

HALLIBURTON

Halliburton Responds to False Statements

August 1, 2002

DALLAS, Aug 1, 2002 /PRNewswire-FirstCall via COMTEX/ -- Wednesday Citizensworks put out a false and misleading statement regarding Halliburton's (NYSE: HAL) payments of federal corporate income taxes from 1996-2000. Halliburton has the highest tax compliance practices and standards, and above all else -- a commitment to ethics.

We want to publicly request this group to stop making political and false statements that are not based on facts.

Here are the facts.

Our non-U.S. subsidiaries were formed to manage our business operations outside the United States and for no other reason.

Halliburton recorded a total current provision for federal income taxes for the following years:

- 2000 \$16 million on continuing operations, plus an additional \$141 million for the sale of our interest in Dresser-Rand and a portion of the \$60 million worldwide taxes attributable to discontinued operations
- 1999 \$9 million net provision because we had a \$85 million tax benefit resulting from a loss on continuing operations, reduced by \$94 million provision for tax on the sale of our interest in Ingersoll-Dresser Pump
- 1998 \$302 million
- 1997 \$167 million, includes Halliburton and Dresser Industries pre-merger amount
- 1996 \$82 million, includes Halliburton and Dresser Industries pre-merger amount

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 .

SOURCE Halliburton

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