

HALLIBURTON

Belanak Natuna FPSO Sails to Installation Site in South Natuna Sea for First Oil Production

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BATAM, Indonesia--(BUSINESS WIRE)--Oct. 13, 2004--Halliburton (NYSE:HAL) announced today that the Belanak Natuna Floating Production, Storage and Offloading (FPSO) vessel sailed on Monday, October 11, from Batam, Indonesia, to its installation site in the Belanak field in the South Natuna Sea Block B, approximately 200km northeast of Singapore. The journey from Batam to the Belanak field is expected to take approximately three days. On arrival at its installation site in the Belanak field, the FPSO will be moored and hooked up. Offshore commissioning will commence with first oil cargo expected in the coming months.

"We are proud to be part of this landmark project in Indonesia, which is the first FPSO of this magnitude and complexity to be executed in Asia Pacific," said Andy Lane, president and CEO of Halliburton's Engineering and Construction group. "This project has drawn on our extensive expertise in natural gas processing facilities and involvement in the development of floating solutions. It also demonstrates our ability to provide innovative solutions and manage such a large, complex engineering, procurement and construction project."

The Belanak Natuna FPSO is one of the most complex processing systems to be installed offshore. It is the first offshore liquefied petroleum gas (LPG) facility on a floating vessel in the Asia Pacific region. The new build FPSO will be the central processing facility which will serve as a regional hub for the eastern portion of Block B, including the Belanak fields and potential future developments.

The project team's many achievements include an exemplary safety performance. Over 16 million hours were worked from the start of the project within the Peoples Republic of China, Singapore, Europe and Indonesia, of which about eight million hours were achieved at the PT McDermott yard, achieving a remarkably low lost time incident frequency of 0.025. This is particularly significant with a 4000-strong workforce, at peak, carrying out work in the yard.

The project has been designed and executed to international safety and quality standards with stringent technical audits conducted frequently. Procurement activities were managed from the Singapore project office and equipment and services were supplied from across the globe particularly within Asia, meeting the Indonesian government requirements for local supply content.

PT Brown & Root Indonesia in conjunction with DKES, Inc., was awarded the contract to design, engineer, procure, construct and install the FPSO, moorings and flexible risers. All project management services and engineering have been executed from Indonesia and Singapore. Initial hull design and engineering were performed in Leatherhead, U.K., and topsides engineering and procurement from Singapore.

The subcontract for fabrication of the topsides modules, integration, installation, testing and commissioning was awarded to PT McDermott Indonesia. Fabrication of the topsides began in March 2002. Integration of the 25,000 tonnes process topsides onto the hull commenced in September 2003 and was completed in June 2004. The topsides comprise eight modules, a flare boom and pipe racks.

The FPSO hull was constructed in China by Dalian New Shipbuilding Heavy Industry Co. Ltd (DNS). Construction commenced in March 2002 and was completed in 18 months. The hull has a storage capacity of one million barrels of oil. One of the largest hulls constructed for an FPSO, it measures 285m in length and 58m in width, with a depth of 26m and maximum displacement of 255,000 tonnes. The hull was designed and built to last 30 years without the need for dry-docking and all mechanical equipment is expected to last for this period with routine maintenance offshore. The vessel also has living quarters for 120 personnel.

Currently celebrating its 85th anniversary, Halliburton 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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