

The following slides and script are from a video presentation by Mark McCollum, Executive Vice President and Chief Integration Officer of Halliburton Company, that will be made available to Halliburton's employees.

The logo features a white banner with a red top edge and a blue bottom edge. The text "HALLIBURTON" is in red, "BAKER HUGHES" is in blue, and "INTEGRATION" is in large, bold, dark grey letters.

**HALLIBURTON BAKER HUGHES**  
**INTEGRATION**

## Integration Update

**Mark McCollum**

Executive Vice President

And Chief Integration Officer

**HALLIBURTON**

# Safe Harbor Statement

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## Participants in Solicitation

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HALLIBURTON BAKER HUGHES  
INTEGRATION

# A Strong Foundation



**Erle Halliburton**



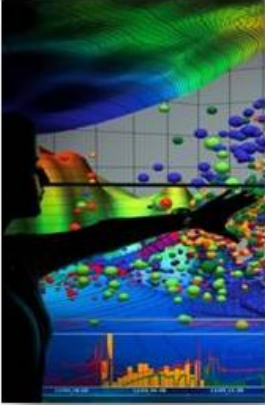
**Reuben Baker**



**Howard Hughes, Sr.**

**HALLIBURTON BAKER HUGHES**  
**INTEGRATION**

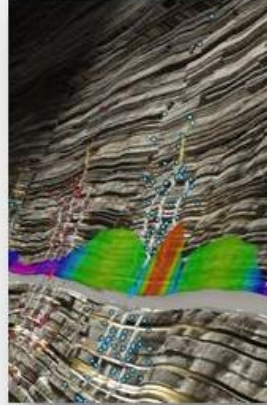
# Stronger, More Diverse Organization



**Best-in-Class  
Unconventional  
Solutions**



**Robust  
Deep Water  
Technology Portfolio**



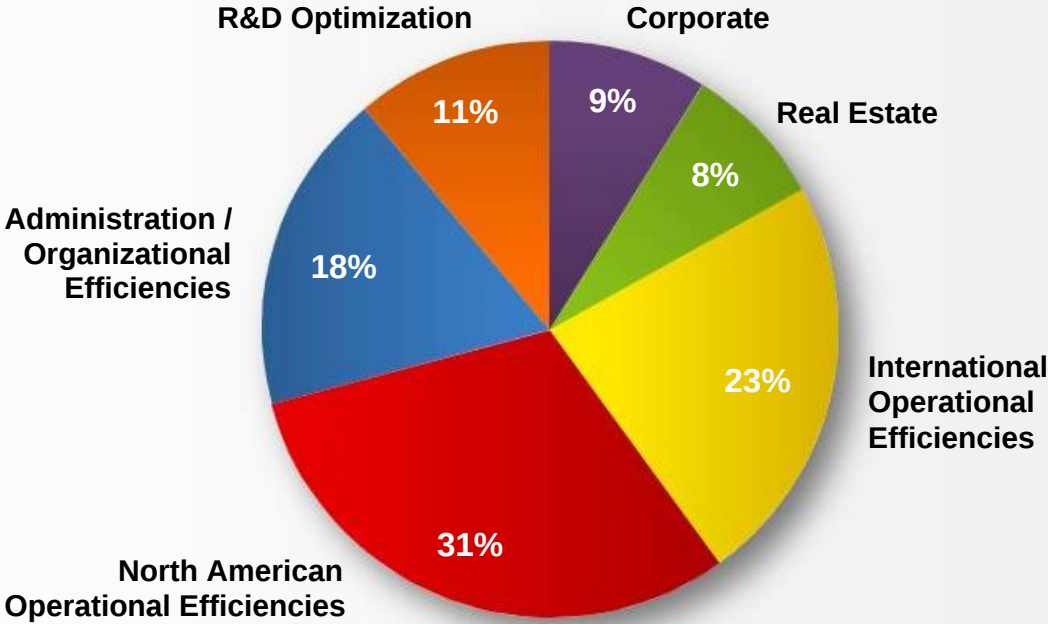
**Comprehensive  
Mature Fields  
Capabilities**



