such Participant is already receiving payments pursuant to Section 5.2(b) and Section 5.3(b), such payments shall continue. For purposes of

the Plan, a Participant shall be considered totally and permanently disabled if the Committee determines, based on a written medical opinion (unless waived by the Committee as unnecessary), that such Participant is permanently incapable of performing his job for physical or mental reasons.

5.5 Death. In the event of a Participant's death at a time when amounts are credited to such Participant's Account, such amounts shall be paid to such Participant's designated beneficiary or beneficiaries in five annual installments commencing as soon as administratively feasible after such Participant's date of death. However, the Participant's designated beneficiary or beneficiaries may request a lump sum payment based upon hardship, and the Committee, in its sole discretion, may approve such request.

5.6 Designation of Beneficiaries.

(a) Each Participant shall have the right to designate the beneficiary or beneficiaries to receive payment of his benefit in the event of his death. Each such designation shall be made by executing the beneficiary designation form prescribed by the Committee and filing same with the Committee. Any such designation may be changed at any time by execution of a new designation in accordance with this Section.

(b) If no such designation is on file with the Committee at the time of the death of the Participant or such designation is not effective for any reason as determined by the Committee, then the designated beneficiary or beneficiaries to receive such benefit shall be as follows:

(1) If a Participant leaves a surviving spouse, his benefit shall be paid to such surviving spouse;

(2) If a Participant leaves no surviving spouse, his benefit shall be paid to such Participant's executor or administrator, or to his heirs at law if there is no administration of such Participant's estate.

5.7 Other Termination of Employment. If a Participant terminates his employment with the Employer before Retirement for a reason other than total and permanent disability or death, the amounts credited to such Participant's Account shall be paid to the Participant in a lump sum no less than thirty days and no more than one year after the Participant's date of termination of employment.

5.8 Change in the Company's Credit Rating. If the Standard & Poor's rating for the Company's senior indebtedness falls below BBB, the amounts credited to Participants' Accounts shall be paid to the Participants in a lump sum within forty-five days after the date of change of such credit rating.

5.9 Payment of Benefits. To the extent the Trust Fund, if any, has sufficient assets, the Trustee shall pay benefits to Participants or their beneficiaries, except to the extent the Employer pays the benefits directly and provides adequate evidence of such payment to the Trustee. To the extent the

Trustee does not or cannot pay benefits out of the Trust Fund, the benefits shall be paid by the Employer. Any benefit payments made to a Participant or for his benefit pursuant to any provision of the Plan shall be debited to such Participant's Account. All benefit payments shall be made in cash to the fullest extent practicable.

5.10 Unclaimed Benefits. In the case of a benefit payable on behalf of a Participant, if the Committee is unable to locate the Participant or beneficiary to whom such benefit is payable, upon the Committee's determination thereof, such benefit shall be forfeited to the Employer. Notwithstanding the foregoing, if subsequent to any such forfeiture the Participant or beneficiary to whom such benefit is payable makes a valid claim for such benefit, such forfeited benefit shall be paid by the Employer or restored to the Plan by the Employer.

5.11 No Acceleration of Bonus Compensation. The time of payment of any Bonus Compensation that the Participant has elected to defer but that has not yet been credited to the Participant's Account because it is not yet payable without regard to the deferral shall not be accelerated as a result of the provisions of this Article. If, pursuant to the provisions of this Article, payment of such Bonus Compensation would no longer be deferred at the time it becomes payable, such Bonus Compensation shall be paid to the Participant within 90 days of the date it would have been payable had the Participant not made a deferral election.

VI.

Administration of the Plan

6.1 Committee Powers and Duties. The general administration of the Plan shall be vested in the Committee. The Committee shall supervise the administration and enforcement of the Plan according to the terms and provisions hereof and shall have all powers necessary to accomplish these purposes, including, but not by way of limitation, the right, power, authority, and duty:

(a) To make rules, regulations, and bylaws for the administration of the Plan that are not inconsistent with the terms and provisions hereof, and to enforce the terms of the Plan and the rules and regulations promulgated thereunder by the Committee;

(b) To construe in its discretion all terms, provisions, conditions, and limitations of the Plan;

(c) To correct any defect or to supply any omission or to reconcile any inconsistency that may appear in the Plan in such manner and to such extent as it shall deem in its discretion expedient to effectuate the purposes of the Plan;

(d) To employ and compensate such accountants, attorneys, investment advisors, and other agents, employees, and independent contractors as the Committee may deem necessary or advisable for the proper and efficient administration of the Plan;

(e) To determine in its discretion all questions relating to eligibility;

(f) To determine whether and when there has been a termination of a Participant's employment with the Employer, and the reason for such termination;

(g) To make a determination in its discretion as to the right of any person to a benefit under the Plan and to prescribe procedures to be followed by distributees in obtaining benefits hereunder; and

(h) To receive and review reports from the Trustee as to the financial condition of the Trust Fund, if any, including its receipts and disbursements.

