

HALLIBURTON

Halliburton Awarded \$300 Million Contract for Integrated Drilling and Formation Evaluation Services By ConocoPhillips

May 3, 2004

HOUSTON & TANANGER, Norway, May 3, 2004 (BUSINESS WIRE) -- Halliburton has been awarded a contract for 3 years by ConocoPhillips to provide integrated drilling services for their North Sea activities. The contract, awarded to Sperry-Sun includes two additional options up to 3 years each. The contract is one of the first awarded by ConocoPhillips covering all their North Sea operations. The value of the contract is estimated to be \$130 million for the fixed 3-years duration, and includes the provision of directional drilling, measurement-while-drilling (MWD), logging-while-drilling (LWD), mud logging and surveying services.

"Halliburton is very pleased to have been awarded this significant contract, which expands our important relationship with ConocoPhillips," said John Gibson, president and CEO Halliburton Energy Services Group. "We have invested people, time, and money to stay at the forefront of technology development and ensure a sustainable future, aimed at meeting our customers and their customers' future needs."

Fundamental to this contract is the Geo-Pilot(R) system, Sperry-Sun's second-generation point-the-bit rotary steerable service that was designed in collaboration with JOGMEC (Japan Oil, Gas, and Metals National Corporation). The ability to remotely control the Geo-Pilot rotary steerable system has been successfully demonstrated from the ConocoPhillips Onshore Drilling Center (ODC). This is an important step towards integrated operations, allowing the directional driller to be based in the ODC and work closer with the subsurface teams.

Technologies also significant to this contract include the Stellar(TM) MWD/LWD formation evaluation suite of sensors, which includes the BAT(TM) bi-modal acoustic tool, ALD(TM) azimuthal lithodensity sensor, CTN(TM) compensated thermal neutron sensor, and GeoTap(R) formation pressure tester. Each of these technologies can provide ConocoPhillips with a complete wireline-quality formation evaluation solution.

"By selecting Halliburton for this important contract, ConocoPhillips has demonstrated that we can help them achieve their growth strategy," Jan Erik Klungtveit, Scandinavia country manager, Halliburton Sperry-Sun and Security DBS. "We have been delivering integrated drilling and formation evaluation services in the North Sea; this new contract will provide ConocoPhillips with the best solution this industry has to offer, helping them meet their drilling challenges and maximize their reservoir deliverability at the most effective cost."

The provision of the complete suite of drilling and formation evaluation services will provide synergies for Halliburton as service provider and for ConocoPhillips in the planning, drilling, and evaluation of the wells. The collaborative working environment that has been established in ConocoPhillips' ODC will be further developed to continue improving the work processes associated with these services.

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

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