UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K/A
Amendment No. 1
(Mark One)

[X] Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 (Fee required) For the fiscal year ended December 31, 1997

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 (No fee required) For the transition period from to

Commission File Number 1-3492

HALLIBURTON COMPANY
(Exact name of registrant as specified in its charter)

Delaware	75-2677995
(State or other jurisdiction of incorporation of organization)	(I.R.S. Employer Identification No.)

3600 Lincoln Plaza, 500 N. Akard St., Dallas, Texas 75201
(Address of principal executive offices)
Telephone Number - Area code (214) 978-2600

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each Exchange on which registered
Common Stock par value $2.50 per share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No___

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

The aggregate market value of Common Stock held by nonaffiliates on January 30, 1998, determined using the per share closing price on the New York Stock Exchange Composite tape of $44.94 on that date was approximately $11,764,500,000.

As of January 30, 1998, there were 262,492,885 shares of Halliburton Company Common Stock $2.50 par value per share outstanding.

PART I

Item 1. Business.

General Development of Business. Halliburton Company's predecessor was established in 1919, incorporated under the laws of the State of Delaware in 1924 and reorganized under the laws of the State of Delaware in 1996. Halliburton Company (the Company) provides energy services and engineering and construction services. Information related to acquisitions and dispositions is set forth in Note 15 to the financial statements of this annual report.

Financial Information About Business Segments. The Company is comprised of two business segments. See consolidated statement of income on page 15 and Note 10 to the financial statements of this annual report for financial information about these two business segments.

Description of Services and Products. The following is a summary which briefly describes the Company's services and products for each business segment.

The Energy Group business segment provides a wide range of services and products to provide both discrete services and products and integrated solutions to customers in the exploration, development and production of oil and natural gas. The Energy Group operates worldwide, serving major oil companies, independent operators and national oil companies. The segment includes Halliburton Energy Services, which offers pressure pumping equipment and services, logging and perforating products and services, drilling systems and services, specialized completion and production equipment and services and well control products and services; Brown & Root Energy Services, which provides upstream oil and gas engineering, procurement and construction, project management and production services, subsea construction, fabrication and installation of onshore and offshore pipelines, offshore and production platforms, marine engineering and other marine related projects; Landmark Graphics Corporation, which provides integrated exploration and production information systems and professional services; and Halliburton Energy Development, which creates business opportunities for the development, production and operation of oil and gas fields in conjunction with the Company's customers.

The Engineering and Construction Group provides: conceptual design, process design, detailed engineering, procurement, project and construction management; construction of chemical and petrochemical plants, refineries, pulp and paper mills, metal processing plants, highways and bridges, airports, water and wastewater systems; technical and economic feasibility studies; site evaluation; repair and refitting of submarines and surface ships; operations and maintenance services, and engineering and wastewater management services for commercial industry, utilities and government customers. The Company plans to exit certain highway and paving activities over time. On December 31, 1997, the environmental business which performed environmental remediation related consulting, engineering, design and construction was sold.

Markets and Competition. The Company is one of the world's largest diversified energy services and engineering and construction services companies. The Company's services and products are sold in highly competitive markets throughout the world. Competitive factors impacting sales of the Company's services and products are: price, service (including the ability to deliver services and products on an "as needed, where needed" basis), product quality, warranty and technical proficiency. A growing number of customers are now indicating a preference for integrated services and solutions. These integrated solutions, in the case of the Energy Group, relate to all phases of exploration, development and production of oil and gas, and in the case of the Engineering and Construction Group, relate to all phases of design, procurement, construction, project management and maintenance of a facility. Demand for these types of integrated solutions is based primarily upon quality of service, technical proficiency and value created.

The Company conducts business worldwide in over 100 countries. Since the markets for the Company's services and products are so large and cross many geographic lines, a meaningful estimate of the number of competitors cannot be made. These markets are, however, highly competitive with many substantial companies operating in each market. Generally, the Company's services and products are marketed through its own servicing and sales organizations. A small percentage of sales of the Energy Group's products is made by supply stores and third-party representatives.

Operations in some countries may be adversely affected by unsettled political conditions, expropriation or other governmental actions, and exchange control and currency problems. The Company believes the geographic diversification of its business activities reduces the risk that loss of its operations in any one country would be material to the conduct of its operations taken as a whole. Information regarding the Company's exposures to foreign currency fluctuations, risk concentration and financial instruments used to minimize risk is included in management's discussion and analysis of financial condition and results of operations under the caption "Financial Instrument Market Risk" and in Note 12 to the financial statements of this annual report.

Customers and Backlog. In 1997, 1996 and 1995, respectively, 79%, 73% and 78% of the Company's revenues were derived from the sale of products and services to, including construction for, the energy industry. The following schedule summarizes the backlog of projects at December 31, 1997 and 1996:

Millions of dollars	1997	1996
Firm orders	$ 6,313	$ 4,555
Government orders firm but not yet funded	445	262
Letters of intent and contracts awarded but not signed	146	23
Total	$ 6,904	$ 4,840

It is estimated that nearly 64% of the backlog existing at December 31, 1997 will be completed during 1998. The Company's backlog excludes contracts for recurring hardware and software maintenance and support services. Backlog is not necessarily indicative of future operating results because backlog figures are subject to substantial fluctuations. Arrangements included in backlog are in many instances extremely complex, nonrepetitive in nature and may fluctuate in contract value. Many contracts do not provide for a fixed amount of work to be performed and are subject to modification or termination by the customer. Due to the size of certain contracts, the termination or modification of any one or more contracts or the addition of other contracts may have a substantial and immediate effect on backlog.

Raw Materials. Raw materials essential to the Company's business are normally readily available. Where the Company is dependent on a single supplier for any materials essential to its business, the Company is confident that it could make satisfactory alternative arrangements in the event of an interruption in the supply of such materials.

Research, Development and Patents. The Company maintains an active research and development program to assist in the improvement of existing products and processes, the development of new products and processes and the improvement of engineering standards and practices that serve the changing needs of its customers. Information relating to expenditures for research and development is included in Note 1 and Note 10 to the financial statements of this annual report.

The Company owns a large number of patents and has pending a substantial number of patent applications covering various products and processes. The Company is also licensed under patents owned by others. The Company does not consider a particular patent or group of patents to be material to the Company's business.

Seasonality. Weather and natural phenomena can temporarily affect the performance of the Company's services. Winter months in the Northern Hemisphere tend to affect operations negatively, but the widespread geographical locations of the Company's operations serve to mitigate the seasonal nature of the Company's business.

Employees. At December 31, 1997, the Company employed approximately 70,750 people, of which about one-half were located outside the United States.

Regulation. The Company is subject to various environmental laws and regulations. Compliance with such requirements has not substantially increased capital expenditures, adversely affected the Company's competitive position or materially affected the Company's earnings. The Company does not anticipate any material adverse effects in the foreseeable future as a result of existing environmental laws and regulations. Note 11 to the financial statements of this annual report discusses the Company's involvement as a potentially responsible party in remedial activities to clean up several "Superfund" sites.

Item 2. Properties.

Information relating to lease payments is included in Note 11 to the financial statements of this annual report. The Company's owned and leased facilities, as described below, are suitable and adequate for their intended use.

Energy Group manufacturing facilities owned by the Company cover approximately 3,100,000 square feet. Principal locations of these manufacturing facilities are Davis and Duncan, Oklahoma; Alvarado, Amarillo, Carrollton, Fort Worth, Garland and Houston, Texas; Arbroath, Scotland; and Reynosa, Mexico. The manufacturing facilities at Davis and Amarillo were idle at the end of 1997. An idle facility in Houston was sold in 1997. The manufacturing facility in Garland, Texas, was leased to another company in 1997. The Energy Group also leases manufacturing facilities covering approximately 160,000 square feet. Principal locations of these facilities are Malvern, Pennsylvania; Houston, Texas; Jurong, Singapore; Basingstoke, England; and Kilwinning, Scotland. The facility in Basingstoke, England, was idle at the end of 1997. Research, development and engineering activities are carried out in owned facilities covering approximately 375,000 square feet in Duncan, Oklahoma; Malvern, Pennsylvania; Houston, Austin and Carrollton, Texas; and Aberdeen, Scotland; and in leased facilities covering approximately 150,000 square feet in Englewood and Denver, Colorado; Leatherhead and Dorking, England; Leiderdorp, Holland and Singapore. Energy Group marine fabrication facilities owned by the Company cover approximately 546 acres in Belle Chasse, Louisiana; Greens Bayou, Texas; and Nigg and Wick, Scotland. The Belle Chasse, Louisiana, facility consisting of approximately 151 acres is idle. The facility in Nigg, Scotland, is leased to a joint venture of the Company. In addition, service centers, sales offices and field warehouses are operated at approximately 175 locations in the United States, almost all of which are owned, and at approximately 290 locations outside the United States in both the Eastern and Western Hemispheres.

Engineering and Construction Group fabricating facilities cover approximately 441,000 square feet in Houston, Texas, and Edmonton, Canada, of which 388,000 square feet in Houston is leased to another company. Engineering and design, project management and procurement services activities are carried out in owned facilities covering approximately 3,494,000 square feet. Major sites of these activities are in Houston, Baytown and Hurst, Texas; Edmonton, Canada; Leatherhead, England; and Bundaberg and Emerald, Australia. These activities are also carried out at leased facilities covering approximately 1,100,000 square feet. Major sites are in Mobile, Alabama; Alhambra, California; Surrey and London, England; Al Khobar, Saudi Arabia; and Parkside, Victoria Park, Milton and Melbourne, Australia. The Engineering and Construction Group operates dockyard facilities owned by a 51% owned subsidiary of the Company covering approximately 191 acres in Plymouth, England. In addition, project offices, field camps, service centers and sales offices are operated at approximately 20 locations in the United States, almost all of which are leased by the Company, and at approximately 15 foreign locations in both the Eastern and Western Hemispheres.

General Corporate operates from leased facilities in Dallas, Texas, covering approximately 25,000 square feet. The Company also leases approximately 5,500 square feet of space in Washington, D.C., and owns an 85,000 square foot mainframe data processing center in Arlington, Texas, which is leased to another company.

Item 3. Legal Proceedings.

Information relating to various commitments and contingencies is described in Note 11 to the financial statements of this annual report.

Item 4. Submission of Matters to a Vote of Security Holders.

There were no matters submitted to a vote of security holders during the fourth quarter of 1997.

Executive Officers of the Registrant.

The following table indicates the names and ages of the executive officers of the registrant along with a listing of all offices held by each during the past five years:

Name and Age	Offices Held and Term of Office
*Richard B. Cheney (Age 57)	Chairman of the Board, since January 1996 Chief Executive Officer, since October 1995 Director of Registrant, since October 1995 President, October 1995 to May 1997 Senior Fellow, American Enterprise Institute, 1993 to October 1995 Secretary, U.S. Department of Defense, 1989 to 1993
Jerry H. Blurton (Age 53)	Vice President and Treasurer, since July 1996 Vice President - Finance & Administration of Halliburton Energy Services, August 1995 to July 1996 Vice President - Finance, 1991 to August 1995
Lester L. Coleman (Age 55)	Executive Vice President and General Counsel, since May 1993 President of Energy Services Group, September 1991 to May 1993
*Dale P. Jones (Age 61)	Director of Registrant, since December 1988 Vice Chairman of Registrant, since October 1995 President, June 1989 to October 1995
*David J. Lesar (Age 44)	President and Chief Operating Officer, since May 1997 President and Chief Executive Officer of Brown & Root, Inc., since September 1996 Executive Vice President and Chief Financial Officer, August 1995 to May 1997 Executive Vice President of Finance and Administration of Halliburton Energy Services, November 1993 to August 1995 Partner, Arthur Andersen LLP, 1988 to November 1993
*Kenneth R. LeSuer (Age 62)	Vice Chairman of Registrant, since May 1997 President and Chief Executive Officer of the Halliburton Energy Group, September 1996 to May 1997 President and Chief Executive Officer of Halliburton Energy Services, March 1994 to September 1996 President and Chief Operating Officer of Halliburton Energy Services, May 1993 to March 1994 President and Chief Executive Officer of Halliburton Services, December 1989 to May 1993
Gary V. Morris (Age 45)	Executive Vice President and Chief Financial Officer, since May 1997 Senior Vice President - Finance, February 1997 to May 1997 Senior Vice President, May 1996 to February 1997 Vice President - Finance of Brown & Root, Inc., June 1995 to May 1996 Vice President - Finance of Halliburton Energy Services, December 1993 to June 1995 Controller, December 1991 to December 1993
R. Charles Muchmore, Jr. (Age 44)	Vice President and Controller, since August 1996 Finance & Administration Director - Europe/Africa of Halliburton Energy Services, September 1995 to August 1996 Regional Finance & Administration Manager - Europe/Africa of Halliburton Energy Services, December 1989 to September 1995
Lewis W. Powers (Age 51)	Senior Vice President, since May 1996 Vice President - Europe/Africa of Halliburton Energy Services, April 1993 to May 1996 Senior Vice President of Operations of Otis Engineering, June 1989 to April 1993

* Members of the Executive Committee of the registrant.

There are no family relationships between the executive officers of the registrant.

PART II

Item 5. Market for the Registrant's Common Stock and Related Stockholder Matters.

The Company's common stock is traded on the New York Stock Exchange and the Swiss Exchange. Information relating to market prices of common stock and quarterly dividend payments is included under the caption "Quarterly Data and Market Price Information" on page 42 of this annual report. At December 31, 1997, there were approximately 14,400 shareholders of record. In calculating the number of shareholders, the Company considers clearing agencies and security position listings as one shareholder for each agency or listing.

Item 6. Selected Financial Data.

Information relating to selected financial data is included on pages 39 through 41 of this annual report.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Information relating to management's discussion and analysis of financial condition and results of operations is included on pages 7 through 12 of this annual report.

Item 7(a). Quantitative and Qualitative Disclosures About Market Risk.

Information relating to market risk is included in management's discussion and analysis of financial condition and results of operations under the caption "Financial Instrument Market Risk" on pages 10 and 11 of this annual report.

Item 8. Financial Statements and Supplementary Data.

The related financial statement schedules are included under Part IV, Item 14 of this annual report.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

BUSINESS ENVIRONMENT AND OUTLOOK

The Company operates in over 100 countries around the world to provide a variety of oilfield services and engineering and construction services to the petroleum industry and other energy, industrial and governmental customers. The markets served by the Company are highly competitive with many substantial competitors. Operations in some countries may be adversely affected by unsettled political conditions, expropriation or other governmental actions, exchange controls and currency devaluation. The Company believes the geographic diversification of its business activities reduces the risk that loss of its operations in any one country would be material to its consolidated results of operations. The Company has only moderate exposure in the Asia Pacific region which, including Australia, represents about 7% of 1997 revenues, 5% of 1997 operating income and 3% of backlog at December 31, 1997.

Energy Group. In 1997, the oilfield services industry experienced a year of exceptional growth with customers worldwide expanding their petroleum exploration, development and production activities. This increase was in response to a combination of factors including relatively higher crude oil and natural gas prices early in 1997, an expectation by customers of continued improvement in the long-term demand for petroleum and the availability of investment opportunities with good economic potential. The Company believes its customers will continue to seek opportunities to lower the overall cost of exploring, developing and enhancing the recovery of hydrocarbons through increased utilization of integrated solutions, partnering and alliance arrangements as well as the application of new technology. According to the annual Salomon Smith Barney Survey and Analysis of 1998 Worldwide Oil and Gas Exploration and Production Expenditures, spending during 1998 by survey respondents is predicted to grow by 10.9%. While this growth will represent the second highest growth rate in the past decade, it is somewhat slower than the estimated 18.7% growth experienced during 1997. Included within this predicted 1998 growth is a high level of interest by survey respondents in the deep water Gulf of Mexico, with some survey respondents planning spending increases there of up to 20%. This outlook is based on West Texas Intermediate crude oil prices of $19.23/bbl and United States gas prices of $2.19/mcf. Although crude oil and natural gas price declines beginning late in 1997 and continuing into the first quarter of 1998 could potentially affect the short-term outlook for the oilfield services industry by delaying customer spending, the Company believes that long-term hydrocarbon supply and demand fundamentals will tend to counterbalance any short-term spending delays.

The Company believes the long-term outlook for the oilfield services industry is positive due to expected growth in world demand for energy combined with production declines in existing oil and gas reserves. Although the growth experienced by the oilfield services industry in 1997 will be difficult to repeat in 1998, the Company believes that it has good opportunities to expand its revenue and profit through greater participation in larger projects that allow it to utilize its project management and integrated services capabilities.

Engineering and Construction Group. Engineering and construction industry marketing reports indicate that global demand for engineering and construction services during 1998 may be less robust than during 1997 due in part to uncertainty in the Asia Pacific region. However, the Company expects to see demand for such services increase over time in Latin America, Africa and the Middle East. The Company believes the keys to increasing its revenue and improving profit margins in slower growing markets will be its ability to partner with other service and equipment suppliers and customers on larger projects, acceptance of more project success risk through gain sharing or fixed price contracts, broadening its core competencies, acquiring and fully utilizing proprietary technology and managing costs. The Group's improved operating results in 1997 were the result of focusing on these key factors. During 1997, the Engineering and Construction Group reexamined its core competencies and decided to exit certain markets that do not offer sufficient opportunity to achieve the Company's profit objectives. This refocusing prompted the divestiture of the environmental services business unit at the end of 1997 and a decision to exit certain highway and paving activities over time. The Group will now focus on key markets in the petroleum, chemical and forest products industries in the United States and international locations. The Company sees an expanding market for its government services capabilities in the United States and the United Kingdom as governmental agencies, including local government units, continue to expand their use of outsourcing to improve service levels and manage costs.

Acquisitions and dispositions. During 1997, the Company acquired NUMAR Corporation, which was accounted for as a pooling of interests, in exchange for approximately 8.2 million shares of the Company's Common Stock, acquired OGC International plc for approximately $118.3 million, purchased a 26% equity interest in PES (International) Limited for approximately $33.6 million, acquired Kinhill Holdings Limited for approximately $34 million, and increased its ownership of Devonport Management Limited from approximately 30% to 51%. These acquisitions are expected to expand the Company's ability to offer quality services and products in its core competencies and to further strengthen its technological base. Also in 1997, the Company sold its environmental services business for approximately $32 million. See Note 15 to the financial statements for additional information.

RESULTS OF OPERATIONS

Revenues for 1997 were $8,818.6 million, an increase of 19% over 1996 revenues of $7,385.1 million and an increase of 50% over 1995 revenues of $5,882.9 million. Approximately 58% of the Company's consolidated revenues were derived from international activities in 1997 compared with 55% in 1996 and 51% in 1995.

Energy Group revenues were $5,756.4 million for 1997, an increase of 34% over 1996 revenues of $4,286.3 million and an increase of 60% over 1995 revenues of $3,604.0 million. The Energy Group's increase in revenues outpaced the 15% increase in the worldwide average rotary rig count for 1997 compared to 1996 and the 23% increase in the worldwide average rotary rig count for 1997 compared to 1995. Approximately two-thirds of the Energy Group's revenues were derived from international activities each year in 1997, 1996 and 1995.

Engineering and Construction Group revenues were $3,062.2 million for 1997, a decrease of 1% from 1996 revenues of $3,098.8 million and an increase of 34% over 1995 revenues of $2,278.9 million. Lower levels of activity under service contracts with the U.S. Department of Defense to provide technical and logistical support for military peacekeeping operations in Bosnia resulted in revenue reductions of approximately $294 million in 1997 compared to 1996. This reduction in revenues was mostly offset by the consolidation of Devonport Management Limited revenues as a result of the Company's increased ownership percentage in that subsidiary. See Note 15 to the financial statements for additional information.

Operating income was $798.1 million for 1997 compared to $417.9 million for 1996 and $400.9 million for 1995. Excluding special charges of $8.6 million, $85.8 million and $8.4 million during 1997, 1996 and 1995, respectively, operating income for 1997 increased by 60% over 1996 and by 97% over 1995 as shown in the following table. See Note 16 to the financial statements for additional information on the special charges.

Millions of dollars	1997	1996	1995
Operating income before special charges	$ 806.7	$ 503.7	$ 409.3
Merger costs associated with NUMAR acquisition	(8.6)	-	-
Landmark write-off of acquired in process research and development	-	(11.3)	(3.7)
Merger costs associated with Landmark acquisition	-	(12.4)	-
Realignment of products and service lines and support services	-	(61.2)	-
Landmark restructuring and merger costs	-	(0.9)	(4.7)
Operating income	$ 798.1	$ 417.9	$ 400.9

Approximately 53% of the Company's consolidated operating income was derived from international activities in 1997 compared to 66% for 1996 and 65% for 1995. Consolidated international operating margins were 8% in 1997 and 1996 and 9% for 1995.

Energy Group operating income in 1997 was $706.4 million, an increase of 46% over 1996 operating income of $484.4 million and an increase of 77% over 1995 operating income of $398.2 million. Operating margins were 12% in 1997 compared with 11% in both 1996 and 1995. Approximately 53%, 62% and 66% of the Energy Group's operating income was derived from international activities for 1997, 1996 and 1995, respectively. Operating income in 1997 for the group's largest business unit, Halliburton Energy Services, increased substantially due primarily to increased activity levels and increased prices charged to customers for pressure pumping services in North America. Operating income growth for Halliburton Energy Services in 1996 over 1995 was due primarily to substantially increased services provided in North America and Europe and, to a lesser degree, increases in Latin America and the Middle East. Energy Group results for 1996 include $35 million of gain sharing revenue on the group's second largest business unit, Brown & Root Energy Services, portion of the cost savings realized on the BP Andrew alliance. The alliance completed the project seven months ahead of the scheduled production of oil and achieved a $125 million savings compared with the targeted cost. The effect of the gain sharing was offset by a $20.7 million reduction in operating income due to lower activity levels in 1996 compared to 1995 by Brown & Root Energy Services' 50% owned joint venture, European Marine Contractors, Limited.

