

HALLIBURTON

KBR Announces New Divisions and Management Appointments; Company aims to maximize profitability, better serve customers and improve shareholder value

September 23, 2004

HOUSTON--(BUSINESS WIRE)--Sept. 23, 2004--KBR, the engineering and construction subsidiary of Halliburton (NYSE:HAL), announced today that KBR will move from five product lines to two distinct divisions, the energy and chemicals division and the government and infrastructure division. Lou Pucher has been named senior vice president, energy and chemicals division, and Bruce Stanski has been named senior vice president, government and infrastructure division. Both appointments are effective October 1, 2004.

"This is a new KBR. We will be a streamlined, efficient and more profitable organization," said Andrew Lane, president and chief executive officer, KBR. "KBR's strength is in engineering and project management and with this new alignment we plan to further capitalize on our core company strengths and capabilities. KBR has had a strong historical position in LNG and oil and gas for many years and is a leading government services contractor as well."

Both divisions will have the necessary resources to successfully compete, and will be supported by a small corporate function.

"Improved profitability is the cornerstone of the new organization," added Lane.

The energy and chemicals division will provide a world-class engineering, procurement, construction and technology capability focused on upstream and downstream markets. The government and infrastructure division is the largest government logistics and services contractor with premier worldwide civil infrastructure capabilities.

KBR is a global engineering, construction, technology and services company. Whether designing an LNG facility, serving as a defense industry contractor or providing capital construction, KBR delivers world-class service and performance. KBR employs 83,000 people in 43 countries around the world.

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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