

HALLIBURTON

TNK-BP Awards Halliburton \$100 Million Multi-Services Contract in Russia

January 25, 2007

HOUSTON--(BUSINESS WIRE)--Jan. 25, 2007--Halliburton (NYSE:HAL) announced today that its Energy Services Group has been awarded a multi-services contract by TNK-BP for work in the Tyumen region of Russia. Valued at approximately \$100 million over three years, with the option for three additional one-year periods, the contract calls for the provision of drilling fluids, waste management services, cementing, drill bits, directional drilling and logging-while-drilling services for the Uvat development, located 600-800 kilometers northeast of the city of Tyumen.

"Halliburton has been delivering a wide variety of services to TNK-BP for a number of years, and we are proud of our record of excellent service quality, technological leadership and impeccable health, safety and environmental performance," said Simon Turton, Halliburton's country vice president for the Russian Federation. "Understanding the customer's needs, working closely with their engineers and continually seeking more effective ways to collaborate with drilling contractors has allowed us to tailor our offerings to deliver fit-for-purpose solutions and provide the expertise needed for TNK-BP to meet and exceed its business goals."

The work will enable multiple Halliburton units to introduce technologies and service offerings that are new to Russia. The company's Drilling and Formation Evaluation Division will provide Sperry Drilling Services' EZ-Pilot(TM) rotary steerable system, which provides accurate directional drilling control while allowing continuous rotation of the drillstring, and Security DBS Drill Bits' Energy Balanced(R) roller cone bits, which promote improved return on production and longer bit life, and reduce vibration levels; and the Fluid Systems Division will incorporate Baroid Surface Solutions(TM) service, which combines solids control, shale shaker screens and drilling waste management.

Since the field is located in an environmentally sensitive area, TNK-BP's development plans include advanced well designs that require a technological step-change from conventional Western Siberia field development. The resulting benefits include minimizing the environmental impact and decreasing waste, as well as reducing personnel risk and the number of pads and wells.

The project is scheduled to start in the second quarter of 2007, with four drilling rigs operating from three "super-pads."

"This multi-year award enables us to make additional investments as part of our strategic focus on continuing to build a sustainable business in the Eastern Hemisphere," added Ahmed Lotfy, Halliburton's senior vice president for the Eastern Hemisphere.

With more than 45,000 employees in nearly 70 countries, Halliburton's Energy Services Group serves the upstream oil and gas industry throughout the life cycle of the reservoir--from locating hydrocarbons and managing geological data, to drilling and formation evaluation, well construction and completion, and production optimization through the life of the field.

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. Visit the company's Web site at www.halliburton.com.

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