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Halliburton Project Nears Completion as Barracuda Achieves First Oil Production; Caratinga Vessel Currently Undergoing Sea Trials and Final Inspections

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HOUSTON, Dec 22, 2004 (BUSINESS WIRE) -- Halliburton (NYSE:HAL) announced today that its KBR subsidiary and Petrobras have reached another important milestone toward completing the development of the Barracuda and Caratinga offshore fields in Brazil. Today first oil production from the Barracuda Floating Production, Storage and Offloading (FPSO) vessel, P-43, at Barracuda field in the Campos Basin was achieved from well BR-23, at a rate of 10,380 barrels per day (bpd) of 25 degree API oil. The well, at a water depth of 770 meters, is linked to P-43 by a 3,668 meter subsea pipeline.

The next well to be linked to the P-43 vessel will be BR-51, with an expected production rate of 11,950 barrels per day. Another 32 wells, which includes 18 production and 14 injection wells, will be subsequently linked to the Barracuda production platform.

"The achievement of first oil production from the Barracuda field is yet another significant milestone in this project," said Andy Lane, COO of Halliburton. "As a result of the Barracuda-Caratinga project and others coming to fruition, Brazil is expected to achieve oil self-sufficiency. We are proud to be part of this landmark project and are committed to working closely with Petrobras to provide the necessary technical support to rapidly build production levels and sustain high levels of reliable performance from these valuable assets."

After leaving the quay at the BrasFels shipyard at Angra dos Reis, Rio de Janeiro State on December 13, the Caratinga FPSO vessel, P-48, is continuing to undergo sea trials and final inspections at the anchorage area off Ilha Grande, Angra dos Reis. Testing is expected to be completed by the end of December and then the vessel will begin its journey to the Caratinga field in the Campos Basin, where it will join the Barracuda FPSO, moored in the adjacent Barracuda field. Upon arrival at its installation site in the Campos Basin, the Caratinga vessel will be moored, then final hook-up and offshore commissioning will commence.

The deepwater oil and gas fields of the Campos Basin are located 160 kilometers east of Macae, northeast of Rio de Janeiro. Together, the Barracuda and Caratinga fields cover an area of 493 square kilometers in the Campos Basin, in 800 and 1,035 meters of water respectively. The fields will produce close to 300,000 barrels of oil per day, approximately 20 percent of the current output from this offshore region. Each vessel will also be able to store approximately two million barrels of oil.

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.

SOURCE: Halliburton

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