6.2 Self-Interest of Participants. No member of the Committee shall have any right to vote or decide upon any matter relating solely to himself under the Plan (including, without limitation, Committee decisions under Article II) or to vote in any case in which his individual right to claim any benefit under the Plan is particularly involved. In any case in which a Committee member is so disqualified to act and the remaining members cannot agree, the Compensation Committee shall appoint a temporary substitute member to exercise all the powers of the disqualified member concerning the matter in which he is disqualified.

6.3 Claims Review. In any case in which a claim for Plan benefits of a Participant or beneficiary is denied or modified, the Committee shall furnish written notice to the claimant within ninety days (or within 180 days if additional information requested by the Committee necessitates an extension of the ninety-day period), which notice shall:

(a) State the specific reason or reasons for the denial or modification;

(b) Provide specific reference to pertinent Plan provisions on which the denial or modification is based;

(c) Provide a description of any additional material or information necessary for the Participant, his beneficiary, or representative to perfect the claim and an explanation of why such material or information is necessary; and

(d) Explain the Plan's claim review procedure as contained herein.

In the event a claim for Plan benefits is denied or modified, if the Participant, his beneficiary, or a representative of such Participant or beneficiary desires to have such denial or modification reviewed, he must, within sixty days following receipt of the notice of such denial or modification, submit a written request for review by the Committee of its initial decision. In connection with such request, the Participant, his beneficiary, or the representative of such Participant or beneficiary may review any pertinent documents upon which such denial or modification was based and may submit issues and comments in writing. Within sixty days following such request for review the Committee shall, after providing a full and fair review, render its final decision in writing to the Participant, his beneficiary or the representative of such Participant or beneficiary stating specific reasons for such decision and making specific references to pertinent Plan provisions upon which the decision is based. If special circumstances require an extension of such sixty-day period, the Committee's decision shall be rendered as soon as possible, but not later than 120 days after receipt of the request for review. If an extension of time for review is required, written notice of the extension shall be furnished to the Participant, beneficiary, or the representative of such Participant or beneficiary prior to the commencement of the extension period.

6.4 Employer to Supply Information. The Employer shall supply full and timely information to the Committee, including, but not limited to, information relating to each Participant's compensation, age, retirement, death, or other cause of termination of employment and such other pertinent facts as the Committee may require. The Employer shall advise the Trustee, if any, of such of the foregoing facts as are deemed necessary for the Trustee to carry out the Trustee's duties under the Plan and the Trust Agreement. When making a determination in connection with the Plan, the Committee shall be entitled to rely upon the aforesaid information furnished by the Employer.

6.5 Indemnity. The Company shall indemnify and hold harmless each member of the Committee against any and all expenses and liabilities arising out of his administrative functions or fiduciary responsibilities, including any expenses and liabilities that are caused by or result from an act or omission constituting the negligence of such member in the performance of such functions or responsibilities, but excluding expenses and liabilities that are caused by or result from such member's own gross negligence or willful misconduct. Expenses against which such member shall be indemnified hereunder shall include, without limitation, the amounts of any settlement or judgment, costs, counsel fees, and related charges reasonably incurred in connection with a claim asserted or a proceeding brought or settlement thereof.

VII.

Administration of Funds

7.1 Payment of Expenses. All expenses incident to the administration of the Plan and Trust, including but not limited to, legal, accounting, Trustee fees, and expenses of the Committee, may be paid by the Employer and, if not paid by the Employer, shall be paid by the Trustee from the Trust Fund, if any.

7.2 Trust Fund Property. All income, profits, recoveries, contributions, forfeitures and any and all moneys, securities and properties of any kind at any time received or held by the Trustee, if any, shall be held for investment purposes as a commingled Trust Fund pursuant to the terms of the Trust Agreement. The Committee shall maintain one or more Accounts in the name of each Participant, but the maintenance of an Account designated as the Account of a Participant shall not mean that such Participant shall have a greater or lesser interest than that due him by operation of the Plan and shall not be considered as segregating any funds or property from any other funds or property contained in the commingled fund. No Participant shall have any title to any specific asset in the Trust Fund, if any.

