HALLIBURTON

Halliburton Completes Funding for Asbestos/Silica Settlement and Collects Over $1 Billion of Insurance

January 25, 2005

HOUSTON, Jan. 25 /PRNewswire-FirstCall/ -- Halliburton (NYSE: HAL) announced today that the company has completed the funding of the asbestos and silica settlements for its subsidiaries that had filed chapter 11 proceedings. Halliburton paid today the final cash installment of the $2.775 billion used to fund the trusts for the benefit of current asbestos and silica claimants. In addition, on January 20, 2005, Halliburton issued 59.5 million shares of common stock that have been contributed for the benefit of future asbestos claimants. As a result of the issuance of these new shares, the total number of shares of common stock outstanding is now approximately 504 million. The plan of reorganization became effective on January 20, 2005.

Halliburton has collected to date over $1.0 billion in cash from various insurance carriers related to the asbestos and silica settlements.

"The funding and completion of this settlement allows us to open a new chapter for Halliburton. We are excited about the company's prospects in the coming years," said Dave Lesar, chairman, president and chief executive officer of Halliburton.

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 .

NOTE: The statements in this press release that are not historical statements, including statements regarding future financial performance, are forward-looking statements within the meaning of the federal securities laws. These statements are subject to numerous risks and uncertainties, many of which are beyond the company's control, which could cause actual results to differ materially from the results expressed or implied by the statements. These risks and uncertainties include, but are not limited to: legal risks, including the risks of audits and investigations of the company by domestic and foreign government agencies and legislative bodies and potential adverse proceedings and findings by such agencies, the risks that the completed settlement of asbestos and silica liabilities may not address all asbestos and silica exposure, a delay in the receipt a additional agreed payments from insurers arising from asbestos and silica claims, the risks of judgments against the company and its subsidiaries in litigation and proceedings, including shareholder lawsuits, securities laws inquiries, contract disputes, patent infringements and environmental matters, legislation, changes in government regulations and adverse reaction to scrutiny involving the company; political risks, including the risks of unsettled political conditions, war and the effects of terrorism, foreign operations and foreign exchange rates and controls; liquidity risks, including the risks of potential reductions in debt ratings, access to credit, availability and costs of financing and ability to raise capital; weather-related risks; customer risks, including the risks of changes in capital spending and claims negotiations; industry risks, including the risks of changes that affect the demand for or price of oil and/or gas, structural changes in the industries in which the company operates, risks of fixed-fee projects and risks of complex business arrangements; systems risks, including the risks of successful development and installation of financial systems; and personnel and merger/reorganization/disposition risks, including the risks of increased competition for employees, successful integration of acquired businesses, effective restructuring efforts and successful completion of planned dispositions. Please see Halliburton's Form 10-K/A for the year ended December 31, 2003 and Form 10-Q for the quarter ended September 30, 2004 for a more complete discussion of such risk factors.

SOURCE Halliburton
01/25/2005
CONTACT: Paul Koeller, Investor Relations, +1-713-759-2688, or Wendy Hall, Public Relations, +1-713-759-2605, both of Halliburton
Web site: http://www.halliburton.com
(HAL)