

HALLIBURTON

Halliburton Considers Options on Court Ruling

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HOUSTON, Dec. 22 /PRNewswire-FirstCall/ -- Halliburton (NYSE: HAL) announced today that the company is considering its options, including an appeal, as a result of a ruling issued by District Court Judge Lynn Hughes in the Southern District of Texas to the Fifth Circuit Court of Appeals. Judge Lynn Hughes has released his opinion regarding Halliburton's undertaking, beginning over a year ago, to make changes to achieve parity in its medical plans for all retired employees. When Halliburton merged with Dresser in 1998, Dresser employee retirement medical plans were more favorable than those of other Halliburton employees. Halliburton this year placed the question of its right to modify the Dresser plans before Judge Hughes to get quick and independent resolution.

On motions for summary judgment, Judge Hughes has ruled that the merger contract between Halliburton and Dresser created a contract to continue the more favorable retirement plans for former Dresser employees. Halliburton disagrees with the decision, but it is appreciative that the Court reached a decision before year-end, when certain aspects of the plans were to terminate. Halliburton will reinstate the prior coverage for the Dresser retirees, and as a result the company will take a pre-tax charge in the fourth quarter of up to approximately \$13 million for current and future retiree medical costs.

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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(HAL)

CO: Halliburton

ST: Texas

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