VIII.

Nature of the Plan

The Employer intends and desires by the adoption of the Plan to recognize the value to the Employer of the past and present services of employees covered by the Plan and to encourage and assure their continued service with the Employer by making more adequate provision for their future retirement security. The Plan is intended to constitute an unfunded, unsecured plan of deferred compensation for a select group of management or highly compensated employees of the Employer. Plan benefits herein provided are to be paid out of the Employer's general assets. The Plan constitutes a mere promise by the Employers to make benefit payments in the future and Participants have the status of general unsecured creditors of the Employers. Nevertheless, subject to the terms hereof and of the Trust Agreement, if any, the Employers, or the Company on behalf of the Employers, may transfer money or other property to the Trustee and the Trustee shall pay Plan benefits to Participants and their beneficiaries out of the Trust Fund.

The Committee, in its sole discretion, may establish the Trust and direct the Employers to enter into the Trust Agreement and adopt the Trust for purposes of the Plan. In such event, the Employers shall remain the owner of all assets in the Trust Fund and the assets shall be subject to the claims of each Employer's creditors if such Employer ever becomes insolvent. For purposes hereof, an Employer shall be considered "insolvent" if (a) the Employer is unable to pay its debts as they become due, or (b) the Employer is subject to a pending proceeding as a debtor under the United States Bankruptcy Code (or any successor federal statute). The chief executive officer of the Employer and its board of directors shall have the duty to inform the Trustee in writing if the Employer becomes insolvent. Such notice given under the preceding sentence by any party shall satisfy all of the parties' duty to give notice. When so informed, the Trustee shall suspend payments to the Participants and hold the assets for the benefit of the Employer's general creditors. If the Trustee receives a written allegation that the Employer is insolvent, the Trustee shall suspend payments to the Participants and hold the Trust Fund for the benefit of the Employer's general creditors, and shall determine within the period specified in the Trust Agreement whether the Employer is insolvent. If the Trustee determines that the Employer is not insolvent, the Trustee shall resume payments to the Participants. No Participant or beneficiary shall have any preferred claim to, or any beneficial ownership interest in, any assets of the Trust Fund.

IX.

Participating Employers

The Committee may designate any entity or organization eligible by law to participate in this Plan as an Employer by written instrument delivered to the Secretary of the Company and the designated Employer. Such written instrument shall specify the effective date of such designated participation, may incorporate specific provisions relating to the operation of the Plan which apply to the designated Employer only and shall become, as to such designated Employer and its employees, a part of the Plan. Each designated Employer shall be conclusively presumed to have consented to its designation and to have agreed to be bound by the terms of the Plan and any and all amendments thereto upon its submission of information to the Committee required by the terms of or with respect to the Plan; provided, however, that the terms of the Plan may be modified so as to increase the obligations of an Employer only with the consent of such Employer, which consent shall be conclusively presumed to have been given by such Employer upon its submission of any information to the Committee required by the terms of or with respect to the Plan. Except as modified by the Committee in its written instrument, the provisions of this Plan shall be applicable with respect to each Employer separately, and amounts payable hereunder shall be paid by the Employer which employs the particular Participant, if not paid from the Trust Fund.

Miscellaneous

10.1 Not Contract of Employment. The adoption and maintenance of the Plan shall not be deemed to be a contract between the Employer and any person or to be consideration for the employment of any person. Nothing herein contained shall be deemed to give any person the right to be retained in the employ of the Employer or to restrict the right of the Employer to discharge any person at any time nor shall the Plan be deemed to give the Employer the right to require any person to remain in the employ of the Employer or to restrict any person's right to terminate his employment at any time.

10.2 Alienation of Interest Forbidden. Except as hereinafter provided, the interest of a Participant or his beneficiary or beneficiaries hereunder may not be sold, transferred, assigned, or encumbered in any manner, either voluntarily or involuntarily, and any attempt so to anticipate, alienate, sell, transfer, assign, pledge, encumber, or charge the same shall be null and void; neither shall the benefits hereunder be liable for or subject to the debts, contracts, liabilities, engagements or torts of any person to whom such benefits or funds are payable, nor shall they be an asset in bankruptcy or subject to garnishment, attachment or other legal or equitable proceedings. Plan provisions to the contrary notwithstanding, the Committee shall comply with the terms and provisions of an order that satisfies the requirements for a "qualified domestic relations order" as such term is defined in section 206(d)(3)(B) of the Act, including an order that requires distributions to an alternate payee prior to a Participant's "earliest retirement age" as such term is defined in section 206(d)(3)(E)(ii) of the Act.

