

# HALLIBURTON

## Kellogg Brown & Root Selected for Shell's First Large Scale Gas-To-Liquids Project

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DALLAS, Sep 6, 2001 /PRNewswire/ -- Kellogg Brown & Root, a business unit of Halliburton (NYSE: HAL), and its joint venture partner, JGC Corporation, have been selected by Shell Gas & Power (Shell) as contractor for its first large scale Gas to Liquids (GTL) project. The joint venture's contract covers the definition of the engineering design. The location of the first project has yet to be determined, but an investment decision is expected by the end of 2002. Shell intends to commit to up to four projects by the end of 2010.

"This is a very important step forward in realizing Shell's plans to commit to four large scale gas to liquids plants by the end of 2010. We are delighted to be working with the KBR/JGC joint venture as both companies have considerable experience with the technologies involved in this emerging industry," said Niels Fabricius, Shell's VP SMDS Projects.

"Kellogg Brown & Root has a long and successful history of working with Shell, and we are delighted about extending our involvement to gas-to-liquids. This is an expanding sector of the industry that has tremendous potential for success," said Randy Harl, president and chief executive officer, Kellogg Brown & Root. "We also look forward to continuing our great working relationship with our joint venture partner, JGC."

The project will use Shell's proprietary GTL technology, the Shell Middle Distillate Synthesis (SMDS) process. This process converts gas into ultra clean liquid products that are free from aromatics and sulfur. Recent technical advances in the SMDS technology have created potentially attractive opportunities for the commercialization of large gas reserves in an environmentally sustainable manner. The next generation facility will have a capacity of 75,000 b/d (barrels per day), requiring a gas intake of around 600 mmscf/d (million standard cubic feet per day) - roughly equivalent to the gas intake of a large liquefied natural gas (LNG) train.

The definition phase activities will be executed over a period of 18 months at the offices of M.W. Kellogg Ltd., Kellogg Brown & Root and JGC's affiliate company in London, with support from Kellogg Brown & Root in Houston and JGC in Yokohama. At peak, 175 professionals will be assigned to the project.

The Kellogg Brown & Root / JGC joint venture has broad experience in all the constituent technologies involved in GTL, having executed large projects for Shell relating to the commercialization of gas reserves for 22 years. KBR and JGC are leading service providers in the industry, having worked together on more than 20 LNG projects, many in remote pioneer greenfield locations. The joint venture's capabilities in building next generation technology plants will also be an asset to the SMDS 2 project. JGC built Shell's existing 12,000 b/d SMDS plant in Bintulu, Malaysia.

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.

Halliburton, 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).

JGC Corporation is a leading, internationally recognized contractor, with total engineering, procurement and construction (EPC) capabilities, having its global headquarters in Yokohama, Japan.

During its more than seventy-year history, JGC has executed in excess of 20,000 projects, the majority on a lump-sum turnkey basis, for a wide range of industries in over 50 countries. The company's World Wide Web site can be accessed at [www.jgc.co.jp](http://www.jgc.co.jp).

Shell Gas & Power, one of the world's largest private gas enterprises, has the largest portfolio of proven gas reserves of any private company and is a leading player in the LNG industry. It is part of the Royal Dutch / Shell Group of companies.

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