Engineering and Construction Group operating income for 1997 increased 149% over 1996 and 200% over 1995 to $133.9 million. Operating margins were 4% for 1997 and 2% for 1996 and 1995, respectively. Improvement in operating income in 1997 over 1996 was realized through overhead reductions, a focus on higher margin business lines and the consolidation of Devonport Management Limited as a result of the Company's increased ownership percentage in that subsidiary. See Note 15 to the financial statements. Increased operating income in 1996 compared to 1995 from petroleum and chemical services as well as increased operating income from support services in Bosnia were partially offset by a $17.1 million charge for the impairment of Brown & Root's investment in the Dulles Greenway toll road extension project.

General and administrative expenses for 1997 were $248.1 million compared to $236.6 million and $221.7 million for 1996 and 1995, respectively. General and administrative expenses have increased at a substantially slower rate than overall growth in consolidated revenues, and as a percent of revenues, have declined to 2.8% in 1997 from 3.2% in 1996 and 3.8% in 1995.

Interest expense was $42.7 million for 1997 compared to $24.1 million in 1996 and $47.1 million in 1995. The increase in 1997 over 1996 is due to the issuance of debt under the Company's medium-term note program in 1997. The decrease in 1996 as compared to 1995 was due to the redemption of the Company's $390.7 million of zero coupon convertible subordinated debentures in September 1995 and the redemption of its $42 million term loan in December 1995.

Interest income decreased to $11.7 million for 1997 from $14.2 million in 1996 and $32.0 million in 1995. The decrease for 1996 compared to 1995 is due to lower amounts of invested cash resulting from debt redeemed during 1995.

Foreign currency gains (losses) netted to a loss of $0.9 million in 1997 compared to a $3.9 million loss in 1996 and a $1.4 million gain in 1995. Losses in 1997 are due primarily to losses in western European currencies.

Provision for income taxes was higher in 1997 than in 1996 and 1995 due to improved earnings. The effective income tax rate was 39% in 1997, compared with 26% in 1996 and 36% in 1995. The lower effective income tax rate and provision for 1996 are due to credits of $43.7 million recorded during the third quarter of 1996 to recognize certain net operating loss carryforwards and the settlement of various issues with the Internal Revenue Service. Excluding the tax benefits recorded in 1996, the effective income tax rate for 1996 was 36%. See Note 16 to the financial statements.

Minority interest in net income of consolidated subsidiaries increased to $11.9 million in 1997 as compared to $0.5 million in 1996 and $0.9 million in 1995. The increase is due primarily to the Company's ownership interest in Devonport Management Limited, which increased from approximately 30% to 51% during March 1997.

Income from continuing operations for 1997, 1996 and 1995 of $454.4 million, $300.4 million and $249.2 million, respectively, resulted in diluted income per share from continuing operations of $1.75, $1.19 and $1.00, respectively.

Discontinued operations in 1995 consists of the Company's Insurance Services Group. The Company declared a dividend on December 26, 1995 and subsequently distributed its property and casualty insurance subsidiary, Highlands Insurance Group, Inc. (HIGI), to its shareholders in a tax-free spin-off on January 23, 1996. The operations of the Insurance Services Group have been classified as discontinued operations. During 1995, HIGI increased its reserves for claim losses and related expenses and provisions for certain legal matters which together with certain other provisions associated with the Company's complete exit from the insurance industry resulted in a $67.2 million charge against net earnings. See Note 14 to the financial statements.

LIQUIDITY AND CAPITAL RESOURCES

The Company ended 1997 with cash and equivalents of $221.3 million compared with $213.6 million in 1996 and $239.6 million in 1995.

Cash flows from operating activities were $548.2 million for 1997 compared to $452.0 million and $667.4 million for 1996 and 1995, respectively. In 1997, the primary use of cash by operating activities was to fund increased working capital requirements related to increased revenues.

Cash flows used in investing activities were $686.7 million for 1997 compared to $409.4 million used in 1996 and $267.3 million used in 1995. The increase in cash used for investing activities during 1997 is due primarily to an increase in capital expenditures of 46% over 1996 and 90% over 1995. While increased capital expenditures during 1997 were due in part to investments in capital equipment and deployment of new technologies, increased capital expenditures also reflect certain strategic investments in oil and gas developments and in the Company's infrastructure. In 1997, the Company invested $97.8 million in oil and gas developments, with the most significant development being its 25% share of the Sangu gas field twenty-five miles offshore Bangladesh in the Bay of Bengal. The Company plans similar investments during 1998 as the Company identifies opportunities that allow it to use its unique set of core competencies and which provide adequate returns. The Company also invested $49.5 million in an enterprise-wide information systems initiative. Cash used in investing activities in 1997 also includes the acquisition of OGC and Kinhill and an interest in PES (International) Limited offset by the sale of the Company's environmental business for about $32.0 million. In 1996, investing activities included a $41.3 million expenditure for the Company's share of the purchase price of a subsidiary acquired by the Company's 36% owned affiliate, M-I Drilling Fluids Company, L.L.C.

Cash flows from financing activities provided $151.6 million for 1997 compared to use of cash of $65.8 million and $599.0 million for 1996 and 1995, respectively. Cash was provided by proceeds from debt issued under the Company's medium-term note program of $300.0 million and proceeds from the exercise of stock options of $49.5 million offset by payments on long-term debt of $17.7 million, net repayments on short-term borrowings of $54.6 million and dividend payments of $127.3 million. Cash used for financing activities during 1996 consisted primarily of dividend payments of $117.5 million offset by net short-term borrowings of $38.3 million and proceeds from the exercise of stock options of $25.6 million. In 1995, the increased amount of cash used by financing activities was due primarily to the redemption of the Company's $390.7 million zero coupon convertible debentures and a $42.0 million term loan. Total debt was 18%, 10% and 10% of total capitalization at the end of 1997, 1996 and 1995, respectively.

The Company has the ability to borrow additional short-term and long-term funds if necessary. See Note 6 to the financial statements regarding the Company's various short-term lines of credit, notes payable and long-term debt.

FINANCIAL INSTRUMENT MARKET RISK

The Company is currently exposed to market risk from changes in foreign currency exchange rates, and to a lesser extent, to changes in interest rates. To mitigate market risk, the Company selectively hedges its foreign currency exposure through the use of currency derivative instruments. The objective of such hedging is to protect the Company's dollar cash flows from fluctuations in currency rates of foreign denominated sales or purchases of goods or services. Inherent in the use of derivative instruments are certain types of market risk: volatility of the currency rates, tenor (time horizon) of the derivative instruments, market cycles and the type of derivative instruments used. The Company does not use derivative instruments for trading purposes. See Note 1 to the financial statements for additional information on the Company's accounting policies on derivative instruments. See Note 12 to the financial statements for additional disclosures related to derivative instruments.

Foreign exchange. While the Company operates in over 100 countries, the Company hedges only foreign currencies that are highly liquid and selects derivative instruments or a combination of instruments whose fluctuation in value is offset by the fluctuation in value to the underlying exposure. These hedges generally have expiration dates that do not exceed two years. Exposures to certain currencies are generally not hedged due primarily to the lack of available markets or cost considerations (non-traded currencies). The Company manages its foreign exchange hedging activities through a control system which includes daily monitoring of cash balances in traded currencies, analytical techniques such as value at risk estimations, and other procedures.

Interest rates. The Company currently has exposure to interest rate risk from its long-term debt with interest based on LIBOR plus 0.75% which was incurred in connection with its acquisition of the Royal Dockyard in Plymouth, England (the Dockyard Loans). This risk is partially offset by a compensating balance of approximately one-half of the outstanding debt amount which earns interest at a rate equal to that of the Dockyard Loans. The compensating balance is restricted as to use by the Company and is included in other assets on the Company's consolidated balance sheet. See Note 6 to the financial statements for additional discussion of the Dockyard Loans.

Value at risk. The Company uses a statistical model to assess the potential loss related to derivative instruments used to hedge the market risk of its foreign exchange exposure. The model utilizes historical price and volatility patterns to predict the change in value of the derivative instruments which could occur from adverse movements in foreign exchange rates for a specified time period at a specified confidence level. The model is an undiversified calculation based on the variance-covariance statistical modeling technique and includes all foreign exchange derivative instruments outstanding at December 31, 1997. The resulting value at risk of $0.8 million estimates the potential loss the Company could incur in a one-day period with a 95% confidence level from foreign exchange derivative instruments due to adverse foreign exchange rate changes.

Interest rate exposures. The following table represents principal (or notional) amounts and related weighted average interest rates by year of maturity for the Company's restricted cash and long-term debt obligations. Other notes of $0.1 million with varying interest rates as shown in Note 6 to the financial statements are excluded from the following table.

U.S. $ Equivalent in millions	Expected maturity date 1998	1999	2000	2001	2002	Thereafter	Total	Fair Value
Assets:								
Restricted cash - British pound sterling	3.6	4.2	4.2	4.2	4.2	2.4	22.8	22.8
Average variable rate	8.45%	8.07%	7.83%	7.69%	7.58%	7.51%	8.03%	
Long-term debt:								
US dollar	-	50.0	-	-	75.0	375.0	500.0	554.0
Average fixed rate	-	6.27%	-	-	6.30%	7.83%	7.77%	
British pound sterling (Dockyard Loans)	7.1	8.4	8.3	8.3	8.3	5.5	45.9	45.9
Average variable rate	8.45%	8.07%	7.83%	7.69%	7.58%	7.51%	8.03%	

Weighted average variable rates are based on implied forward rates in the yield curve at December 31, 1997. These implied forward rates should not be viewed as predictions of actual future interest rates. Restricted cash and the Dockyard Loans earn interest at LIBOR plus 0.75%. Instruments that are denominated in currencies other than the US dollar reporting currency are subject to foreign exchange rate risk as well as interest rate risk.

ENVIRONMENTAL MATTERS

The Company is involved as a potentially responsible party in remedial activities to clean up several "Superfund" sites under applicable federal law which imposes joint and several liability, if the harm is indivisible, on certain persons without regard to fault, the legality of the original disposal or ownership of the site. Although it is very difficult to quantify the potential impact of compliance with environmental protection laws, management of the Company believes that any liability of the Company with respect to all but one of such sites will not have a material adverse effect on the results of operations of the Company. See Note 11 to the financial statements.

YEAR 2000 ISSUE

The Year 2000 issue is the risk that computer programs using two-digit date fields will fail to properly recognize the year 2000, with the result being business interruptions due to computer system failures by the Company's software and hardware or that of government entities, service providers, vendors and customers. In response to the Year 2000 issue, the Company has formed a cross-functional task force responsible for assessing the Company's Year 2000 readiness. The task force has developed a comprehensive plan to assess the Company's Year 2000 risk and is in the process of performing its review. The Company anticipates that certain software will require replacement or modification. Independent of, but concurrent with, the Company's Year 2000 review, the Company is installing an enterprise-wide business information system. This information system is scheduled to replace approximately two-thirds of the Company's key finance, administrative and marketing software systems before the end of 1999 and is Year 2000 compliant. Based on the Company's review to date, it does not expect the cost of software replacement or modification not currently included in the Company's enterprise-wide information system to be material to its financial position or results of operations.

ACCOUNTING PRONOUNCEMENTS

In June 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income," which requires presentation of total nonowner changes in equity for all periods displayed. The Company plans to adopt this statement for the year ending December 31, 1998, and is evaluating alternative disclosure formats suggested by the standard.

In June 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 131, "Disclosures about Segments of an Enterprise and Related Information." This standard defines reporting requirements for operating segments and related information about products and services, geographic areas and reliance on major customers. The Company is evaluating the impact of this statement on its current reporting and expects to adopt the new standard for its year ending December 31, 1998, with interim reporting beginning in 1999.

FORWARD-LOOKING INFORMATION

In accordance with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, the Company cautions that the statements in this annual report and elsewhere, which are forward-looking and which provide other than historical information, involve risks and uncertainties that may impact the Company's actual results of operations. While such forward-looking information reflects the Company's best judgment based on current information, it involves a number of risks and uncertainties and there can be no assurance that other factors will not affect the accuracy of such forward-looking information. While it is not possible to identify all factors, the Company continues to face many risks and uncertainties that could cause actual results to differ from those forward-looking statements. Such factors include: unsettled political conditions, war, civil unrest, currency controls and governmental actions in over 100 countries of operation; trade restrictions and economic embargoes imposed by the United States and other countries; environmental laws, including those that require emission performance standards for new and existing facilities; the magnitude of governmental spending for military and logistical support of the type provided by the Company; operations in countries with significant amounts of political risk, including, without limitation, Algeria and Nigeria; technological and structural changes in the industries served by the Company; computer software and hardware used by governmental entities, service providers, vendors, customers and the Company which may be impacted by the Year 2000 issue; integration of acquired businesses into the Company; changes in the price of oil and natural gas; changes in the price of commodity chemicals used by the Company; changes in capital spending by customers in the hydrocarbon industry for exploration, development, production, processing, refining and pipeline delivery networks; increased competition in the hiring and retention of employees; changes in capital spending by customers in the wood pulp and paper industries for plants and equipment; and changes in capital spending by governments for infrastructure. In addition, future trends for pricing, margins, revenues and profitability remain difficult to predict in the industries served by the Company.

RESPONSIBILITY FOR FINANCIAL REPORTING

Halliburton Company is responsible for the preparation and integrity of its published financial statements. The financial statements have been prepared in accordance with accounting principles generally accepted in the United States and, as such, include amounts based on judgments and estimates made by management. The Company also prepared the other information included in the annual report and is responsible for its accuracy and consistency with the financial statements.

The financial statements have been audited by the independent accounting firm, Arthur Andersen LLP, which was given unrestricted access to all financial records and related data, including minutes of all meetings of stockholders, the Board of Directors and committees of the Board.

The Company maintains a system of internal control over financial reporting, which is intended to provide reasonable assurance to the Company's management and Board of Directors regarding the preparation of financial statements. The system includes a documented organizational structure and division of responsibility, established policies and procedures, including a code of conduct to foster a strong ethical climate, which are communicated throughout the Company, and the careful selection, training and development of our people. Internal auditors monitor the operation of the internal control system and report findings and recommendations to management and the Board of Directors, and corrective actions are taken to address control deficiencies and other opportunities for improving the system as they are identified. The Board, operating through its audit committee, which is composed entirely of Directors who are not current or former officers or employees of the Company, provides oversight to the financial reporting process.

There are inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, even an effective internal control system can provide only reasonable assurance with respect to financial statement preparation. Furthermore, the effectiveness of an internal control system may change over time.

The Company assessed its internal control system in relation to criteria for effective internal control over financial reporting described in "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based upon that assessment, the Company believes that, as of December 31, 1997, its system of internal control over financial reporting met those criteria.

HALLIBURTON COMPANY

by

Dick Cheney	Gary V. Morris
Chairman of the Board and	Executive Vice President and
Chief Executive Officer	Chief Financial Officer

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Shareholders and Board of Directors
Halliburton Company:

We have audited the accompanying consolidated balance sheets of Halliburton Company (a Delaware corporation) and subsidiary companies as of December 31, 1997 and 1996, and the related consolidated statements of income, cash flows and shareholders' equity for each of the three years in the period ended December 31, 1997. These financial statements are the responsibility of Halliburton Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Halliburton Company and subsidiary companies as of December 31, 1997 and 1996, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1997, in conformity with generally accepted accounting principles.

ARTHUR ANDERSEN LLP
Dallas, Texas,
January 22, 1998 (except with respect to the matter discussed in Note 17, as to which the date is February 26, 1998)

Consolidated Statements of Income
Years ended December 31

Millions of dollars except per share data	1997	1996	1995
Revenues			
Energy Group	$ 5,756.4	$ 4,286.3	$ 3,604.0
Engineering and Construction Group	3,062.2	3,098.8	2,278.9
Total revenues	$ 8,818.6	$ 7,385.1	$ 5,882.9
Operating income			
Energy Group	$ 706.4	$ 484.4	$ 398.2
Engineering and Construction Group	133.9	53.7	44.6
Special charges	(8.6)	(85.8)	(8.4)
General corporate	(33.6)	(34.4)	(33.5)
Total operating income	798.1	417.9	400.9
Interest expense	(42.7)	(24.1)	(47.1)
Interest income	11.7	14.2	32.0
Foreign currency gains (losses)	(0.9)	(3.9)	1.4
Other nonoperating income, net	0.1	0.1	0.6
Income from continuing operations before income taxes and minority interest	766.3	404.2	387.8
Provision for income taxes	(300.0)	(103.3)	(137.7)
Minority interest in net income of consolidated subsidiaries	(11.9)	(0.5)	(0.9)
Income from continuing operations	454.4	300.4	249.2
Loss from discontinued operations	-	-	(65.5)
Net income	$ 454.4	$ 300.4	$ 183.7
Basic income (loss) per share			
Continuing operations	$ 1.78	$ 1.20	$ 1.00
Discontinued operations	-	-	(0.26)
Net income	$ 1.78	$ 1.20	$ 0.74
Diluted income (loss) per share			
Continuing operations	$ 1.75	$ 1.19	$ 1.00
Discontinued operations	-	-	(0.26)
Net income	$ 1.75	$ 1.19	$ 0.74

See notes to financial statements.

Consolidated Balance Sheets
December 31

Millions of dollars and shares except per share data	1997	1996
Assets		
Current assets:		
Cash and equivalents	$ 221.3	$ 213.6
Receivables:		
Notes and accounts receivable (less allowance for bad debts of $38.4 and $43.6)	1,815.8	1,413.4
Unbilled work on uncompleted contracts	390.0	288.9
Total receivables	2,205.8	1,702.3
Inventories	326.9	292.2
Deferred income taxes, current	106.6	108.7
Other current assets	111.0	81.2
Total current assets	2,971.6	2,398.0
Property, plant and equipment:		
At cost	3,988.0	3,560.8
Less accumulated depreciation	2,325.3	2,269.2
Net property, plant and equipment	1,662.7	1,291.6
Equity in and advances to related companies	338.7	234.9
Excess of cost over net assets acquired (net of accumulated amortization of $56.2 and $42.7)	323.1	233.9
Deferred income taxes, noncurrent	91.3	98.6
Other assets	215.6	179.6
Total assets	$ 5,603.0	$ 4,436.6
Liabilities and Shareholders' Equity		
Current liabilities:		
Short-term notes payable	$ 2.7	$ 46.3
Current maturities of long-term debt	7.1	0.1
Accounts payable	586.5	452.1
Accrued employee compensation and benefits	262.3	193.7
Advance billings on uncompleted contracts	303.7	336.3
Income taxes payable	213.1	135.8
Deferred revenues	38.4	18.9
Other current liabilities	359.1	321.5
Total current liabilities	1,772.9	1,504.7
Long-term debt	538.9	200.0
Employee compensation and benefits	323.6	281.1
Other liabilities	363.2	290.2
Minority interest in consolidated subsidiaries	19.7	1.4
Total liabilities and minority interest	3,018.3	2,277.4
Shareholders' equity:		
Common stock, par value $2.50 per share - authorized 400.0 shares, issued 268.8 (post-split) and 129.3 (pre-split) shares	672.0	323.3
Paid-in capital in excess of par value	87.2	322.2
Cumulative translation adjustment	(15.0)	(12.4)
Retained earnings	1,947.6	1,656.3
	2,691.8	2,289.4
Less 6.5 (post-split) and 4.0 (pre-split) shares treasury stock, at cost	107.1	130.2
Total shareholders' equity	2,584.7	2,159.2
Total liabilities and shareholders' equity	$ 5,603.0	$ 4,436.6

See notes to financial statements.

Consolidated Statements of Cash Flows
Years ended December 31

Millions of dollars	1997	1996	1995
Cash flows from operating activities:			
Net income	$ 454.4	$ 300.4	$ 183.7
Adjustments to reconcile net income to net cash from operating activities:			
Depreciation and amortization	309.5	267.9	259.8
Provision (benefit) for deferred income taxes	9.4	(23.8)	46.0
Distributions from (advances to) related companies, net of equity in (earnings) or losses	(64.7)	(65.9)	(20.5)
Appreciation of zero coupon bonds	-	-	15.0
Net loss from discontinued operations	-	-	65.5
Other non-cash items	21.8	8.9	(8.2)
Other changes, net of non-cash items:			
Receivables	(300.9)	(218.2)	(91.6)
Inventories	(14.1)	(46.0)	17.6
Accounts payable	(41.6)	63.7	76.5
Other working capital, net	93.7	251.5	192.1
Other, net	80.7	(86.5)	(68.5)
Total cash flows from operating activities	548.2	452.0	667.4
Cash flows from investing activities:			
Capital expenditures	(577.1)	(395.7)	(303.3)
Sales of property, plant and equipment	44.9	49.8	36.0
Acquisitions of businesses, net of cash acquired	(157.9)	(31.6)	(10.3)
Dispositions of businesses, net of cash disposed	37.6	21.6	25.9
Other investing activities	(34.2)	(53.5)	(15.6)
Total cash flows from investing activities	(686.7)	(409.4)	(267.3)
Cash flows from financing activities:			
Borrowings of long-term debt	301.5	0.1	-
Payments on long-term debt	(17.7)	(5.2)	(465.4)
Net borrowings (payments) of short-term debt	(54.6)	38.3	(27.0)
Payments of dividends to shareholders	(127.3)	(117.5)	(114.3)
Proceeds from exercises of stock options	49.5	25.6	9.7
Payments to reacquire common stock	(2.2)	(7.1)	(2.2)
Other financing activities	2.4	-	0.2
Total cash flows from financing activities	151.6	(65.8)	(599.0)
Effect of exchange rate changes on cash	(5.4)	(2.8)	(2.8)
Increase (decrease) in cash and equivalents	7.7	(26.0)	(201.7)
Cash and equivalents at beginning of year	213.6	239.6	441.3
Cash and equivalents at end of year	$ 221.3	$ 213.6	$ 239.6

Supplemental disclosure of cash flow information:			
Cash payments during the period for:			
Interest	$ 35.2	$ 24.9	$ 26.2
Income taxes	165.2	35.5	29.9
Non-cash investing and financing activities:			
Liabilities assumed in acquisitions of businesses	$ 336.5	$ 24.8	$ 4.1
Liabilities disposed of in dispositions of businesses	11.9	9.8	14.6

See notes to financial statements.

