THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, you should consult an independent financial adviser authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities before you take any action. Your attention is drawn to "Section D – Risks" beginning on page 10 of this document and Risk Factors beginning on page 15 of this document.

This document comprises a combined summary, share registration document and share securities note, including Part II, and comprises a prospectus (the "**Prospectus**") drawn up in accordance with the requirements of the Financial Services and Markets Act 2000 and the Prospectus Rules published by the United Kingdom Financial Conduct Authority ("**FCA**"). References to the Prospectus shall be deemed to include any related supplementary prospectus approved by the United Kingdom Listing Authority.

The Prospectus has been issued by Halliburton Company solely in relation to the acquisition from time to time of Common Stock (as defined below) by eligible employees of the Group (as defined below) within the United Kingdom (and, pursuant to Article 17 of the Prospectus Directive, within the EEA) pursuant to the relevant Share Plan (as defined below) and not for any other purpose. Only eligible employees of the Group may acquire Common Stock pursuant to the Prospectus, in accordance with the Plan Documents (as defined below). The offer(s), the subject of the Prospectus, are not made to the general public or to any person other than an eligible employee of the Group.

No offer has been made and Participants (as defined below under "*Definitions and Interpretation*" on page 28) will not be able to take up Common Stock under the Share Plans until:

- in relation to the UK, the Prospectus has been approved by the FCA in relation to the participation in the relevant Share Plan by employees of the Group in the UK; and
- in relation to the EEA, the Prospectus has thereafter been 'passported', as requested by Halliburton Company, pursuant to Article 17 of the Prospectus Directive, into the other relevant jurisdictions within the EEA in relation to the participation in the relevant Share Plan by employees of Participating Employers (as defined below) within those jurisdictions.

The maximum number of Common Stock available for future issuance under the ESPP, NQESPP and UK-ESPP (subplans to the ESPP), as at December 31, 2018 was 25 million.

The persons responsible for this document are Halliburton and the Directors of Halliburton, whose names appear at paragraph 2 of Part I of this document. Having taken all reasonable care to ensure that such is the case, the information contained in this document is, to the best of the Directors' (as defined below) and the Company's (as defined below) knowledge, in accordance with the facts and contains no omission likely to affect its import.

Halliburton has not made and does not intend to make an application for Common Stock (the subject of the Prospectus) or other securities of Halliburton Company to be admitted to trading on a regulated market within the EEA.

Investing in the Common Stock involves risks. See "Section D - Risks" beginning on page 10 and Risk Factors beginning on page 15 of this document.

HALLIBURTON COMPANY

(Incorporated in Delaware, USA, whose principal place of business is at 3000 North Sam Houston Parkway East, Houston, TX 77032, USA)

This document does not constitute an offer to sell or the solicitation of an offer to buy or subscribe for Common Stock in any jurisdiction in which such offer or solicitation is unlawful. In particular, this document is not for distribution in or into the United States of America, Canada, Australia, South Africa or Japan or in any country, territory or possession where to do so may contravene local securities law or regulations. Accordingly, the Common Stock may not, subject to certain exemptions, be offered or sold directly or indirectly under the Prospectus in or into the United States of America, Canada, Australia, South Africa or Japan or to any national, resident or citizen of the United States of America, Canada, Australia, South Africa or Japan. The distribution of this document in other jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities law of any such jurisdiction.

No person has been authorised by Halliburton to give any information or to make any representation not contained in the Prospectus and, if given or made, that information or representation should not be relied upon as having been authorised by Halliburton.

The information contained in the Prospectus is correct only as at the date of this Prospectus (or as the context indicates), subject to the requirements of the Prospectus Rules and any other legal and regulatory requirements. Neither any delivery of the Prospectus nor the offering, sale or delivery of any Common Stock will, in any circumstances, create any implication that the information contained in this Prospectus is true and accurate subsequent to the date hereof or (as the case may be) the date upon which the Prospectus has been most recently supplemented, or that there has been no adverse change in the financial situation of Halliburton since such date. The working capital statement at paragraph [12.1.1] of this document shall, notwithstanding the foregoing, relate to the period of 12 months from the date of this document. The Prospectus shall not incorporate by reference any information other than as expressly stated therein, nor shall it incorporate by reference any information published by Halliburton after its date. The most recent financial statements filed by Halliburton and other United States ("**U.S.**") Securities and Exchange Commission ("**SEC**") filings made by Halliburton are available through www.halliburton.com but information available via such website and contained in such financial statements and filings shall not be incorporated by reference in the Prospectus.

The Prospectus should not be considered as a recommendation by Halliburton that any recipient of the Prospectus should subscribe for or purchase any Common Stock. Each recipient of the Prospectus will be taken to have made his own investigation and appraisal of the condition (financial or otherwise) of Halliburton and of the Common Stock. No assurances can be given that a liquid market for the Common Stock will exist.

CONTENTS

SUMMARY

Summaries are made up of disclosure requirements known as 'Elements'. These elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for this type of security and issuer. Because some Elements are not required to be addressed there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted into the summary because of the type of security and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of 'not applicable'. Words and expressions defined in the remainder of the Prospectus have the same meanings in this summary.

Section A – Introductions and warnings		
A.1	Introductions and warnings	This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on the consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2	Resale or final placement of shares by financial intermediaries	Not applicable. Halliburton Company ("**Halliburton**" or the "**Company**") is not engaging any financial intermediaries for any resale of securities or final placement of securities requiring a prospectus after publication of this document.

Section B – Issuer		
B.1	Legal and Commercial Name	Halliburton Company
B.2	Domicile and legal form	Halliburton Company's predecessor was incorporated under the laws of the State of Delaware in 1924. Halliburton is a for-profit corporation and is domiciled in the United States of America and operates under the state laws of the State of Delaware and the federal laws of the United States of America. The address of Halliburton Company's principal executive office is at 3000 North Sam Houston Parkway East, Houston, Texas 77032, USA.
B.3	Current operations and principal activities of the Group and the	Halliburton provides services and products to the energy industry, with operations in more than 80 countries. Halliburton operates and reports under two divisions: **Completion and Production** delivers cementing, stimulation, intervention, pressure control,

Section B – Issuer		
	principal markets in which it operates.	specialty chemicals, artificial lift, and completion products and services; **Drilling and Evaluation** provides field and reservoir modeling, drilling, evaluation, and precise wellbore placement solutions that enable customers to model, measure, drill, and optimize their well construction activities.
B.4a	Significant trends affecting the Group and the industries in which it operates	Activity within our business segments is significantly impacted by spending on upstream exploration, development, and production programs by our customers. Also impacting our activity is the status of the global economy, which impacts oil and natural gas consumption. Some of the more significant determinants of current and future spending levels of our customers are oil and natural gas prices and our customers' expectations about future prices, global oil supply and demand, completions intensity, the world economy, the availability of credit, government regulation, and global stability, which together drive worldwide drilling and completions activity. Lower oil and natural gas prices usually translate into lower exploration and production budgets and lower rig count, while the opposite is true for higher oil and natural gas prices. Our financial performance is therefore significantly affected by oil and natural gas prices and worldwide rig activity. We believe supply and demand fundamentals for oilfield services support a theme of multi-year industry growth. Our industry is going through a transformation brought on by the shale revolution and the recent down-cycle. The industry has removed substantial costs from the system and introduced significant efficiencies. Many of our customers in North America appear to have shifted their strategy from production growth to operating within cash flow and generating returns. In North America, our customers have established their 2019 budgets, activity is improving, and we believe the worst of the recent pricing deterioration is behind us. We work closely with a diverse portfolio of customers who have diverging agendas such as production targets and returns objectives. Given our presence in all basins and exposure to all customer groups, we have the ability to focus on several options to drive a better outcome for our business, including utilization, cost savings and operational efficiency. Building off the momentum we saw towards the end of the first quarter, we believe demand for our services will progress modestly for the next couple of quarters. Overall, we believe the industry's focus on cash flow and returns should lead to stable growth over a longer period of time, which would benefit our business. It allows us to focus on leveraging our supply chain and logistics infrastructure, capture efficiencies around our repair and maintenance programs and implement technologies at scale to reduce cost and increase production, and therefore be more efficient with our investments while generating strong cash flow. As the North America land market rebalances over the next few quarters, we will continue to manage our costs and operating efficiencies in the short-term and believe we are well-positioned for long-term success. Internationally, while the recovery was initially led by the national oil companies and focused on mature fields, the offshore markets are now entering into recovery mode as project economics are improving. International offshore spending is projected to increase in 2019, and the international offshore rig count is already experiencing growth to support this projection. We expect Latin America activity to improve this year, and this region has long-term growth potential. Activity improvements are also expected in the Middle East following rig additions, with pricing pressure expected to continue. We also expect continued activity growth in Asia Pacific and Africa with modest pricing improvements in these areas. As capacity tightens internationally and the pipeline of projects progressively expands, we expect to continue demonstrating rational, returns-driven growth in the international markets. The

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		pricing discussions with our customers in some markets have become more constructive, and we expect this momentum to build going into 2020. We believe we are well-positioned for the anticipated recovery, and we expect to benefit from responsible capital stewardship, prioritizing capital efficiency, investing in the technologies that deliver differentiation and returns and generating strong cash flow. Crude oil prices have been extremely volatile over the past few years. WTI oil spot prices declined significantly beginning in 2014 from a peak price of $108 per barrel in June 2014 to a low of $26 per barrel in February 2016, a level which had not been experienced since 2003. Since the low point experienced in early 2016, oil prices increased substantially, with WTI oil spot prices reaching a high of $77 per barrel in June 2018. In late 2018, oil prices again declined with WTI and Brent oil spot prices reaching a low of $44 per barrel in December, but have risen to a high of $66 per barrel in April 2019. The average WTI and Brent crude oil spot prices during the first quarter of 2019 were $55 per barrel and $63 per barrel, respectively. In the United States Energy Information Administration (EIA) April 2019 "Short Term Energy Outlook," the EIA projects Brent prices to average $65 per barrel in 2019 and $62 per barrel in 2020, while WTI prices are projected to average approximately $8 less per barrel in the first half of 2019, before the discount to Brent gradually falls to approximately $4 in late 2019 through 2020. Crude oil production in the United States is now projected to average 12.4 million barrels per day in 2019, a 14% increase from 2018. Additionally, the EIA projects that U.S. production will increase 6% in 2020, to average 13.1 million barrels per day. The International Energy Agency's (IEA) April 2019 "Oil Market Report" forecasts the 2019 global demand to average approximately 100.6 million barrels per day, which is up 1.5% from 2018, driven by an increase in the Asia Pacific region, while all other regions remain approximately the same. The Henry Hub natural gas spot price averaged $2.92 per MMBtu in the first quarter of 2019, a decrease of $0.16 per MMBtu, or 5%, from the first quarter of 2018. The EIA April 2019 “Short Term Energy Outlook” projects Henry Hub natural gas prices to average $2.82 per MMBtu in 2019 and $2.77 per MMBtu in 2020. Our credit ratings with Standard & Poor’s remain A- for our long-term debt and A-2 for our short-term debt, with a stable outlook. Our credit ratings with Moody's Investors Service remain Baa1 for our long-term debt and P-2 for our short-term debt, with a stable outlook.
B.5	Group description	Halliburton Company is the holding company of the Group.
B.6	Major shareholders	Based on SEC filings to date, no shareholder holds over 5% of the issued Common Stock as of December 31, 2018 other than (i) The Vanguard Group which has reported a holding of 7.49% and (ii) BlackRock, Inc., which has reported a holding of 7.10%. None of the Company's major shareholders has different voting rights attached to the shares they hold in the Company. As at the date of this Prospectus, the Company is not aware of any person or persons who, directly or indirectly, jointly or severally, could exercise control over the Company.

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B.7	Key financial information	As of March 31, 2019, we had $1.4 billion of cash and equivalents, compared to $2.0 billion at December 31, 2018. Halliburton's financial position presented below for the years ended December 31, 2018, 2017, and 2016 is extracted from Halliburton's audited consolidated financial statements. The information for the quarter ended March 31, 2019 is extracted from Halliburton's unaudited condensed consolidated financial statements.

Millions of dollars **Financial position**	**March 31** (Unaudited) **2019**
Net working capital	$ 6,141
Property, plant, and equipment, net	8,853
Total assets	26,989
Long-term debt	10,307
Shareholders' equity	9,625

Millions of dollars	**December 31** (Audited)		
Financial position	**2018**	**2017**	**2016**
Net working capital [(1)]	$ 6,349	$ 5,915	$ 7,654
Property, plant, and equipment, net	8,873	8,521	8,532
Total assets	25,982	25,085	27,000
Long-term debt	10,421	10,430	12,214
Shareholders' equity	9,544	8,349	9,448

(1) Calculated as current assets minus current liabilities.

Operations data extracted from Halliburton's quarterly unaudited condensed consolidated financial statements:

	Quarter Ended March 31	
	(Unaudited)	
(Millions of dollars except per share data)	**2019**	**2018**
Statements of Operations Data:		
Total revenue	$ 5,737	$5,740
Operating income	365	354
Net income	152	47
Net income attributable to noncontrolling interest	—	(1)
Net income attributable to company	$ 152	$ 46
Basic and diluted net loss per share attributable to company	$ 0.17	$ 0.05

Halliburton's revenue was $5.7 billion for the quarter ended March 31, 2019. Halliburton had assets of $27.0 billion and market capitalization of approximately $25.6 billion at March 31, 2019.

Operations data extracted from Halliburton's annual audited consolidated financial statements:

	Year Ended December 31		
(Millions of dollars except per share data)	2018	2017	2016
Statements of Operations Data:			
Total revenue	$ 23,995	$ 20,620	$15,887
Operating income (loss)	2,467	1,374	(6,770)
Income (loss) from continuing operations	1,657	(449)	(5,767)
Loss from discontinued operations, net	—	(19)	(2)
Net (income) loss attributable to noncontrolling interest	(1)	5	6
Net income (loss) attributable to company	$ 1,656	$ (463)	$ (5,763)
Basic and diluted loss per share attributable to company shareholders:			
Income (loss) from continuing operations	$ 1.89	$ (0.51)	$ (6.69)
Loss from discontinued operations, net	—	(0.02)	—
Net income (loss) per share	$ 1.89	$ (0.53)	$ (6.69)

Halliburton's revenue was $24.0 billion for the year ended December 31, 2018. Halliburton reported operating income of $2.5 billion in 2018 primarily driven by improved pressure pumping services, drilling activity and artificial lift in

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		North America, as well as drilling activity in the Eastern Hemisphere. Halliburton had assets of $26.0 billion and market capitalization of approximately $23.1 billion at December 31, 2018. Effective January 1, 2019, we adopted an accounting standard update issued by the Financial Accounting Standards Board (**"FASB"**) related to accounting for leases, which requires lessees to record assets and liabilities that arise for all leases on their balance sheet and expanded financial statement disclosures for both lessees and lessors. Previously, only capital leases were recorded on the balance sheet. This update requires lessees to recognize a lease liability equal to the present value of its lease payments and a right-of-use asset representing its right to use the underlying asset for the lease term for all leases longer than 12 months. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and liabilities and instead recognize lease expense for such leases generally on a straight-line basis over the lease term. Leases with a term of longer than 12 months will be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the income statement. We adopted this standard using the optional modified retrospective transition method. As such, the comparative financial information has not been restated and continues to be reported under the lease standard in effect during those periods. We also elected other practical expedients provided by the new standard, including the package of practical expedients, the short-term lease recognition practical expedient in which leases with a term of 12 months or less are not recognized on the balance sheet, and the practical expedient to not separate lease and non-lease components for the majority of our leases. The adoption of this standard resulted in the recognition of approximately $1.1 billion of operating lease right-of-use assets and operating lease liabilities on our balance sheet as of January 1, 2019. Additionally, capital leases have been reclassified on our condensed consolidated balance sheet as of December 31, 2018 to conform to current period presentation. This consisted of $88 million reclassified from property, plant and equipment to other assets and $109 million reclassified from long-term debt to other liabilities. The adoption of this standard did not materially impact our condensed consolidated statements of operations for the three months ended March 31, 2019. During the first quarter of 2019, we recorded $61 million in pre-tax charges, primarily related to an impairment of legacy sand delivery equipment. These charges are reflected as impairments and other charges in our condensed consolidated statements of operations for the three months ended March 31, 2019. On March 5, 2019, we entered into a new $3.5 billion five-year revolving credit facility which replaced our $3.0 billion revolving credit facility established in July 2015. The revolving credit facility is for general working capital purposes and expires on March 5, 2024. The full amount of the revolving credit facility was available as of March 31, 2019. No significant changes in the financial condition or operating results of the Group have occurred during, or since the end of, the financial periods for which financial information has been published and is reported on in this Prospectus, being March 31, 2019. There has been no other material change to Halliburton's capitalization since March 31, 2019.
B.8	Key *pro forma* financial information	Not applicable.

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B.9	Profit forecast/estimate	*The profit forecast below includes certain forward-looking statements about Halliburton Company's expected results and operations, which may involve risks and uncertainties. Halliburton Company's actual results may also differ materially from those discussed in these forward-looking statements.* **1. Profit forecast of Halliburton Company for the quarter ending June 30, 2019** On April 22, 2019, Halliburton released its results for the first quarter of 2019 and hosted an earnings call with investors. During the earnings call, the following earnings guidance for the second quarter of 2019 was given: *"For our Drilling and Evaluation division, we are anticipating a second quarter rebound from typical seasonal disruptions in drilling activity, offset by ongoing mobilizations. Therefore, we expect sequential revenue to be up low single digits, with margins increasing 50 to 150 basis points.* *In our Completion and Production division, with North America land activity improving and the worst in pricing deterioration behind us, we believe that revenues will increase mid-single digits, while margins should be up 50 to 150 basis points."* These statements (**"Second Quarter 2019 Profit Forecast"**), when combined with previous operating results for the quarter ended March 31, 2019, permit a reasonably quantifiable earnings forecast to be calculated for the quarter ending June 30, 2019. As a result, the revenue and margin guidance for both divisions represent a profit forecast for the quarter ended June 30, 2019 based on Prospectus Rules and is considered valid as at the date of publication of this document. The Second Quarter 2019 Profit Forecast has been reported on by KPMG LLP. **2. Basis of preparation** The Second Quarter 2019 Profit Forecast is based on the unaudited financial information of Halliburton for the three months ended March 31, 2019 and a forecast for the three months ending June 30, 2019. The Second Quarter 2019 Profit Forecast has been prepared on a basis consistent with Halliburton's accounting policies consistent with U.S. GAAP. These policies are consistent with those applied in the preparation of Halliburton's audited financial statements for the year ended December 31, 2018. **3. Principal assumptions** Halliburton's revenue and margin forecasts are determined based on the company's monthly forecasting process which utilizes many estimates and assumptions based on activity, pricing and other market data points. These market data points include and may be impacted by: demand for oil and gas services, the level of exploration, development and production activity of, and the corresponding capital spending by, oil and natural gas companies, the commodity pricing environment, the global economy, weather conditions within the areas where the Company operates, and access to or constraints in the supply of certain raw materials. These market conditions are difficult to predict in volatile economic environments and may cause actual results to materially differ from the estimated assumptions utilized in Halliburton's forecasts.

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		Profit forecasts involve risk and uncertainties and reflect the Company's reasonable judgment based on current information. The Company's results of operations can be affected by inaccurate assumptions it makes or by known or unknown risks and uncertainties. In addition, other factors may affect the accuracy of the Company's profit forecasts. As a result, no profit forecast can be guaranteed. Actual events and the results of Halliburton's operations may vary materially.
B.10	Audit report qualifications	Not applicable.
B.11	Working capital - qualifications	Not applicable. In the opinion of Halliburton, the working capital of the Group is sufficient for the Group's present requirements, and at least for the period of twelve months following the date of this document.

Section C – Securities		
C.1	Type and class of securities	The ISIN (International Security Identification Number) of the common stock of Halliburton ("**Common Stock**") is US4062161017. Only Common Stock will be issued pursuant to the Stock Plans. The Common Stock is listed on the New York Stock Exchange ("**NYSE**"). All outstanding shares of Common Stock are fully paid. The Common Stock is created and issued pursuant to the laws of the State of Delaware and in compliance with the federal laws of the USA. The Common Stock is issued in registered form and in uncertificated form (or, upon request, certificated form). The records of the Company's stockholders are maintained by our registrar, Computershare Inc., 250 Royall Street, Canton, Massachusetts 02021, USA.
C.2	Currency	The Common Stock are issued in U.S. dollars.
C.3	Number of securities issued	<u>The par value of the Common Stock is $2.50 per share.</u> <u>Maximum number of securities available under the Stock Plans</u> Under the NQESPP, ESPP, and UK-ESPP, 74,000,000 shares of Common Stock have been reserved through December 31, 2018. The maximum number of shares that any individual Participant may purchase in a purchase period is 10,000 under the NQESPP and ESPP. Under the ESPP, there is a $25,000 individual limit per calendar year. Under the UK-ESPP, the Company may determine the maximum number of shares that may be awarded as Matching Shares or Free Shares (as such terms are defined in the UK-ESPP). At December 31, 2018, approximately 25,000,000 shares in aggregate were available for issuance under the NQESPP, ESPP, and UK-ESPP.

Section C – Securities		
C.4	Description of the rights attaching to the securities	Dividends: Holders of Common Stock may receive dividends as declared from time to time by the Board of Directors from legally available funds of Halliburton. All Common Stock ranks equally for dividend payments. Distributions: Upon liquidation, after payment of amounts due to holders of Preferred Stock, if any, all remaining assets of Halliburton available for distribution shall be distributed pro rata to the holders of Common Stock. Voting: Except as required by law or provided by the Certificate of Incorporation, each holder of Common Stock has one vote for each share held, on all matters voted upon by stockholders.
C.5	Restrictions on the free transferability of the securities	Subject to applicable laws and NYSE listings compliance, the Common Stock will be freely transferable.
C.6	Admission	The Common Stock is traded on the NYSE. Common Stock issued pursuant to the Stock Plans has been or is expected to be authorized for listing on the NYSE. Common Stock issued pursuant to the Stock Plans will not be subject to application for admission to trading on an EEA regulated market or any other exchange.
C.7	Dividend policy	Quarterly cash dividends on our Common Stock, which were paid in March, June, September, and December of each year, were $0.18 per share in all four quarters of 2016, all four quarters of 2017, and all four quarters of 2018. In February 2019 our Board of Directors declared a 2019 first quarter dividend of $0.18 per share payable in March 2019. Our Board of Directors intends to consider the payment of quarterly dividends on the outstanding shares of our Common Stock in the future. The declaration and payment of future dividends, however, will be at the discretion of the Board of Directors and will depend on, among other things, future earnings, general financial condition and liquidity, success in business activities, capital requirements, and general business conditions. Subject to Board of Directors approval, our intention is to continue paying dividends at our current rate during 2019.

Section D – Risks		
D.1	Key information on the key risks that are specific to the issuer	**ANY INVESTMENT IN THE COMMON STOCK OF HALLIBURTON INVOLVES RISKS.** We continue to face risks and uncertainties that could materially and adversely affect our liquidity position such that they may, among other things, reduce available cash and equivalents and require us to draw on our revolving credit facility or access the capital markets. Such matters could also have a material adverse effect on our business, consolidated results of operations and consolidated financial condition. • Trends in oil and natural gas prices affect the level of exploration, development and production activity of our customers and the demand for our services and products, which could have a material adverse effect on our

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		business, consolidated results of operations and consolidated financial condition. • Our business is dependent on capital spending by our customers, and reductions in capital spending could have a material adverse effect on our business, consolidated results of operations, and consolidated financial condition. • Our operations are subject to political and economic instability and risk of government actions that could have a material adverse effect on our business, consolidated results of operations, and consolidated financial condition. • Our operations are subject to cyberattacks that could have a material adverse effect on our business, consolidated results of operations, and consolidated financial condition. • Our operations outside the United States require us to comply with a number of United States and international regulations, violations of which could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition. • Changes in, compliance with, or our failure to comply with laws in the countries in which we conduct business may negatively impact our ability to provide services in, make sales of equipment to, and transfer personnel or equipment among some of those countries and could have a material adverse effect on our business and consolidated results of operations. • The adoption of any future federal, state, or local laws or implementing regulations imposing reporting obligations on, or limiting or banning, the hydraulic fracturing process could make it more difficult to complete natural gas and oil wells and could have a material adverse effect on our liquidity position such that they may, among other things, reduce available cash and equivalents and require us to draw on our revolving credit facility. Such matters could also have a material adverse effect on our consolidated results of operations and consolidated financial condition. • Liabilities arising out of catastrophic well incidents could have a material adverse effect on our liquidity position such that they may, among other things, reduce available cash and equivalents and require us to draw on our revolving credit facility or access the capital markets. Such matters could also have a material adverse effect on our consolidated results of operations, and consolidated financial condition. For the avoidance of doubt, the foregoing does not qualify the working capital statement made in this Prospectus. • Liability for cleanup costs, natural resource damages, and other damages arising as a result of environmental laws could be substantial and could have a material adverse effect on our liquidity position, such that they may reduce available cash and equivalents and require us to draw on our revolving credit facility. These liabilities could also have a material adverse effect on our consolidated results of operations and consolidated financial condition. • Failure on our part to comply with, and the costs of compliance with, applicable health, safety, and environmental requirements could have a material adverse effect on our liquidity position, such that they may reduce available cash and equivalents and require us to draw on our revolving credit facility. These liabilities could also have a material adverse effect on our consolidated results of operations and consolidated financial condition.

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		• Existing or future laws, regulations, treaties or international agreements related to greenhouse gases, climate change and alternative energy sources could have a negative impact on our business and may result in additional compliance obligations with respect to the release, capture and use of carbon dioxide that could have a material adverse effect on our liquidity position, such that they may reduce available cash and equivalents and require us to draw on our revolving credit facility. Such matters could also have a material adverse effect on our consolidated results of operations and consolidated financial condition. • Our business could be materially and adversely affected by severe or unseasonable weather where we have operations. • Changes in or interpretation of tax law and currency/repatriation control could impact the determination of our income tax liabilities for a tax year. • We are subject to foreign exchange risks and limitations on our ability to reinvest earnings from operations in one country to fund the capital needs of our operations in other countries or to repatriate assets from some countries. • Our failure to protect our proprietary information and any successful intellectual property challenges or infringement proceedings against us could materially and adversely affect our competitive position. • If we are not able to design, develop and produce commercially competitive products and to implement commercially competitive services in a timely manner in response to changes in the market, customer requirements, competitive pressures and technology trends, our business and consolidated results of operations could be materially and adversely affected, and the value of our intellectual property may be reduced. • If we lose one or more of our significant customers or if our customers delay paying or fail to pay a significant amount of our outstanding receivables, it could have a material adverse effect on our liquidity position such that it may reduce available cash and equivalents and require us to draw on our revolving credit facility. It could also have a material adverse effect on our consolidated results of operations and consolidated financial condition. • We sometimes provide integrated project management services in the form of long-term, fixed price contracts that may require us to assume additional risks associated with cost over-runs, operating cost inflation, labor availability and productivity, supplier and contractor pricing and performance, and potential claims for liquidated damages. • Constraints in the supply of, prices for and availability of transportation of raw materials can have a material adverse effect on our business and consolidated results of operations. • Our acquisitions, dispositions and investments may not result in anticipated benefits and may present risks not originally contemplated, which may have a material adverse effect on our business, consolidated results of operations and consolidated financial condition. • Actions of and disputes with our joint venture partners could have a material adverse effect on the business and results of operations of our joint ventures and, in turn, our business and consolidated results of operations. • Our ability to operate and our growth potential could be materially and adversely affected if we cannot attract, employ and retain technical personnel at a competitive cost.

Section D – Risks		
		• The loss or unavailability of any of our executive officers or other key employees could have a material adverse effect on our business.
D.2	Key information on the key risks that are specific to the securities	Risks relating to Stock Plans • Participants must remain continuously employed by Halliburton in order to participate in the Stock Plans. Market price • The value that may be realized from participation in the Stock Plans depends on the market price of Halliburton's Common Stock, which may decline before or after shares are acquired or the shares are sold. When shares acquired under the Stock Plans are sold, the market value of the shares may be less than when the shares were acquired. Restrictions on transfer • Stock purchase rights granted under the Stock Plans are not transferable otherwise than by will or the laws of descent and distribution. Each stock purchase right is exercisable, during a Participant's lifetime, only by the Participant to whom granted. Currency fluctuations • Where transactions under the Stock Plans are conducted in Dollars, Participants may be subject to exchange rate fluctuations between their local currency and the Dollar.

Section E – Offer		
E.1	Net proceeds and costs of the issue	The total net proceeds of any exercise of purchase rights during an Offering Period will vary from Offering Period to Offering Period (each such capitalized term as defined in the relevant Stock Plans). Based on the volume of shares purchased by eligible employees in the 2018 financial year, we estimate that offers made under the Stock Plans during such period generated in aggregate proceeds of up to $2.3 million. It is not possible to estimate a reasonable or maximum level of acceptances that will result from eligible employees to the offers made under this Prospectus for the 2019 financial year, however, Halliburton is not aware of any material facts or circumstances to indicate that net proceeds from the offers made under the Stock Plans pursuant to this Prospectus will differ from the 2018 financial year to any material extent. The estimated expenses in relation to the production, approval and passporting of the Prospectus (including estimated professional fees and translation fees) are approximately £150,000. Halliburton has not engaged a sponsor or financial adviser in relation to the preparation and approval of the Prospectus. There are no expenses charged to the eligible employees under the employee Stock Plans.

Section E – Offer		
E.2a	Reason for offer and use of proceeds	Halliburton operates employee stock plans in certain countries within the EEA and periodically communicates information regarding specific offers or grants under the Stock Plans directly to the EEA-based employees concerned. The offers are made under the Stock Plans to encourage employee stock ownership, offering Participants Common Stock at discounted prices, without brokerage costs. The Stock Plans are offered to retain services of employees and incentivize them. Proceeds from the offer received by Halliburton or its Subsidiaries will be used for general corporate purposes. Halliburton is under no obligation to offer the Stock Plans and has complete discretion in their operation, including the termination of any future participation. The tax consequences of participating in the Stock Plans can vary greatly depending on a Participant's country of residence and other factors. Prior to participating in such a plan, investors should consult their tax advisers. The three relevant Stock Plans are: 1. The Halliburton Company Employee Stock Purchase Plan ("**ESPP**"); 2. The Halliburton Company Non-Qualified Stock Purchase Plan ("**NQESPP**") (a sub-plan of the ESPP); and 3. The Halliburton Company UK Employee Share Purchase Plan ("**UK-ESPP**") (a sub-plan of the ESPP).
E.3	Terms and conditions of the offer	<u>Conditions and eligibility</u> Halliburton's Stock Plans are not offered to everybody and may be offered only to employees meeting the eligibility criteria. <u>Purchase Rights</u> For each Offering Period (as defined in the Stock Plans), Halliburton grants each Participant a purchase right for as many shares of Common Stock as the Participant can purchase via payroll deductions subject to limits defined in the Stock Plans. <u>Pricing</u> Under NQESPP and ESPP, the purchase price per share of Common Stock on the Exercise Date is 85% of the lesser of its Fair Market Value (as defined in the Stock Plans) on either the first or last day of the Offering Period (or preceding trading day). The UK-ESPP allows share benefits structured in different ways, including allowing eligible employees to purchase shares of Common Stock from pre-tax salary and receive additional shares at Company cost in proportion to those bought by employees. <u>Costs, expenses and taxes</u> Halliburton (or the employer) will pay the Stock Plan administration costs, including custodian fees, save that brokerage fees for sale of Common Stock acquired under Stock Plans by a Participant will be borne by the Participant. Custodians may also charge reasonable fees for withdrawal of Common Stock in certificated form. Participants are responsible for taxes associated with the purchase, sale and ownership of Common Stock, and each Participant authorizes its employer to withhold all applicable taxes for any transaction under the Stock Plans or any Common Stock acquired. <u>Termination, amendment and withdrawal</u>

Section E – Offer		
		The Board may amend or terminate the terms of the Stock Plans, including any purchase rights with the exception of purchase rights that are outstanding, at any time. If a Participant ceases to be an employee for any reason, his or her rights to participate may immediately terminate. Participants may increase or reduce the amounts of their payroll deductions by providing a new participation form and may withdraw from the Stock Plan by serving required notice. Rights to participate in Stock Plans may not be transferred.
E.4	Material interests	Not applicable.
E.5	Selling shareholders and lock-ups	Not applicable. While the Common Stock issued under the Stock Plan may be reacquired shares bought on the open market or otherwise, no selling shareholders have as at the date of this document been identified.
E.6	Dilution	No material dilution will take place through issues of Common Stock under the Share Plans.
E.7	Expenses charged to the investor by the Company	Not applicable. There are no commissions, fees or expenses to be charged to Participants by the Company in connection with the acquisition of Common Stock.

1. RISK FACTORS

The risk factors that are material to the Common Stock being offered under the Stock Plans and to Halliburton, its business and the industry in which it operates are set out below. They may directly or indirectly affect the value of the Common Stock from time to time. Where possible below, Halliburton has quantified the amount of potential claims in each risk factor to allow a potential investor to evaluate the magnitude of the risks.

1.1 Legal, regulatory investigation, and arbitration proceedings

The litigation, regulatory investigation, and arbitration proceedings affecting the Group could constitute a material risk to the business of Halliburton. The material legal, regulatory investigation, and arbitration proceedings involving the Group are set out in paragraphs 1.2 and paragraph 7 of this Prospectus.

1.2 Trends in oil and natural gas prices affect the level of exploration, development, and production activity of our customers and the demand for our services and products which could have a material adverse effect on our business, consolidated results of operations, and consolidated financial condition.

Demand for our services and products is particularly sensitive to the level of exploration, development, and production activity of, and the corresponding capital spending by, oil and natural gas companies. The level of exploration, development, and production activity is directly affected by trends in oil and natural gas prices, which historically have been volatile and are likely to continue to be volatile. Prices for oil and natural gas are subject to large fluctuations in response to relatively minor changes in the supply of and demand for oil and natural gas, market uncertainty, and a variety of other economic factors that are beyond our control. Given the long-term nature of many large-scale development projects, even the perception of longer-term lower oil and natural gas prices by oil and natural gas companies can cause them to reduce or defer major expenditures. We also have a small number of integrated projects that have remuneration tied to hydrocarbon production. Reduction in oil and gas prices can affect the overall returns for these projects, either lengthening the time until the expected returns are realized or by impairing the value of the asset. Any prolonged reductions of commodity prices or expectations of such reductions could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition, and could result in asset impairments and severance costs.

Factors affecting the prices of oil and natural gas include:

- the level of supply and demand for oil and natural gas;
- the ability or willingness of the Organization of Petroleum Exporting Countries ("**OPEC**") to set and maintain oil production levels;
- the level of oil production in the U.S. and by other non-OPEC countries;
- oil refining capacity and shifts in end-customer preferences toward fuel efficiency and the use of natural gas;
- the cost of, constraints associated with, producing and delivering oil and natural gas;
- governmental regulations, including the policies of governments regarding the exploration for and production and development of their oil and natural gas reserves;
- weather conditions and natural disasters;
- worldwide political, military, and economic conditions; and
- increased demand for alternative fuels and electric vehicles, including government initiatives to promote the use of renewable energy sources and public sentiment around alternatives to oil and gas.

1.3 Our business is dependent on capital spending by our customers, and reductions in capital spending could have a material adverse effect on our business, consolidated results of operations, and consolidated financial condition.

Our business is directly affected by changes in capital expenditures by our customers, and reductions in their capital spending could reduce demand for our services and products and have a material adverse effect on our business, consolidated results of operations, and consolidated financial condition. Some of the items that may impact our customer's capital spending include:

- oil and natural gas prices, including volatility of oil and natural gas prices and expectations regarding future prices;
- the inability of our customers to access capital on economically advantageous terms;
- restrictions on our customers' ability to get their produced oil and natural gas to market due to infrastructure limitations (such as those that currently exist in the U.S. Permian Basin);
- the consolidation of our customers;
- customer personnel changes; and
- adverse developments in the business or operations of our customers, including write-downs of oil and natural gas reserves and borrowing base reductions under customer credit facilities.

Any significant reduction in commodity prices or a change in our customers' expectations of commodity prices, economic growth, or supply and demand for oil and natural gas may result in capital budget reductions in the future. For example, we believe that the drop in the price of oil at the end of 2018, despite the recovery during January 2019, had a negative impact on certain of our customers' expectations about prices during 2019 and, as a result, the amount of their capital spending budgets for 2019. Any substantial and unexpected drop in commodity prices in the future, even if the drop is relatively short-lived, could similarly affect our customers' expectations and capital spending, which could result in a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

1.4 **Our operations are subject to political and economic instability and risk of government actions that could have a material adverse effect on our business, consolidated results of operations, and consolidated financial condition.**

We are exposed to risks inherent in doing business in each of the countries in which we operate. Our operations are subject to various risks unique to each country that could have a material adverse effect on our business, consolidated results of operations, and consolidated financial condition. With respect to any particular country, these risks may include:

- political and economic instability, including:
  - civil unrest, acts of terrorism, war, and other armed conflict;
  - inflation; and
  - currency fluctuations, devaluations, and conversion restrictions; and
- governmental actions that may:
  - result in expropriation and nationalization of our assets in that country;
  - result in confiscatory taxation or other adverse tax policies;
  - limit or disrupt markets or our operations, restrict payments, or limit the movement of funds;
  - impose sanctions on our ability to conduct business with certain customers or persons;
  - result in the deprivation of contract rights; and
  - result in the inability to obtain or retain licenses required for operation.

For example, due to the unsettled political conditions in many oil-producing countries, our operations, revenue, and profits are subject to the adverse consequences of war, terrorism, civil unrest, strikes, currency controls, and governmental actions. These and other risks described above could result in the loss of our personnel or assets, cause us to evacuate our personnel from certain countries, cause us to increase spending on security worldwide, cause us to cease operating in certain countries, disrupt financial and commercial markets, including the supply of and pricing for oil and natural gas, and generate greater political and economic instability in some of the geographic areas in which we operate. Areas where we operate that have significant risk include, but are not limited to: the Middle East, North Africa, Angola, Azerbaijan, Indonesia, Kazakhstan, Mexico, Nigeria, Russia, and Venezuela. In addition, any possible reprisals as a consequence of military or other action, such as acts of terrorism in the United States or elsewhere, could have a material adverse effect on our business, consolidated results of operations, and consolidated financial condition.