**Expanded Platform  
For Superior Growth,  
Margins and Returns**

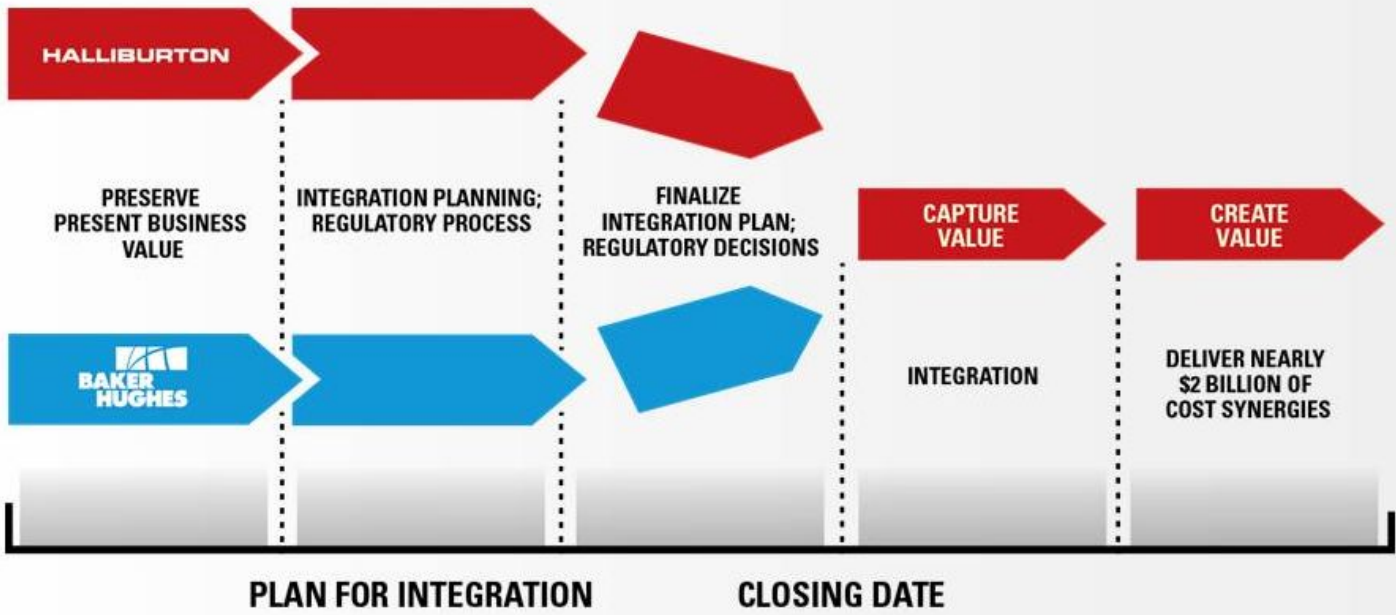
HALLIBURTON BAKER HUGHES  
**INTEGRATION**

# Nearly \$2 Billion of Annual Cost Synergies



# Integration Strategy

Integrate – Stabilize – Optimize



HALLIBURTON BAKER HUGHES  
**INTEGRATION**

# Integration Guiding Principles



- Speed trumps perfection
- Day 1 Operating Framework drives critical path
- Integrate, not re-engineer
- “Best athletes” in combined company
- Halliburton processes/systems presumed
- Communicate regularly and transparently



# The Deal



**HALLIBURTON BAKER HUGHES**  
**INTEGRATION**

# THE DEAL

## WHERE WE ARE NOW



## WHAT'S NEXT



Note: Order, timing and completion of events may change.

## Your Role In This Process

**CONTINUE TO FOCUS**

ON SAFE, RELIABLE OPERATIONS

**TREAT BAKER HUGHES AS A COMPETITOR**

UNTIL THE DEAL CLOSSES

**PROVIDE THE SAME OUTSTANDING SERVICE**

THAT OUR CUSTOMERS EXPECT

# Stronger, Combined Organization Makes History

**HALLIBURTON**



**HALLIBURTON** **BAKER HUGHES**  
**INTEGRATION**

**HALLIBURTON**

**[Script]**

When we announced our pending acquisition of Baker Hughes, the Halliburton leadership team and I promised to keep you informed throughout the process. As Halliburton's lead on these important integration efforts, I'm pleased to provide you with an update on how the integration is progressing.

**[Slide – FLS Note]**

Now, before I go on, as many of you are also Halliburton stockholders and may be interested in the subject matter of today's presentation from the perspective of a stockholder as well as an employee, I'll draw your attention to the disclaimer on forward-looking information included in the slides that accompany this update. Some of the comments that I make today may include forward-looking statements reflecting Halliburton's views about future events. These matters involve risks and uncertainties that could cause our actual results to materially differ from our forward-looking statements.

**[Slide – Legends]**

As you may already be aware, Halliburton filed with the SEC on February 18, 2015, a definitive proxy statement/prospectus that has been mailed to stockholders of Halliburton and Baker Hughes in connection with the upcoming special meetings of the companies planned for March 27, 2015. If you are a shareholder of either company and will be casting a vote or delivering a proxy on the matters to be considered at either special meeting, you should review the proxy statement/prospectus, which is also available free-of-charge on our website.

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**[Slide 4 – A strong foundation]**

Erle Halliburton, R. C. Baker, and Howard Hughes were pioneers of our industry who invented many of the tools and techniques that we still use today. As the founders of Halliburton and Baker Hughes, these visionaries built two strong companies with an outstanding legacy of innovation and customer service. We now have an opportunity to build on that legacy.

**[Slide 5 – Stronger, more diverse organization]**

By combining these two great companies, our desire is to create a bellwether global oilfield services company, and we have all the resources we need to make the integration process successful. The result of our collaborative efforts will be a stronger, more diverse organization that is well equipped to address the industry's three key strategic growth markets. The new company will feature best-in-class unconventional solutions, a robust deepwater technology portfolio, and comprehensive mature field capabilities.

Additionally, once the integration is achieved, the combined company will also have the expanded platform needed to deliver superior growth, margins and returns for our shareholders.