10.3 Withholding. All deferrals and payments provided for hereunder shall be subject to applicable withholding and other deductions as shall be required of the Employer under any applicable local, state or federal law.

10.4 Amendment and Termination. The Compensation Committee may from time to time, in its discretion, amend, in whole or in part, any or all of the provisions of the Plan; provided, however, that no amendment may be made that would impair the rights of a Participant with respect to amounts already allocated to his Account. The Compensation Committee may terminate the Plan at any time. In the event that the Plan is terminated, the balance in a Participant's Account shall be paid to such Participant or his designated beneficiary in a single lump sum payment of cash in full satisfaction of all of such Participant's or beneficiary's benefits hereunder. Any such amendment to or termination of the Plan shall be in writing and signed by any member of the Compensation Committee.

10.5 Severability. If any provision of this Plan shall be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining provisions hereof; instead, each provision shall be fully severable and the Plan shall be construed and enforced as if said illegal or invalid provision had never been included herein.

10.6 Governing Laws. All provisions of the Plan shall be construed in accordance with the laws of Texas except to the extent preempted by federal law.

HALLIBURTON COMPANY
SENIOR EXECUTIVES'
DEFERRED COMPENSATION PLAN
AS AMENDED AND RESTATED
EFFECTIVE JANUARY 1, 1998

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HALLIBURTON COMPANY
SENIOR EXECUTIVES'
DEFERRED COMPENSATION PLAN

Halliburton Company, having heretofore established the Halliburton Company Senior Executives' Deferred Compensation Plan, pursuant to the provisions of Article X of said Plan, hereby amends and restates said Plan to be effective in accordance with the provisions of Article XII hereof.

(2)

ARTICLE I

Purpose of the Plan

The purpose of the Halliburton Company Senior Executives' Deferred Compensation Plan is to promote growth of the Company, provide an additional means of attracting and holding qualified, competent executives and provide supplemental retirement benefits for the Participants.

ARTICLE II

Definitions

(A) "Account(s)" shall mean a Participant's Deferred Compensation Account, ERISA Restoration Account, and/or Mandatory Deferral Account, including amounts credited thereto.

(B) "Administrative Committee" shall mean the administrative committee appointed by the Compensation Committee to administer the Plan.

(C) "Allocation Year" shall mean the calendar year for which an allocation is made to a Participant's Account pursuant to Article IV.

(D) "Board of Directors" shall mean the Board of Directors of the Company.

(E) "Code" shall mean the Internal Revenue Code of 1986, as amended.

(F) "Compensation Committee" shall mean the Compensation Committee of the Board of Directors.

(G) "Company" shall mean Halliburton Company.

(H) "Deferred Compensation Account" shall mean an individual account for each Participant on the books of such Participant's Employer to which is credited amounts allocated for the benefit of such Participant pursuant to the provisions of Article IV, Paragraph (E).

(I) "Employee" shall mean any senior executive, including an officer of an Employer (whether or not he is also a director thereof), who is employed by an Employer on a full-time basis, who is compensated for such employment by a regular salary, and who, in the opinion of the Compensation Committee, is one of the key personnel of an Employer in a position to contribute materially to its continued growth and development and to its future financial success, or who in the past has contributed materially to its growth, development and financial success. The term does not include independent contractors or persons who are retained by an Employer as consultants only.

(J) "Employer" shall mean the Company and any Subsidiary designated as an Employer in accordance with the provisions of Article III of the Plan.

(J1) "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended.

(K) "ERISA Restoration Account" shall mean an individual account for each Participant on the books of such Participant's Employer to which is credited amounts allocated for the benefit of such Participant pursuant to the provisions of Article IV, Paragraph (G). Such Account shall include amounts allocated to a Participant's Excess Benefit Account prior to January 1, 1995.

(L) "Excess Remuneration Account" shall mean an individual account for each Participant on the books of such Participant's Employer to which is credited amounts allocated for the benefit of such Participant pursuant to the provisions of Article IV, Paragraph (H).

(M) "Participant" shall mean an Employee who is allocated deferred compensation hereunder.

(N) "Plan" shall mean the Halliburton Company Senior Executives' Deferred Compensation Plan, as amended and restated January 1, 1996, and as the same may thereafter be amended from time to time.