1.5 **Our operations are subject to cyberattacks that could have a material adverse effect on our business, consolidated results of operations, and consolidated financial condition.**

We are increasingly dependent on digital technologies and services to conduct our business. We use these technologies for internal purposes, including data storage, processing, and transmissions, as well as in our interactions with customers and suppliers. Examples of these digital technologies include analytics, automation, and cloud services. Digital technologies and services are subject to the risk of cyberattacks and, given the nature of such attacks, some incidents can remain undetected for a period of time despite our efforts to detect and respond to them in a timely manner. We routinely monitor our systems for cyber threats and have processes in place to detect and remediate vulnerabilities. Nevertheless, we have experienced occasional cyberattacks and attempted breaches over the past year, including phishing emails and ransomware infections. We detected and remediated all of these incidents. No known leakage of financial, technical or customer data occurred and none of the incidents had a material adverse effect on our business, operations, reputation, or consolidated results of operations or consolidated financial condition.

If our systems for protecting against cybersecurity risks prove not to be sufficient, we could be adversely affected by, among other things: loss of or damage to intellectual property, proprietary or confidential information, or customer, supplier, or employee data; interruption of our business operations; and increased costs required to prevent, respond to, or mitigate cybersecurity attacks. These risks could harm our reputation and our relationships with customers, suppliers, employees, and other third parties, and may result in claims against us. These risks could have a material adverse effect on our business, consolidated results of operations, and consolidated financial condition.

1.6 **Our operations outside the United States require us to comply with a number of United States and international regulations, violations of which could have a material adverse effect on our business, consolidated results of operations, and consolidated financial condition.**

Our operations outside the United States require us to comply with a number of United States and international regulations. For example, our operations in countries outside the United States are subject to the United States Foreign Corrupt Practices Act ("**FCPA**"), which prohibits United States companies and their agents and employees from providing anything of value to a foreign official for the purposes of influencing any act or decision of these individuals in their official capacity to help obtain or retain business, direct business to any person or corporate entity, or obtain any unfair advantage. Our activities create the risk of unauthorized payments or offers of payments by our employees, agents, or joint venture partners that could be in violation of anti-corruption laws, even though some of these parties are not subject to our control. We have internal control policies and procedures and have implemented training and compliance programs for our employees and agents with respect to the FCPA. However, we cannot assure that our policies, procedures, and programs always will protect us from reckless or criminal acts committed by our employees or agents. We are also subject to the risks that our employees, joint venture partners, and agents outside of the United States may fail to comply with other applicable laws. Allegations of violations of applicable anti-corruption laws have resulted and may in the future result in internal, independent, or government investigations. Violations of anti-corruption laws may result in severe criminal or civil sanctions, and we may be subject to other liabilities, which could have a material adverse effect on our business, consolidated results of operations, and consolidated financial condition.

In addition, the shipment of goods, services, and technology across international borders subjects us to extensive trade laws and regulations. Our import activities are governed by the unique customs laws and regulations in each of the countries where we operate. Moreover, many countries, including the United States, control the export and re-export of certain goods, services and technology and impose related export recordkeeping and reporting obligations. Governments may also impose economic sanctions against certain countries, persons, and entities that may restrict or prohibit transactions involving such countries, persons and entities, which may limit or prevent our conduct of business in certain jurisdictions.

During 2014, the United States and European Union imposed sectoral sanctions directed at Russia's oil and gas industry. Among other things, these sanctions restrict the provision of U.S. and EU goods, services, and technology in support of exploration or production for deep water, Arctic offshore, or shale projects that have the potential to produce oil in Russia. These sanctions resulted in our winding down and ending work on two projects in Russia in 2014, and have prevented us from pursuing certain other projects in Russia. In 2017 and 2018, the U.S. Government imposed additional sanctions against Russia, Russia's oil and gas industry and certain Russian companies. Our ability to engage in certain future projects in Russia or involving certain Russian customers is dependent upon whether or not our involvement in such projects is restricted under U.S. or EU sanctions laws and the extent to which any of our current or prospective operations in Russia or with certain Russian customers may be subject to those laws. Those laws may change from time to time, and any expansion of sanctions against Russia's oil and gas industry could further hinder our ability to do business in Russia or with certain Russian customers, which could have a material adverse effect on our consolidated results of operations.

In 2017, the U.S. Government announced sanctions directed at certain Venezuelan individuals and imposed additional economic sanctions around certain categories of trade financing transactions in Venezuela. In the first quarter of 2018, the Office of Foreign Assets Control (OFAC) of the U.S. Department of the Treasury issued additional guidance on these sanctions which purports to prohibit the acceptance of payments on receivables issued on or after August 25, 2017 and outstanding longer than 90 days from customers subject to U.S. sanctions related to Venezuela in the absence of an OFAC license. During the first quarter of 2018, we wrote down all of our remaining investment in Venezuela. See Note 4 to the consolidated financial statements for further information. On January 28, 2019, OFAC issued additional sanctions targeting the Venezuela energy sector and granted a general license to us to continue our operations in Venezuela until July 27, 2019, subject to previously issued OFAC sanctions. We are continuing our limited operations in Venezuela pursuant to this general license and are evaluating our operations in advance of the July 27, 2019 termination of the general license.

The laws and regulations concerning import activity, export recordkeeping and reporting, export control, and economic sanctions are complex and constantly changing. These laws and regulations can cause delays in shipments and unscheduled operational downtime. Moreover, any failure to comply with applicable legal and regulatory trading obligations could result in criminal and civil penalties and sanctions, such as fines, imprisonment, debarment from governmental contracts, seizure of shipments and loss of import and export privileges. In addition, investigations by governmental authorities and legal, social, economic, and political issues in these countries could have a material adverse effect on our business, consolidated results of operations, and consolidated financial condition.

1.7 **Changes in, compliance with, or our failure to comply with laws in the countries in which we conduct business may negatively impact our ability to provide services in, make sales of equipment to and transfer personnel or equipment among some of those countries and could have a material adverse effect on our business and consolidated results of operations.**

In the countries in which we conduct business, we are subject to multiple and, at times, inconsistent regulatory regimes, including those that govern our use of radioactive materials, explosives, and chemicals in the course of our operations. Various national and international regulatory regimes govern the shipment of these items. Many countries, but not all, impose special controls upon the export and import of radioactive materials, explosives, and chemicals. Our ability to do business is subject to maintaining required licenses and complying with these multiple regulatory requirements applicable to these special products. In addition, the various laws governing import and export of both products and technology apply to a wide range of services and products we offer. In turn, this can affect our employment practices of hiring people of different nationalities because these laws may prohibit or limit access to some products or technology by employees of various nationalities. Changes in, compliance with, or our failure to comply with these laws may negatively impact our ability to provide services in, make sales of equipment to, and transfer personnel or equipment among some of the countries in which we operate and could have a material adverse effect on our business and consolidated results of operations.

1.8 **The adoption of any future federal, state, or local laws or implementing regulations imposing reporting obligations on, or limiting or banning, the hydraulic fracturing process could make it more difficult to complete natural gas and oil wells and could have a material adverse effect on our liquidity position such that it may reduce available cash and equivalents and require us to draw on our revolving credit facility. It could also have a material adverse effect on our consolidated results of operations and consolidated financial condition.**

Various federal and state legislative and regulatory initiatives, as well as actions in other countries, have been or could be undertaken which could result in additional requirements or restrictions being imposed on hydraulic fracturing operations. For example, legislation and/or regulations have been adopted in many U.S. states that require additional disclosure regarding chemicals used in the hydraulic fracturing process but that generally include protections for proprietary information. Legislation, regulations and/or policies have also been adopted at the state level that impose other types of requirements on hydraulic fracturing operations (such as limits on operations in the event of certain levels of seismic activity). Additional legislation and/or regulations are being considered at the state and local level that could impose further chemical disclosure or other regulatory requirements (such as prohibitions on hydraulic fracturing operations in certain areas) that could affect our operations. Three states (New York, Maryland, and Vermont) have banned the use of high volume hydraulic fracturing. Local jurisdictions in some states have adopted ordinances that restrict or in certain cases prohibit the use of hydraulic fracturing, although many of these ordinances have been challenged and some have been overturned. In addition, governmental authorities in various foreign countries where we have provided or may provide hydraulic fracturing services have imposed or are considering imposing various restrictions or conditions that may affect hydraulic fracturing operations.

The adoption of any future federal, state, local, or foreign laws or regulations imposing reporting obligations on, or limiting or banning, the hydraulic fracturing process could make it more difficult to complete natural gas and oil wells and could have a material adverse effect on our liquidity position such that it may reduce available cash and equivalents and require us to draw on our revolving credit facility. It could also have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

1.9 **Liabilities arising out of catastrophic well incidents, could have a material adverse effect on our liquidity position, consolidated results of operations, and consolidated financial condition such that they may, among other things, reduce available cash and equivalents and require us to draw on our revolving credit facility or access the capital markets. For the avoidance of doubt, the foregoing does not qualify the working capital statement made at paragraph 12.1.1 of this Prospectus.**

Catastrophic events can occur at well sites where we conduct our operations, including blowouts resulting in explosions, fires, personal injuries, property damage, pollution, and regulatory responsibility. Generally, we rely on contractual indemnities, releases and limitations on liability with our customers, and liability insurance coverage, to protect us from potential liability related to such occurrences. However, we do not have these contractual provisions in all contracts, and even where we do, it is possible that the respective customer or insurer could seek to avoid or be financially unable to meet its obligations or a court may decline to enforce such provisions. Damages that are not indemnified or released could greatly exceed available insurance coverage and could have a material adverse effect on our liquidity position, such that they may, among other things, reduce available cash and equivalents and require us to draw on our revolving credit facility or access the capital markets. They could also have a material adverse effect on our consolidated results of operations and consolidated financial condition.

1.10 **Liability for cleanup costs, natural resource damages, and other damages arising as a result of environmental laws could be substantial and could have a material adverse effect on our liquidity position such that they may reduce available cash and equivalents and require us to draw on our revolving credit facility. These liabilities could also have a material adverse effect on our consolidated results of operations and consolidated financial condition.**

We are exposed to claims under environmental requirements and, from time to time, such claims have been made against us. In the United States, environmental requirements and regulations typically impose strict liability. Strict liability means that in some situations we could be exposed to liability for cleanup costs, natural resource damages, and other damages as a result of our conduct that was lawful at the time it occurred or the conduct of prior operators or other third parties. We are periodically notified of potential liabilities at federal and state superfund sites. These potential liabilities may arise from both historical Halliburton operations and the historical operations of companies that we have acquired. Our exposure at these sites may be materially impacted by unforeseen adverse developments both in the final remediation costs and with respect to the final allocation among the various parties involved at the sites. The relevant regulatory agency may bring suit against us for amounts in excess of what we have accrued and what we believe is our proportionate share of remediation costs at any superfund site. We also could be subject to third-party claims, including punitive damages, with respect to environmental matters for which we have been named as a potentially responsible party. Liability for damages arising as a result of environmental laws could be substantial and could have a material adverse effect on our liquidity position such that it may reduce available cash and equivalents and require us to draw on our revolving credit facility. It could also have a material adverse effect on our consolidated results of operations and consolidated financial condition.

1.11 **Failure on our part to comply with, and the costs of compliance with, applicable health, safety, and environmental requirements could have a material adverse effect on our liquidity position such that it may reduce available cash and equivalents and require us to draw on our revolving credit facility. It could also have a material adverse effect on our consolidated results of operations and consolidated financial condition.**

Our business is subject to a variety of health, safety, and environmental laws, rules, and regulations in the United States and other countries, including those covering hazardous materials and requiring emission performance standards for facilities. For example, our well service operations routinely involve the handling of significant amounts of waste materials, some of which are classified as hazardous substances. We also store, transport, and use radioactive and explosive materials in certain of our operations. Applicable regulatory requirements include those concerning:

- the containment and disposal of hazardous substances, oilfield waste, and other waste materials;
- the importation and use of radioactive materials;
- the use of underground storage tanks;
- the use of underground injection wells; and
- the protection of worker safety both onshore and offshore.

These and other requirements generally are becoming increasingly strict. The failure to comply with the requirements, many of which may be applied retroactively, may result in:

- administrative, civil, and criminal penalties;
- revocation of permits to conduct business; and
- corrective action orders, including orders to investigate and/or clean up contamination.

Failure on our part to comply with applicable environmental requirements or costs arising from regulatory compliance, including compliance with changes in or expansion of applicable regulatory requirements could have a material adverse effect on our liquidity position such that it may reduce available cash and equivalents and require us to draw on our revolving credit facility. It could also have a material adverse effect on our consolidated results of operations and consolidated financial condition.

1.12 **Existing or future laws, regulations, treaties or international agreements related to greenhouse gases, climate change and alternative energy sources could have a negative impact on our business and may result in additional compliance obligations that could have a material adverse effect on our liquidity position such that they may reduce available cash and equivalents and require us to draw on our revolving credit facility. These matters could also have a material adverse effect on our consolidated results of operations and consolidated financial condition.**

Changes in environmental requirements related to greenhouse gases, climate change and alternative energy sources may negatively impact demand for our services. For example, oil and natural gas exploration and production may decline as a result of environmental requirements, including land use policies responsive to environmental concerns. State, national, and international governments and agencies in areas in which we conduct business continue to evaluate, and in some instances adopt, climate-related legislation and other regulatory initiatives that would restrict emissions of greenhouse gases. Because our business depends on the level of activity in the oil and natural gas industry, existing or future laws, regulations, treaties or international agreements related to greenhouse gases and climate change, including incentives to conserve energy or use alternative energy sources, may reduce demand for oil and natural gas and could have a negative impact on our business. Likewise, such restrictions may result in additional compliance obligations with respect to the release, capture, sequestration, and use of carbon dioxide that could have a material adverse effect on our liquidity position such that they may reduce available cash and equivalents and require us to draw on our revolving credit facility. These matters could also have a material adverse effect on our consolidated results of operations and consolidated financial condition.

1.13 **Our business could be materially and adversely affected by severe or unseasonable weather where we have operations.**

Our business could be materially and adversely affected by severe weather, particularly in Canada, the Gulf of Mexico, Russia, and the North Sea. Some experts believe global climate change could increase the frequency and severity of extreme weather conditions. Repercussions of severe or unseasonable weather conditions may include:
- evacuation of personnel and curtailment of services;
- weather-related damage to offshore drilling rigs resulting in suspension of operations;
- weather-related damage to our facilities and project work sites;
- inability to deliver materials to jobsites in accordance with contract schedules;
- decreases in demand for oil and natural gas during unseasonably warm winters; and
- loss of productivity.

1.14 **Changes in or interpretation of tax law and currency/repatriation control could impact the determination of our income tax liabilities for a tax year.**

We have operations in more than 80 countries. Consequently, we are subject to the jurisdiction of a significant number of taxing authorities. The income earned in these various jurisdictions is taxed on differing bases, including net income actually earned, net income deemed earned, and revenue-based tax withholding. The final determination of our income tax liabilities involves the interpretation of local tax laws, tax treaties, and related authorities in each jurisdiction, as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. Changes in the operating environment, including changes in or interpretation of tax law and currency/repatriation controls, could impact the determination of our income tax liabilities for the year.

1.15 **We are subject to foreign exchange risks and limitations on our ability to reinvest earnings from operations in one country to fund the capital needs of our operations in other countries or to repatriate assets from some countries.**

A sizable portion of our consolidated revenue and consolidated operating expenses is in foreign currencies. As a result, we are subject to significant risks, including:
- foreign currency exchange risks resulting from changes in foreign currency exchange rates and the implementation of exchange controls; and
- limitations on our ability to reinvest earnings from operations in one country to fund the capital needs of our operations in other countries.

As an example, we conduct business in countries that have restricted or limited trading markets for their local currencies and restrict or limit cash repatriation. We may accumulate cash in those geographies, but we may be limited in our ability to convert our profits into United States dollars or to repatriate the profits from those countries. For further information, see paragraph 5 of this Prospectus.

1.16 **Our failure to protect our proprietary information and any successful intellectual property challenges or infringement proceedings against us could materially and adversely affect our competitive position.**

We rely on a variety of intellectual property rights that we use in our services and products. We may not be able to successfully preserve these intellectual property rights in the future, and these rights could be invalidated, circumvented, or challenged. In addition, the laws of some foreign countries in which our services and products may be sold do not protect intellectual property rights to the same extent as the laws of the United States. Our failure to protect our proprietary information and any successful intellectual property challenges or infringement proceedings against us could materially and adversely affect our competitive position.

1.17 **If we are not able to design, develop, and produce commercially competitive products and to implement commercially competitive services in a timely manner in response to changes**

in the market, customer requirements, competitive pressures, and technology trends, our business and consolidated results of operations could be materially and adversely affected, and the value of our intellectual property may be reduced.

The market for our services and products is characterized by continual technological developments to provide better and more reliable performance and services. If we are not able to design, develop, and produce commercially competitive products and to implement commercially competitive services in a timely manner in response to changes in the market, customer requirements, competitive pressures, and technology trends, our business and consolidated results of operations could be materially and adversely affected, and the value of our intellectual property may be reduced. Likewise, if our proprietary technologies, equipment, facilities, or work processes become obsolete, we may no longer be competitive, and our business and consolidated results of operations could be materially and adversely affected.

1.18 **If we lose one or more of our significant customers or if our customers delay paying or fail to pay a significant amount of our outstanding receivables, it could have a material adverse effect on our liquidity position such that it may reduce available cash and equivalents and require us to draw on our revolving credit facility. It could also have a material adverse effect on our consolidated results of operations and consolidated financial condition.**

We depend on a limited number of significant customers. While no single customer represented more than 10% of consolidated revenue in any period presented, the loss of one or more significant customers could have a material adverse effect on our business and our consolidated results of operations.

In most cases, we bill our customers for our services in arrears and are, therefore, subject to our customers delaying or failing to pay our invoices. In weak economic or commodity price environments, we may experience increased delays and failures due to, among other reasons, a reduction in our customers' cash flow from operations and their access to the credit markets. If our customers delay paying or fail to pay us a significant amount of our outstanding receivables, it could have a material adverse effect on our liquidity position such that it may reduce available cash and equivalents and require us to draw on our revolving credit facility. It could also have a material adverse effect on our consolidated results of operations and consolidated financial condition.

1.19 **We sometimes provide integrated project management services in the form of long-term, fixed price contracts that may require us to assume additional risks associated with cost over-runs, operating cost inflation, labor availability and productivity, supplier and contractor pricing and performance, and potential claims for liquidated damages.**

We sometimes provide integrated project management services outside our normal discrete business in the form of long-term, fixed price contracts. Some of these contracts are required by our customers, primarily national oil companies ("**NOCs**"). These services include acting as project managers as well as service providers, and may require us to assume additional risks associated with cost over-runs. These customers may provide us with inaccurate information in relation to their reserves, which is a subjective process that involves location and volume estimation, that may result in cost over-runs, delays, and project losses. In addition, NOCs often operate in countries with unsettled political conditions, war, civil unrest, or other types of community issues. These issues may also result in cost over-runs, delays, and project losses.

Providing services on an integrated basis may also require us to assume additional risks associated with operating cost inflation, labor availability and productivity, supplier pricing and performance, and potential claims for liquidated damages. We rely on third-party subcontractors and equipment providers to assist us with the completion of these types of contracts. To the extent that we cannot engage subcontractors or acquire equipment or materials in a timely manner and on reasonable terms, our ability to complete a project in accordance with stated deadlines or at a profit may be impaired. If the amount we are required to pay for these goods and services exceeds the amount we have estimated in bidding for fixed-price work, we could experience losses in the performance of these contracts. These delays and additional costs may be substantial, and we may be required to compensate our customers for these delays. This may reduce the profit to be realized or result in a loss on a project.

1.20 **Constraints in the supply of, prices for, and availability of transportation of raw materials can have a material adverse effect on our business and consolidated results of operations.**

Raw materials essential to our business such as proppants (primarily sand), hydrochloric acid, and gels, including guar gum, are normally readily available. Shortage of raw materials as a result of high levels of demand or loss of suppliers during market challenges can trigger constraints in the supply chain of those raw materials, particularly where we have a relationship with a single supplier for a particular resource. Many of the raw materials essential to our business require the use of rail, storage, and trucking services to transport the materials to our jobsites. These services, particularly during times of high demand, may cause delays in the arrival of or otherwise constrain our supply of raw materials. These constraints could have a material adverse effect on our business and consolidated results of operations. In addition, price increases imposed by our vendors for raw materials used in our business and the inability to pass these increases through to our customers could have a material adverse effect on our business and consolidated results of operations.

1.21 **Our acquisitions, dispositions, and investments may not result in anticipated benefits and may present risks not originally contemplated, which may have a material adverse effect on our liquidity position such that they may reduce available cash and equivalents and require us to draw on our revolving credit facility. These matters could also have a material adverse effect on our consolidated results of operations and consolidated financial condition.**

We continually seek opportunities to maximize efficiency and value through various transactions, including purchases or sales of assets, businesses, investments, or joint venture interests. These transactions are intended to (but may not) result in the realization of savings, the creation of efficiencies, the offering of new products or services, the generation of cash or income, or the reduction of risk. Acquisition transactions may use cash on hand or be financed by additional borrowings or by the issuance of our common stock. These transactions may also affect our liquidity position such that they may reduce available cash and equivalents and require us to draw on our revolving credit facility. These transactions could also have a material adverse effect on our consolidated results of operations and consolidated financial condition, however, we believe that our working capital is sufficient for our present requirements and at least for the twelve months following the date of this Prospectus.

These transactions also involve risks, and we cannot ensure that:

- any acquisitions we attempt will be completed on the terms announced, or at all;
- any acquisitions would result in an increase in income or provide an adequate return of capital or other anticipated benefits;
- any acquisitions would be successfully integrated into our operations and internal controls;
- the due diligence conducted prior to an acquisition would uncover situations that could result in financial or legal exposure, including under the FCPA, or that we will appropriately quantify the exposure from known risks;
- any disposition would not result in decreased earnings, revenue, or cash flow;
- use of cash for acquisitions would not adversely affect our cash available for capital expenditures and other uses;
- any dispositions, investments, or acquisitions, including integration efforts, would not divert management resources; or
- any dispositions, investments, or acquisitions would not have a material adverse effect on our liquidity position such that they reduce available cash and equivalents and require us to draw on our revolving credit facility, or would not have a material adverse effect on our consolidated results of operations or consolidated financial condition.

1.22 **Actions of and disputes with our joint venture partners could have a material adverse effect on the business and results of operations of our joint ventures and, in turn, our business and consolidated results of operations.**

We conduct some operations through joint ventures in which unaffiliated third parties may control the operations of the joint venture or we may share control. As with any joint venture arrangement, differences in views among the joint venture participants may result in delayed decisions, the joint venture operating in a manner that is contrary to our preference, or in failures to agree on major issues. We also cannot control the actions of our joint venture partners, including any nonperformance, default, or bankruptcy of our joint venture partners.

These factors could have a material adverse effect on the business and results of operations of our joint ventures and, in turn, our business and consolidated results of operations.

1.23 **Our ability to operate and our growth potential could be materially and adversely affected if we cannot attract, employ, and retain technical personnel at a competitive cost.**

Many of the services that we provide and the products that we sell are complex and highly engineered and often must perform or be performed in harsh conditions. We believe that our success depends upon our ability to attract, employ, and retain technical personnel with the ability to design, utilize, and enhance these services and products. A significant increase in the wages paid by competing employers could result in a reduction of our skilled labor force, increases in the wage rates that we must pay, or both. If either of these events were to occur, our cost structure could increase, our margins could decrease, and any growth potential could be impaired.

1.24 **The loss or unavailability of any of our executive officers or other key employees could have a material adverse effect on our business.**

We depend greatly on the efforts of our executive officers and other key employees to manage our operations. The loss or unavailability of any of our executive officers or other key employees could have a material adverse effect on our business.

1.25 **Relating to Stock**

Stock Plan conditions

Participants must remain continuously employed by Halliburton in order to participate in the Stock Plans.

Market price

The value that may be realized from participation in the Stock Plans depends on the market price of Halliburton's Common Stock, which may decline before or after shares are acquired or the shares are sold. When shares acquired under the Stock Plans are sold, the market value of the shares may be less than when the shares were acquired.

Restrictions on transfer

Stock purchase rights granted under the Stock Plans are not transferable otherwise than by will or the laws of descent and distribution. Each stock purchase right is exercisable, during a Participant's lifetime, only by the Participant to whom granted.

Currency fluctuations

Where transactions under the Stock Plans are conducted in Dollars, Participants may be subject to fluctuations in the exchange rate between their local currency and the Dollar. For example, the cost in local currency to purchase Common Stock will increase if the value of a Participant's local currency declines in relation to the Dollar. Similarly, the local-currency value of shares acquired under the Stock Plans will decline if the value of a Participant's local currency increases in relation to the U.S. Dollar.

1.26 **Quantitative and Qualitative Disclosures about Market Risk**

We are exposed to market risk from changes in foreign currency exchange rates and interest rates. We selectively manage these exposures through the use of derivative instruments, including forward foreign exchange contracts, foreign exchange options, and interest rate swaps. The objective of our risk management strategy is to minimize the volatility from fluctuations in foreign currency and interest rates. We do not use derivative instruments for trading purposes. The counterparties to our forward contracts, options, and interest rate swaps are global commercial and investment banks.

We use a sensitivity analysis model to measure the impact of potential adverse movements in foreign currency exchange rates and interest rates. With respect to foreign exchange sensitivity, after consideration of the impact from our foreign exchange hedges, a hypothetical 10% adverse change in the value of all our foreign currency positions relative to the United States dollar as of December 31, 2018 would result in a $73 million, pre-tax, loss for our net monetary assets denominated in currencies other than United States dollars.

With respect to interest rates sensitivity, after consideration of the impact from our interest rate swap, a hypothetical 100 basis point increase in the LIBOR rate would result in approximately an additional $1 million of interest charges for the year ended December 31, 2018.

There are certain limitations inherent in the sensitivity analyses presented, primarily due to the assumption that exchange rates and interest rates change instantaneously in an equally adverse fashion. In addition, the analyses are unable to reflect the complex market reactions that normally would arise from the market shifts modeled. While this is our best estimate of the impact of the various scenarios, these estimates should not be viewed as forecasts.

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FORWARD-LOOKING STATEMENTS

This document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology such as "believe", "expects", "may", "will", "could", "should", "shall", "risk", "intends", "estimates", "aims", "plans", "predicts", "continues", "assumes", "positioned" or "anticipates" or the negative thereof, other variations thereon or comparable terminology. All statements other than statements of historical facts included in this document are forward-looking statements. They appear in a number of places throughout this document, involve known and unknown risks and uncertainties, many of which are beyond Halliburton's control and all of which are based on the Directors' or Halliburton's intentions, beliefs or current expectations concerning, among other things, the results of operations, financial condition, liquidity, prospects, growth, strategies, and dividend policy of Halliburton and its Group and the industry in which it operates and the general economic outlook. In particular, the statements under the headings "*Summary*", "*Risk Factors*", "*Information about Halliburton*" and "*Financial Information concerning the issuers assets and liabilities, financial position and profits and losses*" regarding Halliburton's strategy and other future events or prospects are forward-looking statements.

These forward-looking statements and other statements contained in this document regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing Halliburton and the Group. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed, or implied in such forward-looking statements. Such forward-looking statements contained in this document speak only as of the date of this document. Halliburton and its Directors expressly disclaim any obligation or undertaking to update these forward-looking statements contained in the document to reflect any change in their expectations or any change in events, conditions, or circumstances on which such statements are based unless required to do so by applicable law, the Prospectus Rules, the Listing Rules or the Disclosure Guidance and Transparency Rules of the United Kingdom Listing Authority.

The contents of this section relating to forward looking statements is not intended to qualify the statements made as to sufficiency of working capital in this Prospectus.

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DEFINITIONS AND INTERPRETATION

The following definitions apply throughout this document unless the context otherwise requires:

"**Board**", "**Board of Directors**" or "**Directors**"	the board of directors of Halliburton Company whose names are set out in paragraph 2.1 of this document
"**Company**", "**we**", "**us**" or "**Halliburton**"	Halliburton Company
"**Common Stock**"	Common Stock of Halliburton with a par value of $2.50 per share
"**Dollars**" or "**$**"	the lawful currency of the United States of America
"**EEA**"	the European Economic Area
"**Group**"	Halliburton Company and its Subsidiaries
"**Participant(s)**"	an employee of the Group who has been awarded restricted stock or stock options or who is eligible to participate and has enrolled in the relevant Stock Plan in accordance with the relevant Stock Plan
"**Participating Employer**"	Halliburton and its relevant Subsidiaries, being the relevant employing companies from time to time in relation to the relevant Stock Plan(s)
"**Plan Documents**"	the relevant subscription documents relating to a Stock Plan, including its terms and conditions
"**Prospectus**" or "**document**"	this document, including the annexed information in Parts II and III, and including the summary appearing at the beginning of this document
"**Prospectus Rules**"	the prospectus rules published by the United Kingdom Financial Conduct Authority from time to time
"**Regulations**"	the Prospectus Regulations 2005 of the United Kingdom, as amended
"**SEC**"	the United States Securities and Exchange Commission
"**Stock Plans**"	the stock and share plans of Halliburton, which are summarized in Part II of this document
"**Subsidiaries**"	the subsidiaries of the Company
"UK"	the United Kingdom
"**USA**"	the United States of America

In this document the financial figures of Halliburton are interpreted as follows unless the context otherwise requires:

"**during 20XX**" or "**in 20XX**"	the fiscal year for that year

"**fiscal year for year ended**"	the year from January 1 to December 31
"**fourth quarter**"	the period from October 1 to December 31
"**third quarter**"	the period from July 1 to September 30
"**second quarter**"	the period from April 1 to June 30
"**first quarter**"	the period from January 1 to March 31

2. PERSONS RESPONSIBLE

The persons responsible for the information given in this document are Halliburton and the Directors of Halliburton whose names are set out below. Having taken all reasonable care to ensure that such is the case, the information contained in this document is, to the best of the Directors and the Company's knowledge, in accordance with the facts and contains no omission likely to affect its import.

Abdulaziz F. Al Khayyal
William E. Albrecht
M. Katherine Banks
Alan M. Bennett
James R. Boyd
Milton Carroll
Nance K. Dicciani
Murry S. Gerber
Patricia Hemingway Hall
Robert A. Malone
Jeffrey A. Miller

Further details on each Director are set out in paragraph 6 of this Prospectus.

3. STATUTORY AUDITORS

3.1 The statutory auditors of Halliburton are KPMG LLP of Suite 4500, 811 Main Street, Houston, Texas 77002, USA.

3.2 The Company's auditors are an independent registered public accounting firm with the Public Company Accounting Oversight Board (United States), created pursuant to the Sarbanes-Oxley Act of 2002.

3.3 The Company's auditors have not resigned or been removed and have been reappointed in the fiscal years of 2016, 2017 and 2018.

4. SELECTED FINANCIAL INFORMATION

Quarterly Unaudited Historical Information

The unaudited summary consolidated financial data set out below is extracted from our unaudited condensed consolidated financial statements contained in our first quarter 2019 Quarterly Report on Form 10-Q and supporting detail schedules from our financial transaction system without material adjustment. These amounts are not based on any forecast, estimated, or pro forma figures. This data should be read in conjunction with our unaudited, condensed consolidated financial statements and the related notes in the first quarter 2019 Quarterly Report on Form 10-Q, which is included in Part III of this Prospectus.

	Three Months Ended March 31	
(Millions of dollars)	**2019**	**2018**
Revenue:		
Completion and Production	$ 3,662	$ 3,807
Drilling and Evaluation	2,075	1,933
Total revenue	$ 5,737	$ 5,740
Operating income:		
Completion and Production	$ 368	$ 500
Drilling and Evaluation	123	188
Total operations	491	688
Corporate and other (a)	(65)	(69)
Impairments and other charges (b)	(61)	(265)
Total operating income	$ 365	$ 354
Interest expense, net of interest income	(143)	(140)
Other, net	(30)	(25)
Income from continuing operations before income taxes	$ 192	$ 189
Income tax provision	(40)	(142)
Net income	$ 152	$ 47
Net (income) loss attributable to noncontrolling interest	—	(1)
Net income attributable to company	$ 152	$ 46

(a) Includes certain expenses not attributable to a particular business segment, such as costs related to support functions and corporate executives.
(b) During the three months ended March 31, 2019, we recorded $61 million of impairments and other charges, primarily relating to an impairment of fixed assets. During the three months ended March 31, 2018, we recognized a pre-tax charge of $265 million related to a write-down of all of our remaining investment in Venezuela..

Other financial data:		
Capital expenditures	$ 437	$ 501
Depreciation, depletion, and amortization	416	394

Financial position:	**March 31 2019**	**December 31 2018**
Net working capital (1)	$ 6,141	$ 6,349
Property, plant, and equipment, net	8,853	8,873
Total assets	26,989	25,982
Long-term debt	10,307	10,421
Total shareholders' equity	9,625	9,544

(1) Calculated as current assets minus current liabilities.

Annual Audited Historical Information

The summary consolidated financial data set out below is extracted from our audited consolidated financial statements in our 2018 Annual Report on Form 10-K and supporting detail schedules from our financial transaction system without material adjustment. These amounts are not based on any forecast, estimated, or pro forma figures. This data should be read in conjunction with our audited consolidated financial statements and the related notes in our 2018 Annual Report on Form 10-K, which is included in Section 1 of Part III of this Prospectus.

(Millions of dollars)	Year Ended December 31 2018	2017	2016
Revenue:			
Completion and Production	$ 15,973	$ 13,077	$ 8,882
Drilling and Evaluation	8,022	7,543	7,005
Total revenue	$23,995	$20,620	$15,887
Operating income (loss):			
Completion and Production	$ 2,278	$ 1,625	$ 108
Drilling and Evaluation	745	726	801
Total operations	3,023	2,351	909
Corporate and other (a)	(291)	(330)	(4,322)
Impairments and other charges (b)	(265)	(647)	(3,357)
Total operating income (loss)	$ 2,467	$ 1,374	$ (6,770)
Interest expense, net of interest income	(554)	(593)	(639)
Other, net	(99)	(99)	(216)
Income (loss) from continuing operations before income taxes	$ 1,814	$ 682	$ (7,625)
Income tax benefit (provision)	(157)	(1,131)	1,858
Income (loss) from continuing operations	1,657	(449)	(5,767)
Loss from discontinued operations, net	—	(19)	(2)
Net income (loss)	$ 1,657	$ (468)	$ (5,769)
Net (income) loss attributable to noncontrolling interest	(1)	5	6
Net income (loss) attributable to company	$ 1,656	$ (463)	$ (5,763)

(a) Includes certain expenses not attributable to a particular business segment, such as costs related to support functions and corporate executives, and also includes amortization expense associated with intangible assets recorded as a result of acquisitions. Also includes merger-related costs and a termination fee during the year ended December 31, 2016.
(b) Impairments and other charges are as follows:
- For the year ended December 31, 2018, the aggregate charge of $265 million represents a write-down of all of our remaining investment in Venezuela, consisting of receivables, fixed assets, inventory and other assets and liabilities.
- For the year ended December 31, 2017, the aggregate charge of $647 million represents a fair market value adjustment on our existing promissory note with our primary customer in Venezuela and a full reserve against our other accounts receivable with this customer.
- For the year ended December 31, 2016, the aggregate charge of $3.4 billion consisted of fixed asset impairments and write-offs, inventory write-downs, impairments of intangible assets, severance costs, country and facility closures, and other charges related to the energy downtown. This included $2.1 billion attributable to Completion and Production, $1.2 billion attributable to Drilling and Evaluation and $10 million attributable to Corporate and other.

Other financial data:	December 31 2018	2017	2016
Capital expenditures	$ 2,026	$ 1,373	$ 798
Depreciation, depletion, and amortization	1,606	1,556	1,503

Financial position:	December 31 2018	2017	2016
Net working capital (1)	$ 6,349	$ 5,915	$ 7,654
Property, plant, and equipment, net	8,873	8,521	8,532
Total assets	25,982	25,085	27,000
Long-term debt	10,421	10,430	12,214
Total shareholders' equity	9,544	8,349	9,448

(1) Calculated as current assets minus current liabilities.

Selected Ratios

	Debt-to-Equity Ratio (1)	**Debt-to-Total Capitalization Ratio** (2)	**Net Debt-to-Net Capitalization Ratio** (3)
12/31/16	131.1% (4)	56.7%	46.7%
12/31/17	131.1% (5)	56.7%	50.5%
12/31/18	109.6% (6)	52.3%	47.0%
03/31/19	107.4% (7)	51.8%	48.2%

(1) Calculated as total debt divided by shareholders' equity.

(2) Calculated as total debt divided by the sum of total debt plus total shareholders' equity.
(3) Calculated as total debt minus cash and equivalents and investments in fixed income securities, divided by total capitalization minus cash and equivalents and investments in fixed income securities.
(4) This ratio includes $3.1 billion of senior notes that were redeemed in 2016.
(5) This ratio includes $1.4 billion of senior notes that were redeemed in 2017.
(6) This ratio includes $400 million of senior notes that were redeemed in 2018.
(7) We believe that our working capital is sufficient for our present requirements and at least for the twelve months following the date of this Prospectus.

On March 5, 2019, we entered into a new $3.5 billion five-year revolving credit facility which replaced our $3.0 billion revolving credit facility established in July 2015. The revolving credit facility is for general working capital purposes and expires on March 5, 2024.

There were no cash drawings or borrowings under the revolving credit facility held by the Company as of March 31, 2019. There have been no changes to the borrowings of the Company since March 31, 2019 that are regarded by the Company as significant.

During 2018, we repaid $400 million of 2.0% senior notes, which matured in August 2018.

