

HALLIBURTON

Halliburton Comments on Final Report from the National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling

January 11, 2011

HOUSTON, Jan 11, 2011 (BUSINESS WIRE) -- This statement is in response to the findings of the National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling contained in its investigation report released to the public on Jan. 11, 2011.

Halliburton (NYSE: HAL) disagrees with the report's characterization of the February and April foam stability tests related to the cement pumped on the Macondo well, specifically:

- The February tests were pilot tests and final well conditions were not known yet. The February tests were not conducted under final well conditions.
- The first April foam stability test is irrelevant because of lab technician error in weighing up the sample of the cement mix. This evidence was supplied to the National Commission; however, the National Commission did not include this information in its report.
- The second April foam stability test was a re-test due to the lab errors in the first test. The foam stability test on the cement used to seal the final casing string was completed in 38 hours and finished prior to 4:14 p.m. on April 19, 2010; prior to pumping the cement job. Halliburton has evidence showing that lab tests related to the final cement job, including the foam stability test, were finished in lab by 4:14 p.m. on April 19. Electronic notification of this lab testing status, indicating the foam stability passed, was sent to Halliburton's engineer at 4:14 p.m. on April 19 and has been provided to the National Commission.
- Contrary to the National Commission report, a foam stability test does not require 48 hours to complete. As noted above, the final foam stability test on the cement pumped for the Macondo well was completed and passed laboratory testing in 38 hours.

In general, the National Commission selectively omitted information provided to it by Halliburton in response to its numerous inquiries. Further, Halliburton has attempted repeatedly to correct the National Commission's mistaken conclusion that a foam stability test normally requires 48 hours. A representative of the Company testified at the National Commission hearing Nov. 8, 2010 that the test takes as long as necessary for the cement sample to set, which may be less than 48 hours. That same day, we also spoke to a National Commission staff attorney who acknowledged the test can be completed in less than 48 hours, and soon after we sent the Commission industry standards noting that the foam stability test can be completed after curing 24 hours or until the sample is set.

Halliburton does not believe the issues relating to cement testing invalidates BP Exploration's indemnification obligations as discussed in Halliburton's Form 10-Q for the quarter ended September 30, 2010. Halliburton's contract with BP Exploration relating to the Macondo well is available on its website at www.halliburton.com.

Halliburton continues to view safety as critical to its success and is committed to continuously improving performance. Following the National Commission's report today, Halliburton remains committed to upholding its spirit of cooperation with the National Commission by providing as much information as possible to ensure a complete and thorough review process.

Halliburton continues to review the National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling's final report issued earlier today and will provide additional comments as appropriate.

ABOUT HALLIBURTON

Founded in 1919, Halliburton is one of the world's largest providers of products and services to the energy industry. With more than 55,000 employees in approximately 70 countries, the company serves the upstream oil and gas industry throughout the lifecycle of the reservoir - from locating hydrocarbons and managing geological data, to drilling and formation evaluation, well construction and completion, and optimizing production through the life of the field. Visit the company's website at www.halliburton.com.

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