Consolidated Statements of Shareholders' Equity
Years ended December 31

Millions of dollars and shares except per share data	1997	1996	1995
Common stock (number of shares):			
Balance at beginning of year	129.3	129.1	128.8
Shares issued (forfeited) under incentive stock plans, net	1.3	0.3	0.2
Cancellation of treasury stock	-	(0.1)	-
Shares issued in connection with acquisition	8.2	-	0.1
Two-for-one common stock split	130.0	-	-
Balance at end of year	268.8	129.3	129.1
Common stock (dollars):			
Balance at beginning of year	$ 323.3	$ 322.7	$ 322.1
Shares issued (forfeited) under incentive stock plans, net	3.2	0.9	0.5
Cancellation of treasury stock	-	(0.3)	-
Shares issued in connection with acquisition	20.5	-	0.1
Two-for-one common stock split	325.0	-	-
Balance at end of year	$ 672.0	$ 323.3	$ 322.7
Paid-in capital in excess of par value:			
Balance at beginning of year	$ 322.2	$ 302.9	$ 298.4
Shares issued (forfeited) under incentive stock plans, net	53.4	22.9	4.5
Cancellation of treasury stock	-	(3.6)	-
Shares issued in connection with acquisition	36.6	-	-
Two-for-one common stock split	(325.0)	-	-
Balance at end of year	$ 87.2	$ 322.2	$ 302.9
Cumulative translation adjustment:			
Balance at beginning of year	$ (12.4)	$ (28.0)	$ (23.1)
Changes net of tax of ($0.3) in 1997, $3.7 in 1996 and ($0.5) in 1995	(2.6)	15.6	(4.9)
Balance at end of year	$ (15.0)	$ (12.4)	$ (28.0)
Retained earnings:			
Balance at beginning of year	$ 1,656.3	$ 1,473.4	$ 1,656.6
Net income	454.4	300.4	183.7
Cash dividends paid ($0.50 per share post-split; $1.00 per share pre-split)	(127.3)	(117.5)	(114.3)
Spin-off of Highlands Insurance Group, Inc.	-	-	(268.6)
Net change in unrealized gains (losses) on investments held by discontinued operation	-	-	16.3
Pooling of interests acquisition	(35.8)	-	-
Shares issued in connection with acquisition	-	-	(0.3)
Balance at end of year	$ 1,947.6	$ 1,656.3	$ 1,473.4
Treasury stock (number of shares):			
Balance at beginning of year	4.0	4.6	5.0
Shares issued under incentive stock plans, net	(0.8)	(0.7)	(0.5)
Purchase of common stock	-	0.2	0.1
Cancellation of treasury stock	-	(0.1)	-
Two-for-one common stock split	3.3	-	-
Balance at end of year	6.5	4.0	4.6
Treasury stock (dollars):			
Balance at beginning of year	$ 130.2	$ 150.8	$ 163.8
Shares issued under incentive stock plans, net	(25.3)	(23.8)	(15.2)
Purchase of common stock	2.2	7.1	2.2
Cancellation of treasury stock	-	(3.9)	-
Balance at end of year	$ 107.1	$ 130.2	$ 150.8

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies

The Company employs accounting policies that are in accordance with generally accepted accounting principles in the United States. The preparation of financial statements in conformity with generally accepted accounting principles requires Company management to make estimates and assumptions that affect the reported assets and liabilities, the disclosed contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Ultimate results could differ from those estimates.

Principles of Consolidation. The consolidated financial statements include the accounts of the Company and all majority-owned subsidiaries. All material intercompany accounts and transactions are eliminated. Investments in other affiliated companies in which the Company has at least 20% ownership and does not have management control are accounted for on the equity method. Certain prior year amounts have been reclassified to conform with the current year presentation.

Revenues and Income Recognition. The Company recognizes revenues as services are rendered or products are shipped. The distinction between services and product sales is based upon the overall business intent of the particular business operation. Revenues from construction contracts are reported on the percentage of completion method of accounting using measurements of progress toward completion appropriate for the work performed. All known or anticipated losses on contracts are provided for currently. Claims for additional compensation are recognized during the period such claims are resolved. Post-contract customer support agreements are recorded as deferred revenues and recognized as revenue ratably over the contract periods of generally one year duration. Training and consulting service revenue is recognized as the services are performed.

Research and Development. Research and development expenses are charged to income as incurred. Such charges were $164.7 million in 1997, $133.3 million in 1996 and $113.1 million in 1995.

Software Development Costs. Costs of developing software for sale are charged to expense when incurred as research and development until technological feasibility has been established for the product. Thereafter, software development costs are capitalized until the software is ready for general release to customers. The Company capitalized costs of $14.5 million in 1997, $12.9 million in 1996 and $8.8 million in 1995 related to software developed for resale. Amortization expense related to these costs was $15.0 million, $12.5 million and $10.3 million for 1997, 1996 and 1995, respectively. Once the software is ready for release, amortization of the software development costs begins. Capitalized software development costs are amortized over periods which do not exceed three years.

Income Per Share. Basic income per share amounts are based on the weighted average number of common shares outstanding during the year. Diluted income per share includes additional common shares that would have been outstanding if potential common shares with a dilutive effect had been issued. See Note 8 for a reconciliation of basic and diluted income per share from continuing operations. Prior year amounts have been adjusted for the two-for-one common stock split declared on June 9, 1997 and effected in the form of a stock dividend and paid on July 21, 1997.

Cash Equivalents. The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Receivables. The Company's receivables are generally not collateralized. Notes and accounts receivable at December 31, 1997 include $30.4 million ($24.9 million at December 31, 1996) due from customers in accordance with applicable retainage provisions of engineering and construction contracts, which will become billable upon future deliveries or completion of such contracts. This amount is expected to be collected during 1998. Additionally, other noncurrent assets include $7.3 million ($6.7 million at December 31, 1996) of such retainage which is expected to be collected in years subsequent to 1998. Unbilled work on uncompleted contracts generally represents work currently billable and such work is usually billed during normal billing processes in the next month. At December 31, 1997, notes of $9.5 million ($14.6 million at December 31, 1996) with varying interest rates are included in notes and accounts receivable.

Inventories. Inventories are stated at the lower of cost or market. Cost represents invoice or production cost for new items and original cost less allowance for condition for used material returned to stock. Production cost includes material, labor and manufacturing overhead. About forty-two percent of all sales items are valued on a last-in, first-out (LIFO) basis. Inventories of sales items owned by foreign subsidiaries and inventories of operating supplies and parts are generally valued at average cost.

Property, Plant and Equipment. Property, plant and equipment is reported at cost less accumulated depreciation, which is generally provided on the straight-line method over the estimated useful lives of the assets. Expenditures for maintenance and repairs are expensed; expenditures for renewals and improvements are generally capitalized. Upon sale or retirement of an asset, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is recognized. When events or changes in circumstances indicate that assets may be impaired, an evaluation is performed comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write-down to market value or discounted cash flow value is required. The Company follows the successful efforts method of accounting for oil and gas properties. At December 31, 1997, there were no significant oil and gas properties in the production stage of development. The Company is implementing an enterprise-wide information system. External direct costs of materials and services and payroll-related costs of employees working solely on development of the software system portion of the project are capitalized. Capitalized costs of the project will be amortized over periods of three to ten years beginning when the system is placed in service. Training costs and costs to reengineer business processes are expensed as incurred.

Excess of Cost Over Net Assets Acquired. The excess of cost over net assets acquired is amortized on a straight-line basis over periods not exceeding 40 years.

Income Taxes. A valuation allowance is provided for deferred tax assets if it is more likely than not these items will either expire before the Company is able to realize their benefit, or that future deductibility is prohibited or uncertain. Deferred tax assets and liabilities are recognized for the expected future tax consequences of events that have been realized in the financial statements or tax returns.

Derivative Instruments. The Company primarily enters into derivative financial transactions to hedge existing or projected exposures to changing foreign exchange rates and from time to time enters into derivatives to hedge exposures to interest rates or commodity prices. The Company does not enter into derivative transactions for speculative or trading purposes. Derivative financial instruments to hedge exposure with an indeterminable maturity date are generally carried at fair value with the resulting gains and losses reflected in the results of operations. Gains or losses on hedges of identifiable commitments are deferred and recognized when the offsetting gains or losses on the related hedged items are recognized. Deferred gains or losses for hedges which are terminated prior to the transaction date are recognized currently. In the event an identifiable commitment is no longer expected to be realized, any deferred gains or losses on hedges associated with the commitment are recognized currently. Costs associated with entering into such contracts are presented in other assets, while deferred gains or losses are included in other liabilities or other assets, respectively, on the consolidated balance sheets. Recognized gains or losses on derivatives entered into to manage foreign exchange risk are included in foreign currency gains and losses on the consolidated statements of income, while gains or losses on interest rate derivatives and commodity derivatives are included in interest expense and operating income, respectively. During the years ended December 31, 1997, 1996 and 1995, the Company did not enter into any significant transactions to hedge interest rates or commodity prices.

Foreign Currency Translation. Foreign entities whose functional currency is the U.S. dollar translate monetary assets and liabilities at year-end exchange rates and non-monetary items are translated at historical rates. Income and expense accounts are translated at the average rates in effect during the year, except for depreciation and cost of product sales which are translated at historical rates. Gains or losses from changes in exchange rates are recognized in consolidated income in the year of occurrence. Foreign entities whose functional currency is the local currency translate net assets at year-end rates and income and expense accounts at average exchange rates. Adjustments resulting from these translations are reflected in the shareholders' equity section of the consolidated balance sheets titled "cumulative translation adjustment."

Note 2. Inventories

Inventories at December 31, 1997 and 1996 are comprised of the following:

Millions of dollars	1997	1996
Sales items	$ 114.9	$ 104.3
Supplies and parts	158.1	136.3
Work in process	29.3	30.4
Raw materials	24.6	21.2
Total	$ 326.9	$ 292.2

If the average cost method had been in use for inventories on the LIFO basis, total inventories would have been about $3.4 million and $13.0 million higher than reported at December 31, 1997 and 1996, respectively.

Note 3. Property, Plant and Equipment

Property, plant and equipment at December 31, 1997 and 1996 is comprised of the following:

Millions of dollars	1997	1996
Land	$ 62.7	$ 63.9
Buildings and property improvements	624.0	568.2
Machinery and equipment	2,768.0	2,653.8
Other	533.3	274.9
Total	$ 3,988.0	$ 3,560.8

At December 31, 1997 and 1996, other property includes oil and gas investments of approximately $101.7 million and $5.9 million and software developed for internal use of $59.5 million and $10.0 million, respectively.

Note 4. Related Companies

The Company conducts some of its operations through various joint ventures which are in partnership, corporate and other business forms, which are principally accounted for using the equity method. Included in the Company's revenues for 1997, 1996 and 1995 are equity in income of related companies of $124.4 million, $105.5 million and $88.4 million, respectively. Summarized financial statements for European Marine Contractors, Limited, a 50% owned company and a part of the Energy Group which specializes in engineering, procurement and construction of marine pipelines, and for the remaining combined jointly owned operations which are not consolidated are as follows:

COMBINED OPERATING RESULTS

Millions of dollars	1997	1996	1995
	European Marine Contractors		
Revenues	$ 436.1	$ 246.5	$ 361.8
Operating income	$ 75.9	$ 65.5	$ 106.9
Net income	$ 48.5	$ 43.7	$ 72.6
	Other Affiliates		
Revenues	$ 2,441.4	$ 2,276.4	$ 1,767.2
Operating income	$ 247.2	$ 197.7	$ 92.9
Net income	$ 202.5	$ 158.8	$ 63.0

COMBINED FINANCIAL POSITION

Millions of dollars	1997	1996
	European Marine Contractors	
Current assets	$ 214.6	$ 263.1
Noncurrent assets	31.7	25.6
Total	$ 246.3	$ 288.7
Current liabilities	$ 219.9	$ 226.4
Noncurrent liabilities	6.2	3.8
Shareholders' equity	20.2	58.5
Total	$ 246.3	$ 288.7
	Other Affiliates	
Current assets	$ 887.2	$ 871.3
Noncurrent assets	670.4	615.2
Total	$ 1,557.6	$ 1,486.5
Current liabilities	$ 450.6	$ 572.9
Noncurrent liabilities	303.4	277.4
Minority interests	8.1	6.6
Shareholders' equity	795.5	629.6
Total	$ 1,557.6	$ 1,486.5

In the second quarter of 1997, Halliburton Energy Services, which is part of the Energy Group, acquired a 26% ownership interest in PES (International) Limited (PES) for approximately $33.6 million which includes approximately $30.0 million excess of cost over net assets acquired to be amortized over thirty years. The purchase price is included in acquisitions of businesses in the consolidated statements of cash flows.

In the second quarter of 1996, M-I Drilling Fluids Company, L.L.C., a 36% owned joint venture, purchased Anchor Drilling Fluids. The Company's share of the purchase price was $41.3 million and is included in cash flows from other investing activities.

Note 5. Income Taxes

The components of the (provision) benefit for income taxes are:

Millions of dollars	1997	1996	1995
Current income taxes			
Federal	$ (104.7)	$ (21.5)	$ (6.4)
Foreign	(178.7)	(102.7)	(79.9)
State	(7.2)	(2.9)	(5.4)
Total	(290.6)	(127.1)	(91.7)
Deferred income taxes			
Federal	(1.3)	58.2	(11.2)
Foreign and state	(8.1)	(34.4)	(34.8)
Total	(9.4)	23.8	(46.0)
Total	$ (300.0)	$ (103.3)	$ (137.7)

Included in income taxes are foreign tax credits of $88.4 million in 1997, $63.7 million in 1996 and $35.2 million in 1995. The United States and foreign components of income from continuing operations before income taxes and minority interests are as follows:

Millions of dollars	1997	1996	1995
United States	$ 461.4	$ 217.2	$ 234.6
Foreign	304.9	187.0	153.2
Total	$ 766.3	$ 404.2	$ 387.8

The primary components of the Company's deferred tax assets and liabilities and the related valuation allowances are as follows:

Millions of dollars	1997	1996
Gross deferred tax assets		
Employee benefit plans	$ 120.0	$ 95.2
Accrued liabilities	67.8	71.9
Construction contract accounting methods	50.4	38.6
Intercompany profit	39.3	34.2
Insurance accruals	38.4	30.0
Net operating loss carryforwards	35.8	62.8
Foreign tax credits	21.2	29.8
Alternative minimum tax carryforward	15.1	19.3
All other	75.7	82.2
Total	463.7	464.0
Gross deferred tax liabilities		
Depreciation and amortization	76.1	56.7
Unrepatriated foreign earnings	35.6	34.1
Safe harbor leases	11.0	12.0
All other	85.0	83.6
Total	207.7	186.4
Valuation allowances		
Net operating loss carryforwards	24.8	36.3
All other	33.3	34.0
Total	58.1	70.3
Net deferred income tax asset	$ 197.9	$207.3

The Company has provided for the potential repatriation of certain undistributed earnings of its foreign subsidiaries and considers earnings above the amounts on which tax has been provided to be permanently reinvested. While these additional earnings could become subject to additional tax if repatriated, such a repatriation is not anticipated. Any additional amount of tax is not practicable to estimate.

The Company has foreign tax credits which expire in 2000 of $21.2 million. The Company has net operating loss carryforwards which expire as follows: 1998, $13.1 million; 1999, $15.3 million; 2000, $9.6 million; 2001 through 2005, $16.1 million; 2006 through 2010, $10.6 million. The Company also has net operating loss carryforwards of $40.6 million with indefinite expiration dates. Reconciliations between the actual provision for income taxes and that computed by applying the U.S. statutory rate to income from continuing operations before income taxes and minority interest are as follows:

Millions of dollars	1997	1996	1995
Provision computed at statutory rate	$ (268.2)	$ (141.5)	$ (135.7)
Reductions (increases) in taxes resulting from:			
Tax differentials on foreign earnings	(19.5)	3.7	(35.4)
State income taxes, net of federal income tax benefit	(6.6)	(2.9)	(5.1)
Net operating losses	-	23.0	48.6
Federal income tax settlement	-	16.1	-
Nondeductible meals and entertainment	(5.4)	(4.8)	(5.0)
Other items, net	(0.3)	3.1	(5.1)
Total	$ (300.0)	$ (103.3)	$ (137.7)

The Company has received statutory notices of deficiency for the 1990 and 1991 tax years from the Internal Revenue Service (IRS) of $92.9 million and $16.8 million, respectively, excluding any penalties or interest. The Company believes it has meritorious defenses and does not expect that any liability resulting from the 1990 or 1991 tax years will result in a material adverse effect on its results of operations or financial position. In 1996, the Company reached settlements with the IRS for certain matters including the 1989 taxable year. As a result of the settlement for the 1989 taxable year, the Company recognized tax benefits and net income was increased by $16.1 million in 1996 (see Note 16).

Note 6. Lines of Credit, Notes Payable and Long-Term Debt

At December 31, 1997, the Company had committed short-term lines of credit totaling $200.0 million available and unused, and other short-term lines of credit totaling $275.0 million with several U.S. banks. No borrowings were outstanding under these facilities at December 31, 1997. In addition, the Company had $2.7 million of other short-term debt outstanding at December 31, 1997, primarily consisting of foreign bank overdrafts with an average interest rate of 7.31%. At December 31, 1996, the Company had committed short-term lines of credit totaling $185.0 million available and unused, and other short-term lines of credit totaling $275.0 million, under which $25.0 million in borrowings was outstanding with several U.S. banks. The interest rate on these borrowings was 5.65%. In addition, the Company had $21.3 million of other short-term debt outstanding at December 31, 1996, primarily consisting of commercial paper with an interest rate of 5.85%.

Long-term debt at December 31, 1997 and 1996 consists of the following:

Millions of dollars	1997	1996
8.75% debentures due February 15, 2021	$ 200.0	$ 200.0
Medium-term notes due February 1, 2027	125.0	-
Medium-term notes due May 12, 2017	50.0	-
Medium-term notes due July 8, 1999	50.0	-
Medium-term notes due August 5, 2002	75.0	-
Term loans at LIBOR plus 0.75% payable in semi-annual installments through March 2004	45.9	-
Other notes with varying interest rates	0.1	0.1
	546.0	200.1
Less current portion	7.1	0.1
Total long-term debt	$ 538.9	$ 200.0

The Company's 8.75% debentures due February 15, 2021 do not have sinking fund requirements and are not redeemable prior to maturity. During 1997, the Company issued notes under its medium-term note program as follows:

Amount	Issue Date	Due	Rate	Prices	Yield
$ 125 million	02/11/97	02/01/2027	6.75%	99.78%	6.78%
$ 50 million	05/12/97	05/12/2017	7.53%	Par	7.53%
$ 50 million	07/08/97	07/08/1999	6.27%	Par	6.27%
$ 75 million	08/05/97	08/05/2002	6.30%	Par	6.30%

The medium-term notes may not be redeemed at the option of the Company prior to maturity. There is no sinking fund applicable to the notes. Each holder of the 6.75% medium-term notes has the right to require the Company to repay such holder's notes, in whole or in part, on February 1, 2007. The net proceeds from the sale of the notes were used for general corporate purposes.

During March 1997, the Company incurred $56.3 million of term loans in connection with the acquisition of the Royal Dockyard in Plymouth, England (the Dockyard Loans). The Dockyard Loans are denominated in Sterling and bear interest at LIBOR plus 0.75% payable in semi-annual installments through March 2004. Pursuant to certain terms of the Dockyard Loans, the Company was required to provide initially a compensating balance of $28.7 million which is restricted as to use by the Company. The compensating balance amount decreases in equal installments over the term of the Dockyard Loans and earns interest at a rate equal to that of the Dockyard Loans. At December 31, 1997, the compensating balance of $22.8 million is included in other assets in the consolidated balance sheets.

Long-term debt matures over the next five years as follows: $7.1 million in 1998; $58.4 million in 1999; $8.3 million in 2000; $8.3 million in 2001; and $83.3 million in 2002.