Net indebtedness table *(Millions of dollars)*	March 31 2019	December 31 2018	December 31 2017
Cash and equivalents	$ 1,380	$ 2,008	$ 2,337
Investments in fixed income securities, current portion	3	3	69
Liquidity	1,383	2,011	2,406
Current financial receivable	5,622	5,234	5,036
Current portion of non-current debt	24	34	440
Other current financial debt	1	2	72
Current financial debt	25	36	512
Net current financial indebtedness	(7,030)	(7,209)	(6,930)
Investments in fixed income securities, non-current portion	-	-	37
Bonds issued	10,307	10,421	10,430
Other non-current loans	-	-	-
Non-current financial indebtedness	10,307	10,421	10,430
Net non-current financial indebtedness	10,307	10,421	10,393
Net financial indebtedness	$ 3,277	$ 3,212	$ 3,463

Long-term debt table *(Millions of dollars)*	March 31 2019	December 31 2018	December 31 2017
5.0% senior notes due November 2045	$ 2,000	$ 2,000	$ 2,000
3.8% senior notes due November 2025	2,000	2,000	2,000
3.5% senior notes due August 2023	1,100	1,100	1,100
4.85% senior notes due November 2035	1,000	1,000	1,000
7.45% senior notes due September 2039	1,000	1,000	1,000
4.75% senior notes due August 2043	900	900	900
6.7% senior notes due September 2038	800	800	800
3.25% senior notes due November 2021	500	500	500
4.5% senior notes due November 2041	500	500	500
7.6% senior debentures due August 2096	300	300	300
8.75% senior debentures due February 2021	185	185	185
6.75% notes due February 2027	104	104	104
2.0% senior notes due August 2018	-	-	400
Other	37	160	251
Unamortized debt issuance costs and discounts	(94)	(92)	(98)
Total	$ 10,332	$10,457	$10,942
Short-term borrowings and current maturities of long-term debt	(25)	(36)	(512)
Total long-term debt	$10,307	$10,421	$10,430

All of our senior notes and debentures rank equally with our existing and future senior unsecured indebtedness, have semiannual interest payments, and have no sinking fund requirements. We may redeem all of our senior notes from time to time or all of the notes of each series at any time at the applicable redemption prices, plus accrued and unpaid interest. Our 7.6% and 8.75% senior debentures may not be redeemed prior to maturity.

During 2018, we repaid $400 million of 2.0% senior notes, which matured in August 2018.

Capitalization and indebtedness table *(Millions of dollars)*	March 31 2019	December 31 2018	December 31 2017
Current debt			
Unsecured	$ 25	$ 36	$ 512
Total current debt	25	36	512
Non-current debt (excluding current portion of long-term debt)			
Unsecured	10,307	10,421	10,430
Total non-current debt	10,307	10,421	10,430
Shareholders' equity:			
Share capital	9,625	9,544	8,349
Total shareholders' equity	9,625	9,544	8,349
Total	$19,957	$20,001	$19,291

Note: Borrowing requirements of Halliburton are not seasonal.

5. TREND INFORMATION

The following trends, uncertainties, demands, commitments or events are reasonably likely to have a material effect on the prospects of Halliburton as at the date of this Prospectus.

5.1 **BUSINESS ENVIRONMENT**

We operate in more than 80 countries throughout the world to provide a comprehensive range of services and products to the energy industry. A significant amount of our consolidated revenue is derived from the sale of services and products to major, national, and independent oil and natural gas companies worldwide. The industry we serve is highly competitive with many substantial competitors in each segment of our business. During the first quarter of 2019, based upon the location of the services provided and products sold, 55% of our consolidated revenue was from the United States, compared to 58% of consolidated revenue from the United States in the first quarter of 2018. No other country accounted for more than 10% of our revenue during these periods.

Operations in some countries may be adversely affected by unsettled political conditions, acts of terrorism, civil unrest, force majeure, war or other armed conflict, sanctions, expropriation or other governmental actions, inflation, changes in foreign currency exchange rates, foreign currency exchange restrictions, and highly inflationary currencies, as well as other geopolitical factors. We believe the geographic diversification of our business activities reduces the risk that an interruption of operations in any one country, other than the United States, would be materially adverse to our consolidated results of operations.

Activity within our business segments is significantly impacted by spending on upstream exploration, development, and production programs by our customers. Also impacting our activity is the status of the global economy, which impacts oil and natural gas consumption.

Some of the more significant determinants of current and future spending levels of our customers are oil and natural gas prices and our customers' expectations about future prices, global oil supply and demand, completions intensity, the world economy, the availability of credit, government regulation, and global stability, which together drive worldwide drilling and completions activity. Lower oil and natural gas prices usually translate into lower exploration and production budgets and lower rig count, while the opposite is usually true for higher oil and natural gas prices. Our financial performance is therefore significantly affected by oil and natural gas prices and worldwide rig activity, which are summarized in the tables below.

The following table shows the average oil and natural gas prices for West Texas Intermediate (WTI), United Kingdom Brent crude oil, and Henry Hub natural gas:

	Three Months Ended March 31		Year Ended December 31
	2019	2018	2018
Oil price – WTI (1)	$ 54.83	$ 62.88	$ 64.94
Oil price – Brent (1)	63.17	66.81	71.08
Natural gas price - Henry Hub (2)	2.92	3.08	3.17

(1) Oil price measured in dollars per barrel
(2) Natural gas price measured in dollars per million British thermal units ("**Btu**" or "**MMBtu**")

The historical average rig counts based on the weekly Baker Hughes Incorporated rig count information were as follows:

	Three Months Ended March 31		Year Ended December 31
	2019	2018	2018
U.S. Land	1,022	951	1,013
U.S Offshore	21	16	19
Canada	183	269	191
North America	1,226	1,236	1,223
International	1,030	971	988
Worldwide total	2,256	2,207	2,211

Crude oil prices have been extremely volatile over the past few years. WTI oil spot prices declined significantly beginning in 2014 from a peak price of $108 per barrel in June 2014 to a low of $26 per barrel in February 2016, a level which had not been experienced since 2003. Since the low point experienced in early 2016, oil prices increased substantially, with WTI oil spot prices reaching a high of $77 per barrel in June 2018. In late 2018, oil prices again declined with WTI oil spot prices reaching a low of $44 per barrel in December, but have since risen to a high of $66 per barrel in April 2019. The average WTI and Brent crude oil spot prices during the first quarter of 2019 were $55 per barrel and $63 per barrel, respectively.

In the United States Energy Information Administration ("**EIA**") April 2019 "Short Term Energy Outlook," the EIA projected Brent prices to average $65 per barrel in 2019 and $62 per barrel in 2020, while WTI prices are projected to average approximately $8 less per barrel in the first half of 2019, before the discount to Brent gradually falls to approximately $4 in late 2019 through 2020. Crude oil production in the United States is now projected to average 12.4 million barrels per day in 2019, a 14% increase from 2018. Additionally, the EIA projects that U.S. production will increase 6% in 2020, to average 13.1 million barrels per day. The International Energy Agency's ("**IEA**") April 2019 "Oil Market Report" forecasts the 2019 global demand to average approximately 100.6 million barrels per day, which is up 1.5% from 2018, driven by an increase in the Asia Pacific region, while all other regions remain approximately the same.

The Henry Hub natural gas spot price averaged $2.92 per MMBtu in the first quarter of 2019, a decrease of $0.16 per MMBtu, or 5%, from the first quarter of 2018. The EIA April 2019 "Short Term Energy Outlook" projects Henry Hub natural gas prices to average $2.82 per MMBtu in 2019 and $2.77 per MMBtu in 2020.

North America operations

During the first quarter of 2019, the average United States land rig count increased 7%, as compared to the first quarter of 2018, and completions activity continued to strengthen with higher pressure pumping and artificial lift activity during the quarter. However, we continued to face significant pricing headwinds throughout the first quarter of 2019, although we believe the worst of the recent pricing deterioration is behind us. Overall, customer spending for the full year 2019 is expected to decrease in North America as compared to 2018. We expect that less spending by operators and low pricing will result in lower capital spending by service companies, which in turn will lead to a decrease in the available supply of equipment. If operators and service companies adjust to this new environment, we believe supply and demand for the U.S. pressure pumping market will rebalance throughout the year.

International operations

The average international rig count for the first quarter of 2019 was up 6% compared to the first quarter of 2018. As capacity tightens internationally and if the pipeline of projects progressively expands as we expect, we plan to continue demonstrating rational, returns-driven growth in the international markets. While the international markets are continuing to improve, the markets are in the early stages of a recovery and pricing pressure remains a challenge in a competitive landscape. The international recovery was originally focused on mature fields as customers broadly favored shorter cycle returns and lower risk projects. We believe the offshore markets are now also entering a recovery, as project economics become more attractive. International offshore spending is projected to increase in 2019, and the international offshore rig count is already experiencing growth to support this projection. We believe we are well-positioned for continued growth as a result of the significant investments we made to grow our global footprint in the last cycle.

Initiatives

During the first quarter of 2019, our capital expenditures were approximately $437 million, a decrease of 13% from the first quarter of 2018. These capital expenditures were predominantly in our Production Enhancement, Sperry Drilling, Wireline and Perforating, Production

Solutions, and Artificial Lift product service lines. We expect our full year 2019 capital expenditures will be $1.6 billion, a 20% decrease from 2018, as we significantly reduced our North America pressure pumping capital budget this year as the services industry adjusts to market conditions. The capital that we spend will be mostly directed towards improving efficiency, reducing emissions and refurbishing equipment.

We intend to continue to strengthen our product service lines through a combination of organic growth, investment and selective acquisitions. We plan to continue executing the following strategies in 2019:
- directing capital and resources that differentiate our service and product offerings into strategic growth markets, including unconventionals and mature fields;
- collaborating and engineering solutions to maximize asset value for our customers;
- leveraging our broad technology offerings to provide value to our customers and enable them to more efficiently drill and complete their wells;
- exploring additional opportunities for acquisitions that will enhance or augment our current portfolio of services and products, including those with unique technologies or distribution networks in areas where we do not already have significant operations;
- investing in technology that will help our customers reduce reservoir uncertainty and increase operational efficiency;
- improving working capital and managing our balance sheet to maximize our financial flexibility;
- seeking additional ways to be one of the most cost-efficient service providers in the industry by maintaining capital discipline and leveraging our scale and breadth of operations; and
- striving to achieve superior growth and returns for our shareholders.

Ratings

Our credit ratings with Standard & Poor’s remain A- for our long-term debt and A-2 for our short-term debt, with a stable outlook. Our credit ratings with Moody's Investors Service remain Baa1 for our long-term debt and P-2 for our short-term debt, with a stable outlook.

6. ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES AND SENIOR MANAGEMENT

6.1 Members of the Board of Directors

The following persons are the Directors of Halliburton. Directors are elected annually by the shareholders of the Company to serve for the ensuing year until their successors shall be elected and shall qualify.

Abdulaziz F. Al Khayyal

- Director since 2014
- Halliburton Committees:
  - Health, Safety and Environment
  - Nominating and Corporate Governance

Mr. Al Khayyal is the retired Senior Vice President of Industrial Relations of Saudi Arabian Oil Company ("**Saudi Aramco**") (the world's largest producer of crude oil). Mr. Al Khayyal served as Senior Vice President of Industrial Relations of Saudi Aramco from 2007 to 2014 and served as a director of Saudi Aramco from 2004 to 2014. Mr. Al Khayyal is a director of Marathon Petroleum Corporation (since 2016). The Board determined that Mr. Al Khayyal should be nominated for election as a Director because of his exceptional knowledge of the energy industry, including significant international industry experience and executive experience with the world's largest producer of crude oil.

William E. Albrecht

- Director since 2016
- Halliburton Committees:
  - Compensation
  - Health, Safety and Environment

Mr. Albrecht has been the Non-Executive Chairman of the Board of California Resources Corporation (a publicly traded oil and natural gas exploration and production company) since 2016. Mr. Albrecht served as Executive Chairman of the Board of California Resources Corporation from 2014 to 2016, Vice President of Occidental Petroleum Corporation from 2008 to 2014, and President of Oxy Oil & Gas, Americas from 2012 to 2014. Mr. Albrecht is currently Chairman of the Board and has been a director of Rowan Companies plc (since 2015). The Board determined that Mr. Albrecht should be nominated for election as a Director because of his extensive experience in the domestic oil and natural gas industry and his executive experience with a public oil and gas exploration and production company and an international offshore drilling company.

M. Katherine Banks

- Director since 2019
- Halliburton Committees:
  - TBD

Ms. Banks is the Vice Chancellor of Engineering and National Laboratories for the Texas A&M University System and Dean of Engineering at Texas A&M University (a public research university) since 2012. The Board determined that Ms. Banks should be nominated for election as a Director because of her extensive experience in engineering and technology and executive experience leading one of the largest engineering schools in the USA and overseeing the engineering, academic and research programs at seven universities.

Alan M. Bennett

- Director since 2006
- Halliburton Committees:
  - Audit (Chair)
  - Nominating and Corporate Governance

Mr. Bennett is the retired President and Chief Executive Officer of H&R Block, Inc. (a tax and financial services provider). Mr. Bennett served as the President and Chief Executive Officer of H&R Block, Inc. from 2010 to 2011, the Interim Chief Executive Officer of H&R Block, Inc. from 2007 to 2008, and the Senior Vice President and Chief Financial Officer of Aetna, Inc. from 2001 to 2007. Mr. Bennett is a director of Fluor Corporation (since 2011) and TJX Companies, Inc. (since 2007). The Board determined that Mr. Bennett should be nominated for election as a Director because of his business and financial expertise, ranging from internal audit to corporate controller to chief financial officer of a large, public company. He is a certified public accountant and also has chief executive officer experience.

Milton Carroll

- Director since 2006
- Halliburton Committees:
  - Compensation
  - Nominating and Corporate Governance (Chair)

Mr. Carroll has been the Executive Chairman of the Board of CenterPoint Energy, Inc. (a public utility holding company) since 2013. In that role, Mr. Carroll's primary function is to provide leadership for the CenterPoint Board and to coordinate its activities. Mr. Carroll served as the Non-Executive Chairman of the Board of CenterPoint Energy, Inc., from 2002 to 2013. Mr. Carroll is a director of Western Gas Holdings, LLC, the general partner of Western Gas Partners, L.P. (since 2008). Mr. Carroll has served as Chairman of Health Care Service Corporation (a customer-owned health insurance company) since 2002. Mr. Carroll is a former director of LRE GP, LLC, the general partner of LRR Energy, L.P. (2011-2014) and LyondellBasell Industries (2010-2016). The Board determined that Mr. Carroll should be nominated for election as a Director because of his public company board experience, corporate governance expertise, and knowledge of the oil and gas services industry. The Board also determined that Mr. Carroll's duties as Chairman of CenterPoint do not impede his ability to fulfill his responsibilities as a Director.

Nance K. Dicciani

- Director since 2009
- Halliburton Committees:
  - Audit
  - Health, Safety and Environment (Chair)

Ms. Dicciani has been the Non-Executive Chair of the Board of AgroFresh Solutions, Inc. (a global leader in advanced proprietary technologies for the horticultural market) since 2015. Ms. Dicciani served as Interim Co-Principal Executive Officer of AgroFresh Solutions, Inc. from March 2016 to October 2016. Ms. Dicciani served as the President and Chief Executive Officer of Honeywell International Specialty Materials (a diversified technology and manufacturing company) from 2001 to 2008. Ms. Dicciani is a director of Linde plc (since 2018) and LyondellBasell Industries (since 2013). Ms. Dicciani is a former director of Praxair, Inc. (2008-2018) and Rockwood Holdings, Inc. (2008-2014). The Board determined that Ms. Dicciani should be nominated for election as a Director because of her technical expertise in the chemical industry, international operations expertise, and executive experience as a chief executive officer of a multi-billion dollar strategic business group of a major multinational corporation.

Murry S. Gerber

- Director since 2012
- Halliburton Committees:
  - Audit
  - Compensation

Mr. Gerber is the retired Executive Chairman of the Board of EQT Corporation (a leading producer of unconventional natural gas). Mr. Gerber served as the Executive Chairman of the Board of EQT Corporation from 2010 to 2011, the Chairman and Chief Executive Officer of

EQT Corporation from 2000 to 2010, and the Chief Executive Officer and President of EQT Corporation from 1998 to 2007. Mr. Gerber is a director of BlackRock, Inc. (since 2000) and United States Steel Corporation (since 2012). The Board determined that Mr. Gerber should be nominated for election as a Director because of his executive leadership skills and extensive business experience in the energy industry and domestic unconventional oil and natural gas basins.

Patricia Hemingway Hall

- Director since 2019
- Halliburton Committees:
    - TBD

Ms. Hall is the retired President and Chief Executive Officer of Health Care Service Corporation (the USA's largest mutual health insurance company which operates five Blue Cross and Blue Shield Plans). Ms. Hall served as the Chief Executive Officer of Health Care Service Corporation from 2008 to 2015 and as President of Health Care Services Corporation from 2007 to 2015. Ms. Hall is a director of ManpowerGroup Inc., Cardinal Health Inc., and Celgene Corporation. The Board determined that Ms. Hall should be nominated for election as a Director because of her executive leadership skills, business experience, public company board experience and substantial corporate governance experience.

Robert A. Malone

- Director since 2009
- Halliburton Committees:
    - Compensation
    - Nominating and Corporate Governance

Mr. Malone has been the Executive Chairman, President and Chief Executive Officer of First Sonora Bancshares, Inc. (a bank holding company) since 2014. Mr. Malone also currently serves as the Executive Chairman, President and Chief Executive Officer of The First National Bank of Sonora, Texas (a community bank owned by First Sonora Bancshares, Inc.), a position he has held since 2009. Mr. Malone was an Executive Vice President of BP plc, and Chairman of the Board and President, BP America Inc. (one of the nation's largest producers of oil and natural gas) from 2006 to 2009. Mr. Malone is the Non-Executive Chairman of the Board of Peabody Energy Corporation (since 2016) and director (since 2009), director of Teledyne Technologies Incorporated (since 2015), and director of BP Midstream Partners GP LLC, the general partner of BP Midstream (since 2017). The Board determined that Mr. Malone should be nominated for election as a Director because of his energy industry expertise and executive leadership experience, including crisis management and safety performance.

Jeffrey A. Miller

- Director since 2014 (Chairman)

Mr. Miller has been our President and Chief Executive Officer since 2017, and a Director since 2014. Previously, Mr. Miller served as our President from 2014 to 2017, and Executive Vice President and Chief Operating Officer from 2012 to 2014. Mr. Miller is a former director of Atwood Oceanics, Inc. (2013-2017). The Board determined that Mr. Miller should be nominated for election as a Director because of his energy industry expertise, executive and business development experience, and extensive knowledge of Halliburton's global operations.

6.2 **Executive Officers**

Halliburton's current executive officers, who serve at the discretion of the Board, are as follows:

Anne L. Beaty

- Senior Vice President, Finance of Halliburton Company, since March 2017
- Senior Vice President, Internal Assurance Services of Halliburton Company, November 2013 to March 2017

Eric J. Carre

- Executive Vice President, Global Business Lines of Halliburton Company, since May 2016
- Senior Vice President, Drilling and Evaluation Division of Halliburton Company, June 2011 to April 2016

Charles E. Geer, Jr.

- Vice President and Corporate Controller of Halliburton Company, since January 2015
- Vice President, Finance of Halliburton Company, December 2013 to December 2014

Myrtle L. Jones

- Senior Vice President, Tax of Halliburton Company, since March 2013

Lance Loeffler

- Executive Vice President and Chief Financial Officer of Halliburton Company, since November 2018
- Vice President of Investor Relations of Halliburton Company, April 2016 to November 2018
- Vice President of Corporate Development of Halliburton Company, August 2014 to April 2016
- Director of Deutsche Bank, March 2011 to August 2014

Timothy M. McKeon

- Vice President and Treasurer of Halliburton Company, since January 2014

Jeffrey A. Miller

- Chairman of the Board, President and Chief Executive Officer of Halliburton Company, since January 2019
- Member of the Board of Directors, President and Chief Executive Officer of Halliburton Company, June 2017 to December 2018
- Member of the Board of Directors and President of Halliburton Company, August 2014 to May 2017
- Executive Vice President and Chief Operating Officer of Halliburton Company, September 2012 to July 2014

Lawrence J. Pope

- Executive Vice President of Administration and Chief Human Resources Officer of Halliburton Company, since January 2008

Joe D. Rainey

- President, Eastern Hemisphere of Halliburton Company, since January 2011

Mark J. Richard

- President, Western Hemisphere of Halliburton Company, since February 2019
- Senior Vice President, Northern U.S. Region of Halliburton Company, August 2018 to January 2019
- Senior Vice President, Business Development and Marketing of Halliburton Company, November 2015 to July 2018
- Senior Vice President, Europe/Sub-Saharan Africa Region of Halliburton Company, February 2014 to October 2015

Robb L. Voyles

- Executive Vice President, Secretary and General Counsel of Halliburton Company, since May 2015
- Interim Chief Financial Officer of Halliburton Company, March 2017 to June 2017

- Executive Vice President and General Counsel of Halliburton Company, January 2014 to April 2015

The Halliburton business address of the above directors and executive officers is 3000 North Sam Houston Parkway East, Houston, Texas 77032, USA.

6.3 **Other directorships and partnerships**

Set out below is information relating to each Director and each executive officer listed in paragraphs 6.1 and 6.2 above, relating to directorships which they have held and partnerships in which they have been a partner, in each case over the previous five years preceding the date of this Prospectus, and other than in Halliburton and its Subsidiaries.

Director/Executive Officer	**Current directorships and partnerships**	**Directorships and partnerships of the last 5 years**
Abdulaziz F. Al Khayyal	Marathon Petroleum Corporation	Saudi Aramco
William E. Albrecht	California Resources Corporation Rowan Companies plc	-
M. Katherine Banks	-	-
Anne L. Beaty	-	-
Alan M. Bennett	Fluor Corporation TJX Companies, Inc.	H&R Block, Inc.
Eric J. Carre	-	-
Milton Carroll	CenterPoint Energy, Inc. Health Care Service Corporation Western Gas Holdings, LLC	LRE GP, LLC LyondellBasell Industries
Nance K. Dicciani	AgroFresh Solutions, Inc. LyondellBasell Industries Linde plc	Rockwood Holdings, Inc. Praxair, Inc.
Charles E. Geer, Jr.	-	-
Murry S. Gerber	BlackRock, Inc. United States Steel Corporation	EQT Corporation
Patricia Hemingway Hall	Manpower Group Inc. Cardinal Health, Inc. Celgene Corporation	Health Care Service Corporation
Myrtle L. Jones	-	-
Lance Loeffler	-	-
Robert A. Malone	First Sonora Bancshares, Inc. Peabody Energy Company Teledyne Technologies Incorporated BP Midstream Partners GP LLC	First National Bank of Sonora
Timothy M. McKeon	-	-
Jeffrey A. Miller	-	Atwood Oceanics, Inc.
Lawrence J. Pope	-	-
Joe D. Rainey	-	-
Mark J. Richard	-	-
Robb L. Voyles	-	-

No Director or any of the executive officers listed in paragraph 6.2 has:

(i) any convictions in relation to fraudulent offences for at least the previous five years;

(ii) been declared bankrupt or been a director or member of the administrative, management or supervisory body of a company (or a senior manager of a company) at the time of any receivership, compulsory liquidation or creditors' voluntary liquidation for at least the previous five years or;

(iii) been the subject of any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies), nor has any such person been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the five years up to the date of this Prospectus.

Commencing in June 2002, a number of class action lawsuits were filed against us in federal court alleging violations of the federal securities laws arising out of our change in accounting for revenue on long-term construction projects, our 1998 acquisition of Dresser Industries, Inc. and our reserves for asbestos liability exposure. In December 2016, we reached an agreement to settle these lawsuits and in July 2017, the district court issued final approval of the settlement.

The above settlement resolved all pending cases other than Magruder v. Halliburton Co., et. al. ("**the Magruder case**"). The allegations in the Magruder case arise out of the same general events described above, but for a later class period, December 8, 2001 to May 28, 2002. Several dismissal motions have been filed in the Magruder case. On March 12, 2019, the case was dismissed with prejudice. The Magruder plaintiff did not appeal and the matter has been concluded.

There are no other legal proceedings to which any Director, officer or principal stockholder, or any affiliate thereof, is a party that would potentially be material and adverse to Halliburton.

6.4 Administrative, Management, and Supervisory bodies and Senior Management conflicts of interests

There are no conflicts of interest, actual or potential, between any of the duties those people listed in paragraphs 6.1 or 6.2 owe to Halliburton and to their private or other duties.

There are no arrangements or understandings with major shareholders, customers, suppliers or others, pursuant to which any person listed in paragraphs 6.1 and 6.2 was selected as a member of the administrative, management or supervisory bodies or member of senior management.

The Board of Directors adopted stock ownership requirements for all non-employee Directors to further align their interests with our stockholders. The Compensation Committee of the Board adopted stock ownership requirements for specified officers, which include all the named executive officers, to further align their interests with our stockholders.

6.5 Options and Common Stock held by Directors and executive officers

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR END 2018

The following table sets forth information, as of March 7, 2019, except as noted below, regarding the beneficial ownership of our Common Stock by each Director, each Named Executive Officer ("**NEO**"), and by all Directors and executive officers as a group.

	Amount and Nature of Beneficial Ownership		
Name of Beneficial Owner or Number of Persons in Group	**Sole Voting and Investment Power (1)**	**Shared Voting or Investment Power**	**Percent of Class**
Abdulaziz F. Al Khayyal	0		*
William E. Albrecht	8,000		*
M. Katherine Banks	0		*
Alan M. Bennett	27,236		*
James R. Boyd	47,236		*
James S. Brown	430,074 (2)		*

	Amount and Nature of Beneficial Ownership		
Milton Carroll	20,271		*
Nance K. Dicciani	20,922		*
Murry S. Gerber	64,836		*
Patricia Hemingway Hall	0		*
David J. Lesar	1,492,716 [3]	156,754 [4]	*
Lance Loeffler	123,242		*
Robert A. Malone	32,816		*
Jeffrey A. Miller	894,438		*
Joe D. Rainey	498,029		*
Christopher T. Weber	64,105 [5]		*
Shares owned by all current Directors and executive officers as a group (24 persons)	5,361,654		*

* Less than 1% of shares outstanding.

(1) The table includes shares of common stock eligible for purchase pursuant to outstanding stock options within 60 days of March 7, 2019 for the following: Mr. Brown – 333,158; Mr. Lesar – 1,054,268; Mr. Loeffler – 61,431; Mr. Miller – 359,168; Mr. Rainey – 258,234; and eight unnamed executive officers – 823,704. Until the options are exercised, these individuals will not have voting or investment power over the underlying shares of common stock, but will only have the right to acquire beneficial ownership of the shares through exercise of their respective options. The table also includes restricted shares of common stock over which the individuals have voting power but no investment power.

(2) The table does not include 108,743 restricted stock units (RSUs) held by Mr. Brown. Until the underlying shares of common stock, where applicable, are distributed with respect to the RSUs, he does not have voting or investment power over such shares.

(3) Mr. Lesar retired December 31, 2018. The table reflects his beneficial ownership as of that date.

(4) Shares held by Mr. Lesar's spouse. Mr. Lesar disclaims the beneficial ownership of these shares.

(5) Mr. Weber’s employment ended November 9, 2018. The table reflects his beneficial ownership as of that date.

All options granted under the Stock and Incentive Plan 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. The options granted to designated executives are transferable by gift to individuals and entities related to the optionee, subject to compliance with guidelines adopted by the Compensation Committee.

GRANTS OF PLAN-BASED AWARDS IN FISCAL YEAR 2018

The following table represents amounts associated with the 2018 cycle Performance Unit Program, the 2018 Annual Performance Pay Plan, and restricted stock and stock option awards granted in 2018 to our NEOs.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards Threshold ($)	Target ($)	Maximum ($)	All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/Share)	Grant Date Fair Value of Stock and Option Awards ($)
Jeffrey A. Miller		1,182,114	4,728,457	9,456,914 (1)				
		840,000	2,100,000	4,200,000 (2)				
	12/05/2018				99,800			3,137,712
	12/05/2018					171,200	$31.44	1,253,184
Lance Loeffler		60,000	150,000	300,000 (2)				
	01/02/2018				7,660			380,013
	01/02/2018					20,416	$49.61	252,138
	12/05/2018				29,800			936,912
	12/05/2018					51,100	$31.44	374,052
James S. Brown		475,985	1,903,942	3,807,883 (1)				
		396,000	990,000	1,980,000 (2)				
	12/05/2018				38,900			1,223,016
	12/05/2018					66,800	$31.44	488,976
Joe D. Rainey		422,349	1,689,396	3,378,792 (1)				
		385,000	962,500	1,925,000 (2)				
	12/05/2018				38,900			1,223,016
	12/05/2018					66,800	$31.44	488,976
David J. Lesar		716,250	2,865,000	5,730,000 (1)				
		500,000	1,250,000	2,500,000 (2)				
Christopher T. Weber (3)		314,743	1,258,970	2,517,940 (1)				
		280,000	700,000	1,400,000 (2)				

(1) Opportunity levels under the 2018 cycle of the Performance Unit Program.
(2) Opportunity levels under the 2018 Halliburton Annual Performance Pay Plan.
(3) The amounts reflected were the initial opportunity levels under the 2018 cycle of the Performance Unit Program and the 2018 Annual Performance Pay Plan for Mr. Weber. Because of his resignation, no payment will be made to him under the 2018 cycle of the Performance Unit Program; however, he received a prorated payment under the 2018 Annual Performance Pay Plan.

As indicated by footnote (1), the opportunities for each NEO under the 2018 cycle Performance Unit Program if the Threshold, Target or Maximum levels are achieved are reflected under Estimated Future Payouts Under Non-Equity Incentive Plan Awards. The potential payouts are performance driven and completely at risk.

As indicated by footnote (2), the opportunities for each NEO under the 2018 Halliburton Annual Performance Pay Plan are also reflected under Estimated Future Payouts Under Non-Equity Incentive Plan Awards. The potential payouts are performance driven and completely at risk.

All restricted stock and nonqualified stock option awards are granted under the Stock and Incentive Plan. The awards listed under All Other Stock Awards: Number of Shares of Stock or Units and under

All Other Option Awards: Number of Securities Underlying Options were awarded to each NEO on the date indicated by the Compensation Committee.

The restricted stock grants awarded to the NEOs during 2018 are subject to a graded vesting schedule of 20% per year over five years. All restricted shares are priced at fair market value on the date of grant. Quarterly dividends are paid on the restricted shares at the same time and rate payable on our Common Stock, which was $0.18 per share during 2018. The shares may not be sold or transferred until fully vested. The shares remain subject to forfeiture during the restricted period in the event of the NEO's termination of employment or an unapproved early retirement.

Nonqualified stock options granted in 2018 vest over a three-year graded vesting period with 33 $^{1/3}$% of the options vesting each year. All options are priced at the fair market value on the date of grant using the Black-Scholes options pricing model. There are no voting or dividend rights unless the NEO exercises the options and acquires the shares.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR END 2018

The following table represents outstanding stock option and restricted stock awards for our NEOs as of December 31, 2018. The market value of shares or units of stock not vested was determined by multiplying the number of unvested restricted shares at year end by the closing price of our common stock on the NYSE of $26.58 on December 31, 2018.

		Option Awards				Stock Awards	
Name	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock Not Vested (#)	Market Value of Shares or Units of Stock Not Vested ($)
Jeffrey A. Miller[(1)]	12/04/2013	55,700	–	50.62	12/04/2023	–	–
	08/01/2014	–	–			45,300	1,204,074
	12/03/2014	115,100	–	40.75	12/03/2024	12,400	329,592
	12/02/2015	99,200	–	38.95	12/02/2025	22,280	592,202
	12/07/2016	46,334	23,166	53.54	12/07/2026	25,080	666,626
	06/01/2017	–	–			150,000	3,987,000
	12/06/2017	42,834	85,666	43.38	12/06/2027	61,680	1,639,454
	12/05/2018	–	171,200	31.44	12/05/2028	99,800	2,652,684
Total		359,168	280,032			416,540	11,071,632
Lance Loeffler[(2)]	09/08/2014	–	–			1,000	26,580
	01/02/2015	15,594	–	39.49	01/02/2025	3,292	87,501
	05/01/2015	–	–			406	10,791
	01/04/2016	18,609	9,303	34.48	01/04/2026	6,264	166,497
	01/03/2017	5,560	11,118	55.68	01/03/2017	5,186	137,844
	05/03/2017	–	–			8,840	234,967
	01/02/2018	–	20,416	49.61	01/02/2028	7,660	203,603
	12/05/2018	–	51,100	31.44	12/05/2028	29,800	792,084
Total		39,763	91,937			62,448	1,659,867
James S. Brown[(3)]	12/01/2010	26,100	–	39.19	12/01/2020	–	–
	12/06/2011	43,700	–	35.57	12/06/2021	–	–
	12/05/2012	56,900	–	33.50	12/05/2022	–	–
	12/04/2013	45,500	–	50.62	12/04/2023	–	–
	12/03/2014	59,500	–	40.75	12/03/2024	6,400	170,112
	12/02/2015	58,700	–	38.95	12/02/2025	13,160	349,793
	12/07/2016	26,734	13,366	53.54	12/07/2026	14,520	385,942
	06/01/2017	–	–			108,743	2,890,389
	12/06/2017	16,024	32,046	43.38	12/06/2027	23,936	636,219
	12/05/2018	–	66,800	31.44	12/05/2028	38,900	1,033,962
Total		333,158	112,212			205,659	5,466,417
Joe D. Rainey[(4)]	12/06/2011	14,566	–	35.57	12/06/2021	–	–
	12/05/2012	37,933	–	33.50	12/05/2022	–	–
	12/04/2013	45,500	–	50.62	12/04/2023	–	–
	12/03/2014	59,500	–	40.75	12/03/2024	6,400	170,112
	12/02/2015	58,700	–	38.95	12/02/2025	13,160	349,793
	12/07/2016	26,734	13,366	53.54	12/07/2026	14,520	385,942
	05/17/2017	–	–			54,089	1,437,686
	12/06/2017	15,301	30,599	43.38	12/06/2027	22,080	586,886
	12/05/2018	–	66,800	31.44	12/05/2028	38,900	1,033,962
Total		258,234	110,765			149,149	3,964,381
David J. Lesar[(5)]	12/01/2010	108,000	–	39.19	12/01/2020	–	–
	12/06/2011	141,900	–	35.57	12/06/2021	–	–
	12/05/2012	208,900	–	33.50	12/05/2022	–	–
	12/04/2013	137,900	–	50.62	12/04/2023	–	–
	12/03/2014	178,100	–	40.75	12/03/2024	–	–
	12/02/2015	176,900	–	38.95	12/02/2025	–	–
	12/07/2016	76,601	38,299	53.54	12/07/2026	–	–
	06/01/2017	–	–			–	–
	12/06/2017	25,967	51,932	43.38	12/06/2027	–	–
Total		1,054,268	90,231			–	–
Christopher T. Weber[(6)]	06/22/2017	6,059	–	41.90	02/07/2019	–	–
Total		6,059	–			–	–

(1) Mr. Miller's stock option awards vest annually in equal amounts over three-year vesting schedules. His restricted stock awards vest in equal amounts over each grant's five-year vesting schedule, except for the August 1, 2014, and June 1, 2017, awards, which each vest 100% five years from the date of grant.

(2) Mr. Loeffler's stock option awards vest annually in equal amounts over three-year vesting schedules. His restricted stock awards vest in equal amounts over each grant's five-year vesting schedule, except for the May 3 2017, award, which will vest 100% three years from the date of grant.
(3) Mr. Brown's stock option awards vest annually in equal amounts over three-year vesting schedules. His restricted stock awards vest in equal amounts over each grant's five-year vesting schedule, except the June 1, 2017, grant which vests 50% provided that he remains employed by us through December 31, 2019, or his employment is earlier terminated, other than for early retirement, cause, or a fiduciary violation. The remaining one-half of the equity grant will be valued on the termination date and paid in three equal annual installments beginning on the first anniversary of his termination.
(4) Mr. Rainey's stock option awards vest annually in equal amounts over three-year vesting schedules. His restricted stock awards vest in equal amounts over each grant's five-year vesting schedule, except for the May 17, 2017, grant which vests 100% five years from the date of grant.
(5) As a result of his retirement, Mr. Lesar's restricted stock was vested and his outstanding options maintained their original vesting schedules and expiration dates.
(6) As a result of his resignation, Mr. Weber's restricted stock was vested and unvested stock options were cancelled.

2018 OPTION EXERCISES AND STOCK VESTED

The following table represents stock options exercised and restricted shares that vested during fiscal year 2018 for our NEOs.

	Option Awards		Stock Awards	
Name	**Number of Shares Acquired on Exercise (#)**	**Value Realized on Exercise ($)**	**Number of Shares Acquired on Vesting (#)**	**Value Realized on Vesting ($)**
Jeffrey A. Miller	–	–	54,960	1,702,802
Lance Loeffler	–	–	6,235	302,458
James S. Brown	–	–	49,499	1,545,410
Joe D. Rainey	–	–	29,580	920,111
David J. Lesar	–	–	428,569	12,554,410
Christopher T. Weber	–	–	64,628	2,063,607

The value realized for vested restricted stock awards was determined by multiplying the fair market value of the shares (closing price of our Common Stock on the NYSE on the vesting date) by the number of shares that vested. Shares vested on various dates throughout the year. The value listed represents the aggregate value of all shares that vested for each NEO in 2018.

6.6 Share ownership by employees

Details on share ownership by employees and the terms and conditions of the Stock Plans are set out in Part II of this document:

Under the terms of the Halliburton Company Stock and Incentive Plan ("**SIP**"), approximately 206 million shares of Common Stock have been reserved for issuance to employees and non-employee directors. At December 31, 2018, approximately 11 million shares were available for future grants under the SIP. The stock to be offered pursuant to the grant of an award under the SIP may be authorized but unissued common shares or treasury shares.

In addition to the provisions of the SIP, we also have stock-based compensation provisions under our Restricted Stock Plan for Non-Employee Directors and our Employee Stock Purchase Plan ("**ESPP**").

