

HALLIBURTON

KBR Chosen to Continue Supporting U.S. Army in Balkans and Expand Operations Throughout Europe

June 21, 2005

ARLINGTON, Va.--(BUSINESS WIRE)--June 21, 2005--Kellogg Brown & Root Services, the Government & Infrastructure division of KBR, (KBR) has been selected to continue its services as the premier logistics support provider to U.S. forces deployed in the Balkans region, and to provide similar contingency operations support through the United States Army Europe (USAREUR)'s area of responsibility.

The U.S. Army Corps of Engineers' Transatlantic Programs Center announced today that it awarded the USAREUR Support Contract to KBR for a period of up to five years. This competitively awarded contract, which becomes effective on October 1, 2005, is the follow-on to the Balkans Support Contract awarded to KBR in 1999. The contract has a two-month phase-in period, a one-year base performance period and four additional options that can be awarded at the government's discretion. The Army may order up to \$1.25 billion in services, if required, which is the contract's maximum capacity for the five-year period.

Under the contract, KBR will continue to provide required logistic services to U.S. troops in the Balkans region, including steady-state base camp operations and maintenance; quality of life services; transportation and maintenance services; and overall program management. Additionally, when required, KBR will support military contingency operations and training exercises within the 94 countries that comprise USAREUR's area of responsibility, which includes Europe and most of Africa.

"This decision is an endorsement of the best-in-class support that KBR provides to the U.S. military worldwide," said Andy Lane, Halliburton executive vice president and chief operating officer. "We were chosen because we are the best qualified with a proven track record of the ability to deliver," added Bruce Stanski, senior vice president of KBR's Government & Infrastructure division. "We are proud of the courageous work being performed by KBR's employees in support of the military in the Balkans and around the world, and we look forward to continuing to provide services to the troops in this region."

KBR is a global engineering, construction, technology and services company. Whether designing an LNG facility, serving as a defense industry contractor or providing capital construction, KBR delivers world-class service and performance.

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 Group and KBR. The company's World Wide Web site can be accessed at www.halliburton.com.

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SOURCE: Halliburton