

# HALLIBURTON

## Halliburton and Petrobras Finalize Resolution to Barracuda-Caratinga Project Issues

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HOUSTON, Dec 8, 2004 /PRNewswire-FirstCall via COMTEX/ -- Halliburton (NYSE: HAL) announced today that its KBR subsidiary has finalized an agreement with Petrobras that resolves all outstanding issues regarding the Barracuda- Caratinga project.

"We are very happy to have this issue behind us and look forward to the sail away of the Caratinga vessel," said Andrew Lane, chief operating officer, Halliburton. "We take great pride in the fact that Halliburton has contributed to the transformation and rebirth of the offshore and marine industry in Brazil."

Terms of the agreement, which confirms the previously announced non-binding agreement in October 2004, include the release of all claims of all parties and the settlement of change orders and revisions of some project milestones.

KBR was awarded the \$2.5 billion contract by Barracuda & Caratinga Leasing Company (BCLC) on a full engineering, procurement, installation and construction (EPIC) basis, including construction of 54 wells, fabrication and installation of flowlines and risers, construction and installation of the two FPSOs, and the commissioning, start-up and operations support for both fields. All project management services have been executed from KBR's project office in Rio de Janeiro.

KBR is a global engineering, construction, technology and services company. Whether designing an LNG facility, serving as a defense industry contractor, or providing small capital construction, KBR delivers world-class service and performance. KBR employs more than 60,000 people in 43 countries around the world.

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](http://www.halliburton.com).

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