Each of the active stock-based compensation arrangements is discussed below.

Stock options

The majority of our options are generally issued during the second quarter of the year. All stock options under the SIP are granted at the fair market value of our Common Stock at the grant date. Employee stock options vest ratably over a period of three years and expire 10 years from the grant date. Compensation expense for stock options is generally recognized on a straight line basis over the entire vesting period. No further stock option grants are being made under the stock plans of acquired companies.

The following table represents our stock options activity during 2018.

Stock Options	Number of Shares *(in millions)*	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Term *(years)*	Aggregate Intrinsic Value *(in millions)*
Outstanding at January 1, 2018	20.9	$ 44.92		
Granted	3.0	46.39		
Exercised	(2.2)	40.34		
Forfeited/expired	(0.7)	49.44		
Outstanding at December 31, 2018	21.0	$ 45.44	6.1	$ 2
Exercisable at December 31, 2018	15.6	$ 45.28	5.1	$ 2

The total intrinsic value of options exercised was $25 million in 2018, $21 million in 2017, and $25 million in 2016. As of December 31, 2018, there was $41 million of unrecognized compensation cost, net of estimated forfeitures, related to nonvested stock options, which is expected to be recognized over a weighted average period of approximately two years.

Cash received from issuance of common stock was $195 million during 2018, $158 million during 2017 and $186 million during 2016, of which $88 million, $53 million and $80 million related to proceeds from exercises of stock options in 2018, 2017 and 2016, respectively. The remainder relates to cash proceeds from the issuance of shares related to our employee stock purchase plan.

The fair value of options at the date of grant was estimated using the Black-Scholes option pricing model. The expected volatility of options granted was a blended rate based upon implied volatility calculated on actively traded options on our Common Stock and upon the historical volatility of our Common Stock. The expected term of options granted was based upon historical observation of actual time elapsed between date of grant and exercise of options for all employees. The assumptions and resulting fair values of options granted were as follows:

	Year Ended December 31		
	2018	2017	2016
Expected term (in years)	5.27	5.24	5.21
Expected volatility	28%	32%	37%
Expected dividend yield	1.37 – 2.29%	1.28 – 1.72%	1.35 – 2.46%
Risk-free interest rate	2.27 – 2.84%	1.79 – 2.14%	1.13 – 1.84%
Weighted average grant-date fair value per share	$ 11.56	$ 13.11	$ 12.33

Restricted stock

Restricted shares issued under the SIP are restricted as to sale or disposition. These restrictions lapse periodically generally over a period of five years. Restrictions may also lapse for early retirement and other conditions in accordance with our established policies. Upon termination of employment, shares on which restrictions have not lapsed must be returned to us, resulting in restricted stock forfeitures. The fair market value of the stock on the date of grant is amortized and charged to income on a straight-line basis over the requisite service period for the entire award.

The following table represents our SIP restricted stock awards and restricted stock units granted, vested, and forfeited during 2017.

Restricted Stock	Number of Shares *(in millions)*	Weighted Average Grant-Date Fair Value per Share
Nonvested shares at January 1, 2018	15.1	$ 45.42
Granted	4.9	47.43
Vested	(4.8)	45.24
Forfeited	(0.8)	46.62
Nonvested shares at December 31, 2018	14.4	$ 46.01

The weighted average grant-date fair value of shares granted was $47.73 during 2018, $45.99 during 2017 and $42.87 during 2016. The total fair value of shares vested was $219 million during 2018, $204 million during 2017, and $223 million during 2016. As of December 31, 2018, there was $433 million of unrecognized compensation cost, net of estimated forfeitures, related to nonvested restricted stock, which is expected to be recognized over a weighted average period of three years.

Employee Stock Purchase Plan

The purpose of the Stock Plans is to provide an incentive for eligible employees of Halliburton and certain of its Subsidiaries to acquire or increase a proprietary interest in Halliburton through the acquisition of shares of Common Stock. Under the ESPP, 74 million shares of Common Stock have been reserved for issuance. The stock to be offered may be authorized but unissued common shares or treasury shares. As of December 31, 2018, 49 million shares have been sold through the ESPP since the inception of the plan and 25 million shares are available for future issuance.

The fair value of ESPP shares was estimated using the Black-Scholes option pricing model. The expected volatility was a one-year historical volatility of our Common Stock. The assumptions and resulting fair values were as follows:

	Year Ended December 31		
	2018	2017	2016
Expected volatility	25%	29%	36%
Expected dividend yield	1.62%	1.51%	1.87%
Risk-free interest rate	1.92%	0.86%	0.25%
Weighted average grant-date fair value per share	$ 8.86	$ 9.95	$ 8.61

7. LEGAL AND ARBITRATION PROCEEDINGS

Save as summarized in this paragraph 7 there are no governmental, legal or arbitration proceedings (including pending or threatened proceedings of which Halliburton is aware) during the period commencing 12 months prior to the date of this document which may have, or have had in the recent past, significant effects on the Company's or the Group's financial position or profitability.

7.1.1 **Securities and related litigation**

Commencing in June 2002, a number of class action lawsuits were filed against us in federal court alleging violations of the federal securities laws arising out of our change in accounting for revenue on long-term construction projects, our 1998 acquisition of Dresser Industries, Inc. and our reserves for asbestos liability exposure. In December 2016, we reached an agreement to settle these lawsuits and in July 2017, the district court issued final approval of the settlement.

The above settlement resolved all pending cases other than Magruder v. Halliburton Co., et. al. ("**the Magruder case**"). The allegations in the Magruder case arise out of the same general events described above, but for a later class period, December 8, 2001 to May 28, 2002. Several dismissal motions have been filed in the Magruder case. On March 12, 2019, the case was dismissed with prejudice. The Magruder plaintiff did not appeal and the matter has been concluded.

7.1.2 **Environmental**

We are subject to numerous environmental, legal, and regulatory requirements related to our operations worldwide. In the United States, these laws and regulations include, among others:

- the Comprehensive Environmental Response, Compensation, and Liability Act;
- the Resource Conservation and Recovery Act;
- the Clean Air Act;
- the Federal Water Pollution Control Act;
- the Toxic Substances Control Act; and
- the Oil Pollution Act.

In addition to the federal laws and regulations, states and other countries where we do business often have numerous environmental, legal, and regulatory requirements by which we must abide. We evaluate and address the environmental impact of our operations by assessing and remediating contaminated properties in order to avoid future liabilities and comply with environmental, legal, and regulatory requirements. Our Health, Safety, and Environment group has several programs in place to maintain environmental leadership and to help prevent the occurrence of environmental contamination. On occasion we are involved in environmental litigation and claims, including the remediation of properties we own or have operated, as well as efforts to meet or correct compliance-related matters. We do not expect costs related to those claims and remediation requirements to have a material adverse effect on our liquidity position, consolidated results of operations, or consolidated financial position. Our accrued liabilities for environmental matters were $49 million as of March 31, 2019 and $42 million as of December 31, 2018. Because our estimated liability is typically within a range and our accrued liability may be the amount on the low end of that range, our actual liability could eventually be well in excess of the amount accrued. Our total liability related to environmental matters covers numerous properties.

Additionally, we have subsidiaries that have been named as potentially responsible parties along with other third parties for six federal and state Superfund sites for which we have established reserves. As of March 31, 2019, those six sites accounted for approximately $14 million of our $49 million total environmental reserve. Despite attempts to resolve these Superfund matters, the relevant regulatory agency may at any time bring suit against us for amounts in excess of the amount accrued. With respect to some Superfund sites, we have been named a potentially responsible party by a regulatory agency; however, in each of those cases, we do not believe we have any material liability. We also could be subject to third-party claims with respect to environmental matters for which we have been named as a potentially responsible party.

8. SIGNIFICANT CHANGE IN THE ISSUER'S FINANCIAL OR TRADING POSITION

No significant changes in the financial or trading position of the Group have occurred since the end of the last financial period for which financial information has been published, being March 31, 2019. There has been no other material change to Halliburton's capitalization since March 31, 2019.

9. HALLIBURTON SECOND QUARTER 2019 PROFIT FORECAST

The profit forecast below includes certain forward-looking statements about Halliburton Company's expected results and operations, which may involve risks and uncertainties. Halliburton Company's actual results may also differ materially from those discussed in these forward-looking statements. Halliburton shareholders and potential investors should read Part I – "Forward-looking Statements" for a discussion of the risks and uncertainties relating to those statements and should also read Part I – "Risk Factors" for a discussion of certain factors that may affect the business, results of operations or financial condition of Halliburton Company.

1. Profit forecast of Halliburton Company for the quarter ending June 30, 2019

On April 22, 2019, Halliburton released its results for the first quarter of 2019 and hosted an earnings call with investors. During the earnings call, the following earnings guidance for the second quarter of 2019 was given:

"For our Drilling and Evaluation division, we are anticipating a second quarter rebound from typical seasonal disruptions in drilling activity, offset by ongoing mobilizations. Therefore, we expect sequential revenue to be up low single digits, with margins increasing 50 to 150 basis points.

In our Completion and Production division, with North America land activity improving and the worst in pricing deterioration behind us, we believe that revenues will increase mid-single digits, while margins should be up 50 to 150 basis points."

These statements (**"Second Quarter 2019 Profit Forecast"**), when combined with previous operating results for the quarter ended March 31, 2019, permit a reasonably quantifiable earnings forecast to be calculated for the quarter ending June 30, 2019. As a result, the revenue and margin guidance for both divisions represent a profit forecast for the quarter ended June 30, 2019 based on Prospectus Rules and is considered valid as at the date of publication of this document.

The Second Quarter 2019 Profit Forecast has been reported on by KPMG LLP.

2. Basis of preparation

The Second Quarter 2019 Profit Forecast is based on the unaudited financial information of Halliburton for the three months ended March 31, 2019 and a forecast for the three months ending June 30, 2019.

The Second Quarter 2019 Profit Forecast has been prepared on a basis consistent with Halliburton's accounting policies consistent with U.S. GAAP. These policies are consistent with those applied in the preparation of Halliburton's audited financial statements for the year ended December 31, 2018.

3. Principal assumptions

Halliburton's revenue and margin forecasts are determined based on the company's monthly forecasting process which utilizes many estimates and assumptions based on activity, pricing and other market data points. These market data points include and may be impacted by: demand for oil and gas services, the level of exploration, development and production activity of, and the corresponding capital spending by, oil and natural gas companies, the commodity pricing environment, the global economy, weather conditions within the areas where the Company operates, and access to or constraints in the supply of certain raw materials. These market conditions are difficult to predict in volatile economic environments and may cause actual results to materially differ from the estimated assumptions utilized in Halliburton's forecasts.

Profit forecasts involve risk and uncertainties and reflect the Company's reasonable judgment based on current information. The Company's results of operations can be affected by inaccurate assumptions it makes or by known or unknown risks and uncertainties. In addition, other factors may affect the accuracy of the Company's profit forecasts. As a result, no profit forecast can be guaranteed. Actual events and the results of Halliburton's operations may vary materially.

KPMG

KPMG LLP
811 Main Street
Houston, TX 77002

Accountant's Report on a Profit Forecast

May 23, 2019

Halliburton Company
3000 North Sam Houston Parkway East
Houston, Texas 77032
United States

Dear Ladies and Gentlemen,

Halliburton Company

We report on the profit forecast comprising revenue and operating margin of Halliburton Company ('the Company') and its subsidiaries ('the Group') for the period ending June 30, 2019 (the 'Profit Forecast'). The Profit Forecast, and the material assumptions upon which it is based, are set out on page 52 of the prospectus issued by the Company dated May 23, 2019. This report is required by paragraph 13.2 of Annex I of the Prospectus Directive Regulation and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company to prepare the Profit Forecast in accordance with the requirements of the Prospectus Directive Regulation.

It is our responsibility to form an opinion as required by the Prospectus Directive Regulation as to the proper compilation of the Profit Forecast and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Profit Forecast, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the date of their issue.

Save for any responsibility arising under Prospectus Rule 5.5.3R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with paragraph 23.1 of Annex I of the Prospectus Directive Regulation, consenting to its inclusion in the prospectus.

Without limiting the foregoing, we accept no duty or responsibility, and deny any and all liability, to any person in respect of any use of this report in connection with any prospectus or proxy statement prepared in accordance with the United States Securities Act of 1933 or the Securities Exchange Act of 1934 and this report should not be used or relied on in connection with any thereof.

Basis of Preparation of the Profit Forecast

The Profit Forecast has been prepared on the basis stated on page 52 of the Prospectus and is based on the unaudited interim financial results for the three months ended March 31, 2019, the unaudited management accounts for the three months ended March 31, 2019 and a forecast to June 30, 2019. The Profit Forecast is required to be presented on a basis consistent with the accounting policies of Halliburton Company.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included evaluating the basis on which the historical financial information included in the Profit Forecast has been prepared and considering whether the Profit Forecast has been accurately computed based upon the disclosed assumptions and the accounting policies of Halliburton Company. Whilst the assumptions upon which the Profit Forecast are based are solely the responsibility of the directors of the Company, we considered whether anything came to our attention to indicate that any of the assumptions adopted by the directors of the Company which, in our opinion, are necessary for a proper understanding of the Profit Forecast have not been disclosed and whether any material assumption made by the directors of the Company appears to us to be unrealistic.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Profit Forecast has been properly compiled on the basis stated.

Since the Profit Forecast and the assumptions on which it is based relate to the future and may therefore be affected by unforeseen events, we can express no opinion as to whether the actual results reported will correspond to those shown in the Profit Forecast and differences may be material.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion the Profit Forecast has been properly compiled on the basis stated and the basis of accounting used is consistent with the accounting policies of Halliburton Company.

Declaration

For the purposes of Prospectus Rule 5.5.3R (2)(f) we are responsible for this report as part of the prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the prospectus in compliance with paragraph 1.2 of Annex I of the Prospectus Directive Regulation.

Very truly yours,

KPMG LLP

10. STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST

The statements and reports in this document are set out in the published annual report and audited accounts of the Company for the three financial years ended December 31, 2018. Where information has been sourced from a third party, such information has been accurately reproduced and, as far as Halliburton is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

KPMG has given and not withdrawn its consent to the inclusion in this Prospectus of its *Report of Independent Registered Public Accounting Firm* set out on pages 34, 38, and 40 of the 10-K for the years ended December 31, 2018, 2017 and 2016 which are incorporated into this Prospectus in Part III.

KPMG has given and not withdrawn its consent to the inclusion in this Prospectus of its *Report on Profit Forecast* set out on pages 53 and 54 of this Prospectus.

11. DOCUMENTS ON DISPLAY

Copies of the following documents will be available for inspection at the offices of Baker & McKenzie LLP, 100 New Bridge Street, London EC4V 6JA during normal business hours on any weekday (excluding Saturdays, Sundays and UK public holidays) from the date of this document until May 22, 2020.

11.1 the Restated Certificate of Incorporation of Halliburton and the By-laws of Halliburton;

11.2 Halliburton Company Non-Qualified Stock Purchase Plan;

11.3 First Amendment to Halliburton Company Non-Qualified Stock Purchase Plan dated February 10, 2011;

11.4 Second Amendment to Halliburton Company Non-Qualified Stock Purchase Plan dated December 11, 2012;

11.5 Halliburton Company Employee Stock Purchase Plan;

11.6 Halliburton Company UK Employee Share Purchase Plan, available to employees in the UK;

11.7 Form 10-K for the year ended December 31, 2016;

11.8 Form 10-K for the year ended December 31, 2017;

11.9 Halliburton Company 2019 Proxy Statement for the 2019 Annual Meeting of Shareholders which includes the Form 10-K for the year ended December 31, 2018;

11.10 Form 10-Q for the quarter ended March 31, 2019; and

11.11 this Prospectus.

12. SHARE SECURITIES INFORMATION

The information set out in this paragraph 12 includes that required by Annex III of the Prospectus Rules.

12.1 Key information

12.1.1 Working capital

In the opinion of Halliburton, the working capital of the Group is sufficient for the Group's present requirements, and at least for the period of twelve months following the date of this document.

12.2 Profit forecasts or estimates

There are no profit forecasts or estimates contained in this document or any prospectus issued in accordance with the Prospectus Directive which has been previously published by Halliburton and which are still outstanding at the date of this document.

12.3 **Capitalization and indebtedness**

12.1 At December 31, 2018, we had $2.0 billion of cash and equivalents compared to $2.3 billion at December 31, 2017, and $4.0 billion at December 31, 2016.

12.2 **Dividend policy**

Quarterly cash dividends on our Common Stock, which were paid in March, June, September, and December of each year, were $0.18 per share in all four quarters of 2016, all four quarters of 2017, and all four quarters of 2018. In February 2019 our Board of Directors declared a 2019 first quarter dividend of $0.18 per share payable in March 2019. The declaration and payment of future dividends will be at the discretion of the Board of Directors and will depend on, among other things, future earnings, general financial condition and liquidity, success in business activities, capital requirements, and general business conditions. Subject to Board of Directors approval, our intention is to continue paying dividends at our current rate during 2019.

12.3 **Share repurchase program**

Our Board of Directors has authorized a program to repurchase a specified dollar amount of our Common Stock from time to time. The program does not require a specific number of shares to be purchased and the program may be effected through solicited or unsolicited transactions in the market or in privately negotiated transactions. The program may be terminated or suspended at any time. During the year ended December 31, 2018, we repurchased approximately 10.5 million shares of our common stock for a total cost of approximately $400 million. There were no repurchases made under the program during the year ended December 31, 2017. Approximately $5.3 billion remained authorized for repurchases as of December 31, 2018. From the inception of this program in February 2006 through December 31, 2018, we have repurchased approximately 212 million shares of our Common Stock for a total cost of approximately $8.8 billion.

12.4 **Share Capital**

As of March 31, 2019 there were 932 million shares of Common Stock authorized but unissued. As of December 31, 2018 and December 31, 2017 there were 931 million shares of Common Stock authorized but unissued compared to 930 million shares at December 31, 2016. As of December 31, 2018, December 31, 2017, and December 31, 2016 the share capital of the Company was as follows:

		Number authorized but unissued in millions			**Number issued in millions (fully paid)**		
	Par Value	**December 31, 2018**	**December 31, 2017**	**December 31, 2016**	**December 31, 2018**	**December 31, 2017**	**December 31, 2016**
Common Stock	$2.50	931	931	930	1,069	1,069	1,070

All shares issued are fully paid.

The Company has no convertible securities or exchangeable securities outstanding. There are no outstanding warrants to subscribe or purchase any capital of the Company.

Details of the treasury stock held by the Company are set out in our audited consolidated balance sheet and in Note 10 to the Consolidated Financial Statements, “Shareholders' Equity”, contained in our 2018 Annual Report on Form 10-K included in the 2019 Annual Meeting Proxy set out in Section 1 of Part III of this Prospectus.

12.5 **Reasons for the offer and use of proceeds**

The purpose of the Stock Plans is to encourage employee stock ownership by offering employees of Halliburton and participating Subsidiaries the ability to purchase Common Stock at discounted prices and without brokerage costs. By means of the Stock Plans, Halliburton seeks to retain the services of its international employees and to provide incentives for such international employees to exert maximum efforts for the success of Halliburton.

We believe that the Stock Plans offer a convenient means for our employees who might not otherwise own our Common Stock to purchase and hold Common Stock and that the discounted sale feature of the Stock Plans offers a meaningful incentive to participate. We also believe that our employees' continuing economic interests as shareholders in our performance and success will further enhance our entrepreneurial spirit and can contribute to our potential for growth and profitability.

Halliburton is the issuer of the securities offered pursuant to the Stock Plans. The Common Stock we issue under the Stock Plans may be authorized but unissued shares or reacquired shares, bought on the open market or otherwise. The proceeds of any acquisition of Common Stock pursuant to the Prospectus, to the extent received by Halliburton or its Subsidiaries, will be used for general corporate purposes.

12.6 **Information concerning the securities to be offered/admitted to trading**

12.6.1 Only Common Stock will be issued pursuant to the Stock Plans. The ISIN (International Security Identification Number) of the Common Stock is US4062161017. The Common Stock is listed on the NYSE. All outstanding shares of Common Stock are fully paid.

12.6.2 The Common Stock is created and issued pursuant to the laws of the State of Delaware and in compliance with the federal laws of the USA.

12.6.3 The Common Stock is issued in registered form and in uncertificated form (or, upon request, certificated form). The records of the Company's stockholders are maintained by our registrar, Computershare Inc., 250 Royall Street, Canton, Massachusetts 02021, USA.

12.6.4 The Common Stock is denominated in U.S. Dollars.

12.6.5 A description of the rights attached to the Common Stock is set out in paragraph 10 of this Prospectus.

12.6.6 No takeover bids by third parties in respect of Halliburton's equity have occurred during the last financial year or the current financial year.

12.6.7 Dividends paid by US companies to non-US resident shareholders are subject to withholding tax at the rate of 30%. This is reduced to 15% under Article 10 of the US/UK double taxation treaty for UK resident individuals qualifying under the treaty. UK resident individuals are then subject to UK income tax at their marginal rate on the gross amount of the dividend plus the withholding. Credit is then given for the US tax withheld against the UK income tax liability on the distribution. No credit is given in relation to the underlying US tax suffered by the US company on its corporate profits. Any withholding tax under US law will be withheld by the US company which will be responsible for accounting to the relevant US fiscal authorities for the amounts withheld.

12.7 **Terms and condition of the offer**

The total amount of the offer under the Stock Plans is set out in each of the Stock Plans.

Under the Halliburton Company Non-Qualified Stock Purchase Plan ("**NQESPP**"), Halliburton Company Employee Stock Purchase Plan ("**ESPP**"), and Halliburton Company UK Employee Share Purchase Plan, 74,000,000 shares of Common Stock have been reserved through December 31, 2018. The maximum number of shares that any individual Participant may purchase in a purchase period is 10,000 shares under the NQESPP and ESPP. In addition there is an annual $25,000 individual limit per calendar year under the ESPP. Under the Halliburton Company UK Employee Share Purchase Plan, the Company may from time to time determine the maximum number of shares that may be awarded as Matching Shares or Free Shares. At December 31, 2018 there were approximately 25,000,000 shares available for future issuance under the Stock Plans.

12.8 The terms and conditions of the Stock Plans are set out in Part II of this document.

12.9 **Withdrawal by Participants**

Participants may withdraw from the relevant Stock Plans as described in Part II of this document by service of the required notice.

A supplementary prospectus must be published by the Company if a significant new factor arises or is noted which relates to the information included in the Prospectus or if a material mistake or inaccuracy arises or is noted which relates to the information included in the Prospectus. A "significant new factor" includes the filing of interim consolidated financial statements or annual audited consolidated financial statements for the Company with the SEC.

If a supplementary prospectus is published, there is a legal requirement under Section 87Q of the Financial Services and Markets Act 2000, and Article 16 of the Prospectus Directive and related legislation applying in the EEA, that Participants are given the right to withdraw (subject to the terms of such legislation) from participating in the relevant Stock Plan. This means that a Participant may provide notice to the Plan Administrator to withdraw his/her prior acceptance (represented by his/her prior participation form), and terminate future payroll deductions and thereby withdraw from the relevant Stock Plan, with effect from the date of such notice. Such notice may be served at any time during the period commencing on the date the interim consolidated financial statements or annual audited consolidated financial statements for the Company are filed with the SEC and published, and ending two working days after the supplementary prospectus has been approved by the UK Financial Conduct Authority. This statutory right of withdrawal is in addition to the Participant's right to withdraw under the Stock Plans.

To validly exercise the above statutory withdrawal rights, a Participant must serve notice of their withdrawal on or before the end of the period of two working days beginning on the first working day after the date on which any such supplementary prospectus is published pursuant to Section 87Q(4) of FSMA (the "withdrawal period")). A notice of withdrawal may only be served by the following methods:

UK Tax Residents:

A UK Tax Resident may withdraw from the UK Share Purchase Plan during an enrolment/change period by logging into his/her account via www.computershare.com/Halliburtonshareplans. Contributions can be stopped for the current three-month accumulation period during month one and two of that particular accumulation period and the contributions withheld from the employee's pay will be refunded less income tax and National Insurance Contributions. An accumulation period is defined as the three-month period coinciding with each calendar quarter during which an employee makes contributions to purchase shares under the UK-ESPP.

Non-UK Tax Residents:

Withdrawal online: A Participant may withdraw from a Stock Plan at any time by accessing his/her account with the Company's shareholder services provider, Fidelity Investments, at www.netbenefits.fidelity.com and submitting a notice of withdrawal online.

Withdrawal by telephone: A Participant may withdraw from a Stock Plan at any time by telephoning one of the numbers below and making a declaration of withdrawal from the relevant Stock Plan. Participants will need their Employee ID (SAP/Payroll ID) and relevant PIN:

+1-800-544-9354 (if telephoning from the United States during customer service hours of 4:00 p.m. Central Time on Sunday through 11:00 p.m. Central Time on Friday, excluding New York Stock Exchange holidays), or

+00 1-800-544-9354 (if telephoning from outside the United States during customer service hours of 8:00 a.m. to 8:00 p.m. local time Monday through Friday, excluding New York Stock Exchange holidays)

If a Participant is in any doubt about the above statutory withdrawal rights, he/she should consult an independent financial adviser in the relevant country concerned before taking any action. The tax consequences associated with participation in a Stock Plan (and any withdrawal therefrom) can vary depending on the Participant's country of residence and other factors. Participants should consult their own tax advisers to understand how participation in, or withdrawal from, a Stock Plan will affect their tax situation.

12.10 **Admission to trading and dealing arrangements**

12.10.1 The Common Stock issued pursuant to the Stock Plans will not be the subject of an application for admission to trading on a regulated market in the EEA. It will be admitted to trading only on the NYSE, subject to application for any approval by that body. Admission to trading on the NYSE will not necessarily be approved.

12.10.2 Common Stock of the same class as the Common Stock to be issued to Participants under the Stock Plan is listed only on the NYSE.

12.11 **Selling securities holders**

While the Common Stock issued under the Stock Plan may be reacquired shares bought on the open market or otherwise, no selling shareholders have as at the date of this document been identified.

12.12 **Expense of the issue/offer**

12.12.1 The total net proceeds of any exercise of purchase rights during an Offering Period (each such capitalized term as defined in the relevant Stock Plans) will vary from Offering Period to Offering Period. Based on the volume of shares purchased by eligible employees in the 2018 financial year, we estimate that offers made under the Stock Plans during such period generated in aggregate proceeds of up to $2.3 million. It is not possible to estimate a reasonable or maximum level of acceptances that will result from eligible employees to the offers made under this Prospectus for the 2019 financial year, however, Halliburton is not aware of any material facts or circumstances to indicate that net proceeds from the offers made under the Stock Plans pursuant to this Prospectus will differ from the 2018 financial year to any material extent.

12.12.2 The estimated expenses in relation to the production, approval and passporting of the Prospectus (including estimated professional fees and translation fees) are approximately £150,000. Halliburton has not engaged a sponsor or financial adviser in relation to the preparation and approval of the Prospectus.

12.13 **Dilution**

The maximum number of shares of Common Stock available for future issuance under the Stock Plans, as of December 31, 2018, was 25 million shares of Common Stock. This number represents approximately 2.3% of the 1,069 million shares of Common Stock in issue on December 31, 2018. Also, some of the Common Stock purchased by Participants at the end of an Offering Period may be existing shares, which purchases would therefore have no dilutive effect on the number of shares of Common Stock in issue. Accordingly, no material dilution will take place pursuant to any issuance or purchase of Common Stock pursuant to the Stock Plans.

12.14 **Additional information**

There are no advisers connected with the issue of Common Stock mentioned in this document. No corporate finance adviser, sponsor or promoter has been engaged by Halliburton in relation to the Stock Plans.

May 23, 2019

PART II

INFORMATION ABOUT STOCK PLANS INCLUDING APPLICATION FORMS AND DIRECTIONS FOR COMPLETION

Part II contains information about the employee Stock Plans which Halliburton may operate in countries within the EEA. This information is either required by the Prospectus Directive or is information which we think you will find useful. The detailed information regarding specific offers or grants under any of the employee stock plans will be communicated directly to the employees concerned.

Please note, the employee Stock Plans are not offered to everybody. Some are discretionary plans and are not offered to employees generally. Others may be offered to all employees who meet the eligibility criteria.

Please note also that Halliburton is under no obligation to offer its employee Stock Plans – it is free to decide whether, when, where and how to operate any of its plans. It is also free to terminate any of its plans as regards future participation.

Employees based in the EEA may be eligible to participate in the following Halliburton Stock Plans (subject to their terms).

The tax consequences associated with participation in these plans can vary greatly depending on the Participant's country of residence and other factors. Participants should consult their own tax advisers to understand how participation in the employee stock plans will affect their tax situation.

Halliburton Company Non-Qualified Stock Purchase Plan
(as amended and restated February 11, 2009 and amended February 10, 2011 and amended December 11, 2012)

The Plan (referred to as the "**NQESPP**") gives eligible employees of Halliburton's designated non-US subsidiaries the opportunity to buy Common Stock in the Company at a discounted price through payroll deductions. Eligible employees may invest up to 10% of their gross eligible base pay. This Plan is open to eligible employees in the EEA.

Eligibility: Eligible employees are those employees of participating companies, excluding those working less than twenty hours per week or less than five months in any calendar year, unless local law requires the inclusion of a broader range of employees. Participating companies include the Company and those Subsidiaries that have been designated by the Compensation Committee.

Application process: Eligible employees have to apply to join the Plan. The administration of the Plan has been outsourced to Fidelity Investments, a firm which specializes in such matters. Eligible employees can enroll for the Plan and can manage or terminate their participation through Fidelity Investment's website (http: //www.netbenefits.fidelity.com) or by telephone (for employees outside the USA, the number is 001-800-544-0275). Enrolment normally occurs at three-month intervals, usually in March, June, September, and December. Eligible employees will be notified of the procedure and timings for each new enrolment period.

Limits**:** Subject to the applicable statutory conditions, a maximum of 74,000,000 shares of Halliburton Common Stock may be issued under NQESPP and ESPP (a summary of which is set out below), subject to adjustment for variations in Halliburton's capital structure. The maximum number of shares that any individual Participant may purchase in a purchase period is 10,000 shares.

Purchase of shares: Deductions from salary are made monthly throughout each purchase period. Deductions continue automatically until the Participant gives instructions to change or terminate them. At the end of the purchase period, the payroll contributions collected during the period are applied (without interest) in purchasing whole and fractional shares of Halliburton Common Stock on behalf of the Participant. The price is not less than 85% of whichever is the lower of the closing price on the first trading day of the purchase period or the closing price on the last trading day of the purchase period. The Plan provides for withholding for income and social taxes in accordance with local law.

Dividends: The custodian appointed by the Committee to operate the Plan will automatically reinvest any cash dividends on the stock held for each individual Participant received into that Participant's account, unless the Participant elects to receive dividends in cash.

Withdrawal of shares: A Participant may at any time direct the custodian to sell all or part of the shares held by the custodian in his or her account and deliver the proceeds, less applicable expenses. A Participant may also direct the custodian to deliver to him or her all or part of the shares held in his or her account.

Withdrawal from the Plan: Participants are entitled to withdraw from the Plan before the relevant purchase date relating to a particular purchase period, by delivering to the Company a notice of withdrawal. A Participant also has the statutory withdrawal rights set out in paragraph 26.3.2 of this Prospectus.

Termination of Service**:** If a Participant's employment within the Group terminates for any reason, his or her participation in the Plan is automatically terminated and amounts due will be refunded to the Participant as soon as practicable.

Restrictions on transfer: Stock purchase rights of Participants are not generally transferable and may be exercised only by the Participant during his or her lifetime.

Corporate action: There is nothing in the Plan to prevent the Company or any of its Subsidiaries from taking any corporate action that is deemed by the Company or any of its Subsidiaries to be appropriate or in its best interest.

Amendment or termination of the plan: The Board may terminate the Plan at any time with respect to stock for which stock purchase rights have not been granted. The Board may not alter or amend the Plan as regards existing entitlements unless the change does not materially impair the stock purchase rights of the Participant or the Participant's consent has been obtained.

Governing law: The Plan is construed in accordance with the laws of Delaware except to the extent pre-empted by U.S. Federal law.

Halliburton Company Employee Stock Purchase Plan
(as amended and restated February 24, 2015)

The Plan (referred to as the "**ESPP**") is designed to provide an incentive for eligible employees to purchase shares in the Company. The Plan is designed to enable U.S. Participants to benefit from certain tax advantages under U.S. tax legislation. This Plan is not generally used for employees outside the USA. As with NQESPP, the Plan gives eligible employees the opportunity to buy shares in the Company at a discounted price, through convenient payroll deductions paid to the custodian which has been appointed by the Company to operate the Plan.

Eligibility: Each employee of the Company and/or its Subsidiaries is eligible for the Plan, except those employees serving in a country whose laws prohibit participation in the Plan or those employed for less than twenty hours per week or less than five months in any calendar year.

Application Process: The application process is via the Fidelity Investments website as summarized above in relation to the NQESPP.

Limits: The overall and individual limits are as for NQESPP, described above. In addition there is an annual $25,000 individual limit per calendar year.

***Operation and Terms of the Plan*:** The operation and terms of the Plan are similar to the operation and terms of NQESPP, described above.

Amendment or termination of the Plan: The Board may terminate the Plan at any time with respect to stock for which stock purchase rights have not been granted. The Board may not alter or amend the Plan as regards existing entitlements unless the change does not materially impair the stock purchase rights of the Participant or the Participant's consent has been obtained.

***Governing Law*:** The plan is construed in accordance with the laws of the State of Delaware except to the extent pre-empted by U.S. Federal law.

Halliburton Company UK Employee Share Purchase Plan

The Plan is a share incentive scheme approved by HM Revenue and Customs for UK tax purposes. The Plan is designed to enable employees of designated UK subsidiaries and jointly owned companies of the Company to obtain share benefits similar to those under NQESPP but with a more favorable UK tax treatment, subject to the applicable statutory conditions. This Plan is not generally used for employees outside the UK.

Employee Eligibility: The Plan allows share benefits to be structured in different ways, including allowing eligible employees to purchase shares of Halliburton Common Stock from their pre-tax salary ("**Partnership Shares**") and providing additional shares at the Company's cost, in proportion to those bought by employees ("**Matching Shares**"). Plan shares are held by Trustees on behalf of Participants, and the payroll deductions are paid to the Trustees.

The Compensation Committee has the discretion to decide when and how the Plan is operated. Whenever the Plan is operated, all eligible employees must have an opportunity to participate on similar terms. Eligible employees are UK-resident taxpayers who, at the relevant date, have been employed throughout the relevant qualifying period and such other employees as the Company may invite to participate.

Application Process: Invitations to join the Plan may be electronic or in writing and must specify the date by which the employee must complete and return the agreement governing his or her participation in the Plan. Eligible employees have to apply to join the Plan by entering into a Partnership Share Agreement agreeing to the Plan terms and authorizing the deductions from their salary.

There is a procedure in place for ensuring that in advance of each new accumulation period all eligible employees who are not then Participants are given the opportunity to join. Currently, this takes place prior to each calendar quarter, in advance of the accumulation periods beginning 1 January, 1 April, 1 July, and 1 October.

The Partnership Share Agreements operate on a rolling basis until Participants change their instructions, or withdraw from the Plan, or until the Company decides to close the Plan.

Principal Features

Partnership Shares: The Company may invite eligible employees to acquire Partnership Shares through a Partnership Share Agreement which will bind the participating employee to allocate partnership share money by deduction from his or her salary for the purchase of Partnership Shares. The level of deductions is currently subject to a statutory maximum of £1,500 per tax year. The Company may determine that there shall be an accumulation period not exceeding 12 months during which the Trustees may accumulate deductions from a Participant's salary pending the acquisition of Partnership Shares on his behalf. Participants may stop, re-start, vary or withdraw from the scheme by contacting Computershare. Currently, the Company operates 4 quarterly accumulation periods.

Matching Shares: The Company may on any issue of Partnership Shares, offer Matching Shares to eligible employees under a Partnership Share Agreement. The Company must specify a Matching Ratio and the circumstances and manner in which it may be changed by the Company. The ratio of Matching Shares to Partnership Shares cannot exceed 2:1. The ratio currently adopted by the Company is 1 Matching Share for every 6⅔ Partnership Shares. This has been calculated to be broadly in line with the discount available to employees outside the UK who participate in the NQESPP.

Dividend Shares: Within statutory limits the Company may give Participants the option to reinvest cash dividends received on their Plan shares in the purchase of additional shares of Halliburton Common Stock. Currently dividends on Plan Shares must be reinvested through the Plan.

Free Shares: The Plan enables the Company to offer eligible employees the opportunity to acquire shares of Halliburton Common Stock within statutory limits at no cost and on a similar terms basis ("**Free Shares**"). Currently Halliburton does not offer Free Shares.

When awarding Free Shares to eligible employees under the Plan, the Company must issue an invitation specifying the basis on which they will be awarded and must enclose a Participation Contract including a deadline by which it must be completed. The initial market value of the Free Shares awarded to an eligible employee in any tax year is subject to a statutory maximum of £3,000. The Free Shares comprised in an award may be determined according to remuneration, length of service or hours worked. The Company may determine that some or all of the Free Shares may be awarded according to employee performance.

Termination of Service and Forfeiture: Forfeiture does not apply to Partnership Shares. However the Company may determine that Participants shall forfeit their entitlement to Free Shares and/or Matching Shares if they cease to hold office or employment within the Group during the specified Holding Period other than by reason of death, injury, disability, redundancy, retirement on or after age 50 or the transfer outside the Group of the Company or business which employs the Participant. Currently, Halliburton specifies a Holding Period of 5 years.

Whatever the reason for leaving, participation in the Plan will terminate upon cessation of employment.

The Plan provides for payment of or disposal of shares of Common Stock to cover tax and social security amounts where applicable in accordance with UK law.

Overall Limits: The Company may from time to time determine the maximum number of shares that may be awarded under the Plan.