Note 7. Common Stock

On May 20, 1997, the Company's shareholders voted to increase the Company's number of authorized shares from 200.0 million shares to 400.0 million shares. On June 9, 1997, the Company's Board of Directors approved a two-for-one stock split effected in the form of a stock dividend distributed on July 21, 1997 to shareholders of record on June 26, 1997. The par value of the Company's common stock of $2.50 per share remained unchanged. As a result of the stock split, $325.0 million was transferred from paid-in capital in excess of par value to common stock. Historical share and per share amounts presented on the consolidated statements of income and in the discussion below concerning stock options and restricted stock have been restated to reflect the stock split.

The Company's 1993 Stock and Long-Term Incentive Plan (1993 Plan) provides for the grant of any or all of the following types of awards: (1) stock options, including incentive stock options and non-qualified stock options; (2) stock appreciation rights, in tandem with stock options or freestanding; (3) restricted stock; (4) performance share awards; and (5) stock value equivalent awards. Under the terms of the 1993 Plan as amended, 27 million shares of the Company's Common Stock have been reserved for issuance to key employees. At December 31, 1997, 14.8 million shares were available for future grants under the 1993 Plan.

In connection with the acquisitions of Landmark Graphics Corporation (Landmark) and NUMAR Corporation (NUMAR) (see Note 15), outstanding stock options under the stock option plans maintained by Landmark and NUMAR were assumed by the Company. Stock option transactions summarized below include amounts for the 1993 Plan, the Landmark plans using the acquisition exchange rate of 1.148 shares for each Landmark share, and the NUMAR plans using the acquisition exchange rate of .9664 shares for each NUMAR share.

	Number of Shares	Exercise Price per Share	Weighted Average Exercise Price per Share
Outstanding at December 31, 1994	6,229,642	$ 0.53 - 29.73	$ 15.69
Granted	3,966,714	15.68 - 25.32	20.53
Exercised	(701,548)	0.53 - 20.91	13.81
Forfeited	(265,194)	8.71 - 28.77	17.27
Outstanding at December 31, 1995	9,229,614	2.90 - 29.73	17.87
Granted	3,599,340	14.48 - 29.57	27.70
Exercised	(1,994,574)	2.90 - 23.52	15.58
Forfeited	(445,660)	8.71 - 28.09	18.81
Outstanding at December 31, 1996	10,388,720	3.49 - 29.73	21.67
Options assumed in acquisition	854,050	3.10 - 22.12	12.22
Granted	1,263,600	30.88 - 61.50	52.19
Exercised	(2,765,247)	3.10 - 29.56	16.82
Forfeited	(325,573)	9.15 - 35.13	21.56
Outstanding at December 31, 1997	9,415,550	$ 3.10 - 61.50	$ 26.35

Options outstanding at December 31, 1997 are composed of the following:

	Outstanding			Exercisable	
Range of Exercise Prices	Number of Shares at December 31, 1997	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number of Shares at December 31, 1997	Weighted Average Exercise Price
$ 3.10 - 11.11	351,453	4.87	$ 7.20	345,657	$ 7.13
11.25 - 18.13	2,309,203	6.93	16.35	1,957,596	16.28
18.24 - 29.19	3,002,268	7.21	22.75	1,792,155	22.11
29.56 - 61.50	3,752,626	9.22	37.18	808,284	29.56
$ 3.10 - 61.50	9,415,550	7.85	$ 26.35	4,903,692	$ 19.96

There were 4.5 million options exercisable with a weighted average exercise price of $17.52 at December 31, 1996, and 2.6 million options exercisable with a weighted average exercise price of $15.64 at December 31, 1995.

All stock options under the 1993 Plan, including options granted to employees of Landmark and NUMAR since the acquisition of such companies, are granted at the fair market value of the Common Stock at the grant date. Landmark, prior to its acquisition by the Company, had provisions in its plans that allowed Landmark to set option exercise prices at a defined percentage below fair market value. The fair value of options at the date of grant was estimated using the Black-Scholes option pricing model. The weighted average assumptions and resulting fair values of options granted are as follows:

	Assumptions				
	Risk-Free Interest Rate	Expected Dividend Yield	Expected Life (in years)	Expected Volatility	Weighted Average Fair Value of Options Granted
1997	6.0%	1.0%	5	43.3%	$ 22.71
1996	5.9%	1.6%	5	39.7%	$ 10.24
1995	6.2%	1.6%	5	38.4%	$ 7.16

Stock options generally expire ten years from the grant date. Stock options vest over a three-year period, with one-third of the shares becoming exercisable on each of the first, second and third anniversaries of the grant date.

The Company accounts for the 1993 Plan in accordance with Accounting Principles Board Opinion No. 25, under which no compensation cost has been recognized for stock option awards. Had compensation cost for the 1993 Plan been determined consistent with Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" (SFAS 123), the Company's pro forma net income for 1997, 1996 and 1995 would have been $437.6 million, $292.4 million and $181.6 million, respectively, resulting in diluted earnings per share of $1.69, $1.16 and $0.73, respectively. Because the SFAS 123 method of accounting has not been applied to options granted prior to January 1, 1995, the resulting pro forma compensation cost may not be representative of that to be expected in future years.

Restricted shares awarded under the 1993 Plan for 1997, 1996 and 1995 were 515,650; 363,800; and 412,700, respectively. The shares awarded are net of forfeitures of 34,900; 34,600; and 9,800 shares in 1997, 1996 and 1995, respectively. The weighted average fair market value per share at the date of grant of shares granted in 1997, 1996 and 1995 was $45.29, $28.24 and $20.44, respectively.

The Company's Restricted Stock Plan for Non-Employee Directors (Restricted Stock Plan) allows for each non-employee director to receive an annual award of 400 restricted shares of Common Stock as a part of compensation. The Company reserved 100,000 shares of Common Stock for issuance to non-employee directors. The Company issued 3,200; 3,600 and 3,200 restricted shares in 1997, 1996 and 1995, respectively, under this plan. At December 31, 1997, 17,200 shares have been issued to non-employee directors under this plan. The weighted average fair market value per share at the date of grant of shares granted in 1997, 1996 and 1995 was $46.06, $26.57 and $20.38, respectively.

The Company's Employees' Restricted Stock Plan was established for employees who are not officers, for which 200,000 shares of Common Stock have been reserved. The Company awarded 3,500 restricted shares in 1995. Forfeitures were 14,600; 8,400 and 1,800 in 1997, 1996 and 1995, respectively. No awards were made in 1997 or 1996 and no further grants are being made under this plan. At December 31, 1997, 172,200 shares (net of 24,800 shares forfeited) have been issued. The weighted average fair market value per share at the date of grant for shares granted in 1995 was $17.50.

Under the terms of the Company's Career Executive Incentive Stock Plan, 15 million shares of the Company's Common Stock were reserved for issuance to officers and key employees at a purchase price not to exceed par value of $2.50 per share. At December 31, 1997, 11.7 million shares (net of 2.1 million shares forfeited) have been issued under the plan. No further grants will be made under the Career Executive Incentive Stock Plan.

Restricted shares issued under the 1993 Plan, Restricted Stock Plan, Employees' Restricted Stock Plan and the Career Executive Incentive Stock Plan are limited as to sale or disposition with such restrictions lapsing periodically over an extended period of time not exceeding ten years. The fair market value of the stock, on the date of issuance, is being amortized and charged to income (with similar credits to paid-in capital in excess of par value) generally over the average period during which the restrictions lapse. Compensation costs recognized in income for 1997, 1996 and 1995 were $7.1 million, $6.9 million and $7.0 million, respectively. At December 31, 1997, the unamortized amount is $44.3 million.

Note 8. Income per share

The Company has adopted Statement of Financial Accounting Standards No. 128, "Earnings per Share," which is effective for periods ending after December 15, 1997. The table below reconciles basic and diluted income from continuing operations. For the years presented, diluted earnings per share were equivalent to primary earnings per share previously reported pursuant to Accounting Principles Board Opinion No. 15.

Millions of dollars and shares except per share data	1997	1996	1995
Income from continuing operations	$ 454.4	$ 300.4	$ 249.2
Basic weighted average shares	255.4	249.9	248.3
Effect of common stock equivalents	4.1	2.3	1.1
Diluted weighted average shares	259.5	252.2	249.4
Per share income from continuing operations:			
Basic	$ 1.78	$ 1.20	$ 1.00
Diluted	$ 1.75	$ 1.19	$ 1.00

Options to purchase 1.1 million, 2.6 million and 0.9 million shares of common stock were outstanding during 1997, 1996 and 1995, respectively, but were not included in the computation of diluted earnings per share because the option exercise price was greater than the average market price of the common shares. During 1995, there were 6.6 million weighted average shares and $12.5 million in income related to the conversion of the zero coupon convertible debentures that were excluded from the computation because they were antidilutive.

Note 9. Series A Junior Participating Preferred Stock

The Company has previously declared a dividend of one preferred stock purchase right (a Right) on each outstanding share of Common Stock. Each Right entitles the holder thereof to buy one two-hundredth of a share of the Company's Series A Junior Participating Preferred Stock, without par value, at an exercise price of $75, subject to certain antidilution adjustments, upon the terms and subject to the conditions set forth in the Rights Agreement entered into with ChaseMellon Shareholder Services, L.L.C. as Rights Agent. The Rights do not have any voting rights and are not entitled to dividends.

The Rights become exercisable in certain limited circumstances involving a potential business combination. Following certain other events after the Rights become exercisable, each Right will entitle its holder to an amount of Common

Stock of the Company, or in certain circumstances, securities of the acquirer, having a then-current market value of two times the exercise price of the Right. The Rights are redeemable at the Company's option at any time before they become exercisable. The Rights expire on December 15, 2005. No event during 1997 made the Rights exercisable.

Note 10. Business Segment Information

The Energy Group includes pressure pumping equipment and services, logging and perforating, drilling systems and services, specialized completion and production equipment and services and well control. Also included in the Energy Group are upstream oil and gas, engineering, construction and maintenance services, integrated exploration and production information systems and professional services to the petroleum industry. The Engineering and Construction Group provides engineering, construction, project management, facilities operation and maintenance, and environmental services for industrial and governmental customers. The environmental services business was sold in December 1997.

The Company's equity in income or losses of related companies is included in revenues and operating income of each applicable segment. Intersegment revenues included in the revenues of the other business segments are immaterial. Sales between geographic areas and export sales are also immaterial. General and administrative expenses were $248.1 million in 1997, $236.6 million in 1996 and $221.7 million in 1995. General corporate assets are primarily comprised of cash and equivalents and certain other investments.

OPERATIONS BY BUSINESS SEGMENT
Years ended December 31

Millions of dollars	1997	1996	1995
Capital expenditures:			
Energy Group	$ 466.7	$ 313.8	$ 248.1
Engineering and Construction Group	52.3	70.5	55.1
General corporate	58.1	11.4	0.1
Total	$ 577.1	$ 395.7	$ 303.3
Depreciation and amortization:			
Energy Group	$ 267.6	$ 228.4	$ 220.2
Engineering and Construction Group	40.7	38.2	38.3
General corporate	1.2	1.3	1.3
Total	$ 309.5	$ 267.9	$ 259.8
Identifiable assets:			
Energy Group	$ 3,985.6	$ 2,899.8	$ 2,445.1
Engineering and Construction Group	1,080.8	986.3	873.6
General corporate	536.6	550.5	543.3
Total	$ 5,603.0	$ 4,436.6	$ 3,862.0
Research and development:			
Energy Group	$ 163.6	$ 130.7	$ 111.6
Engineering and Construction Group	1.1	2.6	1.5
Total	$ 164.7	$ 133.3	$ 113.1

OPERATIONS BY GEOGRAPHIC AREA
Years ended December 31

Millions of dollars	1997	1996	1995
Revenues:			
United States	$ 4,238.7	$ 3,953.2	$ 3,255.6
Europe	2,443.2	1,711.1	1,117.7
Latin America	677.0	557.4	529.9
Other areas	1,459.7	1,163.4	979.7
Total	$ 8,818.6	$ 7,385.1	$ 5,882.9
Operating income (loss):			
United States	$ 617.1	$ 397.5	$ 231.4
Europe	101.2	62.3	3.3
Latin America	37.1	24.7	64.9
Other areas	84.9	53.6	134.8
General corporate and special charges	(42.2)	(120.2)	(33.5)
Total	$ 798.1	$ 417.9	$ 400.9
Identifiable assets:			
United States	$ 2,238.5	$ 1,994.7	$ 1,872.0
Europe	1,282.4	695.0	528.0
Latin America	456.8	347.3	279.7
Other areas	1,088.7	849.1	639.0
General corporate	536.6	550.5	543.3
Total	$ 5,603.0	$ 4,436.6	$ 3,862.0

Note 11. Commitments and Contingencies

Leases. At December 31, 1997, the Company was obligated under noncancelable operating leases, expiring on various dates to 2020, principally for the use of land, offices, equipment and field facilities. Aggregate rentals charged to operations for such leases totaled $78.5 million in 1997, $70.8 million in 1996 and $73.7 million in 1995. Future aggregate rentals on noncancelable operating leases are as follows: 1998, $42.7 million; 1999, $25.3 million; 2000, $16.2 million; 2001, $11.0 million; 2002, $9.2 million; and thereafter, $54.0 million.

Environmental. The Company is involved as a potentially responsible party (PRP) in remedial activities to clean up several "Superfund" sites under applicable federal law which imposes joint and several liability, if the harm is indivisible, on certain persons without regard to fault, the legality of the original disposal, or ownership of the site. Although it is very difficult to quantify the potential impact of compliance with environmental protection laws, management of the Company believes that any liability of the Company with respect to all but one of such sites will not have a material adverse effect on the results of operations of the Company. With respect to a site in Jasper County, Missouri (Jasper County Superfund Site), sufficient information has not been developed to permit management to make such a determination and management believes the process of determining the nature and extent of remediation at this site and the total costs thereof will be lengthy. Brown & Root, Inc. (Brown & Root), a subsidiary of the Company, has been named as a PRP with respect to the Jasper County Superfund Site by the Environmental Protection Agency (EPA). The Jasper County Superfund Site includes areas of mining activity that occurred from the 1800s through the mid 1950s in the southwestern portion of Missouri. The site contains lead and zinc mine tailings produced from mining activity. Brown & Root is one of nine participating PRPs which have agreed to perform a Remedial Investigation/Feasibility Study (RI/FS), which, due to various delays, is not expected to be completed until the fourth quarter of 1998. Although the entire Jasper County Superfund Site comprises 237 square miles as listed on the National Priorities List, in the RI/FS scope of work, the EPA has only identified seven areas, or subsites, within this area that need to be studied and then possibly remediated by the PRPs. Additionally, the Administrative Order on Consent for the RI/FS only requires Brown & Root to perform RI/FS work at one of the subsites within the site, the Neck/Alba subsite, which only comprises 3.95 square miles. Brown & Root's share of the cost of such a study is not expected to be material. In addition to the superfund issues, the State of Missouri has indicated that it may pursue natural resource damage claims against the PRPs. At the present time Brown & Root cannot determine the extent of its liability, if any, for remediation costs or natural resource damages on any reasonably practicable basis.

Other. The Company and its subsidiaries are parties to various other legal proceedings. Although the ultimate dispositions of such proceedings are not presently determinable, in the opinion of the Company any liability that may ensue will not be material in relation to the consolidated financial position and results of operations of the Company.

Note 12. Financial Instruments and Risk Management

Foreign Exchange Risk. Techniques in managing foreign exchange risk include, but are not limited to, foreign currency borrowing and investing and the use of currency derivative instruments. The Company selectively hedges significant exposures to potential foreign exchange losses considering current market conditions, future operating activities and the cost of hedging the exposure in relation to the perceived risk of loss. The purpose of the Company's foreign currency hedging activities is to protect the Company from the risk that the eventual dollar cash flows resulting from the sale and purchase of products in foreign currencies will be adversely affected by changes in exchange rates. The Company does not hold or issue derivative financial instruments for trading or speculative purposes.

The Company hedges its currency exposure through the use of currency derivative instruments. Such contracts generally have an expiration date of two years or less. Forward exchange contracts (commitments to buy or sell a specified amount of a foreign currency at a specified price and time) are generally used to hedge identifiable foreign currency commitments. Losses of $2.6 million for identifiable foreign currency commitments were deferred at December 31, 1997. Forward exchange contracts and foreign exchange option contracts (which convey the right, but not the obligation, to sell or buy a specified amount of foreign currency at a specified price) are generally used to hedge foreign currency commitments with an indeterminable maturity date. None of the forward or option contracts are exchange traded.

While hedging instruments are subject to fluctuations in value, such fluctuations are generally offset by the value of the underlying exposures being hedged. The use of some contracts may limit the Company's ability to benefit from favorable fluctuations in foreign exchange rates. The notional amounts of open forward contracts and options were $331.8 million and $161.1 million at December 31, 1997 and 1996, respectively. The notional amounts of the Company's foreign exchange contracts do not generally represent amounts exchanged by the parties, and thus, are not a measure of the exposure of the Company or of the cash requirements relating to these contracts. The amounts exchanged are calculated by reference to the notional amounts and by other terms of the derivatives, such as exchange rates. The Company actively monitors its foreign currency exposure and adjusts the amounts hedged as appropriate.

Exposures to certain currencies are generally not hedged due primarily to the lack of available markets or cost considerations (non-traded currencies). The Company attempts to manage its working capital position to minimize foreign currency commitments in non-traded currencies and recognizes that pricing for the services and products offered in such countries should cover the cost of exchange rate devaluations. The Company has historically incurred transaction losses in non-traded currencies.

Credit Risk. Financial instruments which potentially subject the Company to concentrations of credit risk are primarily cash equivalents, investments and trade receivables. It is the Company's practice to place its cash equivalents and investments in high quality securities with various investment institutions. The Company derives the majority of its revenues from sales and services to, including engineering and construction for, the energy industry. Within the energy industry, trade receivables are generated from a broad and diverse group of customers. There are concentrations of receivables in the United States and the United Kingdom. The Company maintains an allowance for losses based upon the expected collectibility of all trade accounts receivable.

There are no significant concentrations of credit risk with any individual counterparty or groups of counterparties related to the Company's derivative contracts. Counterparties are selected by the Company based on creditworthiness, which the Company continually monitors, and on the counterparties' ability to perform their obligations under the terms of the transactions. The Company does not expect any counterparties to fail to meet their obligations under these contracts given their high credit ratings and, as such, considers the credit risk associated with its derivative contracts to be minimal.

Fair Value of Financial Instruments. The estimated fair value of long-term debt at December 31, 1997 and 1996 was $600.0 million and $229.6 million, respectively, as compared to the carrying amount of $546.0 million at December 31, 1997 and $200.1 million at December 31, 1996. The fair value of fixed rate long-term debt is based on quoted market prices for those or similar instruments. The carrying amount of variable rate long-term debt and restricted cash (see Note 6) approximates fair value because such instruments reflect market changes to interest rates. The carrying amount of short-term financial instruments (cash and equivalents, receivables, short-term notes payable and accounts payable) as reflected in the consolidated balance sheets approximates fair value due to the short maturities of these instruments. The fair value of currency derivative instruments, which generally approximates the carrying amount, was $6.4 million and $27.3 million payable and $8.2 million and $28.7 million receivable at December 31, 1997 and 1996, respectively, based upon third party quotes.

Note 13. Retirement Plans

Retirement Plans. The Company has various retirement plans which cover a significant number of its employees. The major retirement plans are defined contribution plans, which provide retirement contributions in return for services rendered, provide an individual account for each participant and have terms that specify how contributions to the participant's account are to be determined rather than the amount of pension benefits the participant is to receive. Contributions to these plans are based on pre-tax income and/or discretionary amounts determined on an annual basis. The Company's expense for the defined contribution plans totaled $166.7 million, $114.2 million and $95.1 million in 1997, 1996 and 1995, respectively. Other retirement plans include defined benefit plans, which define an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation. As a result of sizable reductions in the number of employees in 1995, curtailment gains of $1.3 million are reflected in the net amortization and deferral component of net periodic pension cost for 1995. These plans are funded to operate on an actuarially sound basis. Plan assets are primarily invested in equity and fixed income securities of entities domiciled in the country of the plan's operation. Assumed long-term rates of return on plan assets, discount rates for estimating benefit obligations and rates of compensation increases vary for the different plans according to the local economic conditions. The rates used are as follows:

Percentages	1997	1996	1995
Return on plan assets:			
United States plans	8.5%	8% to 8.5%	8.5%
International plans	7%	9%	6.5% to 9%
Discount rate:			
United States plans	7.25%	7% to 7.75%	7% to 7.25%
International plans	7% to 7.5%	7% to 8.5%	4% to 8.5%
Compensation increase:			
United States plans	4.5%	4.5%	4%
International plans	4.25% to 5%	4.3% to 6%	1% to 6%

The net periodic pension cost (benefit) for defined benefit plans is as follows:

Millions of dollars	1997	1996	1995
Service cost - benefits earned during period	$ 35.3	$ 15.8	$ 9.6
Interest cost on projected benefit obligation	85.1	29.9	27.5
Actual return on plan assets	(207.3)	(61.0)	(46.8)
Net amortization and deferral	92.4	13.7	12.7
Net periodic pension cost (benefit)	$ 5.5	$ (1.6)	$ 3.0

The reconciliation of the funded status for defined benefit plans where assets exceed accumulated benefits is as follows:

Millions of dollars	1997	1996
Actuarial present value of benefit obligations:		
Vested	$ (1,216.5)	$ (351.9)
Accumulated benefit obligation	$ (1,224.1)	$ (358.4)
Projected benefit obligation	$ (1,331.1)	$ (388.6)
Plan assets at fair value	1,481.6	522.0
Funded status	150.5	133.4
Unrecognized prior service cost	2.3	2.7
Unrecognized net gain	(148.6)	(133.2)
Unrecognized net transition (asset) obligation	(2.4)	(3.9)
Net prepaid (accrued) pension cost	$ 1.8	$ (1.0)

Included in the 1997 reconciliation of the funded status for defined benefit plans where assets exceed accumulated benefits are the benefit obligations and plan assets associated with Devonport Management Limited, the Company's 51% owned subsidiary. See Note 15.

