

HALLIBURTON

Halliburton Subsidiary Wins Follow-On Oil Contract In Iraq

January 16, 2004

HOUSTON, Jan. 16 /PRNewswire-FirstCall/ -- Halliburton (NYSE: HAL) today confirmed the US Army Corps of Engineers awarded KBR the contract to continue its operations for the Restore Iraqi Oil (RIO) program in the southern section of Iraq. The contract was awarded through a full and fair competitive bidding process. KBR is the engineering and construction subsidiary of Halliburton.

"This decision is an endorsement of the courageous work being done by Halliburton's employees in Iraq," said Dave Lesar, chairman, president and chief executive officer, Halliburton. "Rebuilding Iraq is one of the largest and most complex reconstruction undertakings of the past half century. The people of KBR are proud to continue to play a role in the transformation of Iraq."

"Of course, we believe the award of this contract validates the decision of the Army Corps of Engineers last year. We were chosen because we were the best qualified with a proven track record of the ability to perform," added Lesar.

Since March 2003, KBR made substantial and significant progress toward restoring Iraq's oil production and capabilities. KBR put into action a contingency plan for assessing and extinguishing oil well fires in Iraq as well as evaluating and repairing, as directed by the US government, the country's petroleum infrastructure.

"Our employees have had a significant and positive effect on the quality of life for troops and the people of Iraq, and this decision confirms their work as builders, architects, planners, security experts, geologists and engineers. They are working side-by-side with the military to create a sense of normalcy for the Iraqi people," added Lesar. "Our employees have been one of the linchpins in our country's efforts to restore self-sufficiency to Iraq. This particular contract is key to that effort because independent oil and fuel supplies help liberate the country."

Halliburton is resolved to assist the Iraqi people rebuild the country's oil infrastructure while also carrying out the important responsibility to maintain oversight in the expenditure of funds.

For more than 60 years, during both Democrat and Republican administrations, Halliburton has a record of service to the defense to the United States. We built war ships for the Navy in World War II, and we have supported troops in Somalia, Rwanda Haiti, the Balkans and Afghanistan. In the first Gulf War, we helped bring under control half the oil wells 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.

SOURCE Halliburton