(O) "Subsidiary" shall mean at any given time, any other corporation of which an aggregate of 80% or more of the outstanding voting stock is owned of record or beneficially, directly or indirectly, by the Company or any other of its Subsidiaries or both.

(P) "Termination of Service" shall mean severance from employment with an Employer for any reason other than a transfer between Employers.

(Q) "Trust" shall mean any trust created pursuant to the provisions of Article IX.

(R) "Trust Agreement" shall mean the agreement establishing the Trust.

(S) "Trustee" shall mean the trustee of the Trust.

(T) "Trust Fund" shall mean assets under the Trust as may exist from time to time.

ARTICLE III

Administration of the Plan

(A) The Compensation Committee shall appoint an Administrative Committee to administer, construe and interpret the Plan. Such Administrative Committee, or such successor Administrative Committee as may be duly appointed by the Compensation Committee, shall serve at the pleasure of the Compensation Committee. Decisions of the Administrative Committee with respect to any matter involving the Plan shall be final and binding on the Company, its shareholders, each Employer and all officers and other executives of the Employers. For purposes of the Employee Retirement Income Security Act of 1974, the Administrative Committee shall be the Plan "administrator" and shall be the "named fiduciary" with respect to the general administration of the Plan.

(B) The Administrative Committee shall maintain complete and adequate records pertaining to the Plan, including but not limited to Participants' Accounts, amounts transferred to the Trust, reports from the Trustee and all other records which shall be necessary or desirable in the proper administration of the Plan. The Administrative Committee shall furnish the Trustee such information as is required to be furnished by the Administrative Committee or the Company pursuant to the Trust Agreement.

(C) The Company (the "Indemnifying Party") hereby agrees to indemnify and hold harmless the members of the Administrative Committee (the "Indemnified Parties") against any losses, claims, damages or liabilities to which any of the Indemnified Parties may become subject to the extent that such losses, claims, damages or liabilities or actions in respect thereof arise out of or are based upon any act or omission of the Indemnified Party in connection with the administration of this Plan (including any act or omission of such Indemnified Party constituting negligence, but excluding any act or omission of such Indemnified Party constituting gross negligence or wilful misconduct), and will reimburse the Indemnified Party for any legal or other expenses reasonably incurred by him or her in connection with investigating or defending against any such loss, claim, damage, liability or action.

(D) Promptly after receipt by the Indemnified Party under the preceding paragraph of notice of the commencement of any action or proceeding with respect to any loss, claim, damage or liability against which the Indemnified Party believes he or she is indemnified under the preceding paragraph, the Indemnified Party shall, if a claim with respect thereto is to be made against the Indemnifying Party under such paragraph, notify the Indemnifying Party in writing of the commencement thereof; provided, however, that the omission so to notify the Indemnifying Party shall not relieve it from any liability which it may have to the Indemnified Party to the extent the Indemnifying Party is not prejudiced by such omission. If any such action or proceeding shall be brought against the Indemnified Party, and it shall notify the Indemnifying Party of the commencement thereof, the Indemnifying Party shall be entitled to participate therein, and, to the extent that it shall wish, to assume the defense thereof,

with counsel reasonably satisfactory to the Indemnified Party, and, after notice from the Indemnifying Party to the Indemnified Party of its election to assume the defense thereof, the Indemnifying Party shall not be liable to such Indemnified Party under the preceding paragraph for any legal or other expenses subsequently incurred by the Indemnified Party in connection with the defense thereof other than reasonable costs of investigation or reasonable expenses of actions taken at the written request of the Indemnifying Party. The Indemnifying Party shall not be liable for any compromise or settlement of any such action or proceeding effected without its consent, which consent will not be unreasonably withheld.

(E) The Administrative Committee may designate any Subsidiary as an Employer by written instrument delivered to the Secretary of the Company and the designated Employer. Such written instrument shall specify the effective date of such designated participation, may incorporate specific provisions relating to the operation of the Plan which apply to the designated Employer only and shall become, as to such designated Employer and its employees, a part of the Plan. Each designated Employer shall be conclusively presumed to have consented to its designation and to have agreed to be bound by the terms of the Plan and any and all amendments thereto upon its submission of information to the Administrative Committee required by the terms of or with respect to the Plan; provided, however, that the terms of the Plan may be modified so as to increase the obligations of an Employer only with the consent of such Employer, which consent shall be conclusively presumed to have been given by such Employer upon its submission of any information to the Administrative Committee required by the terms of or with respect to the Plan. Except as modified by the Administrative Committee in its written instrument, the provisions of this Plan shall be applicable with respect to each Employer separately, and amounts payable hereunder shall be paid by the Employer which employs the particular Participant, if not paid from the Trust Fund.

