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IBM and Halliburton's Landmark Graphics Sign Global Petroleum Industry Agreement

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Oil and Gas Exploration to Benefit From Increased Operating

Efficiencies and Improved Price and Performance

IBM and Landmark Graphics Corporation, a wholly owned business unit of Halliburton (NYSE:HAL), today announced a three-year petroleum industry agreement to deliver comprehensive solutions to the global exploration and production (E&P) industry.

The combination of Landmark's industry-leading technology for oil and gas exploration along with IBM's advanced hardware, systems integration service and support will lead to dramatic improvements in price and performance, as well as increased operating efficiencies in computer-driven systems for oil and gas exploration and production.

Financial terms of the agreement were not disclosed.

Landmark and IBM will together provide Linux for desktop advanced 3D graphics, server and mobile computing solutions and advanced cluster technology for high-end, supercomputing applications. These joint offerings will enable Linux to become an E&P industry standard platform.

As part of the agreement, the companies will jointly develop and promote a broad range of solutions to the E&P industry. Landmark will optimize its world class data management, seismic processing and interpretation software for IBM's eServer systems including Linux clusters and high performance graphics IntelliStation workstations. Working closely together, Landmark and IBM will offer standard solutions for global enterprise-wide applications in today's fast-paced energy environment.

In addition to joint offerings of technologies by IBM and Landmark to E&P customers worldwide, IBM Global Services will also provide operational support services, IT optimization consulting, and strategic outsourcing for the upstream computing environment. This end-to-end operations model will create a comprehensive view of the technologies and support required to maximize operations efficiencies while minimizing the customers' capital expenditures. These services will ensure Landmark customers that their mission-critical IT services are managed by the world's leading IT company, whose IBM Global Services arm operates in more than 160 countries around the globe.

The range of solutions offered by the two companies will lower costs dramatically for oil and gas producers compared to existing systems running on proprietary UNIX technologies. Landmark and IBM will work to improve operations and cost structures through more robust integration of technologies in the upstream petroleum marketplace. Oil and gas producers worldwide will benefit from migrating to open-sourced LINUX-based servers and workstations, implementing collaborative workflows and delivering e-business-on-demand services for data and applications management and the outsourcing of IT infrastructures. Combined IBM and Landmark services and solutions will help to increase returns on investment in hardware, software, training and related information technology infrastructures.

"In today's highly competitive environment, operational efficiency and technology are the key factors that lead to success in the E&P industry," said Andy Lane, president and CEO of Landmark. "The unique combination of Landmark's and IBM's industry-leading solutions brings our customers unrivaled performance benefits, further reducing their costs. This is another example of how the strong relationship between our two companies will make a significant contribution to our customers businesses."

"During our 20 years in the upstream E&P technology sector, Landmark has been a consistent innovator and we see support for Linux as another technology leap for our industry," said John Sherman, executive vice president of marketing and systems. "Linux, combined with high-performance systems from IBM, provides breakthrough performance advantages at low cost for customers using Landmark applications for advanced seismic processing, reservoir processing, interpretation and data management. By teaming with IBM, we can provide global IT infrastructure support for Linux as part of a total enterprise-wide solution for today's energy companies."

"As E&P companies continue to innovate and search for new ways of improving their business processes, the combination of Landmark's world-class applications and IBM's industry-leading Linux technologies and global services capabilities will provide increased efficiencies and improved decision-making that will lead to significant benefits to the entire industry," said Dr. Eric Leon, general manager of IBM's global petroleum industry. "With Linux, E&P companies can move away from proprietary systems and take advantage of the significant savings to be gained by migrating their applications to Linux. This opportunity is comparable to the one the industry faced when it collectively moved from the use of large super computers to desktop systems."

This agreement is an indication of the industry's momentum towards Linux, an open-source operating system.

Landmark is the leading supplier of software and services for the E&P industry. The company's software solutions span exploration, production, drilling, business decision analysis and data management. Landmark offers a broad range of consulting services that enables customers to optimize their technical, business and decision processes. Visit the Landmark Web site at www.lgc.com for more information.

Halliburton, founded in 1919, is one of the world's largest providers 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

IBM is the world's largest information technology company, with 80 years of leadership in helping businesses innovate. IBM Sales & Distribution, which supports more than a dozen key industries worldwide, works with companies of all sizes around the world to deploy the full range of IBM technologies. The fastest way to get more information about IBM is through the IBM home page www.ibm.com.

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