

# HALLIBURTON

## Halliburton Provides Operational Update

June 6, 2012

HOUSTON--(BUSINESS WIRE)--Jun. 6, 2012-- As a result of the recent rapid expansion of oil and liquids-related activity in North America, Halliburton (NYSE: HAL) has experienced increased costs for guar gum, an agricultural commodity used as a blending additive to its fluids utilized in hydraulic fracturing. The price of guar gum has inflated more rapidly than previously expected due to concerns over the potential for shortages for the commodity later in 2012. As such, the costs have impacted the company's second quarter North America margins more than anticipated. As a result, the company now believes that its North America margins will be impacted 300 basis points more than its previous guidance of 200 to 250 basis points, for a total impact of 500-550 basis points lower than first quarter levels.

Though the company believes these increased costs are transitory once new supplies are available in early 2013, the company is seeking to mitigate these costs in the second half of the year through seeking relief from customers and increased usage of synthetic and other guar alternatives.

The company is scheduled to release second quarter earnings on Monday, July 23.

### ABOUT HALLIBURTON

Founded in 1919, Halliburton is one of the world's largest providers of products and services to the energy industry. With nearly 70,000 employees in approximately 80 countries, the company 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 optimizing production through the life of the field. Visit the company's website at <http://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: results of litigation, settlements, and investigations; actions by third parties, including governmental agencies; changes in the demand for or price of oil and/or natural gas can be significantly impacted by weakness in the worldwide economy; consequences of audits and investigations by domestic and foreign government agencies and legislative bodies and related publicity and potential adverse proceedings by such agencies; indemnification and insurance matters; protection of intellectual property rights; compliance with environmental laws; changes in government regulations and regulatory requirements, particularly those related to offshore oil and natural gas exploration, radioactive sources, explosives, chemicals, hydraulic fracturing services and climate-related initiatives; compliance with laws related to income taxes and assumptions regarding the generation of future taxable income; risks of international operations, including risks relating to unsettled political conditions, war, the effects of terrorism, and foreign exchange rates and controls, international trade and regulatory controls, and doing business with national oil companies; weather-related issues, including the effects of hurricanes and tropical storms; changes in capital spending by customers; delays or failures by customers to make payments owed to us; execution of long-term, fixed-price contracts; impairment of oil and natural gas properties; structural changes in the oil and natural gas industry; maintaining a highly skilled workforce; availability of raw materials; and integration of acquired businesses and operations of joint ventures. Halliburton's Form 10-K for the year ended December 31, 2011, Form 10-Q for the quarter ended March 31, 2012, recent Current Reports on Form 8-K, and other Securities and Exchange Commission filings discuss some of the important risk factors identified that may affect Halliburton's business, results of operations, and financial condition. Halliburton undertakes no obligation to revise or update publicly any forward-looking statements for any reason.

Source: Halliburton

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