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Halliburton Advances Strategy in Reservoir Performance Monitoring

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Purchases Assets of Pruett Industries, and Makes Equity Investment in Prime Photonics

Halliburton Energy Services (HES), a business unit of Halliburton (NYSE: HAL), announced today important steps towards serving oil and gas company clients through reservoir performance monitoring solutions, including two transactions involving companies in the fiber optic sensing field. Halliburton Energy Services has acquired assets of Pruett Industries, Inc. (and of certain affiliates), an industry recognized leading company in wellbore permanent monitoring and fiber optic sensor installations. In a separate transaction, Halliburton Energy Services has taken an equity position in Prime Photonics LC, a leading company engaged in research and development and commercialization of fiber optic sensors for harsh environments.

"With the Pruett transaction, we hit the ground running in regard to field service, for DTS as well as future fiber optic sensors," said Edgar Ortiz, chief executive officer, Halliburton's Energy Services Group. "Pruett's critical mass of experience and know-how positions us way up the learning curve in the critical installation competencies, ensuring a reliable field service delivery and enabling our rapid and broad commercialization of permanent monitoring solutions for upstream and downstream applications."

With the Pruett assets come a staff of 65, operational bases in Bakersfield, California, and Duri, Indonesia, and a leading presence in fiber optic wellbore installation. Pruett's fiber optic experience has been focused on distributed temperature sensing ("DTS"), having performed around 500 installations of permanent capillary tube conduit for DTS, around 1,000 retrievable DTS surveys, and at least 50 permanent DTS fiber installations.

"Pruett's staff is excited about the opportunity to leverage our capabilities through Halliburton's market channel, and rapidly grow the numbers of successful fiber optic applications," said George Getten, Pruett's general manager.

Halliburton Energy Services' investment in Prime Photonics LC provides HES with access to a wealth of intellectual capability. In addition to its own technical staff, Prime Photonics LC enjoys a close relationship with the engineering departments at Virginia Polytechnic Institute and State University ("Virginia Tech") with particularly close research collaboration with Virginia Tech's 34-person Center for Photonics Technology, the largest academic based photonic sensor research group in the country. Under the terms of the investment agreement and associated agreements, Prime Photonics LC's fiber optic sensors will be made available to HES for use in oil and gas well and other energy services installations. Prime intends to develop a suite of ruggedized sensors for the extremely harsh environments encountered during oil & gas exploration and production, transportation, and processing.

"Halliburton is enthusiastic about our investment in Prime Photonics, and our relationship with this excellent team of researchers and technologists in fiber optic sensing," said Ortiz. "We are confident that Prime will provide us with world class sensing capability for serving our oil and gas company clients' wellbore monitoring and other upstream and downstream needs."

"Halliburton Energy Services is the foremost provider of completions solutions for the oil and gas industry and we are excited to be partnered with such a respected industry leader," said Joe Swider, president and chief executive officer, Prime Photonics, LC. "Collaboration with Halliburton's substantial technical resources and leverage through their extensive market presence will be key to the global implementation of our photonic sensors for the energy services industry."

The two transactions provide HES with fiber optic sensing technology, and a critical mass of operations personnel and know-how. These elements are complementary to Halliburton's industry leading capabilities in down hole completions, as well as Landmark Graphics' industry standard wellbore and reservoir performance, visualization, and interpretation software. Landmark is a wholly-owned subsidiary of Halliburton. Halliburton Energy Services intends to bring these components together to help oil and gas companies extract greater value from reservoirs through tailored applications of this broad suite of wellbore completion and monitoring solutions. These capabilities will be further leveraged through WellDynamics, the industry's leading intelligent completions company, a joint venture 50 percent owned by Halliburton.

Prime Photonics, LC (www.primephotonics.com) is focused on R&D and commercialization of photonic sensors and instrumentation for harsh environments for industries such as Energy, Aerospace, Manufacturing and Industrial Process, Petrochemical, Nuclear, Power Generation, Defense, and specific federal government applications. The environments ideally suited for photonic sensors include harsh environments with high temperatures, high pressures, high electro-magnetic interferences, and/or corrosive atmospheres. Prime Photonics was founded in 1999 by two Virginia Tech scientists who are recognized international experts in the photonics industry. The company has enjoyed rapid yet controlled growth through several focused R&D and commercialization photonic sensor programs.

Since its founding in 1980, Pruett Industries Inc. and its affiliates have provided a broad range of production logging and monitoring products and services to oil, gas and geothermal well operators. Pruett Industries Inc. is headquartered in Bakersfield, California. Pruett and affiliates have had significant operations in California and Indonesia, and have over the years provided products or services for operators in many of the important North America and International oil and gas producing locations.

Halliburton Energy Services provides products, services, and integrated solutions for oil and gas exploration, development, and production. Capabilities range from initial evaluation of producing formations to drilling, completion, stimulation, and well maintenance -- for a single well or an entire field. 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.

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