The reconciliation of the funded status for defined benefit plans where accumulated benefits exceed assets is as follows:

Millions of dollars	1997	1996
Actuarial present value of benefit obligations:		
Vested	$ (4.3)	$ (2.5)
Accumulated benefit obligation	$ (7.1)	$ (6.3)
Projected benefit obligation	$ (7.8)	$ (6.9)
Funded status	(7.8)	(6.9)
Unrecognized net gain	(5.5)	(6.0)
Net accrued pension cost	$ (13.3)	$ (12.9)

Postretirement Medical Plan. The Company offers a postretirement medical plan to certain employees that qualify for retirement and, on the last day of active employment, are enrolled as participants in the Company's active employee medical plan. The Company's liability is limited to a fixed contribution amount for each participant or dependent. The plan participants share the total cost for all benefits provided above the fixed Company contribution and participants' contributions are adjusted as required to cover benefit payments. The Company has made no commitment to adjust the amount of its contributions; therefore, the computed accumulated postretirement benefit obligation amount is not affected by the expected future healthcare cost inflation rate. The weighted average discount rate used in determining the accumulated postretirement benefit obligation was 7.25% in 1997, 7.75% in 1996 and 7% in 1995.

Net periodic postretirement benefit cost is as follows:

Millions of dollars	1997	1996	1995
Service cost - benefits attributed to service during the period	$ 0.5	$ 0.5	$ 0.5
Interest cost on accumulated postretirement benefit obligation	1.5	1.6	2.1
Net amortization and deferral	(1.3)	(1.2)	(1.0)
Net periodic postretirement cost	$ 0.7	$ 0.9	$ 1.6

Postretirement medical benefits are funded by the Company when incurred. The Company's postretirement medical plan's funded status reconciled with the amounts included in the Company's consolidated balance sheets at December 31, 1997 and 1996 is as follows:

Millions of dollars	1997	1996
Accumulated postretirement benefit obligation:		
Retirees and related beneficiaries	$ 12.3	$ 12.7
Fully eligible active plan participants	2.6	2.4
Other active plan participants not fully eligible	7.5	6.4
Accumulated postretirement benefit obligation	22.4	21.5
Unrecognized prior service cost	6.3	7.4
Unrecognized gain	7.4	9.1
Net postretirement liability	$ 36.1	$ 38.0

Note 14. Discontinued Operations

On January 23, 1996, the Company spun-off its property and casualty insurance subsidiary, Highlands Insurance Group, Inc. (HIGI), in a tax-free distribution to holders of Halliburton Company Common Stock. Each common shareholder of the Company received one share of common stock of HIGI for every ten (pre-split) shares of Halliburton Company Common Stock. Approximately 11.4 million common shares of HIGI were issued in conjunction with the spin-off.

The following summarizes the results of operations of the discontinued operations:

Millions of dollars	1995
Revenues	$ 252.6
Loss before income taxes	$ (126.3)
Benefit for income taxes	67.5
Loss on disposition	(7.6)
Benefit for income taxes	0.9
Loss from discontinued operations	$ (65.5)

In the third quarter of 1995, HIGI conducted an extensive review of its loss and loss adjustment expense reserves to assess HIGI's reserve position. The review process consisted of gathering new information and refining prior estimates and primarily focused on assumed reinsurance and overall environmental and asbestos exposure. As a result of such review, HIGI increased its reserves for loss and loss adjustment expenses and certain legal matters and the Company also recognized the estimated expenses related to the spin-off transaction and additional compensation costs and other regulatory and legal provisions directly associated with discontinuing the insurance services business segment as follows:

Millions of dollars	Income (Loss) before Income Taxes	Net Income (Loss)
Additional claim loss reserves for environmental and asbestos exposure and other exposures	$ (117.0)	$ (76.4)
Realization of deferred income tax valuation allowance	-	25.9
Provisions for legal matters	(8.0)	(5.2)
Expenses related to the spin-off transaction	(7.6)	(6.7)
Other insurance services expenses	(7.4)	(4.8)
Total charges	$ (140.0)	$ (67.2)

In the third quarter of 1995, the review of the insurance policies and reinsurance agreements was based upon an actuarial study and HIGI management's best estimates using facts and trends currently known, taking into consideration the current legislative and legal environment. Developed case law and adequate claim history do not exist for such claims. Estimates of the liability were reviewed and updated continually. Due to the significant uncertainties related to these types of claims, past claim experience may not be representative of future claim experience.

The Company also realized a valuation allowance for deferred tax assets primarily related to HIGI's insurance claim loss reserves. The Company had provided a valuation allowance for all temporary differences related to HIGI based upon its intent announced in 1992 that it was pursuing the sale of HIGI. A taxable transaction would have made it more likely than not that the related benefit or future deductibility would not be realized. The spin-off transaction was tax-free and allowed HIGI to retain its tax basis and the value of its deferred tax asset.

Note 15. Acquisitions and Dispositions

See Note 14 regarding the disposition of the Company's insurance segment.

During March 1997, the Devonport management consortium, Devonport Management Limited (DML), which is 51% owned by the Company, completed the acquisition of Devonport Royal Dockyard plc, which owns and operates the Government of the United Kingdom's Royal Dockyard in Plymouth, England, for approximately $64.9 million. Concurrent with the acquisition of the Royal

Dockyard, the Company's ownership interest in DML increased from about 30% to 51% and DML borrowed $56.3 million under term loans. The dockyard principally provides repair and refitting services for the British Royal Navy's fleet of submarines and surface ships.

During April 1997, the Company completed its acquisition of the outstanding common stock of OGC International plc (OGC) for approximately $118.3 million. OGC is engaged in providing a variety of engineering, operations and maintenance services, primarily to the North Sea oil and gas production industry.

During July 1997, the Company acquired all of the outstanding common stock and convertible debentures of Kinhill Holdings Limited (Kinhill) for approximately $34 million. Kinhill, headquartered in Australia, provides engineering in mining and minerals processing, petroleum and chemicals, water and wastewater, transportation and commercial and civil infrastructure. Kinhill markets its services primarily in Australia, Indonesia, Thailand, Singapore, India and the Philippines.

In 1997, the Company recorded approximately $99.1 million excess of cost over net assets acquired primarily related to the purchase acquisitions of OGC and Kinhill.

On September 30, 1997, the Company completed its acquisition of NUMAR through the merger of a subsidiary of the Company with and into NUMAR, the conversion of the outstanding NUMAR common stock into an aggregate of approximately 8.2 million shares of common stock of the Company and the assumption by the Company of the outstanding NUMAR stock options (for the exercise of which the Company has reserved an aggregate of approximately 0.9 million shares of common stock of the Company). The merger qualified as a tax-free exchange and was accounted for using the pooling of interests method of accounting for business combinations. The Company has not restated its financial statements to include NUMAR's historical operating results because they were not material to the Company. NUMAR's assets and liabilities on September 30, 1997 were included in the Company's accounts of the same date, resulting in an increase in net assets of $21.3 million. Headquartered in Malvern, Pennsylvania, NUMAR designs, manufactures and markets the Magnetic Resonance Imaging Logging (MRIL(R)) tool which utilizes magnetic resonance imaging technology to evaluate subsurface rock formations in newly drilled oil and gas wells.

In October 1997, the Company announced it had reached an agreement to sell its environmental services business to Tetra Tech, Inc. for approximately $32 million. The transaction was completed on December 31, 1997. The sale was prompted by the Company's desire to divest non-core businesses and had no significant effect on net income for the year.

In October 1996, the Company completed its acquisition of Landmark through the merger of Landmark with and into a subsidiary of the Company, the conversion of the outstanding Landmark common stock into an aggregate of approximately 20.4 million shares of common stock of the Company (after giving effect to the Company's two-for-one stock split) and the assumption by the Company of the outstanding Landmark stock options. The merger qualified as a tax-free exchange and was accounted for using the pooling of interests method of accounting for business combinations. The Company's financial statements have been restated to include the results of Landmark for all periods presented prior to the date of acquisition.

Prior to the merger, Landmark had a fiscal year-end of June 30. Landmark's results have been restated to conform with Halliburton Company's calendar year-end. Combined and separate results of Halliburton and Landmark for the periods preceding the merger were as follows:

Millions of dollars	Nine Months Ended September 30, 1996	Twelve Months Ended December 31, 1995
Revenues:		
Halliburton	$ 5,251.5	$ 5,698.7
Landmark	143.9	184.2
Combined	$ 5,395.4	$ 5,882.9
Net Income:		
Halliburton	$ 201.2	$ 168.3
Landmark	(8.4)	15.4
Combined	$ 192.8	$ 183.7

Note 16. Special Charges

In September 1997, the Company recorded special charges of $8.6 million (also $8.6 million after tax) for transaction costs incurred by the Company and NUMAR to complete the merger of a subsidiary of the Company with and into NUMAR. The Company settled these obligations during the fourth quarter of 1997 with funds provided by operations.

During September 1996, the Company recorded special charges of $65.3 million ($42.7 million after tax), which included provisions of $41.0 million to terminate approximately one thousand employees related to reorganization efforts by the Engineering and Construction Group and plans to combine various administrative support functions into combined shared services for the Company; $20.2 million to restructure certain Engineering and Construction Group businesses, provide for excess lease space and other items; and $4.1 million ($3.5 million after tax) for costs related to the acquisition of Landmark. The Company has substantially completed its reorganization plans initiated during the third quarter of 1996. Approximately $57.6 million has been charged or allocated to this reserve with the remaining amount to be charged over the remaining term of excess leases through August 2003.

In September 1996, Landmark recorded special charges of $8.3 million ($7.6 million after tax) for costs incurred for merging with the Company. During March 1996, Landmark recorded special charges of $12.2 million ($8.7 million after tax) for the write-off of in-process research and development activities acquired in connection with the purchase by Landmark of certain assets and the assumption of certain liabilities of Western Atlas International, Inc.
and the write-off of related redundant assets and activities.

The special charges to net income in the third quarter of 1996 were offset by tax credits during the same quarter of $43.7 million due to the recognition of net operating loss carryforwards and the settlement during the quarter of various issues with the Internal Revenue Service (IRS). The Company reached agreement with the IRS and recognized net operating loss carryforwards of $62.5 million ($22.5 million in tax benefits) from the 1989 tax year. The net operating loss carryforwards were utilized in the 1996 tax year. In addition, the Company also reached agreement with the IRS on issues related to intercompany pricing of goods and services for the tax years 1989 through 1992 and entered into an advanced pricing agreement for the tax years 1993 through 1998. As a result of these agreements with the IRS, the Company recognized tax benefits of $16.1 million. The Company also recognized net operating loss carryforwards of $14.0 million ($5.1 million in tax benefits) in certain foreign areas due to improving profitability and restructuring of foreign operations.

In 1995, Landmark recorded special charges of $8.4 million, primarily for the write-off of research and development activities of acquired companies, merger costs and restructuring charges.

Note 17. Subsequent Event

On February 26, 1998, the Company and Dresser Industries, Inc. (Dresser) announced that a definitive merger agreement was approved by the board of directors of both companies. Approximately 175 million newly issued shares of Halliburton common stock will be issued to Dresser shareholders at a one-for-one exchange ratio. The transaction will be accounted for by the pooling of interests method of accounting for business combinations and is expected to be tax-free to Dresser's shareholders. The transaction is subject to regulatory approvals in the United States, Europe and several other countries, shareholder approvals and customary closing conditions. Dresser is a diversified company with operations in three industry segments: engineering services; petroleum products and services; and energy equipment.

Halliburton Company
Selected Financial Data
Millions of dollars and shares except per share and employee data

	Years ended December 31			
	1997	1996	1995	1994
Operating results				
Net revenues				
Energy Group	$ 5,756.4	$ 4,286.3	$ 3,604.0	$ 3,364.0
Engineering and Construction Group	3,062.2	3,098.8	2,278.9	2,297.1
Total revenues	$ 8,818.6	$ 7,385.1	$ 5,882.9	$ 5,661.1
Operating income (loss)				
Energy Group	$ 706.4	$ 484.4	$ 398.2	$ 264.1
Engineering and Construction Group	133.9	53.7	44.6	15.2
Special charges (a)	(8.6)	(85.8)	(8.4)	(16.6)
General corporate	(33.6)	(34.4)	(33.5)	(22.9)
Total operating income (loss) (a)	798.1	417.9	400.9	239.8
Nonoperating income (expense), net	(31.8)	(13.7)	(13.1)	58.0
Income (loss) from continuing operations before income taxes and minority interest	766.3	404.2	387.8	297.8
Benefit (provision) for income taxes (b)	(300.0)	(103.3)	(137.7)	(122.2)
Minority interest in net (income) loss of consolidated subsidiaries	(11.9)	(0.5)	(0.9)	(0.2)
Income (loss) from continuing operations	$ 454.4	$ 300.4	$ 249.2	$ 175.4
Basic income (loss) per share				
Continuing operations	$ 1.78	$ 1.20	$ 1.00	$ 0.71
Net income (loss)	1.78	1.20	0.74	0.73
Diluted income (loss) per share				
Continuing operations	1.75	1.19	1.00	0.71
Net income (loss)	1.75	1.19	0.74	0.73
Cash dividends per share (c)	0.50	0.50	0.50	0.50
Return on average shareholders' equity	19.2%	14.7%	9.2%	8.8%
Financial position				
Net working capital	$ 1,198.7	$ 893.3	$ 987.9	$ 1,366.5
Total assets	5,603.0	4,436.6	3,862.0	4,197.4
Property, plant and equipment	1,662.7	1,291.6	1,157.9	1,117.4
Long-term debt (including current maturities)	546.0	200.1	205.2	655.7
Shareholders' equity	2,584.7	2,159.2	1,920.2	2,090.2
Total capitalization	3,133.4	2,405.6	2,130.2	2,776.6
Shareholders' equity per share (c)	9.85	8.62	7.71	8.44
Average common shares outstanding (basic) (c)	255.4	249.9	248.3	247.8
Average common shares outstanding (diluted) (c)	259.5	252.2	249.4	248.4
Other financial data				
Cash flows from operating activities	$ 548.2	$ 452.0	$ 667.4	$ 439.0
Capital expenditures	577.1	395.7	303.3	245.0
Long-term borrowings (repayments), net	283.8	(5.1)	(465.4)	(74.4)
Depreciation and amortization expense	309.5	267.9	259.8	271.3
Payroll and employee benefits	3,785.7	3,112.7	2,775.0	2,878.8
Number of employees (d)	70,750	60,000	58,400	57,300

Halliburton Company
Selected Financial Data
Millions of dollars and shares except per share and employee data

	Years ended December 31			
	1993	1992	1991	1990
Operating results				
Net revenues				
Energy Group	$ 3,765.1	$ 3,536.9	$ 3,652.4	$ 3,551.0
Engineering and Construction Group	2,459.6	2,848.1	3,124.6	3,105.4
Total revenues	$ 6,224.7	$ 6,385.0	$ 6,777.0	$ 6,656.4
Operating income (loss)				
Energy Group	$ 253.1	$ 205.1	$ 233.9	$ 327.6
Engineering and Construction Group	13.3	(19.3)	9.7	33.8
Special charges (a)	(321.8)	(272.9)	(118.5)	-
General corporate	(22.0)	(21.0)	(21.8)	(19.9)
Total operating income (loss) (a)	(77.4)	(108.1)	103.3	341.5
Nonoperating income (expense), net	(55.0)	(37.2)	(0.7)	17.1
Income (loss) from continuing operations before income taxes and minority interest	(132.4)	(145.3)	102.6	358.6
Benefit (provision) for income taxes	3.0	1.1	(76.5)	(167.0)
Minority interest in net (income) loss of consolidated subsidiaries	1.5	1.7	(2.6)	(2.6)
Income (loss) from continuing operations	$ (127.9)	$ (142.5)	$ 23.5	$ 189.0
Basic income (loss) per share				
Continuing operations	$ (0.53)	$ (0.62)	$ 0.10	$ 0.83
Net income (loss)	(0.61)	(0.63)	0.17	0.89
Diluted income (loss) per share				
Continuing operations	(0.53)	(0.62)	0.10	0.83
Net income (loss)	(0.61)	(0.63)	0.17	0.89
Cash dividends per share (c)	0.50	0.50	0.50	0.50
Return on average shareholders' equity	(7.4)%	(6.9)%	1.7%	9.1%
Financial position				
Net working capital	$ 1,217.7	$ 1,150.0	$ 1,304.6	$ 1,154.0
Total assets	4,318.6	4,185.3	4,480.6	3,971.7
Property, plant and equipment	1,189.3	1,214.6	1,204.6	1,028.2
Long-term debt (including current maturities)	637.4	657.8	654.9	192.0
Shareholders' equity	2,023.5	1,982.8	2,248.6	2,316.7
Total capitalization	2,752.9	2,641.3	2,914.3	2,514.6
Shareholders' equity per share (c)	8.19	8.62	9.80	10.12
Average common shares outstanding (basic) (c)	241.5	230.0	229.2	228.6
Average common shares outstanding (diluted) (c)	241.5	230.0	229.2	228.6
Other financial data				
Cash flows from operating activities	$ 293.0	$ 449.9	$ 294.7	$ 127.0
Capital expenditures	270.5	322.8	430.1	342.9
Long-term borrowings (repayments), net	(44.7)	(16.3)	440.6	(9.0)
Depreciation and amortization expense	459.8	366.9	300.2	254.4
Payroll and employee benefits	3,141.9	3,373.3	3,286.8	3,043.4
Number of employees (d)	64,600	69,000	72,700	76,600

(a) Operating income (loss) includes the following special charges: in 1997, $8.6 million related to acquisition costs; in 1996 and 1995, $85.8 million and $8.4 million, respectively, related to merger and restructuring costs, including severance costs, and the write-off of acquired in-process research and development activities; in 1994, $16.6 million related to merger and restructuring costs; in 1993, $321.8 million related to loss on sale of geophysical business and employee severance costs; in 1992, $272.9 million related to restructuring/reorganization costs and consolidation of certain support functions; in 1991, $118.5 million related to restructuring costs.

(b) Benefit (provision) for income taxes in 1996 includes tax benefits of $43.7 million due to the recognition of net operating loss carryforwards and the settlement of various issues with the Internal Revenue Service.

(c) Weighted average shares, cash dividends paid per share and shareholders' equity per share have been restated to reflect the two-for-one common stock split declared on June 9, 1997, and effected in the form of a stock dividend and paid on July 21, 1997.

(d) Does not include employees of 50% or less owned affiliated companies.

Quarterly Data and Market Price Information

Millions of dollars except per share data (unaudited)	Quarter First	Second	Third	Fourth	Year
1997					
Revenues	$ 1,897.5	$ 2,231.1	$ 2,304.7	$ 2,385.3	$ 8,818.6
Operating income	138.7	182.0	217.0	260.4	798.1
Net income	83.0	101.9	121.1	148.4	454.4
Earnings per share: (1), (2)					
Basic net income per share	0.33	0.40	0.48	0.57	1.78
Diluted net income per share	0.32	0.40	0.47	0.56	1.75
Cash dividends paid per share (2)	0.125	0.125	0.125	0.125	0.50
Common stock prices (2), (3)					
High	36.69	41.00	52.88	62.69	62.69
Low	30.00	32.06	42.00	47.25	30.00
1996					
Revenues	$ 1,704.7	$ 1,830.8	$ 1,859.9	$ 1,989.7	$ 7,385.1
Operating income	71.6	115.7	57.3	173.3	417.9
Net income	45.5	71.8	75.5	107.6	300.4
Earnings per share: (1), (2)					
Basic net income per share	0.18	0.29	0.30	0.43	1.20
Diluted net income per share	0.18	0.29	0.30	0.43	1.19
Cash dividends paid per share (2)	0.125	0.125	0.125	0.125	0.50
Common stock prices (2), (3)					
High	29.19	29.38	28.63	31.44	31.44
Low	22.88	25.00	25.38	25.94	22.88

(1) Presented in accordance with Statement of Financial Accounting Standards No. 128.

(2) Amounts presented reflect the two-for-one common stock split declared on June 9, 1997, and effected in the form of a stock dividend and paid on July 21, 1997.

(3) New York Stock Exchange - composite transactions high and low closing stock prices.

PART III

Item 10. Directors and Executive Officers of Registrant.

Information With Respect to Directors of the Company.

ANNE L. ARMSTRONG, 70, Chairman of Board of Trustees, Center for Strategic and International Studies, Washington, D.C.; former Chairman of the President's Foreign Intelligence Advisory Board, 1981-1990; former Ambassador to Great Britain; joined Halliburton Company Board in 1977; Chairman of the Health, Safety and Environment Committee and member of the Management Oversight and the Nominating and Corporate Governance Committees; Director of American Express Company, Boise Cascade Corporation and General Motors Corporation.