UK Share Incentive Plan Application Form

TAKE STOCK IN OUR FUTURE AND *YOURS*

HALLIBURTON

Please complete in BLOCK CAPITALS using a ball point pen and RETURN this form to Computershare Investor Services PLC, PO Box 105, The Pavilions, Bridgwater Road, Bristol, BS99 7NH as soon as possible.

This agreement is between:

MR SAM SAMPLE
DESIGNATION (IF ANY)
MR JOINT HOLDER 1
ADD1
ADD2
ADD3
ADD4

99999

000001

SG328

☐ Please tick the box if your details have changed or are incomplete and update below.

Post Code

and:

The Company	
Name:	Halliburton Company
Registered Address:	1209 Orange Street, Wilmington Delaware 19081 United States of America
IRS Employer Identification No:	75-2677995
(for itself and as agent for Halliburton Management Limited and Landmark EAME Limited - each an "employer")	

The Trustee	
Name:	EES Trustees Limited
Registered Address:	The Pavilions Bridgwater Road Bristol BS13 8AE
Registered Number:	576832

Shareholder Reference Number (SRN)
C1234567890

Application Details

If you want to join the Plan, you should read the UK SIP Brochure, the Trust Deed and the Rules of the Plan. You must read the Notice on benefits (below), complete the box with the amount of your monthly deduction and sign the form. This Partnership Agreement contains the terms on which you agree to buy Shares in the Company under the Plan. The Partnership Agreement is subject to the rules of the Plan and the definitions in the Plan Rules apply to this agreement. We cannot provide you with advice, so if you are unsure about whether to join the Plan, you should seek your own independent professional advice before making your decision.

Employing Company: Halliburton Company

Daytime Telephone Number

Please complete below, electing your monthly savings amount.

I agree to allow my employer to deduct £ ☐☐☐ **per month** from my Salary

Note: The monthly contribution must be in multiples of £1 with a minimum of £10 and a maximum of £125. The monthly contribution must not be more than 10% of your normal monthly salary.

Declaration

I have read the UK SIP Brochure, the Trust Deed and Rules of the Plan and the terms of the Partnership Share Agreement and I agree to be bound by the terms of the Partnership Share Agreement (including the Terms and Conditions overleaf) and the Rules of the Plan. I have read the Notice about the possible effect on my benefits.

PLEASE READ THE WHOLE OF THE AGREEMENT BEFORE SIGNING

Signature

Date DD / MM / YY

WKF0030 HAL

00000XXX/000000/000000 10000A 12102C D04

Halliburton Company UK Employee Share Incentive Plan (the "Plan")
Partnership Share Agreement (PSA) / Terms and Conditions

NOTICE TO PARTICIPANT ABOUT POSSIBLE EFFECT ON BENEFITS

Deductions from your pay to buy Partnership Shares under the Partnership Agreement may affect your entitlement to or the level of some contributory social security benefits, statutory maternity pay and statutory sick pay. They may also have a similar effect in respect of some contributory social security benefits paid to your spouse or civil partner. With this agreement you should have been given some important information on the effect of deductions from your pay to buy Partnership Shares on entitlement to social security benefits, statutory sick pay and statutory maternity pay. The effect is particularly significant if your earnings are brought below the lower earnings limit for National Insurance purposes, and is explained in the information. **It is therefore important that you read it.** Otherwise a copy may be obtained from any office of H.M. Revenue & Customs or, in Northern Ireland, the Department for Social Development or at **www.hmrc.gov.uk/pdfs/ir177.htm**. You should take this information into account in deciding whether to buy Partnership Shares.

TERMS AND CONDITIONS

PARTICIPANT

1. I agree to allow my employer to deduct an amount per month from my Salary, to purchase Partnership Shares as stated in my online application.

2. I agree that these deductions will be used to buy Partnership Shares in Halliburton Company.

3. I agree that the Trustees will accumulate my deductions quarterly, beginning 1 January 2014 or the next 1 April, 1 July, 1 October or 1 January beginning after the date on which I enter into this agreement (the "quarterly Accumulation Period") and buy Partnership Shares in the Company for me after the end of each quarterly Accumulation Period at the lower of the market value of the Shares at the beginning of the Accumulation Period and the market value of the Shares on the Award Date following the end of the Accumulation Period.

4. I may stop the deductions at any time, and begin them again only once during any Accumulation Period, (by sending an email to Halliburton@computershare.co.uk), but I may not make up any amounts missed when deductions were stopped.

5. I agree that the deductions from my Salary, or the number of Shares that I receive, may be scaled down if the relevant limit (if any) on the number of Shares set by the Company for an Accumulation Period (as notified to me before the start of the Accumulation Period) is exceeded.

6. I may ask the Trustees for my Partnership Shares at any time, but I may have to pay Income Tax and National Insurance Contributions ("NIC") when they are taken out of the Plan.

7. I agree to allow the Trustees to sell some or all of my Shares to pay any Income Tax and NIC in respect of my Shares ceasing to be subject to the Plan, unless I provide them in advance with sufficient funds to pay these amounts (see also paragraph 26 under "Rights and Obligations" below).

8. I agree that any deductions not used to buy Shares will at the discretion of the Trustees be repaid to me after the deduction of any necessary Income Tax and NIC, or will be carried forward and added to the next deduction or Accumulation Period.

9. The Accumulation Period shall come to an end when I cease to be employed by the Company or any company under its Control or on a take-over of the Company.

10. I may only restart deductions once in every Accumulation Period.

11. I agree to accept Matching Shares in the Company awarded to me under the Plan, to leave them in the hands of the Trustees, and not to assign, charge or otherwise dispose of my beneficial interest in the Matching Shares for the whole of the Holding Period of 3 years.

12. The ratio of Matching Shares to Partnership Shares is 1:6 and may be varied by the Company giving me notice before the Partnership Shares are bought for me. If the ratio varies, the Company will notify me before the Partnership Shares are bought for me.

13. I agree that all cash dividends paid on my Shares will be used by the Trustees to buy more Shares in the Company for me ("Dividend Shares") according to the rules of the Plan. I agree to accept the Dividend Shares bought for me and leave them in the hands of the Trustees, and not to assign, charge or otherwise dispose of my beneficial interest in the Dividend Shares for the whole of the Holding Period of 3 years.

14. Any amount not used to buy Shares shall be carried forward and added to the next cash dividend to be reinvested.

15. I understand that Shares may fall in value as well as rise.

16. I have read this agreement and agree to be bound by it and by the Rules of the Plan.

17. I understand that deductions will be limited so that my total deductions for that tax year would not exceed £1,500 or 10% of my basic salary (if lower).

COMPANY

18. The Company agrees to arrange for Partnership Shares in Halliburton Company to be bought for me, according to the Rules of the Plan.

19. The Company agrees to provide one Matching Share for every six and two thirds Partnership Shares bought (subject to a maximum limit of £125 per month for Partnership Shares).

20. The Company undertakes to notify me before the start of an Accumulation Period of any restriction on the number of Partnership Shares available in relation to that Accumulation Period.

21. The Plan has been approved by H.M. Revenue & Customs, the UK tax authority.

TRUSTEES

22. The Trustees agree to accumulate my deductions and buy Partnership Shares at the end of the Accumulation Period with the amounts deducted from my gross pay. The price of these Partnership Shares will be determined by reference to the lower of the market value of Halliburton Company Shares at the start and end of the Accumulation Period.

23. The Trustees agree to keep the amounts deducted from my gross pay in a non-interest bearing account until they are used to buy Partnership Shares for me.

RIGHTS AND OBLIGATIONS

24. I agree that taking part in the Plan does not affect my rights, entitlements and obligations under my contract of employment, and does not give me any rights or additional rights to compensation or damages if my employment ceases.

25. I agree that the deduction from my Salary, or the number of Shares that I receive, may be scaled down if any limit on the number of Shares set by the Company in relation to an Accumulation Period is exceeded.

26. If I cease to be employed by the Company or any company under its Control and have not provided any written instructions to the Trustee within 90 days, I agree that the Trustees may sell sufficient of my Shares to pay any Income Tax and NIC liability and remit the proceeds to me, after deducting amounts required to pay any Income Tax and NIC due and any fees, commission or other charges payable in accordance with the terms and conditions provided when the Trustees write to me. The Trustees will arrange for the remainder of my Shares to be held in my name electronically through the Company's corporate registrar, who will issue a statement of holding.

27. If there is a rights issue, I agree to allow the Trustees to sell some of the rights attached to my Shares in the Plan, in order to fund the exercise of the rights attached to other Shares held by me in the Plan.

28. I can at any time withdraw from this agreement by sending an email to the Trustees at Halliburton@computershare.co.uk or by writing to my employer. Any unused deductions will be returned to me after the deduction of any necessary Income Tax or NIC.

29. I agree that withdrawal from this agreement will not affect the terms on which I agreed to buy Shares already held for me under the Plan.

30. I agree that the Company may change the provisions of this Partnership Agreement (by giving me no less than 30 days' notice).

31. I agree that this Partnership Share Agreement is subject to the rules of the Plan. The definitions in the Plan apply to this Agreement. If there is any conflict between this Agreement, the rules of the Plan or the legislation, the rules of the Plan and legislation will apply.

HOLDING PERIOD

32. I understand that my obligations during the Holding Period will end:
   (a) if I cease to be employed by the Company or any company under its Control;
   (b) if the Company terminates the Plan in accordance with Rule 21.2 of the Plan.

33. I understand that my obligations under the Holding Period are subject to:
   (a) the right of the Trustees to sell my Shares to meet PAYE and NIC obligations;
   (b) the Trustees accepting at my direction an offer for my Shares in accordance with the Plan.

DATA PROTECTION

34. I agree that any company which is for the time being my employer may disclose to the Company, any third party administrator appointed in connection with the Plan and the Trustees all such information relating to me and to my participation in the Plan as shall in their opinion be necessary to discharge their respective duties and functions in relation to the operation of the Plan and the deduction and accumulation of Partnership Share Money pursuant to this Partnership Share Agreement, and that all personal data that I provide to the Company, my employer or any such company in connection with my application for and/or membership of the Halliburton Company UK Employee Share Purchase Plan (the "Plan") (including any sensitive personal data) may be:
   (a) transferred to, held (in manual or electronic form) and used by any company in the Halliburton group of companies anywhere in the world ("a Halliburton Company"); and/or
   (b) transferred to, held (in manual or electronic form) and used by any third parties anywhere in the world who may be appointed by a Halliburton Company to advise on or assist with the administration of the Halliburton Company UK Employee Share Purchase Plan (the "Plan")

for all purposes in connection with my participation in, and any administration in respect of, the Halliburton Company UK Employee Share Purchase Plan (the "Plan").

PLEASE READ THE WHOLE OF THE AGREEMENT BEFORE SIGNING

00000XXX/000000/000000 10000A 12102C D04

PART III

HISTORICAL FINANCIAL INFORMATION

There follows Part III of this document which comprises:

Section 1: a reproduction in its entirety of the Halliburton Company Proxy Statement for the 2019 Annual Meeting of Stockholders on May 15, 2019 which includes a reproduction in its entirety of the Annual Report and audited financial statements of Halliburton pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934: Form 10-K for the year ended December 31, 2018.

Section 2: a reproduction in its entirety of the Annual Report and audited financial statements of Halliburton pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934: Form 10-K for the year ended December 31, 2017.

Section 3: a reproduction in its entirety of the Annual Report and audited financial statements of Halliburton pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934: Form 10-K for the year ended December 31, 2016.

Section 4: a reproduction in its entirety of the Quarterly Report of Halliburton pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934: Form 10-Q for the quarter ended March 31, 2019.

HALLIBURTON

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

2019 PROXY STATEMENT

2018 ANNUAL REPORT ON FORM 10-K

Wednesday, May 15, 2019

9:00 a.m. Central Daylight Time

3000 N. Sam Houston Parkway East
Life Center - Auditorium
Houston, Texas 77032

To Our Valued Shareholders:

April 2, 2019

Jeffrey A. Miller
Chairman of the Board,
President and Chief Executive Officer

"We will be disciplined in our capital spending and focused on optimizing cash flow from our operations, while continuing to support our business, developing differentiating technologies, and selectively investing to grow our product and services portfolio."

On behalf of our Board of Directors, we are pleased to invite you to attend the Halliburton Company Annual Meeting of Shareholders. The meeting will be held at the Halliburton Life Center Auditorium, 3000 N. Sam Houston Parkway East, Houston, Texas 77032, on Wednesday, May 15, 2019, at 9 a.m. Central Daylight Time.

In 2018, Halliburton capitalized on the market rebound in North America and the emerging international recovery to once again deliver superior growth and returns. We are pleased with Halliburton's accomplishments for the year and the progress we made in maintaining our leading position in a tough, fiercely competitive market. Thanks to the exceptional performance and commitment of our more than 60,000 employees, we continue to develop new differentiating technologies and improve overall service quality. Our consistent focus on executing for superior results best positions Halliburton to help our customers maximize their asset value and to deliver industry-leading returns to our shareholders.

Turning to 2019, we celebrate our 100th anniversary with a clear sense of purpose: to help our customers satisfy the world's need for the affordable, reliable energy provided by oil and gas – effectively and efficiently, safely and ethically, minimizing environmental impact, and generating leading returns for our shareholders. We will be disciplined in our capital spending and focused on optimizing cash flow from our operations, while continuing to support our business, developing differentiating technologies, and selectively investing to grow our product and services portfolio. As we have proven over the years and demonstrated again in 2018, our technology, our people, our customer alignment, and our financial discipline position us to thrive in any market condition and to deliver leading returns for our shareholders.

Please refer to the proxy statement for detailed information on the proposals presented this year.

Your vote and the representation of your shares are very important. We encourage you to review the proxy materials and hope you will vote as soon as possible. If you attend the meeting, you may vote in person even if you have previously voted.

Thank you for your ongoing support of and continued interest in Halliburton. We look forward to seeing you at our Annual Meeting.

Sincerely,

Jeffrey A. Miller
Chairman of the Board,
President and Chief Executive Officer

Table of Contents

Proxy Statement Summary

This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider, and you should read the entire proxy statement carefully before voting. Page references are supplied to help you find further information in this proxy statement.

Eligibility to Vote (page 1)

You can vote if you were a shareholder of record at the close of business on March 18, 2019.

How to Cast Your Vote (page 1)

You can vote by any of the following methods:

INTERNET	BY TELEPHONE	BY MAIL	IN PERSON
www.proxyvote.com **until 11:59 p.m.** Eastern Daylight Time on May 14, 2019	**until 11:59 p.m.** Eastern Daylight Time on May 14, 2019	Completing, signing, and returning your proxy or voting instruction card **before May 15, 2019**	at the annual meeting: If you are a shareholder of record, we have a record of your ownership. If your shares are held in the name of a broker, nominee, or other intermediary, you must bring proof of ownership with you to the meeting. Attendees will be asked to present valid picture identification, such as a driver's license or passport.

Selection of Principal Independent Public Accountants (page 20)

During the year ended December 31, 2018, KPMG LLP served as our principal independent public accountants and provided certain tax and other services to us. Representatives of KPMG are expected to be present at the Annual Meeting and be available to respond to appropriate questions from shareholders.

As a matter of good corporate governance, we are requesting our shareholders to ratify the selection of KPMG LLP as our principal independent public accountants for the year ending December 31, 2019.

Voting Matters (pages 10, 20, 23, and 56)

	Board Vote Recommendation	Page Reference (for more detail)
Election of Directors	**FOR** Each Nominee	10
Ratification of Selection of Principal Independent Public Accountants	**FOR**	20
Advisory Approval of Executive Compensation	**FOR**	23
Proposal to Amend and Restate the Halliburton Company Stock and Incentive Plan	**FOR**	56

Governance of the Company (page 2)

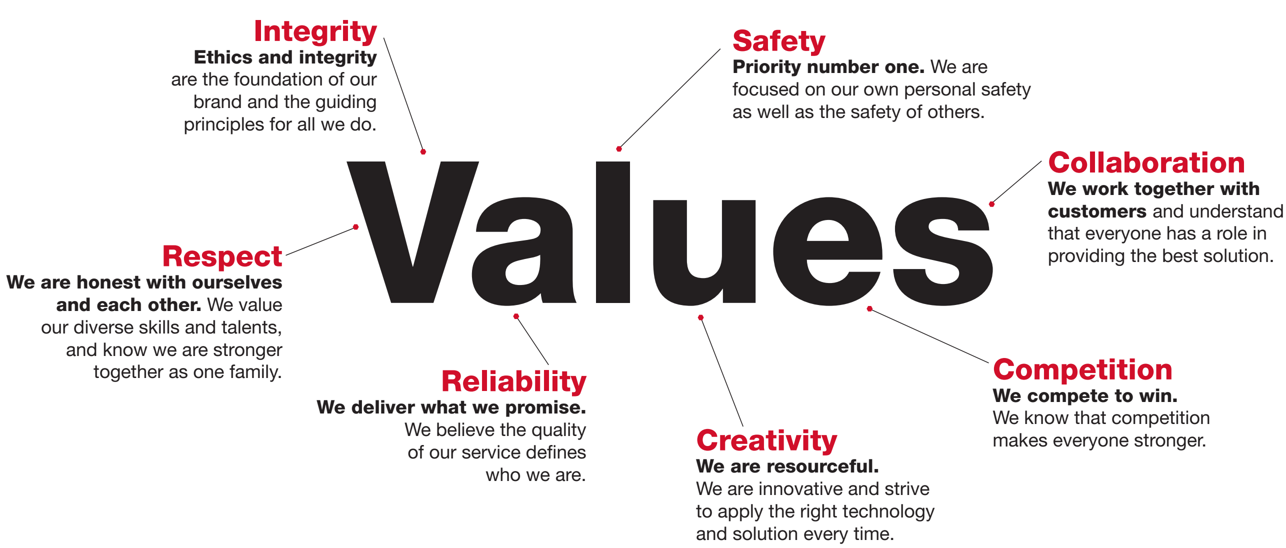
Corporate Governance

- Corporate Governance Guidelines and Committee Charters
- Code of Business Conduct
- Related Persons Transactions Policy

The Board of Directors and Standing Committees of Directors

- Board Leadership
- Board and Committee Risk Oversight
- Independent Committees
- Members of the Committees of Our Board of Directors
- Board Attendance
- Evaluation of Board and Director Performance
- Shareholder Nominations of Directors
- Qualifications of Directors
- Process for the Selection of New Directors
- Communication to the Board

Success for Halliburton and our shareholders and customers results from adherence to our core values.

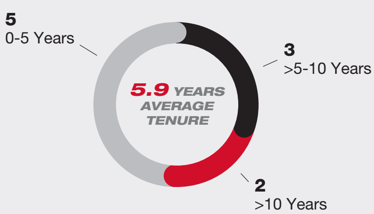


Board Nominees (pages 11-13)

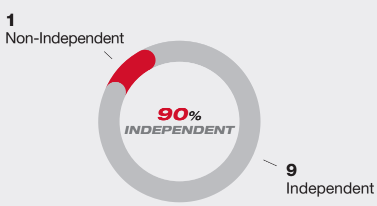
Director Highlights

10 Director Nominees

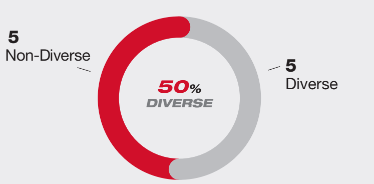
Tenure Balance



Independence



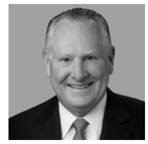
Diversity



Director Experience

Energy Industry	9
Accounting/Finance	9
Technology/Engineering	9
Strategic Planning	10
International Business	9
Health, Safety & Environment and Sustainability	8

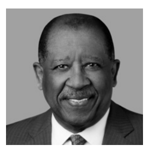
Abdulaziz F. Al Khayyal
Retired Senior Vice President, Industrial Relations, Saudi Aramco
Age: 65
Director since 2014
INDEPENDENT
Committees:
● ○



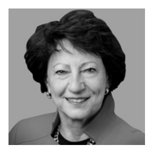
William E. Albrecht
Non-Executive Chairman of the Board of California Resources Corporation
Age: 67
Director since 2016
INDEPENDENT
Committees:
● ●

M. Katherine Banks
Vice Chancellor of Engineering and National Laboratories, The Texas A&M University System
Age: 59
Director since 2019
INDEPENDENT
Committees:
TBD

Alan M. Bennett
Retired President and CEO of H&R Block, Inc.
Age: 68
Director since 2006
INDEPENDENT
Committees:
★ ○

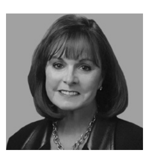


Milton Carroll
Executive Chairman of the Board of CenterPoint Energy, Inc.
Age: 68
Director since 2006
INDEPENDENT
Committees:
☆ ●

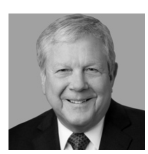


Nance K. Dicciani
Non-Executive Chair of the Board of AgroFresh Solutions, Inc.
Age: 71
Director since 2009
INDEPENDENT
Committees:
★ ●

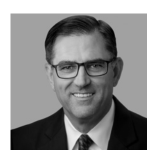
Murry S. Gerber
Retired Executive Chairman of the Board of EQT Corporation
Age: 66
Director since 2012
INDEPENDENT
Committees:
● ●



Patricia Hemingway Hall
Retired President and Chief Executive Officer of Health Care Services Corporation
Age: 66
Director since 2019
INDEPENDENT
Committees:
TBD



Robert A. Malone
Executive Chairman, President and Chief Executive Officer of First Sonora Bancshares, Inc.
Age: 67
Director since 2009
INDEPENDENT
Committees:
● ○



Jeffrey A. Miller
Chairman of the Board, President and CEO of Halliburton
Age: 55
Director since 2014
NOT INDEPENDENT
Committees:
None

☆ Chair ● Audit ● Compensation ● Health, Safety and Environment ○ Nominating and Corporate Governance

TBD - Dr. Banks and Ms. Hemingway Hall will be appointed to Committees in May 2019.

2018 Overview

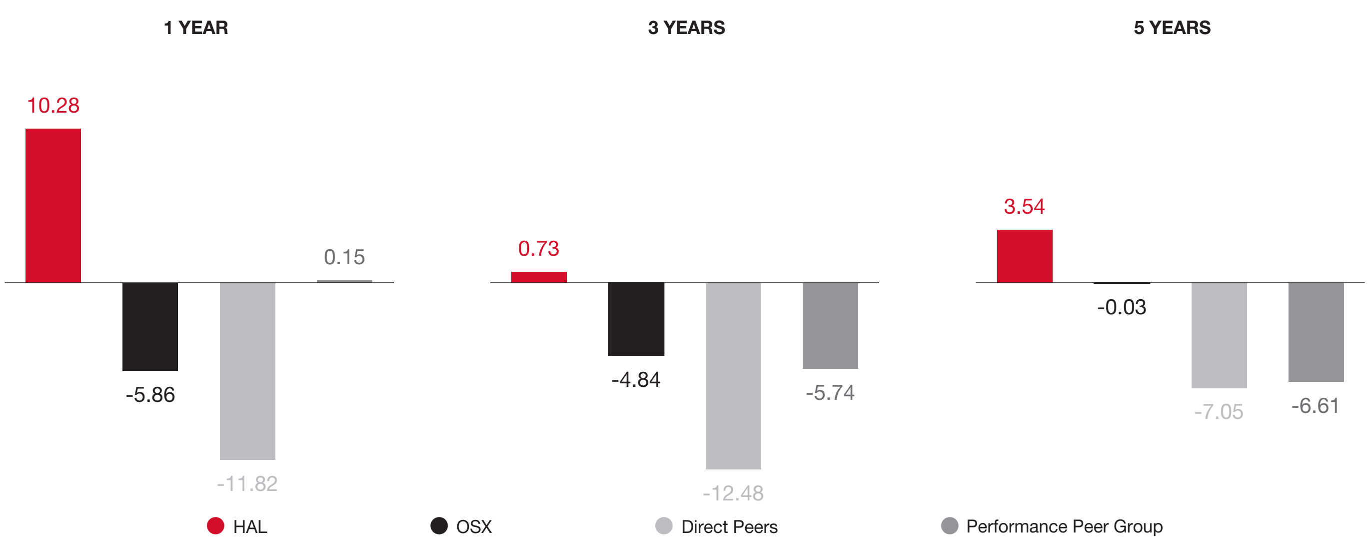
Our business further strengthened in 2018 as we continued to build for a longer industry recovery. The industry experienced headwinds in North America during the latter half of the year as a result of offtake capacity constraints and customer budget limitations, but we believe these issues are temporary in nature. We successfully maintained our global market share in 2018, which was accomplished by our investments in strategic growth areas and by competing in key markets as we continue to align our business with customers in the fastest growing market segments. We continue to collaborate and engineer solutions to maximize asset value for our customers and to maximize returns for our shareholders.

We are well prepared for the current market environment in order to deliver leading returns for our shareholders. As we have proven over the years and demonstrated in 2018, our differentiating technology, our people, our customer alignment, and our financial discipline position us well to thrive in any market condition. During the 2018 performance year, we delivered the following results:

- We generated $24.0 billion of total company revenue, a 16% increase from 2017, with improvements across all of our product service lines globally. Additionally, our total company operating income was $2.5 billion during 2018. These results and improvements were primarily attributed to pressure pumping services, drilling activity, and artificial lift in North America, as well as drilling activity in the Eastern Hemisphere.
- In our Completion and Production division, we capitalized on the market recovery in North America, delivering total year revenue growth of 22% and operating income growth of 40% year-over-year.
- Our Drilling and Evaluation division delivered 6% revenue and 3% operating income improvement year-over-year, reflecting the emerging recovery in the international markets.
- We continued our focus on delivering strong cash flow and returning capital to shareholders. We generated approximately $3.2 billion in operating cash flow, retired $400 million in debt, and returned over $1 billion to our shareholders through share repurchases and dividends.
- We delivered TSR over the three-, five-, and ten-year period ending December 31, 2018, that exceeded the TSR of the Oilfield Services Index (OSX), our direct peers, and our performance peer group.

We delivered superior ROCE performance over the one-, three-, and five-year period ending December 31, 2018, relative to the OSX, our direct peers, and our performance peer group. The details are depicted in the chart below:

Return on Capital Employed (ROCE)
(in percentages)



Named Executive Officers (page 24)

For 2018, our NEOs were:

Name	Age	Occupation
Jeffrey A. Miller	55	Chairman, President and Chief Executive Officer
Lance Loeffler	42	Executive Vice President and Chief Financial Officer
James S. Brown	64	Former President - Western Hemisphere
Joe D. Rainey	62	President - Eastern Hemisphere
David J. Lesar	65	Former Executive Chairman of the Board
Christopher T. Weber	46	Former Executive Vice President and Chief Financial Officer

Executive Compensation (pages 23-55)

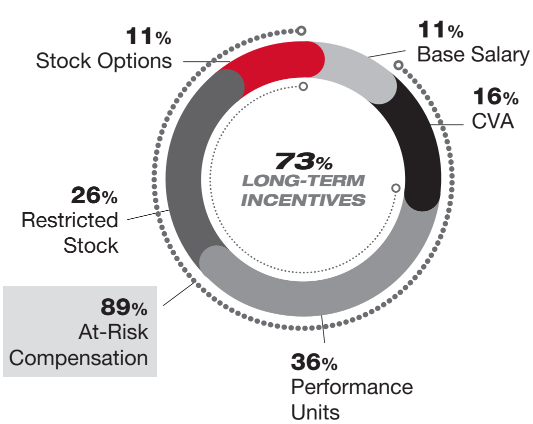
Objectives (page 29)

Our executive compensation program is composed of base salary, a short-term incentive, and long-term incentives and is designed to achieve the following objectives:

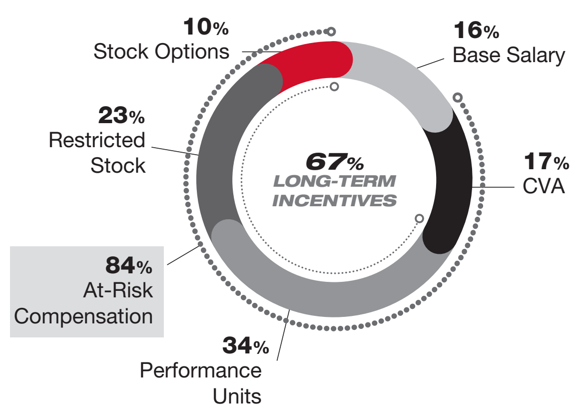
- Provide a clear and direct relationship between executive pay and our performance on both a short-term and long-term basis;
- Target market competitive pay levels with a comparator peer group;
- Emphasize operating performance drivers;
- Link executive pay to measures that drive shareholder value;
- Support our business strategies; and
- Maximize the return on our human resource investment.

2018 Executive Total Compensation Mix (page 30)

CEO Compensation Mix



Other NEO Compensation Mix[1]



(1) *Reflects the compensation mix of Messrs. Brown and Rainey. The other NEOs were not included because Mr. Lesar retired and Messrs. Loeffler and Weber were not in their respective roles for the entire year.*

Notice of Annual Meeting of Shareholders to be held May 15, 2019

April 2, 2019

Halliburton Company, a Delaware corporation, will hold its Annual Meeting of Shareholders on Wednesday, May 15, 2019, at 9:00 a.m. Central Daylight Time at its corporate office at 3000 N. Sam Houston Parkway East, Life Center - Auditorium, Houston, Texas 77032.

At the meeting, the shareholders will be asked to consider and act upon the matters discussed in the attached proxy statement as follows:

1. To elect the ten nominees named in the attached proxy statement as Directors to serve for the ensuing year and until their successors shall be elected and shall qualify.
2. To consider and act upon a proposal to ratify the appointment of KPMG LLP as principal independent public accountants to examine the financial statements and books and records of Halliburton for the year ending December 31, 2019.
3. To consider and act upon advisory approval of our executive compensation.
4. To consider and act upon a proposal to amend and restate the Halliburton Company Stock and Incentive Plan.
5. To transact any other business that properly comes before the meeting or any adjournment or adjournments of the meeting.

These items are fully described in the following pages, which are made a part of this Notice. The Board of Directors has set the close of business on March 18, 2019, as the record date for the determination of shareholders entitled to notice of and to vote at the meeting and at any adjournment of the meeting.

Internet Availability of Proxy Materials

On or about April 2, 2019, we mailed our shareholders a Notice of Internet Availability of Proxy Materials containing instructions on how to access our 2019 proxy statement and 2018 Annual Report on Form 10-K and how to vote online. The notice also provides instruction on how you can request a paper copy of these documents if you desire. If you received your annual materials via e-mail, the e-mail contains voting instructions and links to the proxy statement and Form 10-K on the Internet.

If You Plan to Attend

Attendance at the meeting is limited to shareholders and one guest each. Admission will be on a first-come, first-served basis. Registration will begin at 8:00 a.m., and the meeting will begin at 9:00 a.m. Each shareholder holding stock in a brokerage account will need to bring a copy of a brokerage statement reflecting stock ownership as of the record date. Please note that you will be asked to present valid picture identification, such as a driver's license or passport.

By order of the Board of Directors,

Robb L. Voyles
Executive Vice President, Secretary and General Counsel

You are urged to vote your shares as promptly as possible by following the voting instructions in the Notice of Internet Availability of Proxy Materials.

General Information

We are providing these proxy materials to you in connection with the solicitation by the Board of Directors of Halliburton Company of proxies to be voted at our 2019 Annual Meeting of Shareholders and at any adjournment or postponement of the meeting. By executing and returning the enclosed proxy, by following the enclosed voting instructions, or by voting via the Internet or by telephone, you authorize the persons named in the proxy to represent you and vote your shares on the matters described in the Notice of Annual Meeting.

The Notice of Internet Availability of Proxy Materials is being sent to shareholders on or about April 2, 2019. Our Annual Report on Form 10-K, including financial statements, for the fiscal year ended December 31, 2018, accompanies this proxy statement. The Annual Report on Form 10-K shall not be considered as a part of the proxy solicitation materials or as having been incorporated by reference.

Subject to space availability, all shareholders as of the record date, or their duly appointed proxies, may attend the Annual Meeting and each may be accompanied by one guest. Admission to the Annual Meeting will be on a first-come, first-served basis. Registration will begin at 8:00 a.m. and the Annual Meeting will begin at 9:00 a.m. Please note that we will ask you to present valid picture identification, such as a driver's license or passport, when you check in at the registration desk.

If you hold your shares in "street name" (that is, through a broker or other nominee), you will need to bring a copy of a brokerage statement reflecting your stock ownership as of the record date.

You may not bring cameras, recording equipment, electronic devices, large bags, briefcases, or packages into the Annual Meeting.

If you attend the Annual Meeting, you may vote in person. If you are not present, you can only vote your shares if you have voted via the Internet, by telephone, or returned a properly executed proxy; in these cases, your shares will be voted as you specify. If you return a properly executed proxy and do not specify a vote, your shares will be voted in accordance with the recommendations of the Board. You may revoke the authorization given in your proxy at any time before the shares are voted at the Annual Meeting.

The record date for determination of the shareholders entitled to vote at the Annual Meeting is the close of business on March 18, 2019. Our common stock, par value $2.50 per share, is our only class of capital stock that is outstanding. As of March 18, 2019, there were 872,764,135 shares of our stock outstanding. Each outstanding share of common stock is entitled to one vote on each matter submitted to the shareholders for a vote at the Annual Meeting. We will keep a complete list of shareholders entitled to vote at our principal executive office for ten days before and will have the list available at the Annual Meeting. Our principal executive office is located at 3000 N. Sam Houston Parkway East, Administration Building, Houston, Texas 77032.

Votes cast by proxy or in person at the Annual Meeting will be counted by the persons we appoint to act as election inspectors for the Annual Meeting. Except as set forth below, the affirmative vote of the majority of shares present in person or represented by proxy at the Annual Meeting and entitled to vote on the subject matter will be the act of the shareholders. Shares for which a shareholder has elected to abstain on a matter will count for purposes of determining the presence of a quorum and, except as set forth below, will have the effect of a vote against the matter.

Each Director shall be elected by the vote of the majority of the votes cast by holders of shares represented in person or by proxy and entitled to vote in the election of Directors, provided that if the number of nominees exceeds the number of Directors to be elected and all shareholder-proposed nominees have not been withdrawn before the tenth (10th) day preceding the day we mail the Notice of Internet Availability of Proxy Materials to shareholders for the Annual Meeting, the Directors shall be elected by the vote of a plurality of the shares represented in person or by proxy at the Annual Meeting and entitled to vote on the election of Directors. A majority of the votes cast means that the number of shares voted "for" a Director must exceed the number of votes cast "against" that Director; we will not count abstentions. As a condition to being nominated by the Board for continued service as a Director, each Director nominee has signed and delivered to the Board an irrevocable letter of resignation limited to and conditioned on that Director failing to achieve a majority of the votes cast at an election where Directors are elected by majority vote. For any Director nominee who fails to be elected by a majority of votes cast, where Directors are elected by majority vote, his or her irrevocable letter of resignation will be deemed tendered on the date the election results are certified. Such resignation shall only be effective upon acceptance by the Board.

The election inspectors will treat broker non-vote shares, which are shares held in street name that cannot be voted by a broker on specific matters in the absence of instructions from the beneficial owner of the shares, as shares that are present and entitled to vote for purposes of determining the presence of a quorum. In determining the outcome of any matter for which the broker does not have discretionary authority to vote, however, those shares will not have any effect on that matter. A broker may be entitled to vote those shares on other matters.

In accordance with our confidential voting policy, no particular shareholder's vote will be disclosed to our officers, Directors, or employees, except:

- as necessary to meet legal requirements and to assert claims for and defend claims against us;
- when disclosure is voluntarily made or requested by the shareholder;
- when the shareholder writes comments on the proxy card; or
- in the event of a proxy solicitation not approved and recommended by the Board.

The proxy solicitor, the election inspectors, and the tabulators of all proxies, ballots, and voting tabulations are independent and are not our employees.

Corporate Governance

Corporate Governance Guidelines and Committee Charters

Our Board has long maintained a formal statement of its responsibilities and corporate governance guidelines to ensure effective governance in all areas of its responsibilities. Our Corporate Governance Guidelines, which were revised in December 2018, are available on our website at *www.halliburton.com* by clicking on the tab "About Us", and then the "Corporate Governance" link. The guidelines are reviewed periodically and revised as appropriate to reflect the dynamic and evolving processes relating to corporate governance, including the operation of the Board.

In order for our shareholders to understand how the Board conducts its affairs in all areas of its responsibility, the full text of the charters of our Audit; Compensation; Health, Safety and Environment; and Nominating and Corporate Governance Committees are also available on our website.

Except to the extent expressly stated otherwise, information contained on or accessible from our website or any other website is not incorporated by reference into and should not be considered part of this proxy statement.

Code of Business Conduct

Our Code of Business Conduct, which applies to all of our employees and Directors and serves as the code of ethics for our principal executive officer, principal financial officer, principal accounting officer or controller, and other persons performing similar functions, is available on our website. Any waivers to our Code of Business Conduct for our Directors or executive officers can only be made by our Audit Committee. There were no waivers of the Code of Business Conduct in 2018.

Related Persons Transactions Policy

Our Board has adopted a written policy governing related persons transactions as part of the Board's commitment to good governance and independent oversight. The policy covers transactions involving any of our Directors, executive officers, nominees for Director, greater than 5% shareholders, or any of their immediate family members, among others.

The types of transactions covered by this policy are transactions, arrangements, or relationships, or any series of similar transactions, arrangements, or relationships, including any indebtedness or guarantee of indebtedness, in which (1) we or any of our subsidiaries were or will be a participant, (2) the aggregate amount involved exceeds $120,000 in any calendar year, and (3) any related person had, has, or will have a direct or indirect material interest.

Under the policy, we generally only enter into or ratify related persons transactions when the Board determines such transactions are in our best interests and the best interests of our shareholders. In determining whether to approve or ratify a related persons transaction, the Board will consider the following factors and other factors it deems appropriate:

- whether the related persons transaction is on terms comparable to terms generally available with an unaffiliated third party under the same or similar circumstances;
- the benefits of the transaction to us;
- the extent of the related person's interest in the transaction; and
- whether there are alternative sources for the subject matter of the transaction.

