

HALLIBURTON

Halliburton Business Unit Holds Crucial Role in Australian Rail Project

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ADELAIDE, Australia, July 17 /PRNewswire/ -- Halliburton Company's (NYSE: HAL) Kellogg Brown & Root (KBR) business unit today reported that construction work on the Alice Springs - Darwin rail link has formally begun. This means that the 937-mile (1,420 kilometre) rail line, which will complete Australia's national rail network, is on schedule to be opened in 2004.

Halliburton's KBR business unit has a significant stake in the U.S. \$700 million (A \$1.34 billion) project, which aims to capitalize on Australia's growing trade with Asia.

"The project's scale and complexity make it an ideal strategic fit with Halliburton's strengths in the provision of total life-cycle services," said Dave Lesar, chairman, president and chief executive officer of Halliburton Company. "We look forward to continuing to work with our consortium partners, the AustralAsia Railway Corporation, government and the financial community to realize this world class project of longstanding national interest."

A major investor and leader of the Asia Pacific Transport Consortium, Halliburton's KBR business unit was awarded the project under a 50-year build, own, operate, transfer (BOOT) contract, and will spearhead both the construction of the line and the operation of freight services on the completed railway.

In addition, Halliburton's KBR business unit has a 50 percent share of ADrail, the joint venture contracted by the Consortium to design and build the railway, while senior company engineers, project managers and other personnel have been seconded to the project. The Halliburton business unit is also a major investor in FreightLink, which will operate the rail link and container terminal at Darwin's new East Arm Port.

The new railway will create a north-south link across the Australian continent, allowing goods to be shipped direct to Asia from Darwin, Australia's northernmost port, instead of from the south-eastern ports. FreightLink will run an integrated rail-road-sea transport service on this lucrative route, and also carry an estimated 3 million tonnes of domestic rail freight a year.

Trains will operate daily and will initially include a weekly shipping service. The Consortium will offer rail customers access to an integrated logistics chain through a unique "one voice" freight transport service. Some 7,000 direct and indirect jobs are expected to be created throughout the construction and operations phases.

The other Consortium members are Barclay Mowlem, Macmahon, John Holland, Australian Railroad Group (a subsidiary of Genesee and Wyoming) and S.A.N.T. Holding (a subsidiary of Australian transport logistics group PGA).

Kellogg Brown & Root is an international, technology-based engineering and construction company, which provides a full spectrum of industry-leading services for public infrastructure and to the hydrocarbon, chemical, energy, and forest products industries. This work is performed for private sector and government clients in simultaneous multiple international locations.

Halliburton Company, founded in 1919, is the world's largest provider 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 Engineering and Construction Group business segments. The company's World Wide Web site can be accessed at www.halliburton.com.

SOURCE Halliburton Company

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