(F) No member of the Administrative Committee shall have any right to vote or decide upon any matter relating solely to himself under the Plan or to vote in any case in which his individual right to claim any benefit under the Plan is particularly involved. In any case in which an Administrative Committee member is so disqualified to act and the remaining members cannot agree, the Compensation Committee shall appoint a temporary substitute member to exercise all the powers of the disqualified member concerning the matter in which he is disqualified.

ARTICLE IV

Allocations Under the Plan,
Participation in the Plan and Selection for Awards

(A) Only Employees shall be eligible to be Participants in the Plan. The Compensation Committee shall be the sole judge of who shall be eligible to be a Participant for any Allocation Year. The selection of an Employee to be a Participant for a particular Allocation Year shall not constitute him a Participant for another Allocation Year unless he is selected to be a Participant for such other Allocation Year by the Compensation Committee.

(B) Each Allocation Year the Compensation Committee shall, in its sole discretion, determine what amounts shall be available for allocation to the Accounts of the Participants pursuant to Paragraph (E) below.

(C) No award shall be made to any person while he is a voting member of the Compensation Committee.

(D) The Compensation Committee from time to time may adopt, amend or revoke such regulations and rules as it may deem advisable for its own purposes to guide in determining which of the Employees it shall deem to be Participants for a particular Allocation Year and the method and manner of payment thereof to the Participants.

(E) The Compensation Committee, during the Allocation Year involved or during the next succeeding Allocation Year, shall determine which eligible Employees it shall designate as Participants for such Allocation Year and the amounts allocated to each Participant for such Allocation Year. In making its determination, the Compensation Committee shall consider such factors as the Compensation Committee may in its sole discretion deem material. The Compensation Committee, in its sole discretion, may notify an Employee at any time during a particular Allocation Year or in the Allocation Year following the Allocation Year for which the award is made that he has been selected as a Participant for all or part of such Allocation Year, and may determine and notify him of the amount which shall be allocated to him for such Allocation Year. The decision of the Compensation Committee in selecting an Employee to be a Participant or in making any allocation to him shall be final and conclusive, and nothing herein shall be deemed to give any Employee or his legal representatives or assigns any right to be a Participant for such Allocation Year or to be allocated any amount except to the extent of the amount, if any, allocated to a Participant for a particular Allocation Year, but at all times subject to the provisions of the Plan.

(F) An Employee whose Service is Terminated during the Allocation Year and who, on the date of Termination of Service, was eligible to be a Participant may be selected as a Participant for such part of the Allocation Year prior to

his Termination and be granted such award with respect to his services during such part of the Allocation Year as the Compensation Committee, in its sole discretion and under any rules it may promulgate, may determine.

(G) The Administrative Committee shall determine for each Allocation Year which Participants' allocations of Employer contributions and forfeitures under qualified defined contribution plans sponsored by the Employers have been reduced for such Allocation Year by reason of the application of Section 401(a)(17) or Section 415 of the Code, or any combination of such Sections, or by reason of elective deferrals under the Halliburton Elective Deferral Plan, and shall allocate to the credit of each such Participant under the Plan an amount equal to the amount of such reductions applicable to such Participant.

(H) The Compensation Committee may, in its discretion, allocate to the credit of a Participant under the Plan all or any part of any remuneration payable by the Employer to such Participant which would otherwise be treated as excessive employee remuneration within the meaning of Section 162(m) of the Code for any Allocation Year, rather than paying such excessive remuneration to such Participant.

(I) Allocations to Participants under the Plan shall be made by crediting their respective Accounts on the books of their Employers as of the last day of the Allocation Year, except that an allocation under Paragraph (H) shall be credited to a Participant on the date the amount would have been paid to the Participant had it not been deferred pursuant to the provisions of Paragraph (H). Allocations under Paragraph (E) above shall be credited to the Participants' Deferred Compensation Accounts, allocations under Paragraph (G) above shall be credited to the Participants' ERISA Restoration Accounts and allocations under Paragraph (H) above shall be credited to the Participants' Excess Remuneration Account. Accounts of Participants shall also be credited with interest as of the last day of each Allocation Year, at the rate set forth in Paragraph (J) below, on the average monthly credit balance of the Account being calculated by using the balance of each Account on the first day of each month. Prior to Termination of Service, the annual interest shall accumulate as a part of the Account balance. After Termination of Service, the annual interest for such Allocation Year may be paid as more particularly set forth hereinafter.