The Board of Directors and Standing Committees of Directors

The Board has standing Audit; Compensation; Health, Safety and Environment; and Nominating and Corporate Governance Committees. Each standing Committee is comprised of Directors who, in the business judgment of the Board, are independent, after considering all relevant facts and circumstances, including the independence standards set forth in our Corporate Governance Guidelines.

Our independence standards meet New York Stock Exchange, or NYSE, independence requirements. Our independence standards and compliance with those standards are periodically reviewed by the Nominating and Corporate Governance Committee. There were no relevant transactions, relationships, or arrangements not disclosed in this proxy statement that were considered by the Board in making its determination as to the independence of the Directors.

Board Leadership

Our Board believes that it is important to maintain flexibility to determine the appropriate leadership of the Board and whether the roles of Chairman and Chief Executive Officer should be combined or separate. Our Corporate Governance Guidelines provide that the Board consider annually whether it is appropriate for the same individual to fill both of those roles. When making that determination, the Board considers issues such as industry and financial expertise, in-depth knowledge of Halliburton and its business, and succession planning. At its latest annual review, the Board decided that a combined leadership role would currently best serve the needs of the Company and its shareholders. On January 1, 2019, the Board appointed Jeffrey A. Miller, our President and Chief Executive Officer, as Chairman.

Robert A. Malone is our Lead Independent Director. The Lead Independent Director's role and responsibilities are set forth in the Lead Independent Director Charter adopted by the Board. These include serving as a liaison between the independent Directors and the Chairman; approving agendas for Board meetings; presiding over meetings and executive sessions of the independent Directors; and leading the Board's annual evaluation of the CEO. Our Lead Independent Director Charter is available on our website at *www.halliburton.com*. With the exception of Mr. Miller, the Board is composed of independent Directors.

Board and Committee Risk Oversight

We have implemented an Enterprise Risk Management (ERM) program to identify and analyze enterprise-level risks and their potential impact on our business. The objectives of our ERM program are to:

- increase the probability of achieving higher returns on capital and reducing cash flow volatility by identifying:
  - current and developing risks; and
  - significant controls and potential gaps related to identified risks;
- ensure that our key risks are being effectively managed; and
- assess whether our compensation policies are reasonably likely to have a materially adverse effect on us.

Our internal processes to identify and manage risks include our Code of Business Conduct, extensive policies and business practices, our financial controls, Internal Assurance Services audits of our internal controls and health, safety, environment, and service quality, the activities of the Ethics & Compliance group of the Law Department, and our ERM program.

The Board provides oversight of the ERM program. The Audit Committee receives an annual ERM report on risk assessment and risk management in which risks are identified and assigned a significance rating based on potential consequences of the risk and the likelihood of occurrence.

Our Chief Executive Officer, who is primarily responsible for managing our day-to-day business, is ultimately responsible to the Board for all risk categories. Our executive officers are assigned responsibility for the various risk categories. The Board has delegated to its Committees the responsibility to monitor certain risks and receives regular updates on those risks. Certain risks monitored by each Committee are shown below.

Board of Directors

Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee	Health, Safety and Environment Committee
• Cybersecurity • Compliance with anti-corruption laws and regulations	• Evolving competitive landscape • Compensation-related risk	• Corporate governance • Board and management succession	• Catastrophic events from wellsite activities • Compliance with radioactive/explosives regulations

Independent Committees

The Board believes that it has a strong governance structure in place to ensure independent oversight on behalf of all shareholders. All standing Committees of the Board are comprised solely of independent Directors. We have established processes for the effective oversight of critical issues entrusted to independent Directors, such as:

- the integrity of our financial statements;
- CEO and senior management compensation;
- CEO and senior management succession planning;
- the election of our Lead Independent Director;
- membership of our independent Committees;
- Board, Committee, and Director evaluations; and
- nominations of Directors.

Members of the Committees of Our Board of Directors

Audit Committee	Compensation Committee	Health, Safety and Environment Committee	Nominating and Corporate Governance Committee
Alan M. Bennett*	William E. Albrecht	Abdulaziz F. Al Khayyal	Abdulaziz F. Al Khayyal
James R. Boyd	James R. Boyd*#	William E. Albrecht	Alan M. Bennett
Nance K. Dicciani	Milton Carroll	Nance K. Dicciani*	Milton Carroll*
Murry S. Gerber	Murry S. Gerber		Robert A. Malone
	Robert A. Malone		

* *Chair*

\# *Mr. Boyd is retiring from the Board on May 15, 2019. The Board will appoint a new Chair for the Compensation Committee in May 2019.*

Audit Committee

2018 Meetings	Committee Members	Responsibilities
9	Alan M. Bennett *(Chair)* James R. Boyd Nance K. Dicciani Murry S. Gerber	• Recommending to the Board the appointment of the independent public accountants to audit our financial statements (the principal independent public accountants); • Together with the Board, being responsible for the appointment, compensation, retention, oversight of the work, and evaluation of the principal independent public accountants; • Reviewing the scope of the principal independent public accountants' examination; • Reviewing the scope of activities of Internal Assurance Services; • Reviewing our financial statements and our significant financial policies and accounting systems and controls; and • Approving the services to be performed by the principal independent public accountants. The Board has determined that Alan M. Bennett, James R. Boyd, Nance K. Dicciani, and Murry S. Gerber are independent under our Corporate Governance Guidelines and are "audit committee financial experts" as defined by the Securities and Exchange Commission, or SEC. A copy of the Audit Committee Charter is available on our website at *www.halliburton.com*.

Compensation Committee

2018 Meetings	Committee Members	Responsibilities
4	William E. Albrecht James R. Boyd *(Chair)* Milton Carroll Murry S. Gerber Robert A. Malone	• Developing an overall executive compensation philosophy and strategy; • Overseeing the effectiveness of our compensation program in attracting, retaining, and motivating key employees; • Utilizing our compensation program to reinforce business strategies and objectives to enhance shareholder value; • Administering our compensation program, including our incentive plans, in a fair and equitable manner consistent with established policies and guidelines; and • Performing additional roles and activities with respect to executive compensation as described under Compensation Discussion and Analysis. A copy of the Compensation Committee Charter is available on our website at *www.halliburton.com*.

Health, Safety and Environment Committee

2018 Meetings	Committee Members	Responsibilities
5	Abdulaziz F. Al Khayyal William E. Albrecht Nance K. Dicciani *(Chair)*	• Reviewing and assessing our health, safety, environmental, and sustainable development policies and practices; • Overseeing the communication, implementation, and compliance with these policies, as well as applicable goals and legal requirements; and • Assisting the Board with oversight of our risk-management processes relating to health, safety, the environment, and sustainability. A copy of our Health, Safety and Environment Committee Charter is available on our website at *www.halliburton.com*.

Nominating and Corporate Governance Committee

2018 Meetings	Committee Members	Responsibilities
4	Abdulaziz F. Al Khayyal Alan M. Bennett Milton Carroll *(Chair)* Robert A. Malone	• Reviewing and recommending revisions to our Corporate Governance Guidelines; • Overseeing our Director self-evaluation process and performance reviews; • Identifying and screening candidates for Board and Committee membership; • Reviewing the overall composition profile of the Board for the appropriate mix of skills, characteristics, experience, and expertise; and • Reviewing and making recommendations on Director compensation. A copy of our Nominating and Corporate Governance Committee Charter is available on our website at *www.halliburton.com*.

Board Attendance

During 2018, the Board held 6 meetings and met in Executive Session, without management present, on 5 occasions.

Committee meetings were held as follows:

Audit Committee	9
Compensation Committee	4
Health, Safety and Environment Committee	5
Nominating and Corporate Governance Committee	4

Eight members of the Board attended 100% of the total number of meetings of the Board and the Committees on which he or she served during 2018 and all members of the Board attended at least 83% of those meetings.

All of our Directors attended the 2018 Annual Meeting, as required by our Corporate Governance Guidelines.

Evaluation of Board and Director Performance

The Board believes that a rigorous evaluation process is an essential component of strong corporate governance practices. The Nominating and Corporate Governance Committee annually conducts a three-part evaluation process to evaluate Board effectiveness and aid in succession planning. This process consists of a full Board evaluation, Committee evaluations, and individual Director evaluations. The evaluations, which are distributed and obtained through a third party platform, seek feedback on Board and Committee performance, processes, effectiveness, and opportunities for improvement. The results of the evaluations are reviewed and discussed with the Board, its Committees, and each individual Director.

As part of the annual process, each Director also completes a skill set survey. The Board uses the survey responses to evaluate the experience and expertise of existing Directors and to identify the skills and characteristics of future Director candidates to achieve and maintain an optimum mix of skills and characteristics.

PROCESS IS INITIATED

The Nominating and Corporate Governance Committee reviews and approves the process to evaluate the performance of the Board of Directors, its four standing Committees (Audit; Compensation; Health, Safety and Environment; and Nominating and Corporate Governance), and each individual Director. The Committee also approves a skill set survey.

Questionnaires are distributed through a third party web-based platform. This process encourages candid responses from our Directors and promotes productive discussions.

EVALUATION

Each Director completes written questionnaires that are designed to gather suggestions to improve Board, Committee, and Director performance and effectiveness and to identify opportunities for improvement. The questionnaires solicit feedback on a range of issues, including:

- Board operations
- succession planning
- Committee composition, processes, and responsibilities
- information flow from management
- overall Board dynamics
- Director preparation, participation, and contribution
- alignment of skills and characteristics to business needs and strategy
- leadership
- agenda topics

ANALYSIS

Completed questionnaires are analyzed and summarized by the chair of the Nominating and Corporate Governance Committee. A skill set matrix is created from the survey responses.

PRESENTATION OF FINDINGS

The chair of the Nominating and Corporate Governance Committee reviews the results of the evaluations with the full Board and each Committee to determine whether changes are needed to their structure or processes. Discussions are held with individual Directors by the chair of the Nominating and Corporate Governance Committee or the Lead Director, as necessary. The completed skill set matrix is considered in identifying those skills and characteristics suitable for future Director candidates.

Shareholder Nominations of Directors

Our By-laws provide that shareholders may nominate persons for election to the Board at a meeting of shareholders. In September 2016, our Board of Directors amended our By-laws to implement proxy access.

Shareholder nominations require written notice to the Corporate Secretary at the address of our principal executive offices set forth on page 1 of this proxy statement, and for the Annual Meeting of Shareholders in 2020, must be received not less than 90 days nor more than 120 days prior to the anniversary date of the 2019 Annual Meeting of Shareholders, or no later than February 15, 2020, and no earlier than January 16, 2020. The shareholder notice must contain, among other things, certain information relating to the shareholder and the proposed nominee as described in our By-laws. In addition, the proposed nominee may be required to furnish other information as we may reasonably require to determine the eligibility of the proposed nominee to serve as a Director.

The proxy access provision permits up to 20 shareholders owning 3% or more of our outstanding common stock continuously for at least three years to nominate and include in our proxy materials for a meeting of shareholders up to two directors or 20% of the Board, whichever is greater, provided that the shareholder(s) and the nominee(s) satisfy the requirements specified in the By-laws.

Our By-laws further provide that if a shareholder owning at least 1% of our issued and outstanding common stock continuously for at least one year as of the date the written notice of the nomination is submitted to us proposes a nominee not submitted under the proxy access provision, our Corporate Secretary will (i) obtain from such nominee any additional relevant information the nominee wishes to provide in consideration of his or her nomination, (ii) report on each such nominee to the Nominating and Corporate Governance Committee, and (iii) facilitate having each such nominee meet with the Nominating and Corporate Governance Committee as the Committee deems appropriate.

Qualifications of Directors

Candidates nominated for election or reelection to the Board should possess the following qualifications:

- Personal characteristics:
  - high personal and professional ethics, integrity, and values;
  - an inquiring and independent mind; and
  - practical wisdom and mature judgment;
- Broad training and experience at the policy-making level in business, government, education, or technology;
- Expertise that is useful to us and complementary to the background and experience of other Board members, so that an optimum balance of experience and expertise of members of the Board can be achieved and maintained;
- Willingness to devote the required amount of time to carry out the duties and responsibilities of Board membership;
- Commitment to serve on the Board for several years to develop knowledge about our business;
- Willingness to represent the best interests of all of our shareholders and objectively evaluate management performance; and
- Involvement only in activities or interests that do not create a conflict with the Director's responsibilities to us and our shareholders.

The Nominating and Corporate Governance Committee is responsible for assessing the appropriate mix of skills and characteristics required of Board members and periodically reviews and updates the criteria. In selecting Director nominees, the Board considers the personal characteristics, experience, and other criteria as set forth in our Corporate Governance Guidelines, as well as our specific needs and the needs of our Board at the time.

We value all types of diversity, including diversity of our Board. In evaluating the overall qualifications of a potential nominee, the Committee and Board take into account overall Board diversity in personal background, race, gender, age, and nationality.

Process for the Selection of New Directors

The Board is responsible for filling vacancies on the Board and ensuring regular refreshment of the Board. Our Corporate Governance Guidelines provide that each non-management Director shall retire from the Board immediately prior to the annual meeting of shareholders following his or her seventy-second (72nd) birthday. The Board has delegated to the Nominating and Corporate Governance Committee the duty of selecting and recommending candidates to the Board for approval. The Nominating and Corporate Governance Committee will consider candidates for Board membership recommended by Board members, our management, and shareholders. The Committee may also retain an independent executive search firm to identify candidates for consideration and to gather additional information about the candidate's background, experience, and reputation. A shareholder who wishes to recommend a candidate should notify our Corporate Secretary.

The Nominating and Corporate Governance Committee, in consultation with the Board, will determine the specific criteria for a new Director candidate. After the Nominating and Corporate Governance Committee identifies a candidate, the Committee will determine the appropriate method to evaluate the candidate. The preliminary determination regarding a candidate is based on the likelihood that the candidate will meet the Board membership criteria listed in our Corporate Governance Guidelines. The Committee will determine, after discussion with the Chairman of the Board and other Board members, whether a candidate should continue to be considered. If a candidate warrants additional consideration, the Committee and others, as appropriate, will interview the candidate. Once the evaluation and interviews are completed, the Committee will recommend to the Board whether the candidate should be appointed to the Board or proposed for election by shareholders and the Board will act on such recommendation.

IDENTIFICATION OF QUALIFIED CANDIDATES	DUE DILIGENCE SCREENING	MEETINGS WITH SHORTLISTED CANDIDATES	DECISION AND NOMINATION
Nominating and Corporate Governance Committee identifies candidates to become Board members	Review of qualifications to determine if candidate meets Board membership criteria	Committee members and, as appropriate, other Board members and management interview the shortlisted candidates	Selection of Director nominees best qualified to serve the interests of Halliburton shareholders

Communication to the Board

To foster better communication from our shareholders and other interested persons, we maintain a process for shareholders and others to communicate with the Audit Committee and the Board. The process has been approved by both the Audit Committee and the Board and meets the requirements of the NYSE and the SEC. The methods of communication with the Board include telephone, mail, and e-mail.

888.312.2692
or
770.613.6348

Board of Directors
c/o Director of Business Conduct
Halliburton Company
P.O. Box 42806
Houston, Texas 77242-2806
USA

BoardofDirectors@halliburton.com

Our Director of Business Conduct, an employee, reviews all communications directed to the Audit Committee and the Board. The Chairman of the Audit Committee is promptly notified of any substantive communication involving accounting, internal accounting controls, or auditing matters. The Lead Independent Director is promptly notified of any other significant communication, and any Board-related matters which are addressed to a named Director are promptly sent to that Director. Copies of all communications are available for review by any Director. Some communications, such as advertisements, business solicitations, junk mail, resumes, and any communication that is overly hostile, threatening, or illegal, will not be forwarded to the Board. Communications may be made anonymously or confidentially. Confidentiality shall be maintained unless disclosure is:

- required or advisable in connection with any governmental investigation or report;
- in the interests of Halliburton, consistent with the goals of our Code of Business Conduct; or
- required or advisable in our legal defense of a matter.

Information regarding these methods of communication is also on our website at *www.halliburton.com*.

Proposal No. 1 Election of Directors

In considering whether a current Director should be nominated for election as a Director, the Nominating and Corporate Governance Committee and the Board considered, among other matters, the expertise and experience of the Director, the annual performance evaluation of the Director, the Director's attendance at, preparation for, and engagement in Board and Committee meetings, the diversity of the Board, the tenure of the Director, and the overall distribution of tenure among Directors to ensure sufficient experience with the company's operations, performance, and technology and the cycles of the industry. A summary of the qualifications and experience of our non-management Directors is provided in the table below.

AFTER CONSULTATION WITH THE NOMINATING AND CORPORATE GOVERNANCE COMMITTEE, THE BOARD OF DIRECTORS RECOMMENDS A **VOTE FOR** THE ELECTION OF EACH OF THE DIRECTOR NOMINEES LISTED BELOW.

The ten nominees are all current Directors. If any nominee is unwilling or unable to serve, favorable and uninstructed proxies will be voted for a substitute nominee designated by the Board. If a suitable substitute is not available, the Board will reduce the number of Directors to be elected. Each nominee has indicated approval of his or her nomination and his or her willingness to serve if elected. The Directors elected will serve for the ensuing year and until their successors are elected and qualify.

NON-MANAGEMENT DIRECTOR QUALIFICATIONS AND EXPERIENCE

	A. F. Al Khayyal	W. E. Albrecht	M. K. Banks	A. M. Bennett	M. Carroll	N. K. Dicciani	M. S. Gerber	P. Hemingway Hall	R. A. Malone
TENURE									
Year Elected	2014	2016	2019	2006	2006	2009	2012	2019	2009
Mandatory Retirement	2026	2024	2032	2023	2023	2020	2025	2024	2024
GENERAL									
Independence	●	●	●	●	●	●	●	●	●
Diversity	●		●		●	●		●	
Board or Board Committee Leadership	●	●	●	●	●	●	●	●	●
Public Company Experience	●	●		●	●	●	●	●	●
Private Company Experience	●	●	●		●		●	●	●
Not-for-Profit Experience	●	●		●	●	●	●	●	●
Government Experience					●				●
Academia			●	●	●	●			
Community Leadership/Philanthropic	●	●		●	●		●	●	●
DECISION-MAKING EXPERIENCE AT EXECUTIVE LEVEL OR OTHER SUBSTANTIAL EXPERIENCE									
Energy Industry	A	A	B	A	A	A	B		A
Accounting/Finance	A	A	A	A		A	A	A	A
Technology/Engineering	A	A	A	A	A	A	B		A
Legal/Compliance	A	A		A		A	A	A	A
Mergers & Acquisitions	A	A		A	B	A	B	A	A
Human Resources/Compensation	A	A	A	A	A	A	A	A	A
Strategic Planning	A	A	A	A	A	A	A	A	A
International Business	A	A		A	A	A	A	A	A
Health, Safety & Environment and Sustainability	A	A	A	A		A	A		A
Public Policy	A	A		A	B	A	A	A	A
Corporate Governance	A	A		A	B	A	B	A	A

LEGEND

A Decision-making experience at Executive or Board level

B Other Substantial Experience

Information about Nominees for Director

ABDULAZIZ F. AL KHAYYAL

Age 65

Director since: **2014**

INDEPENDENT

Professional Experience:
- Retired Senior Vice President of Industrial Relations of Saudi Arabian Oil Company (Saudi Aramco) (the world's largest producer of crude oil)
- Senior Vice President of Industrial Relations of Saudi Aramco from 2007 to 2014 and served as a director of Saudi Aramco from 2004 to 2014

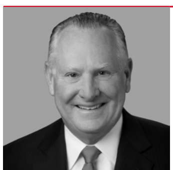
Skills and Expertise:

The Board determined that Mr. Al Khayyal should be nominated for election as a Director because of his exceptional knowledge of the energy industry, including significant international industry experience and executive experience with the world's largest producer of crude oil.

Other Company Directorships:
- Marathon Petroleum Corporation (since 2016)

Former Directorships in the Past 5 Years:
- None

WILLIAM E. ALBRECHT



Age 67

Director since: **2016**

INDEPENDENT

Professional Experience:
- Non-Executive Chairman of the Board of California Resources Corporation (a publicly traded oil and natural gas exploration and production company) since 2016 and Executive Chairman of the Board from 2014 to 2016
- Vice President of Occidental Petroleum Corporation from 2008 to 2014
- President of Oxy Oil & Gas, Americas from 2012 to 2014

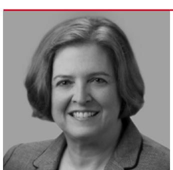
Skills and Expertise:

The Board determined that Mr. Albrecht should be nominated for election as a Director because of his extensive experience in the domestic oil and natural gas industry and executive experience with a public oil and gas exploration and production company and an international offshore drilling company.

Other Company Directorships:
- Chairman of the Board and has been a director of Rowan Companies plc (since 2015)

Former Directorships in the Past 5 Years:
- None

M. KATHERINE BANKS



Age 59

Director since: **2019**

INDEPENDENT

Professional Experience:
- Vice Chancellor of Engineering and National Laboratories for The Texas A&M University System and Dean of the College of Engineering at Texas A&M University (a public research university) since 2012

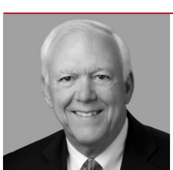
Skills and Expertise:

The Board determined that Dr. Banks should be nominated for election as a Director because of her extensive experience in engineering and technology and executive experience in leading one of the largest engineering schools in the country and overseeing the engineering, academic, and research programs at seven universities.

Other Company Directorships:
- None

Former Directorships in the Past 5 Years:
- None

ALAN M. BENNETT



Age 68

Director since: **2006**

INDEPENDENT

Professional Experience:
- Retired President and Chief Executive Officer of H&R Block, Inc. (a tax and financial services provider)
- President and Chief Executive Officer of H&R Block, Inc. from 2010 to 2011
- Interim Chief Executive Officer of H&R Block, Inc. from 2007 to 2008
- Senior Vice President and Chief Financial Officer of Aetna, Inc. from 2001 to 2007

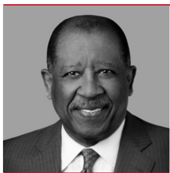
Skills and Expertise:

The Board determined that Mr. Bennett should be nominated for election as a Director because of his business and financial expertise, ranging from internal audit to corporate controller to chief financial officer of a large, public company. He is a certified public accountant and also has chief executive officer experience.

Other Company Directorships:
- Fluor Corporation (since 2011)
- TJX Companies, Inc. (since 2007)

Former Directorships in the Past 5 Years:
- None

MILTON CARROLL



Age 68

Director since: **2006**

INDEPENDENT

Professional Experience:

- Executive Chairman of the Board of CenterPoint Energy, Inc. (a public utility holding company) since 2013. In that role, Mr. Carroll's primary function is to provide leadership for the CenterPoint Board and to coordinate its activities.
- Non-Executive Chairman of the Board of CenterPoint Energy, Inc. from 2002 to 2013

Skills and Expertise:

The Board determined that Mr. Carroll should be nominated for election as a Director because of his public company board experience, corporate governance expertise, and knowledge of the oil and gas services industry. The Board also determined that Mr. Carroll's duties as Chairman of CenterPoint do not impede his ability to fulfill his responsibilities as a Director.

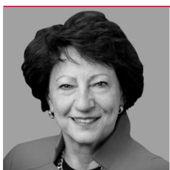
Other Company Directorships:

- Western Gas Holdings, LLC, the general partner of Western Gas Partners L.P. (since 2008)
- Chairman of Health Care Service Corporation (since 2002)

Former Directorships in the Past 5 Years:

- LRE GP, LLC, the general partner of LRR Energy, L.P. (2011-2014)
- LyondellBasell Industries (2010-2016)

NANCE K. DICCIANI



Age 71

Director since: **2009**

INDEPENDENT

Professional Experience:

- Non-Executive Chair of the Board of AgroFresh Solutions, Inc. (a global leader in advanced proprietary technologies for the horticultural market) since 2015
- Interim Co-Principal Executive Officer of AgroFresh Solutions, Inc. from March 2016 to October 2016
- President and Chief Executive Officer of Honeywell International Specialty Materials (a diversified technology and manufacturing company) from 2001 to 2008

Skills and Expertise:

The Board determined that Ms. Dicciani should be nominated for election as a Director because of her technical expertise in the chemical industry, international operations expertise, and executive experience as a chief executive officer of a multi-billion dollar strategic business group of a major multinational corporation.

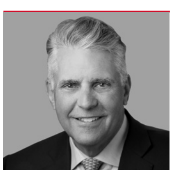
Other Company Directorships:

- LyondellBasell Industries (since 2013)
- Linde plc (since 2018)

Former Directorships in the Past 5 Years:

- Rockwood Holdings, Inc. (2008-2014)
- Praxair, Inc. (2008-2018)

MURRY S. GERBER



Age 66

Director since: **2012**

INDEPENDENT

Professional Experience:

- Retired Executive Chairman of the Board of EQT Corporation (a leading producer of unconventional natural gas)
- Executive Chairman of the Board of EQT Corporation from 2010 to 2011
- Chairman and Chief Executive Officer of EQT Corporation from 2000 to 2010
- Chief Executive Officer and President of EQT Corporation from 1998 to 2007

Skills and Expertise:

The Board determined that Mr. Gerber should be nominated for election as a Director because of his executive leadership skills and extensive business experience in the energy industry and domestic unconventional oil and natural gas basins.

Other Company Directorships:

- BlackRock, Inc. (since 2000)
- United States Steel Corporation (since 2012)

Former Directorships in the Past 5 Years:

- None

PATRICIA HEMINGWAY HALL

Age 66

Director since: **2019**

INDEPENDENT

Professional Experience:
- Retired President and Chief Executive Officer of Health Care Service Corporation (nation's largest mutual health insurance company which operates five Blue Cross and Blue Shield Plans)
- Chief Executive Officer of Health Care Service Corporation from 2008 to 2015
- President of Health Care Services Corporation from 2007 to 2015

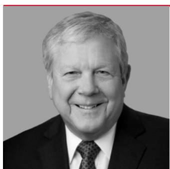
Skills and Expertise:

The Board determined that Ms. Hall should be nominated for election as a Director because of her executive leadership skills, business experience, public company board experience, and substantial corporate governance experience.

Other Company Directorships:
- ManpowerGroup Inc. (since 2011)
- Cardinal Health, Inc. (since 2013)
- Celgene Corporation (since 2018)

Former Directorships in the Past 5 Years:
- None

ROBERT A. MALONE



Age 67

Director since: **2009**

INDEPENDENT

Professional Experience:
- Executive Chairman, President and Chief Executive Officer of First Sonora Bancshares, Inc. (a bank holding company) since 2014
- Executive Chairman, President and Chief Executive Officer of The First National Bank of Sonora, Texas (a community bank owned by First Sonora Bancshares, Inc.) since 2009
- Executive Vice President of BP plc, and Chairman of the Board and President, BP America Inc. (one of the nation's largest producers of oil and natural gas) from 2006 to 2009

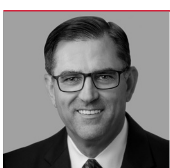
Skills and Expertise:

The Board determined that Mr. Malone should be nominated for election as a Director because of his energy industry expertise and executive leadership experience, including crisis management and safety performance.

Other Company Directorships:
- Non-Executive Chairman of the Board of Peabody Energy Corporation (since 2016) and director (since 2009)
- Teledyne Technologies Incorporated (since 2015)
- BP Midstream Partners GP LLC, the general partner of BP Midstream (since 2017)

Former Directorships in the Past 5 Years:
- None

JEFFREY A. MILLER



Age 55

Director since: **2014**

CHAIRMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER

Professional Experience:
- Chairman of the Board since 2019
- President and Chief Executive Officer of Halliburton since 2017 and Director since 2014
- President of Halliburton from 2014 to 2017
- Executive Vice President and Chief Operating Officer of Halliburton from 2012 to 2014

Skills and Expertise:

The Board determined that Mr. Miller should be nominated for election as a Director because of his energy industry expertise, executive and business development experience, and in-depth knowledge of Halliburton's global operations.

Other Company Directorships:
- None

Former Directorships in the Past 5 Years:
- Atwood Oceanics, Inc. (2013-2017)

Directors' Compensation

Directors' Fees

All non-management Directors receive an annual retainer of $115,000, which remains unchanged since 2014. The Lead Independent Director receives an additional annual retainer of $30,000, and the chair of each Committee receives an additional annual retainer for serving as chair as follows: Audit - $25,000; Compensation - $20,000; Health, Safety and Environment - $15,000; and Nominating and Corporate Governance - $15,000. Non-management Directors are permitted to defer all or part of their fees under the Directors' Deferred Compensation Plan.

Directors' Equity Awards

All non-management Directors receive an annual equity award with a value of approximately $185,000, which remains unchanged since 2014, consisting of restricted stock units (RSUs), each of which represents the right to receive a share of common stock at a future date. The actual number of RSUs is determined by dividing $185,000 by the average of the closing price of our common stock on the NYSE on each business day during the month of July. These annual awards are made on or about the first day of August. The value of the award may be more or less than $185,000 based on the closing price of our common stock on the NYSE on the date of the award. Non-management Directors are permitted to defer all of their RSUs under the Directors' Deferred Compensation Plan.

Directors may not sell, assign, pledge, otherwise transfer, or encumber restricted shares (which were previously granted to non-management Directors) or RSUs until the restrictions are removed. Restrictions on RSUs lapse 25% a year over four years of service with the applicable underlying shares of common stock distributed annually to the non-management Director unless the Director elected to defer receipt of the shares under the Directors' Deferred Compensation Plan. If a non-management Director has a separation of service from the Board before completing four years of service from the applicable award date, any unvested RSUs would be forfeited, unless the Board determines to accelerate vesting. Restrictions on restricted shares and RSUs lapse following termination of Board service only under specified circumstances, which include death or disability, retirement under the Director mandatory retirement policy, or early retirement after at least four years of service.

During the restriction period, Directors have the right to (i) vote restricted shares, but not shares underlying RSUs, and (ii) receive dividends or dividend equivalents in cash on restricted shares and RSUs that have not been deferred. RSUs that have been deferred receive dividend equivalents under the Directors' Deferred Compensation Plan.

Directors' Deferred Compensation Plan

The Directors' Deferred Compensation Plan is a nonqualified deferred compensation plan and participation is completely voluntary. Under the plan, non-management Directors are permitted to defer all or part of their retainer fees and all of the shares of common stock underlying their RSUs when they vest. If a non-management Director elects to defer retainer fees under the plan, then the Director may elect to have his or her deferred fees accumulate under an interest-bearing account or translate on a quarterly basis into Halliburton common stock equivalent units (SEUs) under a stock equivalents account. If a non-management Director elects to defer receipt of the shares of common stock underlying his or her RSUs when they vest, then those shares are retained as deferred RSUs under the plan. The interest-bearing account is credited daily with interest at the prime rate of Citibank, N.A. The SEUs and deferred RSUs are credited quarterly with dividend equivalents based on the same dividend rate as Halliburton common stock and those amounts are translated into additional SEUs or RSUs, respectively.

After a Director's retirement, distributions under the plan are made to the Director in a single distribution or in annual installments over a 5- or 10-year period as elected by the Director. Distributions under the interest-bearing account are made in cash, while distributions of SEUs under the stock equivalents account and deferred RSUs are made in shares of Halliburton common stock. Mses. Dicciani and Reed, and Messrs. Al Khayyal, Bennett, Boyd, and Carroll have deferred retainer fees under the plan. Mses. Dicciani and Reed, and Messrs. Al Khayyal, Albrecht, Bennett, Boyd, Carroll, Grubisich, and Martin have deferred RSUs under the plan.

Directors' Stock Ownership Requirements

We have stock ownership requirements for all non-management Directors to further align their interests with our shareholders. As a result, all non-management Directors are required to own Halliburton common stock in an amount equal to or in excess of the greater of (A) the annual base retainer in effect on the date the non-management Director is first elected to the Board multiplied by five or (B) $500,000. The Nominating and Corporate Governance Committee reviews the holdings of all non-management Directors, which include restricted shares, other Halliburton common stock, and RSUs owned by the Director, at each May meeting. Each non-management Director has five years to meet the requirements, measured from the date he or she is first elected to the Board. Each non-management Director currently meets the stock ownership requirements or is on track to do so within the requisite five-year period.

Director Clawback Policy

We have a clawback policy under which we will seek, in all appropriate cases, to recoup incentive compensation paid to, awarded to, or credited for the benefit of a Director, if and to the extent that:

- it is determined that, in connection with the performance of that Director's duties, he or she breached his or her fiduciary duty by knowingly or recklessly engaging in a material violation of a U.S. federal or state law, or recklessly disregarded his or her duty to exercise reasonable oversight; or
- the Director is named as a defendant in a law enforcement proceeding for having breached his or her fiduciary duty by knowingly or recklessly engaging in a material violation of a U.S. federal or state law, the Director disagrees with the allegations relating to the proceeding, and either (A) we initiate a review and determine that the alleged action is not indemnifiable or (B) the Director does not prevail at trial, enters into a plea arrangement, agrees to the entry of a final administrative or judicial order imposing sanctions, or otherwise admits to the violation in a legal proceeding.

The disinterested members of the Board and the disinterested members of the Compensation Committee and the Nominating and Corporate Governance Committee may be involved in reviewing, considering, and making determinations regarding the Director's alleged conduct, whether recoupment is appropriate or required, and the type and amount of incentive compensation to be recouped from the Director.

The policy also provides that, to the extent permitted by applicable law and not previously disclosed in a filing with the SEC, we will disclose in our proxy statement the circumstances of any recoupment arising under the policy or that there has not been any recoupment pursuant to the policy for the prior calendar year. There was no recoupment under the policy in 2018.

Charitable Contributions and Other Benefits

Matching Gift Programs

To further our support for charities, Directors may participate in the Halliburton Foundation's matching gift programs for educational institutions, not-for-profit hospitals, and medical foundations. For each eligible contribution, the Halliburton Foundation makes a contribution of 2.25 times the amount contributed by the Director, subject to approval by its Trustees. The maximum aggregate of all contributions each calendar year by a Director eligible for matching is $50,000, resulting in a maximum aggregate amount contributed annually by the Halliburton Foundation in the form of matching gifts of $112,500 for any Director who participates in the programs. Neither the Halliburton Foundation nor we have made a charitable contribution, within the preceding three years, to any charitable organization in which a Director serves as an employee or an immediate family member of the Director serves as an executive officer that exceeds in any single year the greater of $1 million or 2% of such charitable organization's consolidated gross revenues.

Accidental Death and Dismemberment

We offer an optional accidental death and dismemberment policy for non-management Directors for individual coverage or family coverage with a benefit per Director of up to $250,000 and lesser amounts for family members. Ms. Dicciani and Messrs. Carroll, Gerber, and Malone elected individual coverage at a cost of $184 annually. Messrs. Al Khayyal, Albrecht, Grubisich, and Martin elected family coverage at a cost of $207 annually. These premiums are included in the All Other Compensation column of the 2018 Director Compensation table for those who participate.

2018 Director Compensation

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Abdulaziz F. Al Khayyal	115,000	177,535	0	16,351	308,886
William E. Albrecht	115,000	177,535	0	8,200	300,735
Alan M. Bennett	140,000	177,535	0	170,294	487,829
James R. Boyd	135,000	177,535	0	254,049	566,584
Milton Carroll	119,484	177,535	0	55,511	352,530
Nance K. Dicciani	124,349	177,535	0	152,931	454,815
Murry S. Gerber	115,000	177,535	0	9,150	301,685
José C. Grubisich(1)	115,000	177,535	0	17,361	309,896
Robert A. Malone	139,339	177,535	0	130,897	447,771
J. Landis Martin(2)	54,524	177,535	0	135,184	367,243
Debra L. Reed(3)	91,141	177,535	0	159,958	428,634

(1) Mr. Grubisich resigned from the Board on January 17, 2019.
(2) Mr. Martin retired from the Board on May 16, 2018.
(3) Ms. Reed retired from the Board on September 12, 2018.

Fees Earned or Paid In Cash. The amounts in this column represent retainer fees earned in fiscal year 2018, but not necessarily paid in 2018. Refer to the section Directors' Fees for information on annual retainer fees.

Stock Awards. The amounts in the Stock Awards column reflect the grant date fair value of RSUs awarded in 2018. We calculate the fair value of equity awards by multiplying the number of RSUs granted by the closing stock price as of the award's grant date.

The number of restricted shares, RSUs, and SEUs held at December 31, 2018, by non-management Directors are:

Name	Restricted Shares	RSUs	SEUs
Abdulaziz F. Al Khayyal	0	20,351	5,537
William E. Albrecht	0	13,373	0
Alan M. Bennett	25,236	30,293	30,133
James R. Boyd	25,236	30,293	37,636
Milton Carroll	20,271	30,293	31,393
Nance K. Dicciani	14,843	29,063	14,031
Murry S. Gerber	2,000	10,626	0
José C. Grubisich	0	26,263	0
Robert A. Malone	14,843	10,626	0
J. Landis Martin	0	21,640	0
Debra L. Reed	0	30,293	22,627

Change in Pension Value and Nonqualified Deferred Compensation Earnings. None of the Directors had a change in pension value or nonqualified deferred compensation earnings that represented above market earnings in 2018.

All Other Compensation. This column includes compensation related to the matching gift programs under the Halliburton Foundation, the Accidental Death and Dismemberment program, dividends or dividend equivalents on restricted shares or RSUs, and dividend equivalents associated with the Directors' Deferred Compensation Plan.

Directors who participated in the matching gift program and the corresponding match provided by the Halliburton Foundation in 2018 are: Mr. Bennett - $112,500; Mr. Boyd - $189,113; Ms. Dicciani - $112,500; Mr. Malone - $112,500; Mr. Martin - $112,500; and Ms. Reed - $112,500. Because of differences between the time when the Director makes the charitable contribution and the time when the Halliburton Foundation makes the matching payment, amounts paid by the Halliburton Foundation may apply to contributions made by the Directors in both 2017 and 2018 and the amounts shown may exceed $112,500 in those instances.

