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Halliburton Expands Relationship with Shell Exploration & Production Company in the Gulf of Mexico; Shell, Sperry-Sun and Landmark unveil real-time operation center at OTC 2003

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HOUSTON, May 5, 2003 (BUSINESS WIRE) -- Halliburton (NYSE:HAL) announced today at the 2003 Offshore Technology Conference (OTC) that they have expanded upon their relationship with Shell Exploration & Production Company (SEPCo) (NYSE:RD) for deepwater operations in the Gulf of Mexico (GoM). Halliburton's Sperry-Sun product service line was awarded a contract that encompassed the construction and implementation of a real-time operations center (RTOC) to help manage and optimize all SEPCo well construction activities in the GoM. The contract was awarded following the conclusion of a six-month RTOC pilot program in Shell's New Orleans, Louisiana office.

"The RTOC is a joint effort between Halliburton and Shell that brings together our drilling, exploration, and development teams to enable true multi-disciplinary well delivery. This allows us to create wells that meet our well objectives at the lowest possible cost, hence creating more value," said Paul Goodfellow, Drilling & Completions Operations Manager, Shell Exploration & Production Company. "The RTOC is a key piece of our real-time operations strategy, vital to well planning, execution optimization and enabling learning and knowledge transfer."

"In 1998, we created 'Vision 2003' which stated that Halliburton would be the undisputed leader in providing real-time reservoir solutions to the energy industry," said John Gibson, president and CEO, Halliburton Energy Services. "The Shell Halliburton RTOC is a working version of that vision. The RTOC is used as a common ground by all of Shell's deepwater asset teams with the goal of driving down overall drilling systems cost."

The Shell Halliburton RTOC recently opened following the completion of a pilot program that initially monitored four drilling rigs in deepwater GoM. The RTOC has since been upgraded to a world-class facility in which 24/7 well monitoring and the resulting interventions, real-time collaboration and decision making are augmented with well planning for all SEPCo GoM drilling rigs.

Because so much of the value added during the drilling process is driven by the initial decisions made before the well is drilled, a major focus of the RTOC process is to give the center a seamless role in the full gamut of the company's well construction activity. Consequently, the center and staff continue to add value and improve multi-disciplinary decisions by managing and analyzing surface and subsurface data from the planning stage through to the final review of "lessons learned" for all monitored wells.

"We are excited to continue our long-standing global relationship with Shell in the development and implementation of new technologies," said Phil Longorio, vice president, Halliburton, Sperry-Sun. "Establishing the Shell Halliburton RTOC has led the way in the cross disciplinary collaboration and implementation of real-time technologies that maximize the deliverability of reservoirs."

Drilling optimization specialists from Sperry-Sun and application specialists from Landmark Graphics Corporation, a wholly-owned business unit of Halliburton, have worked alongside Shell project engineers in planning and monitoring each of the GoM rigs. Several key technologies have been implemented within the RTOC including Halliburton's data acquisition, communications and solutions-based application platform, as well as Landmark's PC-based three-dimensional subsurface visualization tool. These collaboration tools enable engineers and geoscientists on Shell's asset teams to visualize, analyze and interpret seismic, MWD/LWD and drilling operational data in real-time. The 3D visualization of real-time data together with the earth model enables the asset team to drill more effectively, safer and at lower costs.

The New Orleans RTOC is becoming a critical element of Shell's real-time operations strategy as more complex, technically challenging wells are being drilled in the GoM. Shell and Halliburton have set a goal to aggressively reduce down-hole trouble time by improving pre-drill plans and through real-time interventions and real-time enhanced team decisions by the end of 2003.

Shell Exploration & Production Company (SEPCo) is the largest of Shell's EP operating units, accounting for about a quarter of the Royal Dutch/Shell Group of Companies' worldwide oil and gas production. For more information on SEPCo, access www.ShellUS.com/SEPCo; Royal Dutch/Shell information can be found at www.shell.com.

Halliburton Energy Services provides products, services, and integrated solutions for oil and gas exploration, development, and production. Capabilities range from initial evaluation of producing formations to drilling, completion, stimulation, and well maintenance -- for a single well or an entire field. With more than 300 service centers in more than 100 countries, Halliburton possesses the global perspective that is increasingly important for energy exploration and production.

Halliburton, founded in 1919, is one of the world's largest providers of products and services to the petroleum and energy industries. The company serves its customers with a broad range of products and services through its Energy Services Group and Engineering and Construction Group business segments. The company's World Wide Web site can be accessed at www.halliburton.com.

SOURCE: Halliburton

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