(J) Interest shall be credited on amounts allocated to Participants' Deferred Compensation Accounts at the rate of 5% per annum for periods prior to Termination of Service. Interest shall be credited on amounts allocated to Participants' ERISA Restoration Accounts and Excess Remuneration Accounts, and on amounts allocated to Participants' Deferred Compensation Accounts for periods subsequent to Termination of Service, at the rate of 10% per annum.

ARTICLE V

Non-Assignability of Awards

No Participant shall have any right to commute, encumber, pledge, transfer or otherwise dispose of or alienate any present or future right or expectancy which he or she may have at any time to receive payments of any allocations made to such Participant, all such allocations being expressly hereby made non-assignable and non-transferable; provided, however, that nothing in this Article shall prevent transfer (A) by will, (B) by the applicable laws of descent and distribution or (C) pursuant to an order that satisfies the requirements for a "qualified domestic relations order" as such term is defined in section 206(d)(3)(B) of the ERISA and section 414(p)(1)(A) of the Code, including an order that requires distributions to an alternate payee prior to a Participant's "earliest retirement age" as such term is defined in section 206(d)(3)(E)(ii) of the ERISA and section 414(p)(4)(B) of the Code. Attempts to transfer or assign by a Participant (other than in accordance with the preceding sentence) shall, in the sole discretion of the Compensation Committee after consideration of such facts as it deems pertinent, be grounds for terminating any rights of such Participant to any awards allocated to but not previously paid over to such Participant.

ARTICLE VI

Vesting

All amounts credited to a Participant's Accounts shall be fully vested and not subject to forfeiture for any reason except as provided in Article V.

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ARTICLE VII

Distribution of Awards

(A) Upon Termination of Service of a Participant, the Administrative Committee (i) shall certify to the Trustee or the treasurer of the Employer, as applicable, the amount credited to each of the Participant's Accounts on the books of each Employer for which the Participant was employed at a time when he earned an award hereunder, (ii) shall determine whether the payment of the amount credited to each of the Participant's Accounts under the Plan is to be paid directly by the applicable Employer, from the Trust Fund, if any, or by a combination of such sources (except to the extent the provisions of the Trust Agreement, if any, specify payment from the Trust Fund) and (iii) shall determine and certify to the Trustee or the treasurer of the Employer, as applicable, the method of payment of the amount credited to each of a Participant's Accounts, selected by the Administrative Committee from among the following alternatives:

(1) A single lump sum payment upon Termination of Service;

(2) A payment of one-half of the Participant's balance upon Termination of Service, with payment of the additional one-half to be made on or before the last day of a period of one year following Termination; or

(3) Payment in monthly installments over a period not to exceed ten years with such payments to commence upon Termination of Service.

The above notwithstanding, if the total amount credited to the Participant's Accounts upon Termination of Service is less than \$50,000, such amount shall always be paid in a single lump sum payment upon Termination of Service.

(B) The Trustee or the treasurer of the Employer, as applicable, shall thereafter make payments of awards in the manner and at the times so designated, subject, however, to all of the other terms and conditions of this Plan and the Trust Agreement, if any. This Plan shall be deemed to authorize the payment of all or any portion of a Participant's award from the Trust Fund to the extent such payment is required by the provisions of the Trust Agreement, if any.

(C) Interest on the second half of a payment under Paragraph (A)(2) above shall be paid with the final payment, while interest on payments under Paragraph (A)(3) above may be paid at each year end or may be paid as a part of a level monthly payment computed by the Administrative Committee through the use of such tables as the Administrative Committee shall select from time to time for such purpose.

(D) If a Participant shall die while in the service of an Employer, or after Termination of Service and prior to the time when all amounts payable to him under the Plan have been paid to him, any remaining amounts payable to the Participant hereunder shall be payable to the estate of the Participant. The Administrative Committee shall cause the Trustee or the treasurer of the Employer, as applicable, to pay to the estate of the Participant all of the awards then standing to his credit in a lump sum or in such other form of payment consistent with the alternative methods of payment set forth above as the Administrative Committee shall determine after considering such facts and circumstances relating to the Participant and his estate as it deems pertinent.