Directors who participated in the Accidental Death and Dismemberment program and incurred imputed income for the benefit amount of $184 for individual coverage and $207 for family coverage are: Mr. Al Khayyal - $207; Mr. Albrecht - $207; Mr. Carroll - $184; Ms. Dicciani - $184; Mr. Gerber - $184; Mr. Grubisich - $207; Mr. Malone - $184; and Mr. Martin - $207.

Directors who received dividends or dividend equivalents on restricted shares or RSUs held on Halliburton record dates are: Mr. Bennett - $18,170; Mr. Boyd - $18,170; Mr. Carroll - $14,595; Ms. Dicciani - $14,896; Mr. Gerber - $8,966; Mr. Malone - $18,213; Mr. Martin - $7,098; and Ms. Reed - $12,082.

Directors who received dividend equivalents attributable to their stock equivalents account under the Directors' Deferred Compensation Plan are: Mr. Al Khayyal - $3,192; Mr. Bennett - $19,605; Mr. Boyd - $26,748; Mr. Carroll - $20,714; Ms. Dicciani - $9,972; and Ms. Reed - $15,357.

Directors who received dividend equivalents attributable to their deferred RSUs under the Directors' Deferred Compensation Plan are: Mr. Al Khayyal - $12,953; Mr. Albrecht - $7,994; Mr. Bennett - $20,019; Mr. Boyd - $20,019; Mr. Carroll - $20,019; Ms. Dicciani - $15,380; Mr. Grubisich - $17,154; Mr. Martin - $15,380; and Ms. Reed - $20,019.

Stock Ownership Information

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires our Directors and executive officers to file reports of holdings and transactions in Halliburton stock with the SEC. Based on our records and other information, we believe that in 2018 our Directors and our officers who are subject to Section 16 met all applicable filing requirements.

Stock Ownership of Certain Beneficial Owners and Management

The following table sets forth beneficial ownership information about persons or groups that own or have the right to acquire more than 5% of our common stock, based on information contained in Schedules 13G filed with the SEC.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
BlackRock, Inc. 55 East 52nd Street, New York, NY 10055	61,926,439(1)	7.10%
The Vanguard Group 100 Vanguard Blvd, Malvern, PA 19355	65,678,351(2)	7.49%

(1) BlackRock, Inc. is a parent holding company and is deemed to be the beneficial owner of 61,926,439 shares. BlackRock has sole power to vote or to direct the vote of 53,684,760 shares and has sole power to dispose or to direct the disposition of 61,926,439 shares.

(2) The Vanguard Group is an investment adviser and is deemed to be the beneficial owner of 65,678,351 shares. The Vanguard Group has sole power to vote or to direct the vote of 1,072,388 shares and has sole power to dispose or to direct the disposition of 64,383,053 shares. The Vanguard Group has shared power to vote or to direct the vote of 234,127 shares and has shared power to dispose or to direct the disposition of 1,295,298 shares.

The following table sets forth information, as of March 7, 2019, except as noted below, regarding the beneficial ownership of our common stock by each Director, each Named Executive Officer, and by all Directors and executive officers as a group.

	Amount and Nature of Beneficial Ownership		
Name of Beneficial Owner or Number of Persons in Group	**Sole Voting and Investment Power[(1)]**	**Shared Voting or Investment Power**	**Percent of Class**
Abdulaziz F. Al Khayyal	0		*
William E. Albrecht	8,000		*
M. Katherine Banks	0		*
Alan M. Bennett	27,236		*
James R. Boyd	47,236		*
James S. Brown	430,074[(2)]		*
Milton Carroll	20,271		*
Nance K. Dicciani	20,922		*
Murry S. Gerber	64,836		*
Patricia Hemingway Hall	0		*
David J. Lesar	1,492,716[(3)]	156,754[(4)]	*
Lance Loeffler	123,242		*
Robert A. Malone	32,816		*
Jeffrey A. Miller	894,438		*
Joe D. Rainey	498,029		*
Christopher T. Weber	64,105[(5)]		*
Shares owned by all current Directors and executive officers as a group (24 persons)	5,361,654		*

* *Less than 1% of shares outstanding.*

(1) *The table includes shares of common stock eligible for purchase pursuant to outstanding stock options within 60 days of March 7, 2019, for the following: Mr. Brown – 333,158; Mr. Lesar – 1,054,268; Mr. Loeffler – 61,431; Mr. Miller – 359,168; Mr. Rainey – 258,234; and eight unnamed executive officers – 823,704. Until the options are exercised, these individuals will not have voting or investment power over the underlying shares of common stock, but will only have the right to acquire beneficial ownership of the shares through exercise of their respective options. The table also includes restricted shares of common stock over which the individuals have voting power but no investment power.*

(2) *The table does not include 108,743 restricted stock units (RSUs) held by Mr. Brown. Until the underlying shares of common stock, where applicable, are distributed with respect to the RSUs, he does not have voting or investment power over such shares.*

(3) *Mr. Lesar retired December 31, 2018. The table reflects his beneficial ownership as of that date.*

(4) *Shares held by Mr. Lesar's spouse. Mr. Lesar disclaims the beneficial ownership of these shares.*

(5) *Mr. Weber's employment ended November 9, 2018. The table reflects his beneficial ownership as of that date.*

Proposal No. 2 Ratification of Selection of Principal Independent Public Accountants

The Audit Committee is responsible for the appointment, compensation, retention, oversight of the work, and evaluation of the principal independent public accountants retained to audit our financial statements. The Audit Committee and Board have approved the selection of KPMG LLP as our principal independent public accountants to examine our financial statements and books and records for the year ended December 31, 2019, and a resolution will be presented at the Annual Meeting to ratify this selection. Representatives of KPMG are expected to be present at the Annual Meeting and be available to respond to appropriate questions from shareholders.

KPMG began serving as our principal independent public accountants for the year ended December 31, 2002. The Audit Committee routinely reviews the performance and retention of our independent public accountants, including an evaluation of service quality, the nature and extent of non-audit services, and other factors required to be considered when assessing independence from Halliburton and its management. The Audit Committee also periodically considers whether there should be a rotation of the principal independent public accountants.

As we communicated to our shareholders last year, the Audit Committee decided to submit a request for proposal to several public accounting firms, including KPMG, to serve as our principal independent public accountants for the year ending December 31, 2019. We obtained proposals from three multinational professional services firms. After management and the Audit Committee considered the firms' proposals and conducted thorough interviews of the firms, the Audit Committee determined to engage KPMG as our principal independent public accountants for the year ending December 31, 2019. The Audit Committee and Board believe that the continued retention of KPMG to serve as our principal independent public accountants for the year ended December 31, 2019, is in the best interests of Halliburton and our shareholders.

The affirmative vote of the holders of a majority of the shares of our common stock represented at the Annual Meeting and entitled to vote on the matter is needed to approve the proposal.

If the shareholders do not ratify the selection of KPMG, the Board will reconsider the selection of independent public accountants.

THE BOARD OF DIRECTORS RECOMMENDS A **VOTE FOR** RATIFICATION OF THE APPOINTMENT OF KPMG LLP AS PRINCIPAL INDEPENDENT PUBLIC ACCOUNTANTS TO EXAMINE OUR FINANCIAL STATEMENTS AND BOOKS AND RECORDS FOR THE YEAR ENDING DECEMBER 31, 2019.

Audit Committee Report

We operate under a written charter, a copy of which is available on Halliburton's website at *www.halliburton.com*. As required by the charter, we review and reassess the charter annually and recommend any changes to the Board for approval.

Halliburton's management is responsible for preparing Halliburton's financial statements and the principal independent public accountants are responsible for auditing those financial statements. The Audit Committee's role is to provide oversight of management in carrying out management's responsibility and to appoint, compensate, retain, oversee the work of, and evaluate the principal independent public accountants. The Audit Committee is not providing any expert or special assurance as to Halliburton's financial statements or any professional certification as to the principal independent public accountants' work.

In fulfilling our oversight role for the year ended December 31, 2018, we:

- reviewed and discussed Halliburton's audited financial statements with management;
- discussed with KPMG LLP, Halliburton's principal independent public accountants, the matters required by Auditing Standard 1301 relating to the conduct of the audit;
- received from KPMG the written disclosures and the letter required by the Public Company Accounting Oversight Board regarding KPMG's independence;
- evaluated KPMG's service quality; and
- discussed with KPMG its independence and reviewed other matters required to be considered under Securities and Exchange Commission rules regarding KPMG's independence.

Based on the foregoing, we recommended to the Board that the audited financial statements be included in Halliburton's Annual Report on Form 10-K for the fiscal year ended December 31, 2018, for filing with the Securities and Exchange Commission.

THE AUDIT COMMITTEE

Alan M. Bennett
James R. Boyd
Nance K. Dicciani
Murry S. Gerber

Fees Paid to KPMG LLP

During 2017 and 2018, we incurred the following fees for services performed by KPMG LLP.

	2017 (In millions)	2018 (In millions)
Audit fees	$ 10.7	$ 11.8
Audit-related fees	0.2	0.2
Tax fees	0.9	0.3
TOTAL	**$ 11.8**	**$ 12.3**

Audit Fees

Audit fees represent the aggregate fees for professional services rendered by KPMG for the integrated audit of our annual financial statements for the fiscal years ended December 31, 2017, and December 31, 2018. Audit fees also include the audits of many of our subsidiaries in regards to compliance with statutory requirements in foreign countries and reviews of our financial statements included in the Forms 10-Q we filed during fiscal years 2017 and 2018.

Audit-Related Fees

Audit-related fees were incurred for assurance and related services that are traditionally performed by the independent public accountants. These services primarily include attestation engagements required by contractual or regulatory provisions and employee benefit plan audits.

Tax Fees

The aggregate fees for tax services primarily consisted of international tax compliance and tax return services related to our expatriate employees. In 2017, tax compliance and preparation fees total $0.4 million and tax advisory fees total $0.5 million, and in 2018, tax compliance and preparation fees total $0.2 million and tax advisory fees total $0.1 million.

Fee Approval Policies and Procedures

The Audit Committee has established a written policy that requires the approval by the Audit Committee of all services provided by KPMG as the principal independent public accountants that examine our financial statements and books and records and of all audit services provided by other independent public accountants. Prior to engaging KPMG for the annual audit, the Audit Committee reviews a Principal Independent Public Accountants Auditor Services Plan. KPMG then performs services throughout the year as approved by the Committee. KPMG reviews with the Committee, at least quarterly, a projection of KPMG's fees for the year. Periodically, the Audit Committee approves revisions to the plan if the Committee determines changes are warranted. Our Audit Committee also considered whether KPMG's provision of tax services as reported above are compatible with maintaining KPMG's independence as our principal independent public accountants. All of the fees described above for services provided by KPMG were approved in accordance with the policy.

Proposal No. 3 Advisory Approval of Executive Compensation

Pursuant to Section 14A of the Securities Exchange Act of 1934, our shareholders are being presented with the opportunity to vote to approve, on an advisory basis, the compensation of our Named Executive Officers (NEOs) as disclosed in this proxy statement. As reaffirmed by our shareholders at the 2018 Annual Meeting of Shareholders, consistent with our Board's recommendation, we are submitting this proposal for a non-binding vote on an annual basis.

As described in detail under Compensation Discussion and Analysis, our executive compensation program is designed to attract, motivate, and retain our NEOs, who are critical to our success. Under the program, our NEOs are rewarded for the achievement of specific annual, long-term, and strategic goals, corporate goals, and the realization of increased shareholder returns. Please read Compensation Discussion and Analysis for additional details about our executive compensation program, including information about the fiscal year 2018 compensation of our NEOs.

The Compensation Committee continually reviews the compensation program for our NEOs to ensure the program achieves the desired goals of aligning our executive compensation structure with our shareholders' interests and current market practices. We believe our executive compensation program achieves the following objectives identified under Compensation Discussion and Analysis:

- Provide a clear and direct relationship between executive pay and our performance on both a short-term and long-term basis;
- Target market competitive pay levels with comparator peer group;
- Emphasize operating performance drivers;
- Link executive pay to measures that drive shareholder returns;
- Support our business strategies; and
- Maximize the return on our human resource investment.

We are asking our shareholders to indicate their support for our NEOs' compensation as described in this proxy statement and vote "FOR" the following resolution at the Annual Meeting:

"RESOLVED, that the compensation paid to Halliburton's Named Executive Officers, as disclosed in this proxy statement pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables, and narrative discussion, is hereby approved."

The say-on-pay vote is advisory and, therefore, not binding on us, our Board, or our Compensation Committee. Our Board and our Compensation Committee value the opinions of our shareholders. To the extent there is any significant vote against the NEOs' compensation as disclosed in this proxy statement, the Compensation Committee will evaluate whether any actions are necessary to address those concerns.

THE BOARD OF DIRECTORS RECOMMENDS A **VOTE FOR** THE APPROVAL, ON AN ADVISORY BASIS, OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS.

Compensation Committee Report

We have reviewed and discussed the Compensation Discussion and Analysis with Company management and, based on such review and discussion, we recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement.

THE COMPENSATION COMMITTEE

William E. Albrecht
James R. Boyd
Milton Carroll
Murry S. Gerber
Robert A. Malone

Compensation Discussion and Analysis

2018 CD&A At-A-Glance

This year's Compensation Discussion and Analysis (CD&A) reviews the objectives and elements of Halliburton's executive compensation program and discusses the 2018 compensation earned by our NEOs. It also explains the actions the Compensation Committee took based on its ongoing commitment to consider shareholder feedback and to ensure our senior leadership team continues to deliver the reliable execution and industry-leading growth, margins, and returns that our shareholders expect. During 2018, we:

Continued robust shareholder engagement, with a key focus on executive compensation matters	Contacted shareholders representing more than 52% of our outstanding common stock to obtain their views on our program. We met with shareholders representing approximately 31% of our outstanding common stock
Increased Board involvement in shareholder engagement	Members of the Compensation Committee, including the Chair, participated in shareholder meetings
Discontinued special or one-time stock awards	Determined that special or one-time grants will not be made for internal promotions
Approved new "double-trigger" change-of-control provisions	Amended the Stock and Incentive Plan on February 13, 2019, for future grants, subject to shareholder approval
Eliminated other executive benefits and perquisites	Amended our policies to eliminate other benefits and perquisites that are not provided to all employees

Our business continued to strengthen in 2018 with the Company delivering year-over-year revenue growth in all of our 14 product service lines globally. We delivered total company revenue of $24.0 billion, operating income of $2.5 billion, and earnings per diluted share of $1.89. We also generated approximately $3.2 billion in operating cash flow, retired $400 million in debt, and returned over $1 billion to our shareholders.

The Company created shareholder value by generating earnings in excess of our cost of capital of $788 million in Cash Value Added (CVA) for 2018. Our Return on Capital Employed (ROCE) for the three-year period ending December 31, 2018, was 0.73%, which positioned the Company above the 75th percentile relative to our performance peer group. Additionally, our 2018 ROCE was greater than 10%, which exceeded our cost of capital.

More information about our 2018 business achievements, and the resulting compensation actions taken by the Compensation Committee, are summarized below.

2018 Named Executive Officers

Name	Age	Occupation
Jeffrey A. Miller(1)	55	Chairman, President and Chief Executive Officer
Lance Loeffler(2)	42	Executive Vice President and Chief Financial Officer
James S. Brown(3)	64	Former President - Western Hemisphere
Joe D. Rainey	62	President - Eastern Hemisphere
David J. Lesar(4)	65	Former Executive Chairman of the Board
Christopher T. Weber(5)	46	Former Executive Vice President and Chief Financial Officer

(1) Mr. Miller was appointed as Chairman of the Board effective January 1, 2019.
(2) Mr. Loeffler was promoted to Chief Financial Officer on November 12, 2018.
(3) Mr. Brown served as President – Western Hemisphere until February 1, 2019.
(4) Mr. Lesar retired on December 31, 2018.
(5) Mr. Weber resigned his position as our Chief Financial Officer effective November 9, 2018.

Key Activities and Changes

Board Responsiveness to Shareholder Feedback

Halliburton has always maintained open communications with the shareholder community. Seeking feedback from our shareholders on a regular basis is a critical part of our approach to managing our executive compensation program. During 2018, members of our senior management team participated in over 100 shareholder meetings and 18 conferences. We also engaged in targeted outreach with numerous shareholders to discuss corporate governance, executive compensation, and sustainability. Our current and incoming Compensation Committee chairs participated in this outreach effort with our major shareholders.

This past year, following the 2018 Annual Meeting, we adjusted certain features of our program as part of our commitment to respond to shareholder feedback:

What we heard		What we did
Concern about the one-time stock awards granted in 2017 as part of our CEO succession plan	>	Eliminated special or one-time stock grants for internal promotions
We should eliminate the single-trigger vesting upon change-of-control	>	We are asking shareholders to approve amendments to our Stock and Incentive Plan that will implement a double-trigger vesting provision upon a change-of-control
Some executive perquisites were unnecessary	>	Eliminated several executive benefits/perquisites

NEWLY IMPLEMENTED CHANGES

- **No special or one-time stock grants to any of the NEOs.** There will be no special or one-time stock grants for internal promotions. This new practice was followed in the recent internal promotions of both our Chief Financial Officer in November 2018 and the President of the Western Hemisphere in February 2019 who received no special stock grants.
- **Adopted “double-trigger” vesting provisions.** The Stock and Incentive Plan was amended on February 13, 2019, subject to shareholder approval, to implement a new double-trigger vesting provision upon a change-of-control.
- **Eliminated other executive benefits and perquisites that are not provided to all employees.** The following table summarizes the changes:

Executive Benefit/Perquisite	Explanation
Tax Gross Ups on Corporate Aircraft	NEOs will no longer receive tax gross ups for personal use of Corporate Aircraft.
Country Club Memberships Dues	NEOs will no longer receive reimbursement for country club dues.
Financial Planning	NEOs will no longer receive reimbursement for financial planning expenses.
Executive Physicals	NEOs will no longer receive company-paid executive physicals.

The Compensation Committee also considers advice from its independent consultant, and continually reviews the executive compensation program to ensure alignment with our shareholders’ interests, strategic goals, and current market practices.

While continuing to emphasize performance-based pay, we have responded to shareholder feedback and made enhancements to our program over the years, including:

- Modified our long-term incentive mix to more heavily weight it towards performance units.
- Modified the metrics in our Performance Unit Program to 100% relative ROCE which measures our profitability and capital efficiency.
- Increased the level of disclosure with regard to our target setting, metric selection rationale, and the associated payout calculation under our short- and long-term incentive plans.

Our ongoing, open dialogue with our shareholders helps ensure that the Board and management have a regular pulse on shareholder perspectives. It validates that our shareholders continue to be broadly supportive of the overall philosophy, objectives, and design of our program. It also gives us perspective on where we can make adjustments to improve and better explain our program.

Performance Metrics Incentivize Shareholder Value Creation

Through our shareholder outreach in 2018, the significant majority of shareholders with whom we spoke reiterated that they agree with our choice and the mix of absolute and relative performance measures in the incentive plans. They also expressed appreciation for how we described them during our outreach discussions:

- **Short-term (annual) incentives depend on the achievement of two financial performance metrics – Net Operating Profit After Tax (NOPAT) and Capital Charge**. Together, these metrics (captured as Cash Value Added (CVA)) measure how successfully we maximize profit while minimizing capital investments. Shareholders value this performance measure because it has both income statement and balance sheet metrics that are focused on our ability to manage cash and generate earnings, especially given our capital intensive cyclically-driven business.
- **Long-term performance incentives depend on relative Return on Capital Employed (ROCE)**. ROCE measures our profitability, as well as our capital deployment efficiency, against our performance peer group. We consistently receive positive feedback about the mix of equity in our long-term incentives, especially the use of ROCE as the primary performance measure in our long-term incentive program.

Why CVA and ROCE?

In making decisions about the executive compensation program, the Compensation Committee has historically approved the use of relevant absolute and relative financial metrics that reward profitable growth above the cost of capital. The current mix of performance metrics in our incentive plans strongly support our returns-focused strategy, which is intended to achieve superior growth and returns for our shareholders by delivering technology and services that improve efficiency and maximize recovery for our customers.

Annual Incentives	Long-Term Incentives
Cash Value Added (CVA) uses **Net Operating Profit After Tax (NOPAT)** and a **Capital Charge**.	Relative Return on Capital Employed (ROCE) incorporates **Net Income** and **Capital Employed**.
$\text{CVA} = \text{NOPAT} - \text{Capital Charge}$	$\text{ROCE} = \dfrac{\text{Net Income} + \text{after-tax interest expense}}{\text{Shareholders' equity} + \text{Debt}}$
✓ Balances two financial performance metrics, which measure how successfully we: 1) maximize profit while 2) minimizing capital investments.	✓ Is highly correlated to stock price performance over the long-term, applying drivers that management can directly influence.
✓ Is tightly correlated to stock price performance.	✓ Is aligned with our strategy of delivering industry-leading returns across the business cycle.
✓ Drives behaviors that increase shareholder value.	✓ Reinforces the Company's objective for sustained long-term performance and value creation.
✓ Measures how much additional value is created for shareholders as a return on their investment.	✓ Is tracked and understood by our shareholders.
✓ Provides our management team with clear line of sight to financial results.	✓ Eliminates the subjectivity inherent in setting long-term absolute targets in a cyclical industry.
	✓ Provides our management team with clear line of sight to long-term financial results.

2018 Overview

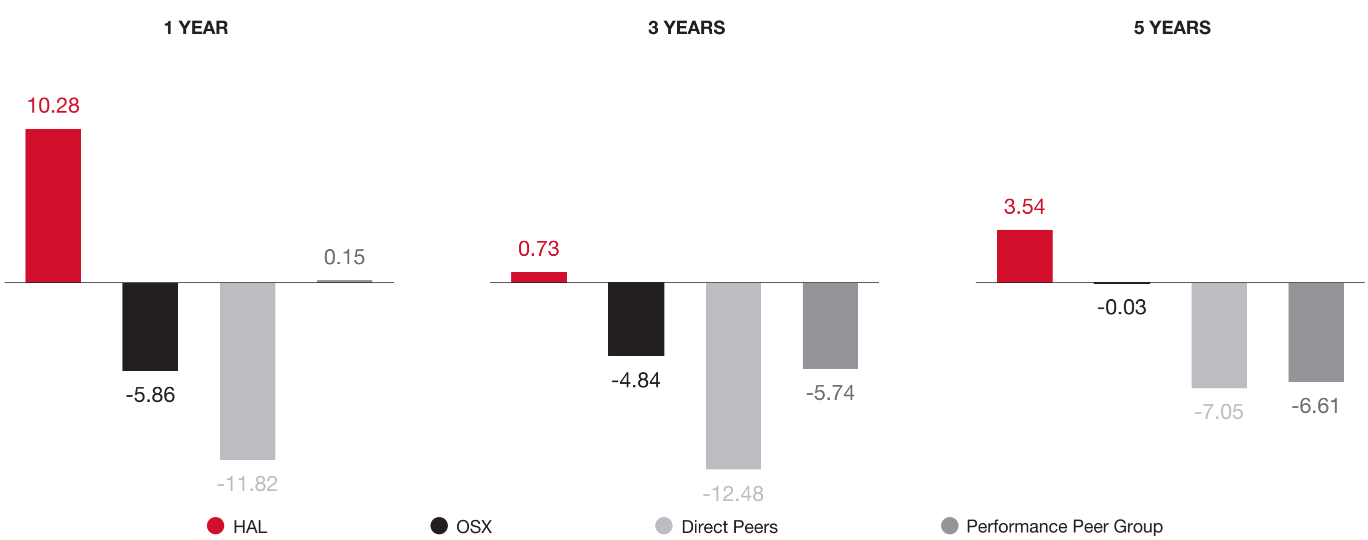
Our business further strengthened in 2018 as we continued to build for a longer industry recovery. We successfully maintained our global market share in 2018, which was accomplished by our investments in strategic growth areas and by competing in key markets as we continue to align our business with customers in the fastest growing market segments. Although the industry experienced headwinds in North America during the latter half of the year as a result of offtake capacity constraints and customer budget limitations, we believe these issues are temporary in nature. We continue to collaborate and engineer solutions to maximize asset value for our customers and to maximize returns for our shareholders.

We are well prepared for the current market environment in order to deliver leading returns for our shareholders. As we have proven over the years and demonstrated in 2018, our differentiating technology, our people, our customer alignment, and our financial discipline position us well to thrive in any market condition. During the 2018 performance year, we delivered the following results:

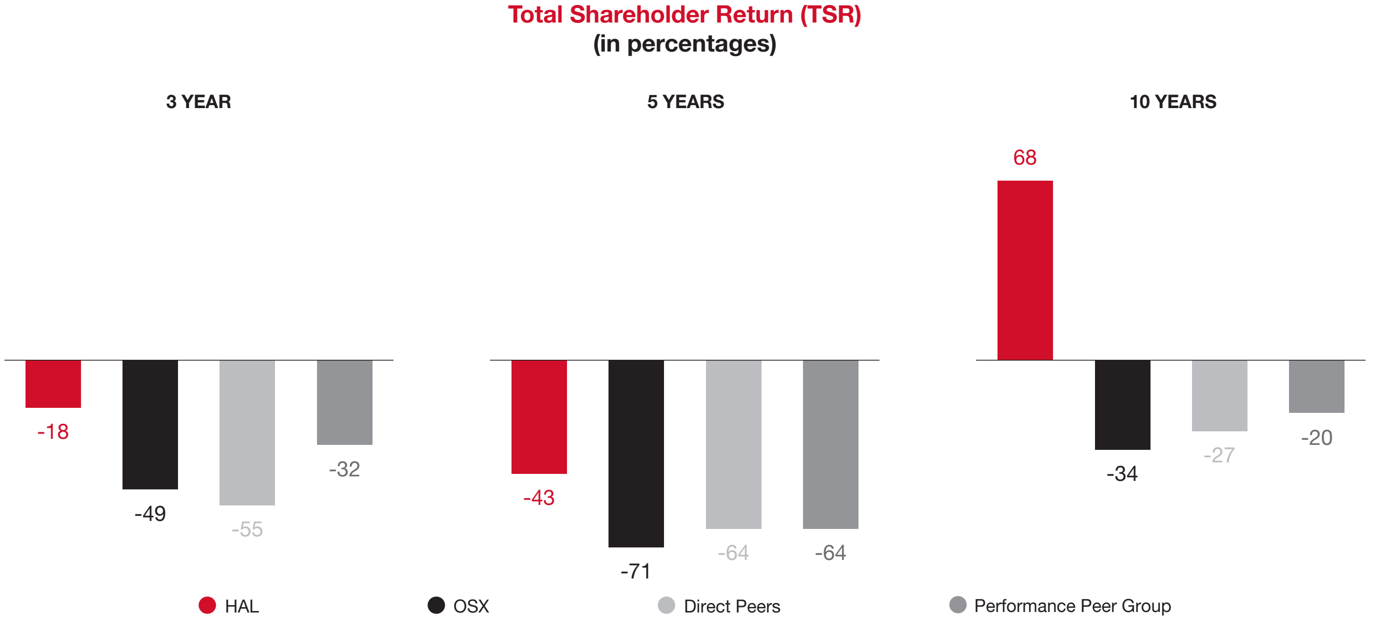
- We generated $24.0 billion of total company revenue, a 16% increase from 2017, with improvements across all of our product service lines globally. Additionally, our total company operating income was $2.5 billion during 2018. These results and improvements were primarily attributed to pressure pumping services, drilling activity, and artificial lift in North America, as well as drilling activity in the Eastern Hemisphere.
- In our Completion and Production division, we capitalized on the market recovery in North America, delivering total year revenue growth of 22% and operating income growth of 40% year-over-year.
- Our Drilling and Evaluation division delivered 6% revenue and 3% operating income improvement year-over-year, reflecting the emerging recovery in the international markets.
- We continued our focus on delivering strong cash flow and returing capital to shareholders. We generated approximately $3.2 billion in operating cash flow, retired $400 million in debt, and returned over $1 billion to our shareholders through share repurchases and dividends.

We delivered superior ROCE performance over the one-, three-, and five-year period ending December 31, 2018, relative to the Oilfield Services Index (OSX), our direct peers, and our performance peer group. The details are depicted in the chart below:

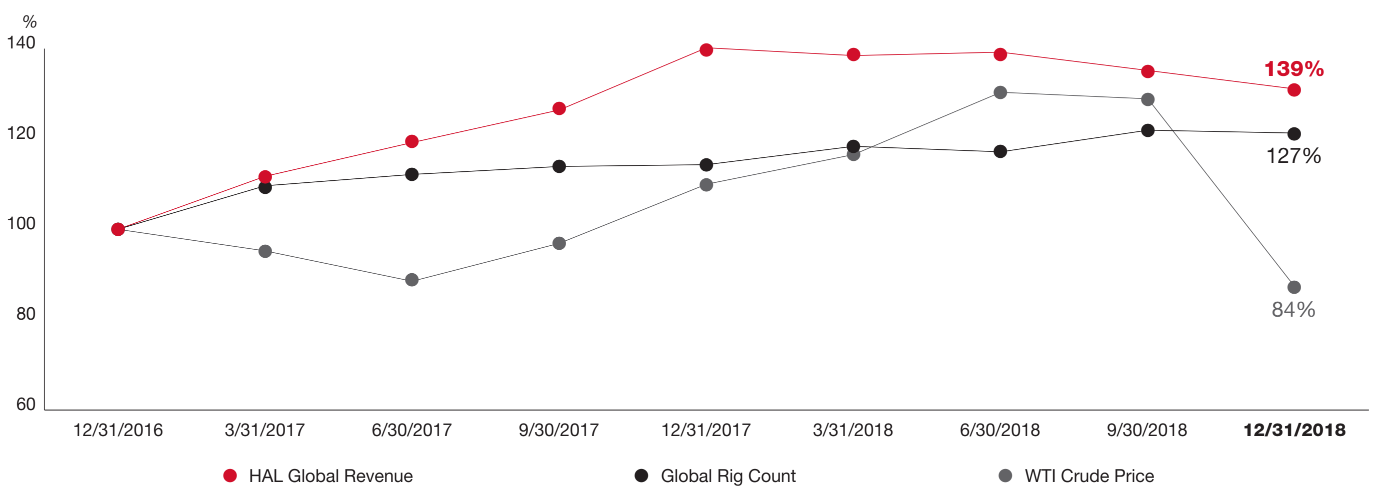
Return on Capital Employed (ROCE)
(in percentages)



We delivered TSR over the three-, five-, and ten-year period ending December 31, 2018, that exceeded the TSR of the OSX, our direct peers, and our performance peer group. The details are depicted in the chart below:



Our global revenue for the past two years outperformed the West Texas Intermediate (WTI) price of crude oil and the global rig count.



Results of 2018 Advisory Vote on Executive Compensation

In 2018, our compensation program received the support of 43% of the total votes cast at our Annual Meeting. These results were disappointing and significantly below the support we have received in the past. In response, we contacted shareholders representing more than 52% of our outstanding common stock and met with approximately 31% of those shareholders. We solicited their feedback on company strategy and performance, corporate governance, executive compensation, sustainability, and other topics. Their feedback was that although our overall compensation program design is supported by our shareholders, the low vote we received in 2018 was largely attributable to the one-time stock awards granted in 2017 as part of our CEO succession plan. Based on this feedback, the Committee determined that there will be no more special one-time stock grants for internal promotions. This change and others we have implemented to our compensation program are described in Board Responsiveness to Shareholder Feedback on page 25.

Our Executive Compensation Program Objectives

Our executive compensation program is designed to achieve the following objectives:

- Provide a clear and direct relationship between executive pay and our performance on both a short-term and long-term basis;
- Target market competive pay levels with comparator peer group;
- Emphasize operating performance drivers;
- Link executive pay to measures that drive shareholder returns;
- Support our business strategies; and
- Maximize the return on our human resource investment.

Good Compensation Governance Practices At-A-Glance

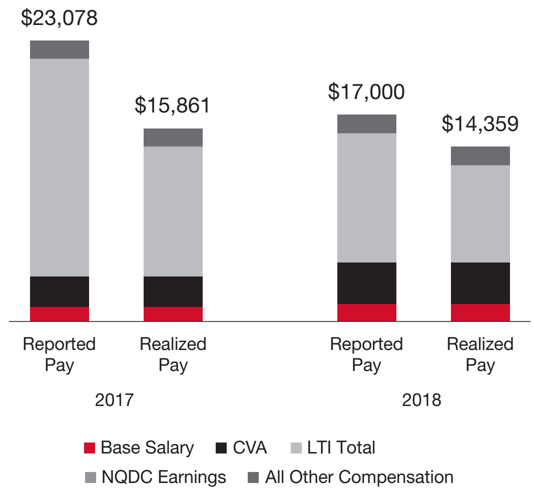
What We Do	What We Don't Do
Use mix of relative and absolute financial metrics	No repricing of underwater stock options
Place the majority of weight on performance-based, at-risk, long-term compensation	No excessive perquisites
Deliver rewards that are based on the achievement of long-term objectives and the creation of shareholder value	No guaranteed bonuses or uncapped incentives
Maintain a clawback policy in the event of a material financial restatement or fraud	No single trigger vesting upon a change of control (on new awards)
Maintain robust executive and Director stock ownership requirements	No excise tax gross-ups
Use an independent, external compensation consultant	No hedging or pledging of company securities
Benchmark against a relevant group of peer companies	No buyout or exchange of underwater options
Hold an annual say-on-pay vote	No liberal share counting or recycling

CEO Pay: Reported vs. Realized

In reviewing executive compensation, the Compensation Committee considers the difference between total compensation as reported in the Summary Compensation Table ("reported pay") and realized pay. Since Mr. Miller was appointed CEO in 2017, his realized pay was consistently lower than reported pay, demonstrating the "at-risk" nature of his compensation and our compensation program's pay-for-performance design. In the illustration below, total realized compensation consisted of the following:

- base salary paid;
- cash incentive payouts under the Halliburton Annual Performance Pay Plan;
- the value realized upon exercise of stock options;
- value of restricted stock vested during the year; and
- performance-based award paid for the year.

CEO: Reported Pay vs. Realized Pay
(in 000's)



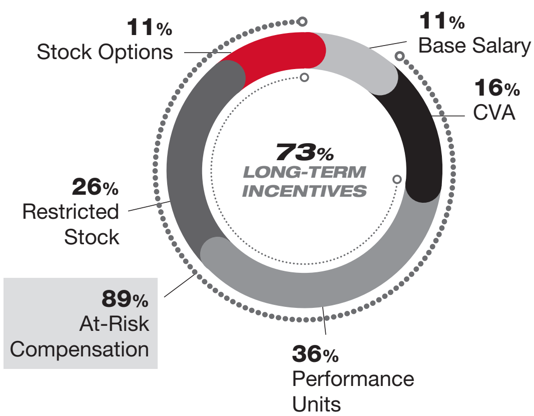
Elements of our Executive Compensation Program for Fiscal 2018

Halliburton's executive compensation program is composed of base salary, a short-term incentive, and long-term incentives, each of which is described below:

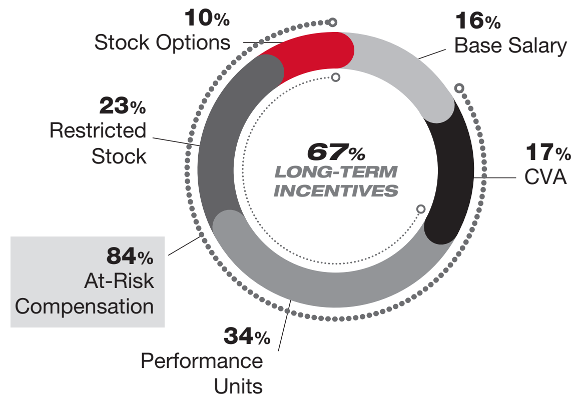
	Reward Element	Objective	Key Features	How Award Value is Determined	2018 Decisions
FIXED	**Base Salary**	Compensates executives based on their responsibilities, experience, and skillset.	Fixed element of compensation paid in cash.	Benchmarked against a group of comparably sized corporations and industry peers.	The Committee approved increases to base salary for three NEOs for 2018 to align their pay with the market median and for internal equity purposes. (Page 35)
AT RISK	**Short-Term Incentive**	To motivate and incentivize performance over a one-year period.	Award value and measures are reviewed annually. Targets are set at the beginning of the year.	Performance is measured using two metrics: NOPAT *minus* Capital Charge (captured as Cash Value Added (CVA)).	Award values were targeted at the market median for 2018. (Page 35)
	Long-Term Incentives	To motivate and incentivize sustained performance over the long-term. Aligns interests of our NEOs with long-term shareholders.	Value is delivered 50% performance units; 35% restricted stock; and 15% stock options. Performance units are measured over three years against targets set at the beginning of the performance period.	The 2018 performance units are measured against ROCE performance relative to performance peers. Restricted stock and stock options have time-based vesting and value is driven by our share price.	Awards were targeted at the market median for 2018. (Page 36)

As illustrated below, the majority of our CEO's and NEOs' total direct compensation opportunity is performance-based, at-risk, and long-term. The graphs depict the mix of total target direct compensation set for our NEOs during 2018.

CEO Compensation Mix



Other NEO Compensation Mix[(1)]



(1) *Reflects the compensation mix of Messrs. Brown and Rainey. The other NEOs were not included because Mr. Lesar retired and Messrs. Loeffler and Weber were not in their respective roles for the entire year.*

Setting Executive Compensation

Role of the Compensation Committee

The Compensation Committee oversees the executive compensation program and has overall responsibility for making final decisions about total compensation for all of the NEOs, except for the CEO, which is set by the entire Board of Directors. As part of its annual process, the Committee works closely with senior management (as appropriate) and its independent compensation consultant. This process ensures consistency from year to year and adherence to the responsibilities listed in the Committee's Charter, which is available on our website.

Role of the CEO

The CEO does not provide recommendations concerning his own compensation, nor is he present when his compensation is discussed by the Committee. The Committee, with input from its independent compensation consultant, discusses the elements of his compensation in executive session and makes a recommendation to all of the non-management Directors for discussion and final approval. At the Committee's request, a member of our management team may attend the executive session to answer questions from the Committee.

The CEO, with input from the Committee's independent compensation consultant, assists the Committee in setting compensation for the other NEOs.