RICHARD B. (DICK) CHENEY, 57, Chairman of the Board and Chief Executive Officer of the Company; Chairman of the Board, President and Chief Executive Officer of the Company, 1996-1997; President and Chief Executive Officer of the Company, 1995; Senior Fellow, American Enterprise Institute for Public Policy Research, 1993-1995; Secretary of Defense, 1989-1993; Member, U.S. House of Representatives, 1979-1989; joined Halliburton Company Board in 1995; Director of Union Pacific Corporation, The Procter & Gamble Company and Electronic Data Systems Corporation; Member of the Board of Trustees, American Enterprise Institute for Public Policy Research.

LORD CLITHEROE, 68, Chairman, The Yorkshire Bank, PLC; Deputy Chief Executive, The RTZ Corporation PLC (an international group of mining and industrial companies), 1987-1989; Executive Director, The RTZ Corporation PLC, 1968-1987; joined Halliburton Company Board in 1987; Chairman of the Management Oversight Committee and member of the Health, Safety and Environment and the Nominating and Corporate Governance Committees.

ROBERT L. CRANDALL, 62, Chairman, President and Chief Executive Officer, AMR Corporation and Chairman and Chief Executive Officer, American Airlines, Inc. (engaged primarily in the air transportation business) since 1985; President, American Airlines, Inc., 1985-1995; joined Halliburton Company Board in 1986; Chairman of the Audit Committee and member of the Compensation and the Management Oversight Committees; Director of AMR Corporation, American Airlines, Inc., The SABRE Group Holdings, Inc. and US West, Inc.

CHARLES J. DIBONA, 66, President and Chief Executive Officer (retired), American Petroleum Institute (a major petroleum industry trade association), 1979-1997; joined Halliburton Company Board in 1997; member of the Health, Safety and Environment, the Nominating and Corporate Governance and the Management Oversight Committees; Chairman of the Board of Trustees, Logistics Management Institute.

WILLIAM R. HOWELL, 62, Chairman Emeritus, J.C. Penney Company, Inc. (a major retailer); Chairman of the Board, J.C. Penney Company, Inc., 1994-1997; Chairman of the Board and Chief Executive Officer, J.C. Penney Company, Inc., 1983-1994; joined Halliburton Company Board in 1991; Chairman of the Compensation Committee and member of the Management Oversight and the Audit Committees; Director of Exxon Corporation, Warner- Lambert Company, Bankers Trust Company, Bankers Trust New York Corporation, The Williams Companies, Inc. and Central and South West Corporation.

DALE P. JONES, 61, Vice Chairman of the Company; President of the Company, 1989-1995; Executive Vice President -- Oil Field Services of the Company, 1987-1989; Senior Vice President of the Company, 1987; joined Halliburton Company Board in 1988.

DELANO E. LEWIS, 59, President and Chief Executive Officer, National Public Radio (produces and distributes original programming and provides support to member stations) since 1994; President and Chief Executive Officer, C&P Telephone Company, a subsidiary of Bell Atlantic Corporation, 1990-1993; joined Halliburton Company Board in 1996; member of the Compensation, the Health, Safety and Environment and the Management Oversight Committees; Director of Colgate-Palmolive Company, Apple Computer, Inc., Guest Services, Inc., BET Holdings, Inc. and the Poynter Institute.

C. J. SILAS, 65, Chairman of the Board and Chief Executive Officer (retired), Phillips Petroleum Company (engaged in exploration and production of crude oil, natural gas and natural gas liquids on a worldwide basis, the manufacture of plastics and petrochemicals and other activities), 1985-1994; joined Halliburton Company Board in 1993; member of the Compensation, the Audit and the Management Oversight Committees; Director of Reader's Digest Association, Inc.

ROGER T. STAUBACH, 56, Chairman and Chief Executive Officer, The Staubach Company (a diversified real estate company); Chairman, Chief Executive Officer and President, The Staubach Company, 1983-1991; joined Halliburton Company Board in 1991; member of the Nominating and Corporate Governance, the Management Oversight and the Health, Safety and Environment Committees; Director Brinker International, Inc. and International Home Foods, Inc.; Trustee of American AAdvantage Funds.

RICHARD J. STEGEMEIER, 69, Chairman Emeritus, Unocal Corporation (an integrated petroleum company); Chairman of the Board, Unocal Corporation, 1989-1995; Chief Executive Officer, Unocal Corporation, 1988-1994; President, Unocal Corporation, 1985-1992; Chief Operating Officer, Unocal Corporation, 1985-1988; joined Halliburton Company Board in 1994; Chairman of the Nominating and Corporate Governance Committee and member of the Audit and the Management Oversight Committees; Director of Foundation Health Systems, Inc., Northrop Grumman Corporation, Pacific Enterprises, Wells Fargo Bank and Montgomery Watson, Inc.

The information required for the executive officers of the registrant is included under Part I, under the caption "Executive Officers of the Registrant" on page 5 of this annual report.

Item 11. Executive Compensation.

Compensation Committee Interlocks and Insider Participation

The following persons served as members of the Compensation Committee during 1997: Robert L. Crandall, W. R. Howell, Delano E. Lewis, C. J. Silas and E. L. Williamson (January 1 - May 20, 1997), none of whom is an officer or former officer of the Company or its subsidiaries or had a relationship with the Company or its subsidiaries requiring director interlock or insider participation disclosure.

Compensation Committee Rrport on Executive Compensation

Halliburton's primary mission is to enhance long-term shareholder value by providing a broad spectrum of high quality services and related products within the energy services and engineering and construction business segments in which the Company operates. The Compensation Committee of Directors (the "Committee") believes that the Company's total compensation package for executives should be linked principally to increased shareholder value and to measures which drive shareholder value.

The Committee has responsibility for overseeing the compensation program for the members of the Executive Committee of the Company (composed at the end of 1997 of the four most senior executive officers) and other senior officers of the Company and its business units.

Overall Executive Compensation Philosophy

The overriding objective of the total compensation package for senior executives is to emphasize the enhancement of shareholder value. Beyond this, the Committee's priorities are to establish and maintain competitive executive compensation programs that enable the Company to attract, retain, and motivate the high caliber executives required for the success of the business. In determining what it deems to be appropriate types and amounts of compensation for executive officers, the Committee consults with outside compensation consultants and reviews independent compensation data.

In the design and administration of executive compensation programs, the Committee refers to, but does not necessarily target, current market levels at the 50th percentile. In doing so, the Committee considers the competitive market data for two comparator groups: (i) specific peer companies within the energy services and engineering and construction industries, and (ii) similarly sized companies within general industry which, in the Committee's opinion, provide the most comparable references for the Company's executive positions (collectively, the "Peer Group"). Regression analysis is used in assessing all market data to mitigate the impact of company size on compensation levels.

The Committee considers total compensation, as well as each component of the compensation package, in determining actual compensation levels. The total compensation package is expected in most instances to result in payments at market levels, given acceptable corporate and/or business unit performance, and above market levels, given outstanding performance.

The Committee believes its objectives can be optimized by providing executives with a compensation package that consists of a cash base salary, a rewards-oriented compensation program aligned with shareholder value creation, stock-based awards and benefits, including supplemental retirement benefits.

Section 162(m) of the Internal Revenue Code and the regulations promulgated thereunder generally disallow a federal income tax deduction by a public company for compensation paid to the chief executive officer or any of the four other most highly compensated officers to the extent such compensation exceeds $1 million in any year, excluding certain performance-based compensation and compensation which is deferred.

The Company's policy is to utilize available tax deductions whenever appropriate, and the Committee, when determining executive compensation programs, considers all relevant factors, including the tax deductions that may result from such compensation. Accordingly, the Company has attempted to preserve the federal tax deductibility of compensation in excess of $1 million a year to the extent such is consistent with the intended objectives of the Committee's executive compensation philosophy.

At the 1996 Annual Meeting of Stockholders, the Company, therefore, sought and obtained the shareholder approval necessary to have all stock options and stock appreciation rights granted pursuant to the 1993 Stock and Long-Term Incentive Plan (the "1993 Plan") continue to qualify for federal tax deductibility. The Committee decided, however, not to make the necessary changes to qualify the Annual Performance Pay Plan (which is discussed below) for tax deductibility under Section 162(m) since to do so would have limited the Committee's flexibility in the administration of the Plan. The Committee believes that the best interests of the Company and its shareholders are served by its current executive compensation programs, which encourage and promote the Company's principal compensation objective, enhancement of shareholder value, and permit the Committee to exercise discretion in the design and implementation of compensation packages. Accordingly, the Company may from time to time pay compensation to its executive officers that may not be fully deductible. Because of the mandatory deferral provisions relating to payment of incentive compensation earned under the Annual Performance Pay Plan (discussed below) and the elective deferral by certain executive officers of portions of their salary and incentive compensation, the loss of deductibility for 1997 is expected to be minimal. The Committee will continue to review the Company's executive compensation plans periodically to determine what changes, if any, should be made as the result of the limitation on deductibility.

Compensation Arrangement for Chief Executive Officer

In 1995, the Company entered into an agreement with Mr. Cheney covering the terms of his employment by the Company as Chief Executive Officer. Mr. Cheney's employment agreement, which was approved by the Board of Directors and the Committee, provides for a total compensation package which reflects the Company's objectives of aligning significant compensation opportunity with the interests of shareholders and building executive stock ownership. Mr. Cheney's employment agreement with the Company is summarized beginning on page 52 of this annual report.

Base Salary

Base salaries for the executive officers, including Mr. Cheney, are reviewed each December by the Committee. In making salary decisions, the Committee exercises discretion and judgment based on the following factors: internal factors involving the executive's level of responsibility, experience, individual performance, and equity issues relating to pay for other Company executives, as well as external factors involving competitive positioning, overall corporate performance, and general economic conditions. No specific formula is applied to determine the weight of each factor.

Mr. Cheney's base salary for 1997 was increased to $1.1 million. In determining Mr. Cheney's base salary, the Committee considered each of the above factors, although primary consideration was given to his individual contributions to the Company. The Committee's action increasing Mr. Cheney's base salary acknowledges his strong leadership in guiding the Company in the prior year to its best financial performance in over a decade and the successful undertaking of various initiatives to better align the business units and reduce overhead costs.

Annual Performance Pay Plan

As a means of strengthening the link between total cash compensation and Company performance, effective January 1, 1995, the Committee adopted an intermediate term reward-oriented program (the "Annual Performance Pay Plan") based on cash value added ("CVA"). CVA measures the difference between after tax cash income and a capital charge based upon the Company's weighted average cost of capital to determine the amount of value, in terms of cash flow, added to the business. CVA has been demonstrated to provide a close correlation to total shareholder return; therefore, incentive awards are closely linked to the improvement of shareholder value. Members of the Executive Committee, other officers of the Company and its business units, and certain senior managers were eligible to participate in the Annual Performance Pay Plan during 1997.

At the beginning of each plan year, the Committee establishes a reward schedule which aligns given levels of CVA performance beyond a threshold level with reward opportunities, such that the level of achievement of annual CVA performance will determine the amount of incentive compensation payable to a participant. In addition, the Committee has the discretion to award additional compensation based on individual performance.

In 1997, consolidated CVA performance exceeded the maximum level established by the Committee and, accordingly, Mr. Cheney and the other executive officers listed in the Summary Compensation Table earned the maximum incentive opportunity in accordance with the 1997 reward schedule. The improvement in CVA for 1997 was closely aligned with the Company's Total Stockholders' Return for the year, as depicted in the performance graph on page 47. The amount earned by Mr. Cheney is reflected in the Summary Compensation Table. In order to further link the compensation earned under the Annual Performance Pay Plan more closely to shareholder value creation and to focus executives' attention on a time frame longer than one year, only one-half of the bonus earned for 1997 was paid in cash. The remaining one-half of the bonus was converted into Common Stock equivalents and will be paid in cash in annual installments in each of the next two years, each installment based on the then value of one-half the stock equivalents.

Stock-Based Compensation

The 1993 Plan provides for a variety of cash and stock-based vehicles (including stock options, stock appreciation rights, and restricted stock, among others) which the Committee may, in its discretion, select in establishing individual long-term incentive awards or use as it deems appropriate in specific recruiting and hiring situations.

Stock options were the principal long-term incentive granted to executive officers in 1997. Stock options granted in 1997 are exercisable at the fair market value of the Common Stock on the date of grant and become exercisable during employment over a three-year period (one-third per year). Options, which have value only if the stock price appreciates following the date of grant, provide an excellent means for linking executives' interests directly to those of shareholders.

The Committee's determination of the number of option shares granted to executive officers, including the grants made to Mr. Cheney, was based on a subjective assessment of organizational roles and internal job relationships, and on references to competitive practices in long-term incentive opportunities for comparable positions within the Peer Group. An option for 100,000 shares was granted to Mr. Cheney in December 1997.

The Committee also made limited use of restricted stock grants during 1997, including awards to two executive officers who received promotions in order to recognize their expanded responsibilities and current and future contributions, as well as to build their stock ownership in the Company. In determining the appropriate restricted stock award, the Committee considered the person's job level, performance, potential for future contributions, and the timing and size of previous awards of restricted stock and options. No particular weight was given to any individual factor.

Senior Executives' Deferred Compensation Plan

Under the terms of the Senior Executives' Deferred Compensation Plan (the "SEDC Plan"), which is used for the purpose of providing supplemental retirement benefits to senior executives, (i) mandatory additions to a participant's account are made to offset contributions to which each would have been entitled under the Company's qualified defined contribution plans if not for the limitation on contributions imposed under the Internal Revenue Code (commonly known as ERISA Offset Benefits), (ii) additions equal to the amount of any remuneration which would otherwise exceed the deduction limit under Section 162(m) of the Internal Revenue Code may be allocated to a participant's account in lieu of the payment of such remuneration, and (iii) discretionary additions, in such amounts as the Committee may determine, are made to provide additional supplemental retirement benefits ("Supplemental Retirement Benefit"). Interest on active and retired participants' Supplemental Retirement Benefit accounts is accrued at the rate of five and ten percent per annum, respectively, while interest on the other two account balances accrues at the rate of ten percent per annum. No amounts may be received by a participant under the SEDC Plan prior to termination of such participant's employment.

In making Supplemental Retirement Benefit contributions under the SEDC Plan, amounts are determined considering guidelines that include references to retirement benefits provided from other programs, compensation, length of service with the Company and as an officer, and years of service to normal retirement. There is no specific weighting of these factors. The Committee authorized a 1997 Supplemental Retirement Benefit addition for Mr. Cheney of $500,000, the minimum amount specified in his employment agreement.

Respectfully submitted,

THE COMPENSATION COMMITTEE OF DIRECTORS

Robert L. Crandall
W. R. Howell
Delano E. Lewis
C. J. Silas

COMPARISON OF FIVE-YEAR CUMULATIVE TOTAL RETURN

The following graph compares the Company's cumulative total stockholder return on its Common Stock for the five-year period ended December 31, 1997, with the Standard & Poor's 500 Stock Index ("S&P 500") and the Standard & Poor's Energy Composite Index ("S&P Energy Composite") over the same period. This comparison assumes the investment of $100 on December 31, 1992 and the reinvestment of all dividends. On January 23, 1996, the Company distributed to stockholders all of the outstanding common stock of Highlands Insurance Group, Inc. as a special dividend. The graph accounts for this distribution as though it were paid in cash and reinvested in Company Common Stock. The stockholder return set forth on the chart below is not necessarily indicative of future performance.

Total Stockholders' Return - Five Years
Assumes Investment of $100 on December 31, 1992 and
Reinvestment of Dividends

[GRAPH APPEARS HERE]

	12-31-92	12-31-93	12-31-94	12-31-95	12-31-96	12-31-97
Halliburton Company..............	$100	$113.91	$122.19	$191.50	$242.22	$422.18
S&P 500..........................	$100	$110.08	$111.53	$153.45	$188.68	$251.62
S&P Energy Composite.............	$100	$115.73	$120.17	$157.13	$197.64	$247.54

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Annual Compensation: Salary ($)	Annual Compensation: Bonus ($)	Annual Compensation: Other Annual Compensation ($)(1)	Long-Term Compensation: Awards: Restricted Stock Awards ($)(2)(3)	Long-Term Compensation: Awards: Securities Underlying Option (#)(2)(4)	Long-Term Compensation: Payouts: LTIP Payouts ($)(5)	All Other Compensation ($)(6)
Richard B. Cheney(7) Chairman of the Board and Chief Executive Officer of the Company	1997	$1,100,000	$1,980,000	--	$ 0	100,000	N/A	$617,944
	1996	$1,000,000	$1,125,000	--	$ 0	360,000	N/A	$582,147
	1995	$ 250,000	$ 150,000	--	$4,175,000	400,000	N/A	$142,500
Lester L. Coleman Executive Vice President and General Counsel of the Company	1997	$ 390,000	$ 390,000	--	$ 0	20,000	N/A	$127,194
	1996	$ 390,000	$ 202,500	--	$ 0	74,000	N/A	$130,232
	1995	$ 390,000	$ 168,750	--	$ 227,500	34,000	N/A	$135,108
Dale P. Jones Vice Chairman of the Company	1997	$ 500,000	$ 650,000	--	$ 0	50,000	N/A	$ 91,759
	1996	$ 500,000	$ 540,000	--	$ 0	180,000	N/A	$115,919
	1995	$ 500,000	$ 540,000	--	$ 0	110,000	N/A	$166,821
David J. Lesar(7) President and Chief Operating Officer of the Company	1997	$ 500,000	$ 650,000	--	$3,868,750	60,000	N/A	$187,553
	1996	$ 391,875	$ 540,000	--	$1,120,000	110,000	N/A	$134,886
	1995	$ 314,583	$ 306,250	--	$ 371,250	50,000	N/A	$109,670
Ken R. LeSuer Vice Chairman of the Company	1997	$ 475,000	$ 617,500	--	$ 0	50,000	N/A	$302,605
	1996	$ 425,000	$ 540,000	--	$ 591,250	160,000	N/A	$190,233
	1995	$ 425,000	$ 540,000	--	$ 0	70,000	N/A	$251,991

(1) The dollar value of perquisites and other personal benefits for each of the named executive officers was less than established reporting thresholds.

(2) The share amounts reflected in this table and in the footnotes have been adjusted to reflect the two-for-one stock split of the Company's Common Stock declared on June 9, 1997 and effected in the form of a stock dividend on July 21, 1997 to shareholders of record at June 26, 1997 (the "Stock Split").

(3) Pursuant to Mr. Cheney's employment contract, he was awarded 200,000 shares in 1995 with restrictions lapsing over an 8-year period. In 1995, Mr. Coleman and Mr. Lesar were awarded 10,000 shares and 20,000 shares, respectively. Restrictions lapse on Mr. Coleman's shares over 5 years while restrictions on Mr. Lesar's shares lapse over 10 years. In 1996, Mr. Lesar had two awards of 20,000 shares each on which restrictions will lapse over a 10-year period and Mr. LeSuer was awarded 20,000 shares with restrictions lapsing over a 5-year period. In 1997, Mr. Lesar was awarded 100,000 shares with restrictions lapsing over a 10-year period. The total number and value of restricted shares held by each of the above individuals as of December 31, 1997 were as follows:

Name	Total Restricted Shares	Aggregate Market Value
Mr. Cheney	150,000	$ 7,790,625
Mr. Coleman	25,000	1,298,438
Mr. Jones	40,200	2,087,888
Mr. Lesar	156,000	8,102,250
Mr. LeSuer	32,000	1,662,000

Dividends are paid on the restricted shares.

(4) Solely as a result of a one-time change in the timing of option grants to senior executives, the named persons received two grants in 1996.

(5) Although the 1993 Plan was approved in 1993, no long-term incentive program under such Plan has been implemented. No other plans exist under which such payments may be made.

(6) "All Other Compensation" includes the following accruals for or contributions to various plans for the fiscal year ending December 31, 1997: (i) profit sharing plan contributions or termination surplus accruals for Mr. Cheney--$16,456, Mr. Coleman--$16,456, Mr. Jones--$16,456, Mr. Lesar--$16,456 and Mr. LeSuer--$16,456; (ii) supplemental retirement plan contributions for Mr. Cheney--$500,000, Mr. Coleman--$75,000, Mr. Jones--$24,000, Mr. Lesar--$123,000 and Mr. LeSuer--$206,000; (iii) 401(k) plan matching contributions for Mr. Cheney--$3,167, Mr. Coleman--$3,167, Mr. Jones-- $3,167, Mr. Lesar--$3,167 and Mr. LeSuer--$3,167; (iv) ERISA Offset Benefit accruals for Mr. Cheney--$96,680, Mr. Coleman--$23,655, Mr. Jones--$34,969, Mr. Lesar--$34,970 and Mr. LeSuer--$32,398; (v) above-market earnings on ERISA Offset Benefit accounts for Mr. Cheney--$1,641, Mr. Coleman --$1,854, Mr. Jones--$3,103, Mr. Lesar--$804 and Mr. LeSuer--$1,561; and (vi) above-market earnings on amounts deferred under Elective Deferral Plan for Mr. Cheney--N/A, Mr. Coleman--$7,062, Mr. Jones--$10,064, Mr. Lesar--$9,156 and Mr. LeSuer--$18,161. The Company contribution to split-dollar life insurance premiums for Mr. LeSuer was $1,826 and policy proceeds of $23,036 were paid to Mr. LeSuer when the policy was canceled.

(7) Messrs. Cheney and Lesar became executive officers of the Company on October 1, 1995 and August 1, 1995, respectively.