(E) If the Plan is terminated pursuant to the provisions of Article X, the Compensation Committee may, at its election and in its sole discretion, cause the Trustee or the treasurer of the Employer, as applicable, to pay to all Participants all of the awards then standing to their credit in the form of lump sum payments.

ARTICLE VIII

Nature of Plan

This Plan constitutes a mere promise by the Employers to make benefit payments in the future and Participants have the status of general unsecured creditors of the Employers. Further, the adoption of this Plan and any setting aside of amounts by the Employers with which to discharge their obligations hereunder shall not be deemed to create a trust; legal and equitable title to any funds so set aside shall remain in the Employers, and any recipient of benefits hereunder shall have no security or other interest in such funds. Any and all funds so set aside shall remain subject to the claims of the general creditors of the Employers, present and future. This provision shall not require the Employers to set aside any funds, but the Employers may set aside such funds if they choose to do so.

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ARTICLE IX

Funding of Obligation

Article VIII above to the contrary notwithstanding, the Employers may fund all or part of their obligations hereunder by transferring assets to a trust if the provisions of the trust agreement creating the Trust require the use of the Trust's assets to satisfy claims of an Employer's general unsecured creditors in the event of such Employer's insolvency and provide that no Participant shall at any time have a prior claim to such assets. Any transfers of assets to a trust may be made by each Employer individually or by the Company on behalf of all Employers. The assets of the Trust shall not be deemed to be assets of this Plan.

ARTICLE X

Amendment or Termination of Plan

The Compensation Committee shall have the power and right from time to time to modify, amend, supplement, suspend or terminate the Plan as it applies to each Employer, provided that no such change in the Plan may deprive a Participant of the amounts allocated to his or her Accounts or be retroactive in effect to the prejudice of any Participant and the interest rate applicable to amounts credited to Participants' Accounts for periods subsequent to Termination of Service shall not be reduced below 6% per annum. Any such modification, amendment, supplement, suspension or termination shall be in writing and signed by a member of the Compensation Committee.

ARTICLE XI

General Provisions

(A) No Participant shall have any preference over the general creditors of an Employer in the event of such Employer's insolvency.

(B) Nothing contained herein shall be construed to give any person the right to be retained in the employ of an Employer or to interfere with the right of an Employer to terminate the employment of any person at any time.

(C) If the Administrative Committee receives evidence satisfactory to it that any person entitled to receive a payment hereunder is, at the time the benefit is payable, physically, mentally or legally incompetent to receive such payment and to give a valid receipt therefor, and that an individual or institution is then maintaining or has custody of such person and that no guardian, committee or other representative of the estate of such person has been duly appointed, the Administrative Committee may direct that such payment thereof be paid to such individual or institution maintaining or having custody of such person, and the receipt of such individual or institution shall be valid and a complete discharge for the payment of such benefit.

(D) Payments to be made hereunder may, at the written request of the Participant, be made to a bank account designated by such Participant, provided that deposits to the credit of such Participant in any bank or trust company shall be deemed payment into his hands.

(E) Wherever any words are used herein in the masculine, feminine or neuter gender, they shall be construed as though they were also used in another gender in all cases where they would so apply, and whenever any words are used herein in the singular or plural form, they shall be construed as though they were also used in the other form in all cases where they would so apply.

(F) THIS PLAN SHALL BE CONSTRUED AND ENFORCED UNDER THE LAWS OF THE STATE OF TEXAS EXCEPT TO THE EXTENT PREEMPTED BY FEDERAL LAW.

ARTICLE XII

Effective Date

This amendment and restatement of the Plan shall be effective from and after January 1, 1998 and shall continue in force during subsequent years unless amended or revoked by action of the Compensation Committee.

HALLIBURTON COMPANY

By /s/ Dale P. Jones

Dale P. Jones
Vice Chairman

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The schedule contains summary financial information extracted from the Halliburton Company consolidated financial statements for the six months ended June 30, 1998, and is qualified in its entirety by reference to such financial statements.

		1,000,000 U.S. Dollars	
		6-mos	
	Dec-31-1998	Jan-01-1998	Jun-30-1998
		1	145
		0	
		2,543	
		0	
		394	
		3,333	4,187
		2,372	
		6,186	
	2,145		525
	0		
		0	
		674	
		2,122	
6,186			0
	4,831		0
		4,266	
		0	
		0	
		24	
		427	
		165	
	254		
		0	
		0	
			0
		254	
		0.97	
		0.95	