

HALLIBURTON

Halliburton Refutes Inaccurate Media Reports on Iraq Contract

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HOUSTON, Dec. 11 /PRNewswire-FirstCall/ -- Halliburton (NYSE: HAL) today strongly responded to inaccurate media reports about U.S. government auditing reports.

The Defense Contracting Audit Agency (DCAA) is conducting a routine audit and has requested additional information from KBR. There have been no conclusions reached and this is a normal part of the audit process for the DCAA to raise questions and request additional materials. We are simply providing additional documentation that the DCAA needs and feel confident our responses will satisfy the DCAA. KBR is confident its processes will continue to stand against the rigorous audits conducted by the defense contract auditing agency. It would not be appropriate to discuss the specifics of the questions until our conversations with DCAA are complete.

It is important to understand that the questions in themselves are a normal part of the audit process and not a condemnation of KBR processes. It is also important to understand the difference between fact and allegations. It is not fact that KBR has overcharged. KBR has acted in full accordance with its fiduciary and contractual responsibilities under the contract.

For more than 60 years, during both Democrat and Republican administrations, Halliburton has a record of service to the defense of the United States. We built war ships for the Navy in World War II, and we recently supported troops in Somalia, Rwanda and Haiti. In the first Gulf War, we helped bring half the oil wells under control in Kuwait. Halliburton employees are prepared to meet the challenge regardless of the difficulties and risks involved.

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 and Engineering and Construction Groups. The company's World Wide Web site can be accessed at www.halliburton.com.

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