OPTION GRANTS IN LAST FISCAL YEAR

Individual Grants(1) Name	Number of Securities Underlying Options Granted (#)	% of Total Options Granted to Employees in Fiscal Year	Exercise Price ($/Share)	Expiration Date	Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term(2) 5%	10%
Richard B. Cheney..........	100,000	7.16%	$54.50	12/3/07	$ 3,427,476	$ 8,685,896
Lester L. Coleman..........	20,000	1.43%	$54.50	12/3/07	685,495	1,737,179
Dale P. Jones..............	50,000	3.58%	$54.50	12/3/07	1,713,738	4,342,948
David J. Lesar.............	60,000	4.29%	$54.50	12/3/07	2,056,485	5,211,538
Ken R. LeSuer..............	50,000	3.58%	$54.50	12/3/07	1,713,738	4,342,948
All Optionees..............	1,263,600	100.0%	$52.19(3)	(3)	41,473,893	105,102,987
All Stockholders...........	N/A	N/A	N/A	N/A	8,609,484,975(4)	21,818,125,295(4)

- ------------------

(1) All options are granted at the fair market value of the Common Stock on the grant date and generally expire ten years from the grant date. During employment options vest over a three year period, with one-third of the shares becoming exercisable on each of the first, second and third anniversaries of the grant date.

(2) The assumed values result from certain prescribed rates of stock price appreciation. Values were calculated based on a 10-year exercise period for all grants. The actual value of the option grants is dependent on future performance of the Common Stock and overall stock market conditions. There is no assurance that the values reflected in this table will be achieved. The Company did not use an alternative formula for a grant date valuation, as it is not aware of any formula that will determine with reasonable accuracy a present value based on future unknown or volatile factors.

(3) The exercise price shown is a weighted average of all options granted in 1997. Options expire on one or more of the following dates: December 3, 2004, March 3, 2007, May 7, 2007, July 22, 2007, September 30, 2007, October 23, 2007 and December 3, 2007.

(4) "All Stockholders" values are calculated using the weighted average exercise price for all options awarded in 1997, $52.19, based on the outstanding shares of Common Stock on December 31, 1997.

AGGREGATED OPTION EXERCISES IN LAST FISCAL YEAR
AND FISCAL YEAR-END OPTION VALUES

Name	Shares Acquired on Exercise (#)	Value Realized ($)	Number of Securities Underlying Unexercised Options at Fiscal Year-End (Shares) Exercisable	Unexercisable	Value of Unexercised In-the-Money Options at Fiscal Year-End ($) Exercisable	Unexercisable
Richard B. Cheney.............	0	$ 0	386,666	473,334	$11,118,320	$ 9,836,680
Lester L. Coleman.............	0	0	85,333	80,667	2,609,495	1,557,880
Dale P. Jones.................	103,332	1,827,246	180,001	206,667	5,384,002	4,091,460
David J. Lesar................	0	0	102,002	150,000	2,963,660	2,189,787
Ken R. LeSuer.................	0	0	182,999	180,001	5,752,813	3,342,312

Retirement Plan

The purpose of the Halliburton Retirement Plan (the "Floor Plan") was to provide a floor for retirement benefits provided under the Halliburton Profit Sharing and Savings Plan (the "Halliburton Profit Sharing Plan"). Effective as of December 31, 1996, benefit accruals under the Floor Plan ceased for all employees except those age 55 or over ("Grandfathered Employees"). The portion of the Floor Plan attributable to employees other than Grandfathered Employees terminated effective February 28, 1997.

The Halliburton Profit Sharing Plan is intended to be the primary plan to provide retirement benefits to participating employees. The Company makes annual contributions from profits to the Halliburton Profit Sharing Plan. Such contributions may not be less than 10% of profits, as defined in the Plan (reduced by certain retirement plan expenses), except that such contributions may not exceed the maximum amount deductible under Section 404 of the Internal Revenue Code and may not be less than 4% of participating employees' compensation. Contributions under the Halliburton Profit Sharing Plan for the named executive officers for the year ended December 31, 1997 are set forth in footnote (6) to the Summary Compensation Table on page 48. It is not possible to estimate the amount of benefits payable at retirement under the Halliburton Profit Sharing Plan to Messrs. Cheney, Coleman, Jones, Lesar and LeSuer because of some or all of the following: (i) amounts contributed in the future will be contingent on future profits, (ii) earnings on trust fund assets will vary, (iii) trust fund assets may appreciate or depreciate in value, (iv) the compensation of the individual may vary, (v) age at date of retirement may vary, and (vi) the Plan may be changed or discontinued.

The Floor Plan is a qualified defined benefit pension plan established as of January 1, 1991 as a floor plan integrated with the Halliburton Profit Sharing Plan to provide an adequate level of retirement benefits for employees. Prior to January 1, 1997, the terms of the Floor Plan provided for a monthly pension payment equal to the following amount: (i) 1-1/3% of an employee's average monthly compensation (computed over the highest three calendar year period) multiplied by such employee's years of accrual service after January 1, 1990; minus (ii) a pension which is the actuarial equivalent of the participant's eligible profit sharing accounts (excluding any employer and employee contributions under the employee savings portion of the program) accumulated since January 1, 1990 under the Halliburton Profit Sharing Plan. The offset for the Halliburton Profit Sharing Plan was based upon the 1984 Unisex Pension Mortality Table and an 8-1/2% interest assumption. As a result of the termination of the Floor Plan as to employees other than Grandfathered Employees, such employees will receive a distribution of such Floor Plan benefit, if any, in 1998 provided that the Internal Revenue Service approves of such termination. The Floor Plan will continue for Grandfathered Employees under the same formula as in effect prior to 1997 except that a Grandfathered Employee's Floor Plan benefit will never be less than the value of the benefit determined as of January 1, 1997 increased with interest. The distribution benefit calculated for Mr. Lesar is $0. The value of the Floor Plan benefits calculated as of January 1, 1998 for the Grandfathered Employees named in the Summary Compensation Table are as follows: Mr. Cheney--$0, Mr. Coleman--$0, Mr. Jones--$105,209, and Mr. LeSuer--$104,448. The benefits for Messrs. Cheney, Coleman, Jones and LeSuer have been computed on the assumptions that (i) payments will be paid in the form of a life annuity; (ii) employment will continue until normal retirement at age 65 and (iii) levels of creditable compensation will remain constant.

Employment Contracts and Termination of Employment and Change-in-Control Arrangements

Employment Contracts

Mr. Cheney's employment agreement with the Company provides for his employment as Chairman of the Board and Chief Executive Officer of the Company until September 30, 2003. Under the agreement Mr. Cheney's cash compensation was specified for two periods, the first, being for the period from August 10, 1995, the effective date of the agreement, to December 31, 1995 and the second, for the period beginning on January 1, 1996 and ending September 30, 2003. During the first period, Mr. Cheney received a salary, in the aggregate, of $250,000; a bonus of $150,000, in lieu of participation in the Company's Annual Performance Pay Plan; and a Supplemental Retirement Benefit contribution of $125,000 under the SEDC Plan. During the second period, the agreement provides that Mr. Cheney will receive an annual salary of not less than $1,000,000; will participate in the Company's Annual Performance Pay Plan beginning with the 1996 plan year; and will receive a Supplemental Retirement Benefit contribution under the SEDC Plan of at least $500,000 annually. Also, pursuant to the terms of the agreement, on August 10, 1995 Mr. Cheney was granted a non-qualified stock option to purchase up to 400,000 shares of the Company's Common Stock at $21.00 per share (the fair market value on such date) and effective October 1, 1995 he was awarded 200,000 shares of Common Stock subject to restrictions. (The foregoing share amounts and exercise price have been adjusted to reflect the Stock Split.) Both the stock option grant and the restricted stock award were made under the 1993 Plan. The employment agreement also provided for the Company to reimburse Mr. Cheney for expenses associated with his relocation to Dallas.

Under the terms of his employment agreement, in the event of Mr. Cheney's termination for any reason other than his voluntary termination (as defined in the agreement), death, disability or his termination by the Company for cause, the Company is obligated to pay Mr. Cheney a severance payment consisting of a lump sum cash payment equal to the value of any restricted shares that were granted pursuant to the terms of the agreement and are forfeited because of such termination of employment plus the lesser of (i) 150 percent of the base salary that he would have received between the date of such termination of employment and the end of the term of the agreement, or (ii) $3 million. Mr. Cheney's continuing obligations to the Company after termination, including non-competition obligations, are consideration for any severance payment that may be made thereunder.

Mr. Lesar entered into an employment agreement with the Company as of August 1, 1995 providing for his employment as Executive Vice President and Chief Financial Officer of the Company. The agreement also provides that, while Mr. Lesar is employed by the Company, management will recommend to the Compensation Committee (i) annual supplemental retirement benefit allocations under the SEDC Plan, and (ii) annual grants of stock options under the 1993 Plan. Such recommendations are to be consistent with the criteria utilized by the Compensation Committee for similarly situated executives.

Under the terms of his employment agreement, in the event Mr. Lesar is involuntarily terminated by the Company for any reason other than termination for cause (as defined in the agreement), the Company is obligated to pay Mr. Lesar a severance payment equal to (i) the value of any restricted shares granted under the 1993 Plan and that are forfeited because of such termination, and (ii) five times his annual base salary.

Change-In-Control Arrangements

Pursuant to the 1993 Plan, in the event of a change-in-control:

A. The Compensation Committee, acting in its sole discretion, will act to effect one or more of the following alternatives with respect to outstanding stock options: (i) accelerate the time at which options may be exercised; (ii) cancel the options and pay the Optionees the excess of the per share value offered to stockholders in the change-in-control transaction over the exercise price(s) of the shares subject to options; (iii) make adjustments to the options as deemed appropriate to reflect the change-in-control; or (iv) convert the options to rights to purchase a proportionate amount of shares of stock or other securities or property paid to stockholders in the change-in-control transaction.

B. The Compensation Committee may, with respect to outstanding restricted stock, provide for full vesting of all shares of restricted stock and termination of all restrictions applicable thereto.

Pursuant to the Career Executive Incentive Stock Plan, the Compensation Committee may, in the event of a tender offer for all or a part of the Company's Common Stock, accelerate the lapse of restrictions on any or all shares on which restrictions have not theretofore lapsed.

Under the Annual Performance Pay Plan, in the event of a change-in-control, a participant will be entitled to an immediate cash payment equal to the maximum amount he or she would have been entitled to for such year prorated through the date of the change-in-control and all deferred amounts earned in prior years shall be paid in cash immediately.

Directors' Compensation, Restricted Stock Plan and Retirement Plan

Directors' Fees and Deferred Compensation Plan

All non-employee Directors of the Company receive an annual fee of $30,000 and an attendance fee of $2,000 for each meeting of the Board of Directors. Such Directors also receive an attendance fee of $2,000 per meeting for Committee service. The Chairmen of the Audit; Compensation; Nominating and Corporate Governance; Health, Safety and Environment; and Management Oversight Committees each receive an additional $2,000 annually for service in such capacities. Under the Company's Directors' Deferred Compensation Plan, Directors are permitted to defer their fees, or a portion thereof, until after they cease to be a Director of the Company. A participant may elect, on a prospective basis, to have his or her deferred compensation account either credited quarterly with interest at the prime rate of Citibank, N.A. or translated on a quarterly basis into Company Common Stock equivalents. Distribution will be made in cash either in a lump sum or in annual installments over a 5- or 10-year period, as determined by the committee appointed to administer the Plan in its discretion. Ms. Armstrong and Messrs. Crandall, Staubach and Stegemeier have elected to participate in the Plan.

Directors' Restricted Stock Plan

Pursuant to the terms of the Restricted Stock Plan for Non-Employee Directors ("Directors' Restricted Stock Plan"), which was approved by the stockholders at the 1993 Annual Meeting, each non-employee Director receives an annual award of 400 restricted shares of Common Stock as a part of his or her compensation. The awards are in addition to the Directors' annual retainer and attendance fees and to amounts that would be payable under the Directors' Retirement Plan, described below. Shares awarded under the Directors' Restricted Stock Plan may not be sold, assigned, pledged or otherwise transferred or encumbered until the restrictions are removed. Restrictions will be removed following termination of Board service under certain circumstances, which include, among others, death or disability, retirement pursuant to the Company's mandatory retirement policy, or early retirement after at least four years of service. During the restriction period, Directors have the right to vote and to receive dividends with respect to the restricted shares. Any shares which, pursuant to such Plan's provisions, remain restricted following termination of service will be forfeited.

Directors' Retirement Plan

Under the terms of the Retirement Plan for Directors of the Company ("Directors' Retirement Plan"), a non-employee Director participant upon the benefit commencement date (the later of a participant's termination date or attainment of age 65) will receive an annual benefit equal to the last annual retainer for such participant for a period of years equal to such participant's years of service on his or her termination date; provided that a minimum benefit payment period for each participant is 5 years. Non-employee Directors become participants in the Directors' Retirement Plan upon the completion of three years of service, as defined in such Plan. Upon the death of a participant, benefit payments will be made to the surviving spouse, if any, over the remainder of the retirement benefit payment period. Years of service for each Director participant under the Plan are: Ms. Armstrong--21, Lord Clitheroe--11, Mr. Crandall--13, Mr. Howell--7, Mr. Silas--5, Mr. Staubach--7 and Mr. Stegemeier--4. Assets of the Company are transferred to Texas Commerce Bank Dallas, as Trustee, to be held pursuant to the terms of an irrevocable grantor trust to aid the Company in meeting its obligations under the Directors' Retirement Plan. The corpus and income of the trust are treated as assets and income of the Company for federal income tax purposes and are subject to the claims of general creditors of the Company to the extent provided therein.

Item 12. Security Ownership of Certain Beneficial Owners and Management.

The following table sets forth information with respect to persons or groups who, to the Company's knowledge (based on information contained in Schedules 13G filed with the Securities and Exchange Commission with respect to beneficial ownership at December 31, 1997), own or have the right to acquire more than five percent of the Common Stock of the Company.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
FMR Corp.	21,936,216(1)	8.36%
82 Devonshire Street		
Boston, MA 02109		
Joint filing by The Equitable Companies Incorporated, AXA-UAP, and the Mutuelles AXA, as a group.................	16,803,616(2)	6.41%
c/o The Equitable Companies Incorporated		
1290 Avenue of the Americas		
New York, New York 10104		

- ------------------

(1) The number of shares reported includes 19,133,907 shares beneficially owned by Fidelity Management & Research Company, 2,633,709 shares owned by Fidelity Management Trust Company and 168,600 shares held by Fidelity International Limited. FMR Corp., through control of Fidelity Management & Research Company and Fidelity Management Trust Company, has sole dispositive power over the shares with the exception of those held beneficially by Fidelity International Limited. FMR Corp. has sole power to vote or to direct the vote of 1,652,709 shares of Common Stock.

(2) The number of shares reported includes 1,548,800 shares beneficially owned by The Equitable Life Assurance Society of the United States, 14,910,834 shares beneficially owned by Alliance Capital Management L.P., 6,017 shares beneficially owned by Donaldson, Lufkin & Jenrette Securities Corporation and 322,785 shares beneficially owned by Wood, Struthers & Winthrop Management Corp. (collectively, "the Equitable Companies"); and 14,000 shares beneficially owned by AXA Sun Life & Provincial Holdings (U.K.) and 1,180 shares beneficially owned by AXA Colonia Konzern AG (collectively, the "AXA-UAP Subsidiaries"). AXA Assurances I.A.R.D. Mutuelle, AXA Assurances Vie Mutuelle, Alpha Assurances Vie Mutuelle and AXA Courtage Assurance Mutuelle (collectively, the "Mutuelles AXA"), as a group, beneficially own a majority interest in AXA-UAP. AXA-UAP beneficially owns a majority interest in the Equitable Companies. Mutuelles AXA, through control of the Equitable Companies, AXA-UAP and the AXA-UAP Subsidiaries, has sole dispositive power over 16,799,142 shares, shared dispositive power over 4,474 shares, sole power to vote or to direct the vote of 7,178,403 shares and shared power to vote or direct the vote of 6,523,820 shares.

The following table sets forth, as of March 16, 1998, the amount of Company Common Stock owned beneficially by each Director and nominee for Director, each of the executive officers named in the Summary Compensation Table on page 48 and all Directors, nominees for Director and executive officers as a group.

Name of Beneficial Owner or Number of Persons in Group	Amount and Nature of Beneficial Ownership: Sole Voting and Investment Power	Shared Voting or Investment Power(1)	Percent of Class
Anne L. Armstrong	4,000		*
Richard B. Cheney(3)	633,000		*
Lord Clitheroe	2,600		*
Lester L. Coleman(3)	143,914		*
Robert L. Crandall	3,000		*
Charles J. DiBona	0		*
William R. Howell	1,900		*
Dale P. Jones(3)	321,034		*
David J. Lesar(3)	275,855		*
Ken R. LeSuer(3)	316,186	3,772(2)	*
Delano E. Lewis	1,100		*
C. J. Silas	2,000		*
Roger T. Staubach	3,000		*
Richard J. Stegemeier	1,600	2,000(2)	*
Shares owned by all current Directors, nominees for Director and executive officers as a group (18 persons)(3)	1,992,621	5,772	*

* Less than 1% of shares outstanding.

(1) Halliburton Company Employee Benefit Master Trust No. 3 (the "Trust"), a trust established to hold the assets of the Halliburton Stock Fund for certain of the Company's profit sharing, retirement and savings plans ("Plans"), held 3,440,747 shares of Company Common Stock at March 9, 1998. An executive officer not named in the above table has a beneficial interest in the Trust. Shares of Company Common Stock held in the Trust are not allocated to any individual's account and 498 shares which might be deemed to be beneficially owned as of March 9, 1998 by such unnamed executive officer are not included in the table above. Shares owned by the Trust are voted by the Trustee, State Street Bank and Trust Company, in accordance with voting instructions from the participants. Under the terms of the Plans, a participant has the right, from time to time, to determine whether up to 15% of his account is invested in the Halliburton Stock Fund or in alternative investments permitted by the Plans. The Trustee, however, determines when sales or purchases are to be made by the Trust.

(2) 3,772 shares are held in joint tenancy by Mr. LeSuer and his wife. Mr. LeSuer and his wife share voting and investment power with respect to such shares. Mr. Stegemeier and his wife hold 2,000 shares as co-trustees of the Stegemeier Family Trust and share voting and investment power with respect to such shares.

(3) Included in the table are shares of Common Stock which may be purchased pursuant to outstanding stock options within 60 days of the date hereof for the following: Mr. Cheney-440,000; Mr. Coleman-108,000; Mr. Jones-243,334; Mr. Lesar-112,001; Mr. LeSuer-232,999 and four unnamed executive officers-161,332. Until such time as the options are exercised, the aforesaid individuals will neither have voting nor investment power with respect to the underlying shares of Common Stock but only have the right to acquire beneficial ownership thereof through exercise of their respective options.

Item 13. Certain Relationships and Related Transactions.
Not applicable.

PART IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K.

(a) 1. Financial Statements:

The report of Arthur Andersen LLP, independent public accountants, and the financial statements of the Company as required by Part II, Item 8, are included on pages 14 through 38 of this annual report. See index on page 6.

2. Financial Statement Schedules:

Note: All schedules not filed herein for which provision is made under rules of Regulation S-X have been omitted as not applicable or not required or the information required therein has been included in the notes to financial statements.

3. Exhibits:

Exhibit Number	Exhibits
2	Agreement and Plan of Reorganization dated as of December 11, 1996 among Halliburton Company, now known as Halliburton Energy Services, Inc. (the "Predecessor"), Halliburton Hold Co., now known as Halliburton Company (the "Company"), and Halliburton Merge Co. (incorporated by reference to Exhibit 1.1 of the Company's Registration Statement on Form 8-B dated December 12, 1996, File No. 1-03492).
3(a)	Restated Certificate of Incorporation of the Company (incorporated by reference to the Company's Registration Statement on Form S-3 File No. 333-32731 filed with the Securities and Exchange Commission on August 1, 1997).
3(b)	By-laws of the Company, as amended (incorporated by reference to the Company's Registration Statement on Form S-3 File No. 333-32731 filed with the Securities and Exchange Commission on August 1, 1997).
4(a)	Subordinated Indenture dated as of January 2, 1991 between Halliburton Company, now known as Halliburton Energy Services, Inc. (the Predecessor) and Texas Commerce Bank National Association, as Trustee (incorporated by reference to Exhibit 4(c) to the Predecessor's Registration Statement on Form S-3 (File No. 33-38394) originally filed with the Securities and Exchange Commission on December 21, 1990), as supplemented and amended by the First Supplemental Indenture dated as of December 12, 1996 among the Predecessor, the Company and the Trustee (incorporated by reference to Exhibit 4.3 of the Company's Registration Statement on Form 8-B dated December 12, 1996, File No. 1-03492).
4(b)	Form of debt security of 8.75% Debentures due February 12, 2021 (incorporated by reference to Exhibit 4(a) to the Predecessor's Form 8-K dated as of February 20, 1991).
4(c)	Senior Indenture dated as of January 2, 1991 between the Predecessor and Texas Commerce Bank National Association, as Trustee (incorporated by reference to Exhibit 4(b) to the Predecessor's Registration Statement on Form S-3 (File No. 33-38394) originally filed with the Securities and Exchange Commission on December 21, 1990), as supplemented and amended by the First Supplemental Indenture dated as of December 12, 1996 among the Predecessor, the Company and the Trustee (incorporated by reference to Exhibit 4.1 of the Company's Registration Statement on Form 8-B dated December 12, 1996, File No. 1-03492).

