HALLIBURTON

# Halliburton Close to Agreement in Principle on Asbestos Claims Company says deal is not complete yet

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HOUSTON, Dec. 11 /PRNewswire-FirstCall/ -- Halliburton (NYSE: HAL) today said it is close to an agreement in principle with plaintiffs' attorneys representing more than 300,000 claimants that will resolve all of the asbestos-related personal injury claims against the company.

Company officials stated that the transaction is not complete yet and if it is achieved it would still be subject to financing, board approval, and court approval, none of which can be assured. However, the company outlined tentative terms including saying it would involve as much as $2.8 billion in cash payments and up to 60 million shares of Halliburton common stock.

Under the proposed agreement, the settlement would not include a bankruptcy filing of Halliburton and the company expects to retain 100% ownership of all of its subsidiaries. The proposed agreement would cover all present and future personal injury asbestos claims. Halliburton would retain the rights to the first $2.3 billion of insurance proceeds and any amounts in excess of $3.0 billion; although there is no assurance the company would collect that amount.

"If this is completed," said Dave Lesar, chairman, president and CEO of the company, "it's important to note that it would be business-as-usual for customers, employees, vendors and financial creditors."

Halliburton further stated that it will not provide further updates on the negotiations until a transaction is more likely.

"We are working hard to achieve an agreement that protects the shareholders and is fair to those who have been affected by asbestos," said Lesar.

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 http://www.halliburton.com .

The statements in this press release that are not historical statements are forward-looking statements within the meaning of the federal securities laws. These statements are subject to numerous risks and uncertainties beyond the company's control, which could cause actual events to differ materially from those expressed or implied by the statements. These risks and uncertainties include, but are not limited to: legal risks, including the possibility of adverse rulings by courts of law or the institution of litigation or other legal proceedings challenging the company's actions or proposed actions; changes in laws or government regulations affecting the company's actions or proposed actions; adverse political or public reaction as a result of scrutiny involving the company; and liquidity risks, including the company's ability to access credit and raise capital and the availability and costs of financing to the company. Please see Halliburton's Form 10-K for the year ended December 31, 2001 and Form 10-Q for the quarter ended September 30, 2002 for a more complete discussion of risk factors.

SOURCE Halliburton

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