

# HALLIBURTON

## Halliburton's Kellogg Brown & Root Awarded \$600 Million EPCI Contract For Conoco Belanak FPSO in Indonesia

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DALLAS, Aug 23, 2001 /PRNewswire/ -- PT. Brown & Root Indonesia, an affiliate of Kellogg Brown & Root (KBR), a business unit of Halliburton Company (NYSE: HAL), has been awarded a contract to provide project management, engineering, procurement, construction and installation (EPCI) services for the Conoco Belanak floating production, storage and offloading vessel (FPSO). Conoco Indonesia Inc. Ltd. has awarded the work under its production sharing contract with Pertamina, the Indonesian state oil and gas company. The FPSO will be located in Conoco-operated South Natuna Sea Block B in Indonesian waters, approximately 200km northeast of Singapore.

The EPCI contract, valued at just under US\$600 million, will take three years to complete from contract signing to first production in late 2004. The Belanak FPSO project will involve the construction of one of the most complex processing systems ever installed offshore, and is a significant milestone for the Indonesian upstream sector. It will be the first offshore liquefied petroleum gas (LPG) facility on a floating vessel in the Asia Pacific region and is expected to produce 7,800 SBPD butane (C4) and 14,700 SBPD propane (C3).

The topsides facilities of the new build spread-moored FPSO, weighing over 15,000 tonnes, will process approximately 100,000 barrels per day of total hydrocarbon liquids, including cryogenic processing for the production and export of the LPG products, and up to 350 million standard cubic feet of gas per day. The hull will have a storage capacity of one million barrels of oil. Living quarters will be constructed and positioned at the aft of the vessel to accommodate 120 personnel.

"KBR has extensive experience in FPSO and EPCI projects around the world. We are excited to be part of this challenging and landmark project in Indonesia," said Randy Harl, president and chief executive officer, Kellogg Brown & Root.

KBR will execute all project management services and engineering from its offices in Singapore and Indonesia. There are two major subcontracts under the EPCI contract:

-- Hull Construction: The hull (150,000 DWT) will be subcontracted by KBR through its affiliates to a shipyard in Asia. The hull will provide a storage capacity of one million barrels and large deck space to accommodate all topsides modules and the living quarters.

-- Topsides Construction: Fabrication and integration of the topsides facilities will be performed by PT J. Ray McDermott Indonesia, at its yard in Batam, Indonesia. McDermott will undertake significant investment to upgrade facilities at the yard, including building a new quayside to accommodate the hull when it arrives for installation and integration of the topsides modules. It is expected that the yard will employ up to 1,600 personnel during the peak construction period. Construction of the topsides is expected to take approximately two years.

The contract also includes the design, supply and offshore installation of 10 flexible risers connecting the FPSO to the subsea pipelines/flowlines, and three subsea power/data cables linking the FPSO to the other Belanak field facilities. Halliburton's Energy Services Group (ESG) through its affiliated companies will provide offshore tow and installation of the completed FPSO vessel, together with installation of the flexible risers and power cables, utilizing the dynamically positioned vessel, Rockwater 2. In addition, KBR through its affiliates will perform start-up and commissioning of the production facilities.

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](http://www.halliburton.com).

SOURCE Halliburton Company

CONTACT: Zelma Branch, [zelma.branch@halliburton.com](mailto:zelma.branch@halliburton.com), or Wendy Hall, both of Halliburton Company - Houston, +1-713-676-4371, or Monique Mathieu of Halliburton Company - Singapore, +1-65-422-2359, or [monique.mathieu@halliburton.com](mailto:monique.mathieu@halliburton.com)