3. Exhibits: (continued)

Exhibit Number	Exhibits
4(d)	Resolutions of the Predecessor's Board of Directors adopted at a meeting held on February 11, 1991 and of the special pricing committee of the Board of Directors of the Predecessor adopted at a meeting held on February 11, 1991 and the special pricing committee's consent in lieu of meeting dated February 12, 1991 (incorporated by reference to Exhibit 4(c) to the Predecessor's Form 8-K dated as of February 20, 1991).
4(e)	Form of debt security of 6.75% Notes due February 1, 2027 (incorporated by reference to Exhibit 4.1 to the Company's Form 8-K dated as of February 11, 1997).
4(f)	Second Senior Indenture dated as of December 1, 1996 between the Predecessor and Texas Commerce Bank National Association, as Trustee, as supplemented and amended by the First Supplemental Indenture dated as of December 5, 1996 between the Predecessor and the Trustee and the Second Supplemental Indenture dated as of December 12, 1996 among the Predecessor, the Company and the Trustee (incorporated by reference to Exhibit 4.2 of the Company's Registration Statement on Form 8-B dated December 12, 1996, File No. 1-03492).
4(g)	Resolutions of the Company's Board of Directors adopted by unanimous consent dated December 5, 1996 (incorporated by reference to Exhibit 4(g) of the Company's Annual Report on Form 10-K for the year ended December 31, 1996).
4(h)	Restated Rights Agreement dated as of December 1, 1996 between the Company and ChaseMellon Shareholder Services, L.L.C. (incorporated by reference to Exhibit 4.4 of the Company's Registration Statement on Form 8-B dated December 12, 1996, File No. 1-03492).
4(i)	Copies of instruments which define the rights of holders of miscellaneous long-term notes of the Registrant and its subsidiaries, totaling $46.0 million in the aggregate at December 31, 1997, have not been filed with the Commission. The registrant agrees herewith to furnish copies of such instruments upon request.
4(j)	Form of debt security of 7.53% Notes due May 12, 2017 (incorporated by reference to Exhibit 4.4 to the Company's Form 10-Q for the quarterly period ended March 31, 1997).
4(k)	Form of debt security of 6.27% Notes due July 8, 1999 (incorporated by reference to Exhibit 4.1 to the Company's Form 8-K dated as of July 8, 1997).
4(l)	Form of debt security of 6.30% Notes due August 5, 2002 (incorporated by reference to Exhibit 4.1 to the Company's Form 8-K dated as of August 5, 1997).
10(a)	Halliburton Company Career Executive Incentive Stock Plan as amended November 15, 1990 (incorporated by reference to Exhibit 10(a) to the Predecessor's Annual Report on Form 10-K for the year ended December 31, 1992).
10(b)	Retirement Plan for the Directors of Halliburton Company adopted and effective January 1, 1990 (incorporated by reference to Exhibit 10(c) to the Predecessor's Annual Report on Form 10-K for the year ended December 31, 1992).
10(c)	Halliburton Company Directors' Deferred Compensation Plan as amended and restated effective May 1, 1994 (incorporated by reference to Exhibit 10(c) to the Company's Annual Report on Form 10-K for the year ended December 31, 1996).

3. Exhibits: (continued)

Exhibit Number	Exhibits
10(d)	Summary Plan Description of the Executive Split-Dollar Life Insurance Plan (incorporated by reference to Exhibit 10(g) to the Predecessor's Annual Report on Form 10-K for the year ended December 31, 1992).
10(e)	Halliburton Company 1993 Stock and Long-Term Incentive Plan, as amended and restated July 22, 1997 (incorporated by reference to Exhibit 10(e) to the Company's Annual Report on Form 10-K for the year ended December 31, 1997).
10(f)	Agreement and Plan of Merger between the Predecessor, Halliburton Acq. Company and Landmark Graphics Corporation, dated as of June 30, 1996 (incorporated by reference to Appendix A of the Predecessor's Registration Statement on Form S-4, filed on August 30, 1996).
10(g)	Halliburton Company Restricted Stock Plan for Non-Employee Directors (incorporated by reference to Appendix B of the Predecessor's proxy statement dated March 23, 1993).
10(h)	Halliburton Elective Deferral Plan, as amended and restated effective January 1, 1997 (incorporated by reference to Exhibit 10(h) to the Company's Annual Report on Form 10-K for the year ended December 31, 1996).
10(i)	Employment agreement (incorporated by reference to Exhibit 10 to the Predecessor's Form 10-Q for the quarterly period ended September 30, 1995).
10(j)	Halliburton Company Senior Executives' Deferred Compensation Plan, as amended and restated effective January 1, 1996 (incorporated by reference to Exhibit 10(j) to the Company's Annual Report on Form 10-K for the year ended December 31, 1996).
10(k)	Halliburton Company Annual Performance Plan, as amended and restated effective January 1, 1997 (incorporated by reference to Exhibit 10(k) to the Company's Annual Report on Form 10-K for the year ended December 31, 1996).
10(l)	Employment agreement (incorporated by reference to Exhibit 10(n) to the Predecessor's Form 10-K for the year ended December 31, 1995).
10(m)	Early retirement agreement (incorporated by reference to Exhibit 10(m) to the Company's Annual Report on Form 10-K for the year ended December 31, 1996).
10(n)	Halliburton Company 1993 Stock and Long-Term Incentive Plan, as amended and restated February 19, 1998 (incorporated by reference to Exhibit 10(n) to the Company's Annual Report on Form 10-K for the year ended December 31, 1997).
10(o)	Agreement and Plan of Merger, dated as of February 25, 1998, by and among the Company, Halliburton N.C., Inc. and Dresser Industries, Inc. (incorporated by reference to Exhibit C to the Company's Schedule 13D filed on March 9, 1998).
10(p)	Stock Option Agreement, dated as of February 25, 1998, by and between the Company and Dresser Industries, Inc. (incorporated by reference to Exhibit B to the Company's Schedule 13D filed on March 9, 1998).
11*	Computation of earnings per share.
21*	Subsidiaries of the registrant.
23*	Consent of Arthur Andersen LLP.

3. Exhibits: (continued)

Exhibit Number	Exhibits
24(a)	Powers of attorney for the following directors signed in February, 1997 (incorporated by reference to Exhibit 24 to the Company's Annual Report on Form 10-K for the year ended December 31, 1996): Anne L. Armstrong Richard B. Cheney Lord Clitheroe Robert L. Crandall W. R. Howell Dale P. Jones Delano E. Lewis C. J. Silas Roger T. Staubach Richard J. Stegemeier
24(b)	Power of attorney signed in December 1997 for Charles J. DiBona (incorporated by reference to Exhibit 24(b) to the Company's Annual Report on Form 10-K for the year ended December 31, 1997).
27*	Financial data schedules for the registrant (filed electronically).

* Filed with this annual report

(b) Reports on Form 8-K:

During the fourth quarter of 1997:

A Current Report on Form 8-K dated October 20, 1997, was filed reporting on Item 5. Other Events, regarding a press release dated October 20, 1997, announcing the agreement to sell the environmental services business.

A Current Report on Form 8-K dated October 22, 1997, was filed reporting on Item 5. Other Events, regarding a press release dated October 22, 1997, announcing third quarter earnings.

A Current Report on Form 8-K dated October 30, 1997, was filed reporting on Item 5. Other Events, regarding a press release dated October 30, 1997, announcing fourth quarter dividend.

A Current Report on Form 8-K dated October 30, 1997, was filed reporting on Item 5. Other Events, regarding a press release dated October 30, 1997, announcing award of a pipeline construction contract to a joint venture of the Company's Brown & Root Energy Services unit.

A Current Report on Form 8-K dated November 19, 1997, was filed reporting on Item 5. Other Events, regarding a press release dated November 19, 1997, announcing officer appointment at its Halliburton Energy Services business unit.

A Current Report on Form 8-K dated December 8, 1997, was filed reporting on Item 5. Other Events, regarding a press release dated December 8, 1997 announcing the election of a member to its Board of Directors.

A Current Report on Form 8-K dated December 31, 1997, was filed reporting on Item 5. Other Events, regarding a press release dated December 31, 1997, announcing the completion of the sale of its environmental services unit.

During the first quarter of 1998 to the date hereof:

A Current Report on Form 8-K dated January 22, 1998, was filed reporting on Item 5. Other Events, regarding a press release dated January 22, 1998, announcing fourth quarter earnings.

A Current Report on Form 8-K dated February 17, 1998, was filed reporting on Item 5. Other Events, regarding two press releases dated February 17, 1998, announcing it will provide a wide range of services as part of the Terra Nova Alliance for Petro-Canada and the Terra Nova development and an alliance agreement at Elk Hills between two of its business units with Occidental.

A Current Report on Form 8-K dated February 19, 1998, was filed reporting on Item 5. Other Events, regarding a press release dated February 19, 1998, announcing first quarter 1998 dividend declaration and shareholders annual meeting.

A Current Report on Form 8-K dated February 26, 1998, was filed reporting on Item 5. Other Events, regarding a press release dated February 26, 1998, announcing that the Company and Dresser Industries, Inc. have entered into a definitive merger agreement.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON SUPPLEMENTAL SCHEDULE

To Halliburton Company:

We have audited in accordance with generally accepted auditing standards, the consolidated financial statements included in this Form 10-K, and have issued our report thereon dated January 22, 1998 (except with respect to the matter discussed in Note 17, as to which the date is February 26, 1998). Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The supplemental schedule (Schedule II) is the responsibility of Halliburton Company's management and is presented for purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

ARTHUR ANDERSEN LLP
Dallas, Texas,
January 22, 1998 (except with respect to the matter discussed in Note 17, as to which the date is February 26, 1998)

HALLIBURTON COMPANY
SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
(MILLIONS OF DOLLARS)

Descriptions	Balance at Beginning of Period	Additions: Charged to Costs and Expenses	Additions: Charged to Other Accounts	Deductions (A)	Balance at End of Period
Year ended December 31, 1997:					
Allowance for bad debts	$ 43.6	$ 8.7	$ -	$ 13.9	$ 38.4
Year ended December 31, 1996:					
Allowance for bad debts	$ 38.1	$ 12.6	$ -	$ 7.1	$ 43.6
Year ended December 31, 1995:					
Allowance for bad debts	$ 36.4	$ 7.9	$ -	$ 6.2	$ 38.1

(A) Receivable write-offs and reclassifications, net of recoveries.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on this 16th day of March, 1998.

HALLIBURTON COMPANY

By /s/ RICHARD B. CHENEY

Richard B. Cheney
Chairman of the Board and
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons in the capacities indicated on this 16th day of March, 1998.

Signature	Title
/s/ RICHARD B. CHENEY Richard B. Cheney	Chairman of the Board and Chief Executive Officer and Director
/s/ GARY V. MORRIS Gary V. Morris	Executive Vice President and Chief Financial Officer
/s/ R. CHARLES MUCHMORE, JR. R. Charles Muchmore, Jr.	Vice President and Controller and Principal Accounting Officer

Signature	Title
/s/ *ANNE L. ARMSTRONG - ---------------------------- Anne L. Armstrong	Director
/s/ *LORD CLITHEROE - ---------------------------- Lord Clitheroe	Director
/s/ *ROBERT L. CRANDALL - ---------------------------- Robert L. Crandall	Director
/s/ *CHARLES J. DIBONA - ---------------------------- Charles J. DiBona	Director
/s/ *W. R. HOWELL - ---------------------------- W. R. Howell	Director
/s/ *DALE P. JONES - ---------------------------- Dale P. Jones	Vice Chairman and Director
/s/ *DELANO E. LEWIS - ---------------------------- Delano E. Lewis	Director
/s/ *C. J. SILAS - ---------------------------- C. J. Silas	Director
/s/ *ROGER T. STAUBACH - ---------------------------- Roger T. Staubach	Director
/s/ *RICHARD J. STEGEMEIER - ---------------------------- Richard J. Stegemeier	Director

/s/* SUSAN S. KEITH
- ----------------------------
Susan S. Keith, Attorney-in-fact

Index to Exhibits filed with this annual report.

Exhibit Number	Exhibits
11	Computation of earnings per share.
21	Subsidiaries of the registrant.
23	Consent of Arthur Andersen LLP.
27	Financial data schedule.

HALLIBURTON COMPANY
COMPUTATION OF EARNINGS PER SHARE
FOR THE THREE YEARS ENDED DECEMBER 31, 1997

The calculation below for earnings per share of the $2.50 par value Common Stock of the Company on a basic, diluted and fully diluted basis is submitted in accordance with Regulation S-K Item 601(b)(11).

	1997	1996	1995
	(In millions except per share data)		
Basic:			
Net income	$ 454.4	$ 300.4	$ 183.7
Average number of common shares outstanding	255.4	249.9	248.3
Basic net income per share:	$ 1.78	$ 1.20	$ 0.74
Diluted:			
Net income	$ 454.4	$ 300.4	$ 183.7
Average number of common shares and common share equivalents outstanding	259.5	252.2	249.4
Diluted net income per share:	$ 1.75	$ 1.19	$ 0.74
Fully diluted:			
Net income	$ 454.4	$ 300.4	$ 183.7
Add after-tax interest expense applicable to zero coupon convertible subordinated debentures due 2006	-	-	12.5
Adjusted net income	$ 454.4	$ 300.4	$ 196.2
Average number of common shares, common share equivalents, and potential shares associated with the zero coupon convertible subordinated debentures outstanding	259.5	252.2	256.0
Fully diluted net income per share:	$ 1.75	$ 1.19	$ 0.77

The foregoing computations do not reflect the potentially dilutive effect the Company's Preferred Stock Purchase Rights Plan could have in the event such Rights become exercisable and any shares of either Series A Junior Participating Preferred Stock or Common Stock of the Company are issued upon the exercise of such Rights. Reference is made to Note 9 to the financial statements of this annual report.

Exhibit 21

HALLIBURTON COMPANY
SUBSIDIARIES OF THE REGISTRANT
DECEMBER 31, 1997

NAME OF COMPANY	OWNERSHIP PERCENTAGE	STATE OR COUNTRY OF INCORPORATION
2W Underwater Contractors Limited	100.0%	United Kingdom
AOC International Limited	100.0%	United Kingdom
AOC Wood Contractors Limited	50.0%	United Kingdom
Avalon Financial Services, Ltd	100.0%	Cayman Islands
Breswater Marine Contracting BV	100.0%	Netherlands
Brown & Root (Overseas) Limited	100.0%	United Kingdom
Brown & Root A/S	100.0%	Norway
Brown & Root AOC Limited	100.0%	United Kingdom
Brown & Root Condor SPA	49.0%	Algeria
Brown & Root Ealing Technical Services Limited	100.0%	United Kingdom
Brown & Root Energy Services A/S	100.0%	Norway
Brown & Root Far East Engineers Pte Ltd	100.0%	Delaware
Brown & Root Highlands Fabricators Limited	100.0%	United Kingdom
Brown & Root Holdings, Inc	100.0%	Delaware
Brown & Root International, Inc	100.0%	Delaware
Brown & Root International, Inc	100.0%	Panama
Brown & Root Limited	100.0%	United Kingdom
Brown & Root McDermott Fabricators	50.0%	United Kingdom
Brown & Root NA Limited	50.0%	British Virgin Islands
Brown & Root Projects Limited	100.0%	United Kingdom
Brown & Root Pty Limited	100.0%	Australia
Brown & Root Saudi Limited Co	49.0%	Saudi Arabia
Brown & Root Services Corporation	100.0%	Delaware
Brown & Root (Services) Limited	100.0%	United Kingdom
Brown & Root Skoda SRO Ltd	66.0%	Czech Republic
Brown & Root Technical Services, Inc	100.0%	Delaware
Brown & Root Technology Limited	100.0%	United Kingdom
Brown & Root, Inc	100.0%	Delaware
Dawson Group Pty Ltd	100.0%	Australia
Devonport Management Limited	51.0%	United Kingdom
Devonport Royal Dockyard Plc	51.0%	United Kingdom
European Marine Contractors Limited	50.0%	United Kingdom
G&H Management Company	100.0%	Delaware
Gearhart (United Kingdom) Limited	100.0%	United Kingdom
GeoGraphix, Inc	100.0%	Colorado
Halliburton (Proprietary) Limited	100.0%	South Africa
Halliburton Affiliates Corporation	100.0%	Delaware
Halliburton Argentina SA	100.0%	Argentina
Halliburton Australia Pty Ltd	100.0%	Australia
Halliburton BV	100.0%	Netherlands
Halliburton Canada Inc	100.0%	Canada
Halliburton Company Germany GmbH	100.0%	Germany
Halliburton de Mexico, SA de CV	100.0%	Mexico
Halliburton Delaware, Inc	100.0%	Delaware
Halliburton Energy Services Nigeria Limited	80.0%	Nigeria
Halliburton Energy Services, Inc	100.0%	Delaware
Halliburton Equipment Company SAE	75.0%	Egypt
Halliburton Geodata Limited	100.0%	United Kingdom

HALLIBURTON COMPANY
SUBSIDIARIES OF THE REGISTRANT
DECEMBER 31, 1997

NAME OF COMPANY	OWNERSHIP PERCENTAGE	STATE OR COUNTRY OF INCORPORATION
Halliburton Global, Ltd	100.0%	Cayman Islands
Halliburton Holdings Limited	100.0%	United Kingdom
Halliburton Holdings, Inc	100.0%	Delaware
Halliburton International, Inc	100.0%	Delaware
Halliburton Italiana SpA	100.0%	Italy
Halliburton Latin America SA	100.0%	Panama
Halliburton Limited	100.0%	United Kingdom
Halliburton Manufacturing and Services Limited	100.0%	United Kingdom
Halliburton Norway, Inc	100.0%	Delaware
Halliburton NUS Corporation	100.0%	Delaware
Halliburton Offshore Services, Inc	100.0%	Delaware
Halliburton Overseas Limited	100.0%	Cayman Islands
Halliburton Products & Services Limited	100.0%	Cayman Islands
Halliburton SAS	100.0%	France
Halliburton Servicos Ltda	100.0%	Brazil
Halliburton Singapore Pte Ltd	100.0%	Singapore

Halliburton Trinidad Limited	100.0%	Trinidad
Halliburton West Africa Ltd	100.0%	Delaware
Halliburton Worldwide Limited	100.0%	Cayman Islands
HBR Energy, Inc	100.0%	Delaware
HLS Well Evaluation Limited	100.0%	United Kingdom
Howard Humphreys & Partners Limited	100.0%	United Kingdom
Howard Humphreys Group Limited	100.0%	United Kingdom
Hunting-Brae Limited	31.0%	United Kingdom
Kinhill Holdings Limited	100.0%	Australia
Landmark America Latina, SA	100.0%	Delaware
Landmark EAME, Limited	100.0%	United Kingdom
Landmark Graphics Corporation	100.0%	Delaware
Landmark Graphics Europe/Africa, Inc	100.0%	Delaware
Landmark Graphics International, Inc	100.0%	Texas
Landmark Sales Corporation	100.0%	Barbados
Laurel Financial Services BV	100.0%	Netherlands
MIHC, Inc	100.0%	Delaware
NMR Corporation	100.0%	Delaware
NUMAR Corporation	100.0%	Pennsylvania
NUMAR Oilfield Services, Inc	100.0%	Pennsylvania
OGC International	100.0%	United Kingdom
Overseas Marine Leasing Company	100.0%	Delaware
PT Gema Sembrown	45.0%	Indonesia
PT Halliburton Drilling Systems Indonesia	80.0%	Indonesia
PT Halliburton Indonesia	80.0%	Indonesia
PT Halliburton Logging Services Indonesia	80.0%	Indonesia
Quimicas do Brazil Limitada	100.0%	Brazil

HALLIBURTON COMPANY
SUBSIDIARIES OF THE REGISTRANT
DECEMBER 31, 1997

NAME OF COMPANY	OWNERSHIP PERCENTAGE	STATE OR COUNTRY OF INCORPORATION
Rockwater Holdings Limited	100.0%	United Kingdom
Rockwater Limited	100.0%	United Kingdom
Rockwater Offshore Contractors 2 BV	100.0%	Netherlands
Rockwater, Inc	100.0%	Delaware
Seaforth Maritime Limited	100.0%	United Kingdom
Servicios Halliburton de Venezuela, SA	100.0%	Delaware

(1) Each of the subsidiaries named conducts its business under its corporate name and, in a few instances, under a shortened form of its corporate name.

(2) The names of approximately 170 subsidiaries have been omitted since the unnamed subsidiaries considered in the aggregate would not constitute a significant subsidiary as defined by Item 601(b)(21).

Exhibit 23

Consent of Independent Public Accountants

As independent public accountants, we hereby consent to the incorporation by reference of our reports dated January 22, 1998 (except with respect to the matter discussed in Note 17, as to which the date is February 26, 1998), included in this Form 10-K into the Company's previously filed registration statement on Form S-3 (No. 33-65772).

ARTHUR ANDERSEN LLP
Dallas, Texas,
March 16, 1998

THE SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE HALLIBURTON COMPANY CONSOLIDATED FINANCIAL STATEMENTS FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1997, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000,000
USD

12-MOS
DEC-31-1997
DEC-31-1997
1
221
0
2,206
38
327
2,972
3,988
2,325
5,603
1,773
539
0
0
672
1,913
5,603
0
8,819
0
7,772
0
0
43
766
300
454
0
0
0
454
1.78
1.75