**[Slide 6 – Cost synergies]**

Through our due diligence and financial intelligence, we have identified a reasonable goal to achieve nearly \$2 billion dollars of annual cost synergies upon full integration. Here, you can see the various ways we plan to reach this objective. About \$1 billion dollars of the synergies are expected to come from better operating results as we improve the collective asset efficiency and margins of the combined business. About \$1 billion dollars of the synergies are expected to come from avoiding duplicate administrative costs.

### **[Slide 7 – Integration strategy]**

Now, we can't actually start the formal integration until after the deal closes. In the meantime, Halliburton and Baker Hughes must continue to operate as competitors, just like we always have in the past. The first order of business, therefore, is making sure that both Halliburton and Baker Hughes continue to be individually successful while we work to get to the closing date.

Additionally, before we can close we must secure the approval of regulators in a number of countries around the world. These regulators will want to insure that the proposed transaction will not create an anti-competitive atmosphere in those countries. The regulatory approval process may also likely result in Halliburton and/or Baker Hughes divesting some of its businesses. Those divestitures would need to be agreed and approved by certain regulatory authorities before we can close the larger transaction. In the meantime, we will be working to develop a robust plan so that we can hit the ground running on integration once the closing occurs.

Our strategy for the integration process focuses on three key elements: Integrate, stabilize, and then optimize.

First, we will quickly and efficiently integrate the structure and policies of the two organizations. Second, we will stabilize the systems and processes and finally, we will optimize every aspect of our business, with the expectation of creating nearly \$2 billion dollars of annual cost synergies at the end of the process.

### **[Slide 8 – Guiding principles]**

As we move forward, we will be proceeding according to some guiding principles:

- First, speed trumps perfection. It will be more important to keep the integration planning process moving quickly rather than waiting to find "perfect solutions."
- Day One - the day after the pending transaction closes and Baker Hughes officially becomes part of Halliburton – will determine the critical timeline for all of our integration plans and activities.

- We'll aim to integrate our companies — not re-engineer them — and to make sure the transition is accomplished without disruption to our day-to-day business. For example, it is important to us that on Day One every employee will know what their job is, who they will be working for, how they will be paid and what their benefits will be. We want our customers to be assured that their work will be done and to know who will be doing it. And our suppliers will need to know where to deliver their materials and services and how they will be paid.
- We'll be looking for the “best athletes” of both companies - whether products, processes or people - to take the combined company forward.
- Although the integration discussions will be open-minded and flexible, we will be building from the foundation of Halliburton's existing processes and systems.
- And finally, we will be communicating regularly and transparently to let you know how the integration is progressing.

Our goal is a successful integration by the end of 2017. This will mean that we've accomplished several objectives:

- The integration process was quick and effective.
- We maintained strong momentum in our core businesses.
- Our vision and strategy led us to an outstanding platform for superior growth.
- We've reduced operating costs of the combined organization, and positioned it to generate best-in-class returns for shareholders and an improved value proposition for customers.
- And, finally, we designed and mobilized a focused, high-performing organization with a unified desire to work together and win.

**[Slide 9 – Timeline infographic]**

There are many steps we must take on our journey to close this transaction. To help you better understand the road ahead, let's take a look at the deal's overall timeline for 2015. We've achieved quite a lot in the short time since we announced the acquisition. Our integration planning is well underway and we have some significant milestones coming up.



**[Slide 10 – Where we are now]**

So where are we now? The Halliburton Integration Team has been identified and is already working alongside our counterparts at Baker Hughes to guide the integration planning process. Fast-track groups have been launched in areas such as IT, Human Resources, Finance and Accounting, and Tax to share procedures and processes to discover areas of commonality as well as areas of critical difference that will need to be addressed in the integration plan.

Additionally, we are now in the process of responding to what's called the "second request" for information about our businesses from the Department of Justice, who is reviewing the transaction for anti-trust purposes in the United States. We expected this request to come, and our response will take a considerable amount of time and effort on the part of a number of people across both organizations. We are also completing regulatory filings and responding to requests for information in other jurisdictions around the world.

Halliburton and Baker Hughes will each have their stockholder vote on Friday, March 27, and regulatory decisions are expected in the second half of 2015. Exciting times are ahead for sure.

**[Slide 11 – Your role in this process]**

The most important question right now is: What is your role in this process?

First, every one of us must continue to focus on safe, reliable operations.

Second, regard Baker Hughes as a competitor and treat them accordingly. I can assure you, they are treating us as competitors — as they should! We are in competition for customers' business, and we will remain so, until the deal closes.

Your third responsibility is to continue providing the outstanding service our customers have come to expect. In other words, do what Halliburton employees have always done — and continue to do — be the very best in the industry.

Frankly, your role is absolutely crucial. We hope you understand the direct impact you will make as a part of the largest integration project in the history of our industry.

**[Slide 12 – Stronger, combined organization makes history]**

The organization we are shaping today will be stronger and more dynamic. Capturing all of the potential value that is held in this historic combination of Halliburton and Baker Hughes will require the participation of every single one of us at some point in this process. We need your help to make this integration a success. Together, let's go make history!

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