

# HALLIBURTON

## Halliburton KBR and Partners Awarded \$1 Billion Egyptian LNG Project

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### *Union Fenosa to Develop First LNG Project in Egypt at Damietta Port*

Halliburton KBR and its joint venture partners have been awarded the engineering, procurement, and construction contract for a liquefied natural gas (LNG) project, in the port of Damietta, northern Egypt, by SEGAS, Union Fenosa's special purpose operating company in Egypt. The project, estimated at approximately \$1 billion, calls for the development of a single train LNG complex (with an option for a second train) with a capacity of approximately 5 million tons per annum for the first train. The plant is expected to be operational by the fourth quarter 2004. Joint venture partners are JGC Corporation of Japan and Tecnicas Reunidas SA (TR) of Spain. Halliburton KBR is the engineering construction segment of Halliburton (NYSE: HAL).

"This win reaffirms Halliburton KBR as the industry LNG leader," said Dave Lesar, chairman, president and chief executive officer of Halliburton. "LNG has been a major part of Halliburton KBR's business for over twenty five years and we are proud to remain in the forefront of this sector of industry."

In addition to being the largest capacity train and fastest developed LNG Baseload plant, this project is expected to generate substantial export earnings for Egypt and establish Union Fenosa as a significant player in the natural gas industry.

The work will be managed from Halliburton KBR's affiliate company, M.W. Kellogg Limited, in Greenford, London, U.K., and executed jointly from that office and the TR offices in Madrid, Spain, by an integrated team drawn from the resource strengths and experience of Halliburton KBR, JGC, TR and MWKL. In addition the JV will be utilizing the services of Soluziona (Union Fenosa's own services group), as well as employing the dedicated resources of Egyptian engineers ENPPI and contractors Petrojet.

M.W. Kellogg Limited (MWKL) is a full service engineering company jointly owned by Halliburton KBR, and the JGC Corporation. Established in 1947, MWKL provides the full range of feasibility, engineering, procurement, construction and commissioning/start-up management services for the worldwide process plant industry.

Halliburton KBR and JGC have been leaders in gas processing for more than 50 years and have made significant contributions in process developments, equipment design and construction methods. <http://www.mwkl.co.uk> .

Halliburton KBR 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's World Wide Web site can be accessed at <http://www.halliburton.com> .

Established in 1928, JGC has a strong background in lump sum turnkey operations of both hydrocarbon and non-hydrocarbon related projects with annual sales turnover of approximately \$3 billion. JGC is an international engineering and construction company based in Yokohama, Japan, having multiple operating centers and executing large scale construction projects world-wide. JGC is currently executing projects in Nigeria, Algeria, Saudi Arabia, Malaysia, Australia and Venezuela. JGC's website can be accessed at <http://www.jgc.co.jp> .

TECNICAS REUNIDAS is the leading Spanish engineering company in refining, petrochemical and power generation, whose main activities are the design and construction of industrial plants of all types as well as of power generation plants, mainly as an EPC contractor. Established in 1965, TR is considered among the five main general contractors for refining and gas processing plants in Europe. TR has developed more than 900 industrial projects in more than 50 countries in all continents. TR is currently developing projects in Egypt, Iran, Turkey, Algeria, China, Russia, Peru, Ecuador and Namibia, among others.

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