The following recommendations are made to the Committee for each NEO:

- **Base salary adjustments,** taking into account comparator peer group data, and the NEO's individual performance and role within the Company.
- **Performance goals, metrics, and reward schedules** for incentive opportunities under our Annual Performance Pay Plan and Performance Unit Program, with performance targets being set relative to the projected business cycle and business plan.
- **Restricted stock and stock option awards** made under the Stock and Incentive Plan, including developing and providing specific recommendations to the Committee on the aggregate number and types of shares to be awarded annually, reviewing the rationale and guidelines for annual stock awards, and recommending changes to the grant types, when appropriate.
- **Retirement awards,** which are calculated by an external actuary, under the Halliburton Company Supplemental Executive Retirement Plan, or SERP.

Use of Independent Consultants and Advisors

The Committee engaged Pearl Meyer as its independent compensation consultant during 2018. Pearl Meyer does not provide any other services to us. The primary responsibilities of the independent compensation consultant were to:

- Provide independent and objective market data;
- Conduct compensation analysis;
- Recommend potential changes to the comparator peer group and performance peer group;
- Recommend plan design changes;
- Advise on risks associated with compensation plans; and
- Review and advise on pay programs and pay levels.

These services are provided as requested by the Committee throughout the year. Based on their review of our executive compensation program, Pearl Meyer concluded that our compensation plans do not appear to present any material risks to the Company or its shareholders in the design, metrics, interaction between incentive plans, or administration of the incentive plans.

Role of Benchmarking, Peer Companies, and Market Data

The Committee regularly assesses the market competitiveness of the Company's executive compensation program based on data from a comparator peer group. The companies comprising the comparator peer group are selected based on the following considerations:

- Market capitalization;
- Revenue and number of employees;
- Global impact and reach; and
- Industry affiliation.

Industry affiliation includes companies that are involved in the oil and natural gas and energy services industries. The comparator peer group is reviewed annually by the Committee to ensure relevance, with data provided to the Committee by the independent compensation consultant.

The 2018 comparator peer group was composed of the following peer companies within the energy industry, as well as selected companies representing general industry. This peer group was utilized to determine market levels of total compensation for the 2018 calendar year and was unchanged from 2017:

3M Company	Hess Corporation
Anadarko Petroleum Corporation	Honeywell International Inc.
Apache Corporation	Johnson Controls International plc
Baker Hughes, a GE Company	National Oilwell Varco, Inc.
Caterpillar Inc.	Occidental Petroleum Corporation
ConocoPhillips	Raytheon Company
Deere and Company	Schlumberger Limited
Emerson Electric Co.	Transocean Ltd.
Fluor Corporation	Weatherford International plc

Because of variances in market capitalization and revenue size among the companies comprising our comparator peer group, the market data is size adjusted by revenue as necessary so that it is comparable with our trailing 12 months revenue. These adjusted values are used to compare our executives' compensation to those of the comparator peer group.

Total compensation for each NEO is structured to target market competitive pay levels in base salary and short- and long-term incentive opportunities. We also place an emphasis on variable pay at risk, which enables this compensation structure to position actual pay above or below the 50th percentile of our comparator peer group depending on performance.

A consistent pre-tax, present value methodology is used in assessing stock-based and other long-term incentive awards, including the Black-Scholes model used to value stock option grants.

The independent compensation consultant gathers and performs an analysis of market data for each NEO, comparing each of their individual components of compensation and total compensation to that of the comparator peer group. This competitive analysis consists of comparing the market data of each of the pay elements and total compensation at the 25th, 50th, and 75th percentiles of the comparator peer group to current compensation for each NEO.

Pay for Performance Analysis

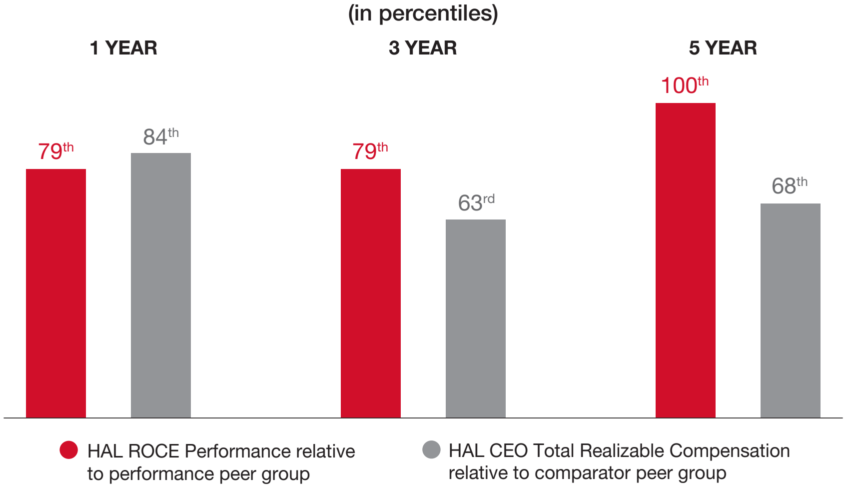
As part of its analysis, the Committee reviews one-, three-, and five-year pay for performance against our performance peer group as identified in the section entitled "Long-term Incentives". The review examines the degree of alignment between our ROCE performance compared to the ROCE performance of our performance peer group and our CEO's realizable compensation relative to the realizable compensation of the CEOs in our comparator peer group.

Total realizable compensation consisted of the following:

- base salary paid;
- cash incentive payouts;
- in-the-money value of stock options grants during the one-, three-, or five-year period valued as of December 31, 2017;
- face value of restricted stock grants during the one-, three-, or five-year period valued as of December 31, 2017; and
- for performance-based awards, (i) target value for awards still outstanding as of December 31, 2017, and (ii) realized value for performance periods beginning and ending within the one-, three-, or five-year period.

This analysis supported the Committee's determination that our pay and performance are appropriately aligned.

Pay for Performance Analysis
Periods Ending December 31, 2017
(in percentiles)



Determination of CEO and NEO Target Total Compensation

When determining target total compensation for the CEO, the Committee takes into consideration competitive market pay levels for the CEOs in the comparator peer group. The Committee also considers the CEO's performance and accomplishments in the areas of business development and expansion, management succession, development and retention of management, ethical leadership, and the achievement of financial and operational objectives.

Each year, our CEO and the members of the Board agree upon a set of objectives addressing the following areas specified in our Corporate Governance Guidelines:

- Leadership and vision;
- Integrity;
- Keeping the Board informed on matters affecting Halliburton;
- Performance of the business;
- Development and implementation of initiatives that provide long-term economic benefits;
- Accomplishment of strategic objectives; and
- Development of management.

The Board determined that Mr. Miller met these objectives in 2018 through the following achievements:

LEADERSHIP AND VISION

- Managed through a seamless CEO transition
- Led the organization through the business cycle with effective stakeholder communication and maintained high visibility with employees, shareholders, and customers

INTEGRITY

- Maintained unwavering commitment to our Code of Business Conduct

KEEPING THE BOARD INFORMED

- Communicated regularly with the members of the Board providing status reports and notification of issues of concern and provided unfettered access to management and subject matter experts

PERFORMANCE OF THE BUSINESS

- Outperformed the OSX, our direct peers, and our performance peer group in terms of ROCE over the one-, three-, and five-year period ending December 31, 2018; delivered superior performance relative to the OSX, our direct peers, and our performance peer group in terms of TSR for the three-, five- and ten-year period ending December 31, 2018
- Maintained unwavering commitment to our Health, Safety and Environment program

DEVELOP AND IMPLEMENT INITIATIVES THAT PROVIDE LONG-TERM ECONOMIC BENEFITS

- Continued to lower the Company's effective tax rate

ACCOMPLISHMENT OF STRATEGIC OBJECTIVES

- Continued our international diversification by strengthening our international business and capitalizing on strategic merger and acquisition opportunities

DEVELOPMENT OF MANAGEMENT

- Exposed the next generation of management to the Board, further enhanced the management/employee succession process, and focused senior management on talent development and diversity initiatives

Other NEO compensation is determined similar to that of the CEO by evaluating each NEO's performance and considering the market competitive pay levels of the comparator peer group for the NEO's position.

2018 Executive Compensation Outcomes

Base Salary

The Committee generally targets base salaries at the median of the comparator peer group. The Committee also considers the following factors when setting base salary:

- Level of responsibility;
- Experience in current role and equitable compensation relationships among internal peers;
- Performance and leadership; and
- External factors involving competitive positioning, general economic conditions, and marketplace compensation trends.

No specific formula is applied to determine the weight of each factor.

Salary reviews are conducted annually to evaluate each executive. Individual salaries are not necessarily adjusted each year.

The Committee approved the following base salary adjustments effective January 1, 2018:

- Mr. Miller received a 7.7% increase in annual base salary ($1,300,000 to $1,400,000) to align his base salary with the market median of our comparator peer group;
- Mr. Rainey received a 4.8% increase in annual base salary ($835,000 to $875,000) based on performance and to more closely align with his internal peer; and
- Mr. Weber received a 7.7% increase in annual base salary ($650,000 to $700,000) to bring his base salary closer to the market median of our comparator peer group.

Mr. Loeffler's annual base salary was increased to $375,000 on January 1, 2018. At the time, he was not an executive officer and his compensation was not determined by the Committee.

Short-term (Annual) Incentive

The Annual Performance Pay Plan is designed to reward executives and other key members of management for improving financial results that drive the creation of economic value for our shareholders and provide a means to connect individual cash compensation directly to our performance. It is administered in accordance with the terms of the Stock and Incentive Plan.

The Annual Performance Pay Plan provides an incentive to our NEOs to generate more earnings than normally expected by the shareholders who have provided us with capital to grow our business. We measure achievement of this objective using Cash Value Added, or CVA. CVA is a financial measurement that balances two metrics to measure the amount of economic value added to our business.

The Committee selected CVA as the financial measure upon which to base our Annual Performance Pay Plan because it is a key measure on which we set our performance expectations for the year and we believe it is a proven driver of value creation for our shareholders. The Committee also considers other business performance factors that are important to our shareholders, including health, safety, environment, and service quality, in determining the final payout amounts under the Annual Performance Pay Plan.

Net Operating Profit After Taxes − Capital Charge = CVA

OPERATING INCOME	
+	Interest Income
+	Foreign Currency Gains (Losses)
+	Other Nonoperating Income (Expense), Net
=	**NET OPERATING PROFIT**
−	Income Taxes
=	**NET OPERATING PROFIT AFTER TAXES**
NET INVESTED CAPITAL	
X	Weighted Average Cost of Capital
=	**CAPITAL CHARGE**

At the beginning of each plan year, the Committee approves an incentive award schedule that equates levels of CVA performance with cash reward opportunities. The performance goals range from “Threshold” to “Target” to “Maximum”. Threshold reflects the minimum CVA performance level which must be achieved in order for any award to be earned and Maximum reflects the maximum awards that can be earned.

The performance goals are based on our annual operating plan, as reviewed and approved by our Board, and are set at levels to meet or exceed shareholder expectations of our performance, as well as expectations of the relative performance to our competitors. Given the cyclical nature of our business, our performance goals vary from year to year, which can similarly impact the difficulty in achieving the goals.

CVA is computed monthly and aggregated throughout the calendar year. Adjustments in the calculation of CVA may, at times, be approved by the Committee and can include the treatment of unusual items that may have impacted our actual results.

With the exception of Mr. Loeffler, who was not an executive officer at the time, the Committee set the 2018 performance goals for our NEOs based on company-wide consolidated CVA results. Threshold CVA was based on 90% of planned Operating Income, Target CVA on 100% of planned Operating Income, and Maximum CVA on 110% of planned Operating Income. Net Operating Profit After Taxes was calculated excluding charges related to Venezuela asset impairment, as the impact of this item was unknown when the targets were set in February 2018.

The Committee set the 2018 award levels, targeted to the market median, for our NEOs based on the company-wide consolidated CVA results. As noted in the table below, the Company created shareholder value by generating earnings of $788 million in excess of our cost of capital in 2018.

Metric	Threshold	Target	Maximum	Actual
CVA	$385 M	$631 M	$876 M	$788 M

Individual incentive award opportunities are established as a percentage of base salary at the beginning of the plan year based on market competitive targets. The maximum award a NEO can receive is limited to two times the target opportunity level. The level of achievement of annual CVA performance determines the dollar amount of incentive compensation payable to participants following completion of the plan year.

The Committee set incentive award opportunities under the plan as follows:

NEO	Threshold	Target	Maximum
Mr. Miller	60%	150%	300%
Mr. Loeffler(1)	16%	40%	80%
Mr. Brown	44%	110%	220%
Mr. Rainey	44%	110%	220%
Mr. Lesar	50%	125%	250%
Mr. Weber	40%	100%	200%

(1) Mr. Loeffler was promoted to Chief Financial Officer on November 12, 2018, and he was not an executive officer when the incentive award opportunities were set by the Committee.

Threshold, Target, and Maximum opportunity dollar amounts can be found in the Grants of Plan-Based Awards in Fiscal 2018 table.

Over the past ten years, the Annual Performance Pay Plan achieved Maximum performance levels five times, and Target performance levels two times, and fell short of the Threshold performance level three times, resulting in no payout.

Long-Term Incentives

The Stock and Incentive Plan is designed to reward consistent achievement of value creation and operating performance goals, align management with shareholder interests, and encourage long-term perspective and commitment. Long-term incentives represent the largest component of total executive compensation opportunity.

Our Stock and Incentive Plan provides for a variety of cash and stock-based awards, including restricted stock and units, nonqualified and incentive stock options, performance shares and units, stock appreciation rights, and stock value equivalents. Under the Stock and Incentive Plan, the Committee may, at its discretion, select from among these types of awards to establish individual long-term incentive awards.

Using a mix of incentive vehicles allows us to provide a diversified yet balanced long-term incentive program that effectively addresses volatility in our industry and in the stock market, in addition to maintaining an incentive to meet performance goals. For 2018, we used the following combination of incentive vehicles:

Vehicle	Weighting	Purpose
Performance Units	50% of Award	Rewards achievement of specific financial goals measured over a three-year performance period
Restricted Stock	35% of Award	Supports leadership retention/stability objectives; five-year vesting period
Stock Options	15% of Award	Rewards for stock price appreciation; three-year vesting period

In determining the size of long-term incentive awards, the Committee first considers market data for comparable positions and then may adjust the awards upwards or downwards based on the Committee's review of internal equity. This can result in positions of similar magnitude and pay receiving awards of varying size. The December 5, 2018, restricted stock and stock option grants awarded by the Committee to each NEO were based primarily on market data and were targeted to the market median.

Our internal stock nomination process under the Stock and Incentive Plan ensures that all award grant dates are prospective and not retroactive. For NEOs, the grant date is the day the Committee determines annual compensation actions, generally in December of each year. Exercise prices for stock options are set at the closing stock price on the date the grant is approved.

2016 Cycle Performance Unit Program

The 2016 cycle Performance Unit Program provides NEOs and other selected executives with incentive opportunities based on our consolidated ROCE during a three-year performance period. This program reinforces our objectives for sustained long-term performance and value creation. It also reinforces strategic planning processes and balances short- and long-term decision making.

Based on feedback from our shareholders and to more closely align with our strategy of delivering industry-leading returns across the business cycle, in 2015, we modified the metrics in our Performance Unit Program to 100% relative ROCE. The program measures ROCE on a relative basis to the results of our performance peer group used for the Performance Unit Program. The three-year performance period aligns this measurement with our and our performance peer group's business cycles.

ROCE indicates the efficiency and profitability of our capital investments and is determined based on the ratio of earnings divided by average capital employed.

The calculation is as follows:

$$\text{ROCE} = \frac{\text{Net income} + \text{After-tax interest expense}}{\text{Shareholders' equity (average of beginning and end of period)} + \text{Debt (average of beginning and end of period)}}$$

The performance peer group used for the Performance Unit Program is comprised of oilfield equipment and services companies and domestic and international exploration and production companies. This peer group is used for the Performance Unit Program because these companies represent the timing, cyclicality, and volatility of the oil and natural gas industry and provide an appropriate industry group for measuring our relative performance. The peer group, disclosed in our 2017 proxy statement, was used for the 2016 cycle of the Performance Unit Program.

The table below shows the incentive opportunity based on Halliburton's ROCE performance relative to that of our performance peer group. The 2016 cycle of the Performance Unit Program ended on December 31, 2018, and we achieved ROCE of 0.73%, which was above the 75th percentile of our performance peer group's ROCE of 0.61% and yielded an award paid at 200% of the target opportunity level. In addition to top quartile performance relative to our performance peer group over the three-year cycle, our 2018 ROCE was greater than 10%, which exceeded our cost of capital.

2016 Cycle - Performance Matrix

Halliburton Ranking vs. Performance Peer Group	Threshold 25th Percentile	Target 50th Percentile	Maximum 75th Percentile
Incentive Opportunity as a % of Target	25%	100%	200%

The NEOs received payments in 2019 as set forth in the Non-Equity Incentive Plan Compensation column in the Summary Compensation Table. The program allows for rewards to be paid in cash, stock, or a combination of cash and stock. Over the past ten years, the program has achieved Maximum performance levels four times, Target levels five times, and Threshold levels one time.

2018 Cycle Performance Unit Program

The Committee set the performance measures on a 100% relative ROCE basis for the 2018 cycle of the Performance Unit Program, with performance measured for the three-year period ending December 31, 2020.

The performance peer group for the 2018 cycle Performance Unit Program is the same as the performance peer group used for the 2017 cycle Performance Unit Program and consists of the following companies:

Anadarko Petroleum Corporation	Nabors Industries Ltd.
Apache Corporation	National Oilwell Varco, Inc.
Baker Hughes, a GE Company	Schlumberger Limited
Chesapeake Energy Corporation	Superior Energy Services, Inc
Devon Energy Corporation	TechnipFMC
Hess Corporation	Transocean Ltd.
Marathon Oil Corporation	Weatherford International plc
Murphy Oil Corporation	The Williams Companies, Inc.

At the end of the three-year performance period, the ROCE of the Company and the performance peer group will be calculated and percentiles will be determined. The table below details the incentive opportunity based on Halliburton's performance relative to the performance peer group. If Halliburton's relative performance ranking is below the 25th percentile, there will be no payment. If Halliburton's relative performance ranking is between the 25th, 50th, and 75th percentiles, the payout will be interpolated accordingly.

2018 Cycle - Performance Matrix

Halliburton Ranking vs. Performance Peer Group	Threshold 25th Percentile	Target 50th Percentile	Maximum 75th Percentile
Incentive Opportunity as a % of Target	25%	100%	200%

Individual incentive opportunities are established based on market references and the NEO's role within the organization. The Threshold, Target, and Maximum columns under the heading Estimated Future Payouts Under Non-Equity Incentive Plan Awards in the Grants of Plan-Based Awards in Fiscal 2018 table indicate the potential payout for each NEO under the Performance Unit Program for the 2018 cycle. The potential payouts are performance driven and completely at risk. Actual payout amounts, if any, will not be determined until the three-year cycle closes on December 31, 2020.

Restricted Stock and Stock Options

Our restricted stock and stock option awards are granted under the Stock and Incentive Plan and are listed in the Grants of Plan-Based Awards in Fiscal 2018 table.

Restricted stock grants are generally subject to a graded vesting schedule of 20% per year over five years. However, different vesting schedules may be utilized at the discretion of the Committee. Shares of restricted stock receive dividend or dividend equivalent payments.

Stock option awards vest over a three-year graded vesting period with 33⅓% of the grant vesting each year. All options are priced at the closing stock price on the date the grant is approved by the Committee.

The stock and option award columns in the Summary Compensation Table reflect the aggregate grant date fair value of the restricted stock and option awards for each NEO granted during 2018.

Supplemental Executive Retirement Plan

The objective of the Supplemental Executive Retirement Plan, or SERP, is to provide a competitive level of pay replacement upon retirement. The current pay replacement target is 75% of base salary at age 65 with 25 years of service, using the highest annual salary during the last three years of employment.

The material factors and guidelines considered in making an allocation include (i) retirement benefits provided, both qualified and nonqualified; (ii) current compensation; (iii) length of service; and (iv) years of service to normal retirement.

The calculation takes into account the following variables: (i) base salary; (ii) years of service; (iii) age; (iv) employer portion of qualified plan savings; (v) age 65 value of any defined benefit plan; and (vi) existing nonqualified plan balances and any other retirement plans.

Several assumptions are made annually and include a base salary increase percentage, qualified and nonqualified plan contributions and investment earnings, and an annuity rate. These factors are reviewed and approved annually by the Committee in advance of calculating any awards.

To determine the annual benefit, external actuaries calculate the total lump sum retirement benefit needed at age 65 from all company retirement sources to produce an annual retirement benefit of 75% of highest annual salary during the last three years of employment. Company retirement sources include any Company contributions to qualified benefit plans and contributions to nonqualified benefit plans. If the combination of these two sources does not yield a total retirement balance that will meet the 75% objective, then contributions may be made annually through the SERP to bring the total benefit up to the targeted level.

To illustrate, assume $10 million is needed at age 65 to produce an annual retirement benefit equal to 75% of base salary. The participant is projected to have $3 million in his qualified benefit plans resulting from Company contributions at retirement and $4 million in his nonqualified retirement plans at retirement. Since the total of these two sources is $7 million, a shortfall of $3 million results. This is the amount needed to achieve the 75% pay replacement objective. This shortfall may be offset through annual contributions to the SERP.

Participation in the SERP is limited to the direct reports of the CEO and other selected executives as recommended by the CEO and approved at the discretion of the Committee. However, participation one year does not guarantee future participation. In 2018, the Committee authorized retirement allocations under the SERP to all NEOs as listed in the Supplemental Table: All Other Compensation and the 2018 Nonqualified Deferred Compensation.

All of the NEOs, except Messrs. Loeffler and Weber, are fully vested in their respective account balances. Mr. Weber's SERP account was forfeited upon his resignation. Balances for active and terminated participants earn interest at an annual rate of 5% and 10%, respectively.

Other Executive Benefits and Policies

Retirement and Savings Plan

All NEOs may participate in the Halliburton Retirement and Savings Plan, which is the defined contribution benefit plan available to all eligible U.S. employees. The matching contribution amounts we contributed on behalf of each NEO are included in the Supplemental Table: All Other Compensation.

Elective Deferral Plan

All NEOs may participate in the Halliburton Elective Deferral Plan, which was established to provide highly compensated employees with an opportunity to defer earned base salary and incentive compensation in order to help meet retirement and other future income needs.

Participants may elect to defer up to 75% of their annual base salary and up to 75% of their incentive compensation into the plan. Deferral elections must be made on an annual basis, including the type and timing of distribution. Plan earnings are based on the NEO's choice of up to 12 investment options with varying degrees of risk, including the risk of loss. Investment options may be changed by the NEO daily.

In 2018, none of our NEOs participated in this plan. Messrs. Brown, Rainey, and Lesar have account balances from participation in prior years. Messrs. Miller, Loeffler, and Weber are not participants in the plan. Further details can be found in the 2018 Nonqualified Deferred Compensation table.

Benefit Restoration Plan

The Halliburton Company Benefit Restoration Plan provides a vehicle to restore qualified plan benefits which are reduced as a result of limitations on contributions imposed under the Internal Revenue Code or due to participation in other plans we sponsor and to defer compensation that would otherwise be treated as excessive remuneration within the meaning of Section 162(m) of the Internal Revenue Code. Awards are made annually to those who meet these criteria and earned interest at an annual rate as defined by the plan document. Awards and corresponding interest balances are 100% vested and distributed upon separation.

In accordance with the plan document, participants earn monthly interest at the 120% AFR rate, provided the interest rate shall be no less than 6% per annum or greater than 10% per annum. Because the 120% AFR rate was below the 6% minimum interest threshold, plan participants earned interest at an annual rate of 6% in 2018.

In 2018, all NEOs except Mr. Weber received awards under this plan in the amounts included in the Supplemental Table: All Other Compensation and the 2018 Nonqualified Deferred Compensation table.

Perquisites

Effective January 1, 2019, we eliminated a number of our perquisites including tax gross ups for personal use of corporate aircraft, executive physical examinations, and financial planning reimbursements. We also eliminated reimbursements for country club dues, with the exception of a prior commitment to Mr. Brown which expires upon his retirement in 2019.

A taxable benefit for executive financial planning was provided in 2018 with the amount dependent on the NEO's level within the company. This benefit does not include tax return preparation. It is paid, only if used, on a reimbursable basis. This benefit was discontinued in 2019.

We do not provide cars to our NEOs. However, a car and part-time driver were used by Messrs. Miller and Lesar for security purposes and so that they can work while in transit to meet customer and our needs.

We provided security at the personal residences of Messrs. Miller, Lesar, and Weber during 2018.

As a result of the recommendations provided by an independent, third-party security consultant, the Board has determined that Messrs. Miller and Lesar (before his retirement) must use company aircraft for all travel. The security study also recommends that their spouses and children use company-provided aircraft. The only personal use of the company aircraft in 2018 for other NEOs is for spousal and dependent travel on select business trips.

Mr. Rainey is an expatriate under our long-term expatriate business practice. A differential is commonly paid to expatriates in assignment locations where the cost of goods and services is greater than the cost for the same goods and services in the expatriate's home country. Differentials are determined by Mercer/ORC, a third-party consultant. Mr. Rainey receives certain assignment allowances, including a goods and services differential and host country housing and utilities. He also participates in our tax equalization program, which neutralizes the tax effect of the international assignment and approximates the tax obligation the expatriate would pay in his home country.

Specific amounts for the above-mentioned perquisites are detailed for each NEO in the Supplemental Table: All Other Compensation.

Clawback Policy

We have a clawback policy under which we will seek to recoup incentive compensation in all appropriate cases paid to, awarded, or credited for the benefit of any of our executive officers, which include all NEOs, if and to the extent that:

- The amount of incentive compensation was calculated based on the achievement of financial results that were subsequently reduced due to a restatement of our financial results;
- The officer engaged in fraudulent conduct that caused the need for the restatement; and
- The amount of incentive compensation that would have been paid to, awarded, or credited for the benefit of the officer, had our financial results been properly reported, would have been lower than the amount actually paid, awarded, or credited.

The policy also provides that we will seek to recoup incentive compensation in all appropriate cases paid to, awarded to, or credited for the benefit of any of our executive officers, which include all NEOs, and certain other senior officers, if and to the extent that:

- It is determined that, in connection with the performance of that officer's duties, he or she breached his or her fiduciary duty by knowingly or recklessly engaging in a material violation of a U.S. federal or state law, or failed to supervise an employee who substantially participated in such a violation; or
- The officer is named as a defendant in a law enforcement proceeding for having breached his or her fiduciary duty by knowingly or recklessly engaging in a material violation of a U.S. federal or state law, the officer disagrees with the allegations relating to the proceeding, and either (i) we initiate a review and determine that the alleged action is not indemnifiable or (ii) the officer does not prevail at trial, enters into a plea arrangement, agrees to the entry of a final administrative or judicial order imposing sanctions, or otherwise admits to the violation in a legal proceeding.

The disinterested members of the Board and the disinterested members of the Compensation Committee and the Nominating and Corporate Governance Committee may be involved in reviewing, considering, and making determinations regarding the officer's alleged conduct, whether recoupment is appropriate or required, and the type and amount of incentive compensation to be recouped from the officer.

The policy also provides that, to the extent permitted by applicable law and not previously disclosed in a filing with the SEC, we will disclose in our proxy statement the circumstances of any recoupment arising under the policy or that there has not been any recoupment pursuant to the policy for the prior calendar year. There was no recoupment under the policy in 2018.

Stock Ownership Requirements

We have stock ownership requirements for our executive officers, which include all the NEOs, to further align their interests with our shareholders.

Our CEO is required to own Halliburton common stock in an amount equal to or in excess of six times his annual base salary. Executive officers that report directly to the CEO are required to own an amount of Halliburton common stock equal to or in excess of three times their annual base salary, and all other executive officers are required to own an amount of Halliburton common stock equal to or in excess of two times their annual base salary. The Committee reviews their holdings, which include restricted shares and all other Halliburton common stock owned by the officer, at each December meeting. Each executive officer has five years to meet the requirements, measured from the date the officer becomes subject to the ownership level for the applicable office.

After the five-year stock ownership period, as described above, executive officers who have not met their minimum ownership requirement must retain 100% of the net shares acquired upon restricted stock vesting until they achieve their required ownership level. During this time period, any stock option exercise must be an exercise and hold.

As of December 31, 2018, all NEOs met the requirements.

Hedging and Pledging

Our executive officers are prohibited from hedging activities related to Halliburton securities and the pledging of Halliburton securities.

Elements of Post-Termination Compensation and Benefits

Termination events that trigger payments and benefits include normal or early retirement, cause, death, disability, and voluntary termination. Post-termination or change-in-control payments may include severance, accelerated vesting of restricted stock and stock options, payments under cash-based short- and long-term incentive plans, payout of nonqualified account balances, and health benefits, among others. The impact of various events on each element of compensation for the NEOs is detailed in the Post-Termination or Change-In-Control Payment table.

Impact of Regulatory Requirements on Compensation

Section 162(m) of the Internal Revenue Code generally disallows a tax deduction to public companies for compensation paid to the CEO, CFO, or any of the three other most highly compensated officers to the extent the compensation exceeds $1 million in any year. Effective for tax years beginning after December 31, 2017, Section 162(m) has been revised to eliminate the performance-based compensation exception.

Prior to this change in the tax law, our Stock and Incentive Plan enabled qualification of stock options, stock appreciation rights, and performance share awards, as well as short- and long-term cash performance plans under Section 162(m). Our policy is to utilize available tax deductions whenever appropriate and consistent with our compensation philosophy. When designing and implementing our executive compensation program, the Committee considers all relevant factors, including tax deductibility of compensation, and will consider the federal tax deductibility of compensation in excess of $1 million a year to the extent doing so is consistent with our executive compensation objectives.

Executive Compensation Tables

Summary Compensation Table

The following tables set forth information regarding our CEO, CFO, former CFO, and our three other most highly compensated executive officers for the fiscal year ended December 31, 2018.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change In Pension Value and NQDC Earnings ($)	All Other Compensation ($)	Total ($)
Jeffrey A. Miller[1] Chairman, President and Chief Executive Officer	2018	1,400,000	0	3,137,712	1,253,184	9,628,708	47,006	1,533,288	16,999,898
	2017	1,175,000	0	10,168,098	1,506,020	8,692,468	59,532	1,477,246	23,078,364
	2016	970,000	0	2,237,972	1,169,685	3,480,500	53,541	1,085,876	8,997,574
Lance Loeffler[2] Executive Vice President and Chief Financial Officer	2018	375,000	0	1,316,925	626,190	60,626	269	218,632	2,597,642
James S. Brown[3] Former President – Western Hemisphere	2018	900,000	0	1,223,016	488,976	5,286,056	102,419	335,940	8,336,407
	2017	900,000	0	6,244,649	563,380	5,183,420	150,178	1,107,341	14,148,968
	2016	873,000	0	1,295,668	674,883	2,746,217	152,725	1,316,154	7,058,647
Joe D. Rainey President – Eastern Hemisphere	2018	875,000	0	1,223,016	488,976	5,240,944	11,626	3,135,200	10,974,762
	2017	835,000	0	3,703,772	537,948	5,040,420	241,270	3,636,965	13,995,375
	2016	809,950	0	1,295,668	674,883	2,639,032	206,351	2,821,571	8,447,455
David J. Lesar[4] Former Executive Chairman of the Board	2018	1,000,000	2,000,000	0	0	13,073,002	267,226	1,112,674	17,452,902
	2017	1,312,500	0	18,882,089	912,976	14,832,828	372,493	2,311,073	38,623,959
	2016	1,630,000	0	3,704,968	1,933,767	7,892,090	405,647	2,280,441	17,846,913
Christopher T. Weber[5] Former Executive Vice President and Chief Financial Officer	2018	599,242	0	0	0	1,052,654	3,900	1,531,533	3,187,329
	2017	342,234	0	2,738,401	601,910	650,000	0	417,458	4,750,003

(1) Mr. Miller was appointed as Chairman of the Board effective January 1, 2019.
(2) Mr. Loeffler was promoted to Chief Financial Officer on November 12, 2018.
(3) Mr. Brown served as President – Western Hemisphere until February 1, 2019.
(4) Mr. Lesar retired on December 31, 2018.
(5) Mr. Weber resigned his position as our Chief Financial Officer effective November 9, 2018.

Salary. The amounts in the Salary column reflect the salary earned by each NEO.

Stock Awards. The amounts in the Stock Awards column reflect the grant date fair value of the restricted stock awarded in 2018. Except where there is a distinction to make between the two types of awards, this proxy statement refers to both restricted stock and restricted stock units as "restricted stock". We calculate the fair value of restricted stock awards by multiplying the number of restricted shares or units granted by the closing stock price on the grant date.

Option Awards. The amounts in the Option Awards column reflect the grant date fair value of the stock options awarded in 2018. The fair value of stock options is estimated using the Black-Scholes option pricing model. For a discussion of the assumptions made in these valuations, refer to Note 11 to the Consolidated Financial Statements, Stock-based Compensation, in the Halliburton Company Form 10-K for the fiscal year ended December 31, 2018.

Non-Equity Incentive Plan Compensation. The amounts in the Non-Equity Incentive Plan Compensation column reflect amounts earned in 2018 and paid in 2019 for the Halliburton Annual Performance Pay Plan and the 2016 cycle Performance Unit Program.

The 2018 Halliburton Annual Performance Pay Plan amounts paid to each NEO are: $3,444,980 for Mr. Miller; $60,626 for Mr. Loeffler; $1,624,050 for Mr. Brown; $1,578,938 for Mr. Rainey; $2,050,600 for Mr. Lesar; and $1,052,654 for Mr. Weber.

The 2016 cycle Performance Unit Program amounts paid to each NEO are: $6,183,728 for Mr. Miller; $3,662,006 for Mr. Brown; $3,662,006 for Mr. Rainey; and $11,022,402 for Mr. Lesar. Messrs. Loeffler and Weber were not participants in the 2016 cycle Performance Unit Program. The amounts paid to the NEOs for the 2016 cycle Performance Unit Program differ from what is shown in the Grants of Plan-Based Awards in Fiscal Year 2018 table under Estimated Future Payments Under Non-Equity Incentive Plan Awards. That table indicates the potential award amounts under the 2018 cycle Performance Unit Program, which will close on December 31, 2020.

Change in Pension Value and NQDC Earnings. The amounts in the Change in Pension Value and NQDC Earnings column are attributable to the above-market earnings for various nonqualified plans. The methodology for determining what constitutes above-market earnings is the difference between the interest rate as stated in the applicable nonqualified plan document and the Internal Revenue Service Long-Term 120% AFR rate as of December 31, 2018. The 120% AFR rate used for determining above-market earnings in 2018 was 3.98%.

Halliburton Company Supplemental Executive Retirement Plan Above-Market Earnings. The current interest rate for active participant accounts in the Halliburton Company Supplemental Executive Retirement Plan is 5% as defined by the plan document. The above-market earnings for active participants equaled 1.02% (5% (plan interest) minus 3.98%) for 2018.

NEOs earned above-market earnings for their balances associated with the plan as follows: $39,493 for Mr. Miller; $73,685 for Mr. Brown; $47,235 for Mr. Rainey; $155,243 for Mr. Lesar; and $3,801 for Mr. Weber.

Halliburton Company Benefit Restoration Plan Above-Market Earnings. In accordance with the plan document, participants earn monthly interest at the 120% AFR rate, provided the interest rate shall be no less than 6% per annum or greater than 10% per annum. Because the 120% AFR rate was below the 6% minimum interest threshold, the above-market earnings associated with this plan were 2.02% (6% (plan interest) minus 3.98%) for 2018.

NEOs earned above-market earnings for their balances associated with the plan as follows: $7,513 for Mr. Miller; $269 for Mr. Loeffler; $11,157 for Mr. Brown; $8,045 for Mr. Rainey; $80,670 for Mr. Lesar; and $99 for Mr. Weber.

Halliburton Company Elective Deferral Plan Above-Market Earnings. The average NEO earnings for the balances associated with the Halliburton Company Elective Deferral Plan were 4.1% for 2018. The above-market earnings associated with this plan equaled 0.08% (4.06% minus 3.98%) for 2018.

NEOs earned above-market earnings for balances associated with the plan as follows: $17,577 for Mr. Brown; and $31,313 for Mr. Lesar. Mr. Rainey's earnings were below market. Messrs. Miller, Loeffler, and Weber are not participants in and do not have any prior balances in the Halliburton Company Elective Deferral Plan.

The amounts shown in this column differ from the amounts shown for the Supplemental Executive Retirement Plan, the Benefit Restoration Plan, and the Elective Deferral Plan in the 2018 Nonqualified Deferred Compensation table under the Aggregate Earnings in Last Fiscal Year column because that table includes all earnings and losses and the Summary Compensation Table shows above-market earnings only.

All Other Compensation. Detailed information for amounts included in the All Other Compensation column can be found in the Supplemental Table: All Other Compensation.

Supplemental Table: All Other Compensation

The following table details the components of the All Other Compensation column of the Summary Compensation Table for 2018.

Name	Financial Planning ($)	Charitable Match ($)	HALPAC ($)	Restricted Stock Dividends ($)	HRSP Employer Match ($)	HRSP Basic ($)	Benefit Restoration Plan ($)	SERP ($)	Expatriate Assignment ($)	All Other ($)	Total ($)
Jeffrey A. Miller	1,473	113,500	5,000	279,796	13,750	5,500	78,750	876,000	0	159,519	1,533,288
Lance Loeffler	0	17,685	0	29,447	0	5,500	7,000	159,000	0	0	218,632
James S. Brown	10,000	780	4,935	155,746	13,750	5,500	43,750	0	0	101,479	335,940
Joe D. Rainey	23,875	0	0	0	13,750	5,500	42,000	464,000	2,577,873	8,202	3,135,200
David J. Lesar	15,000	112,295	5,000	415,572	13,750	5,500	50,750	0	0	494,807	1,112,674
Christopher T. Weber	0	875	4,250	34,513	11,000	0	0	0	0	1,480,895	1,531,533

Financial Planning. This program allows NEOs to receive financial planning services from accredited financial planners. Tax planning is not covered under this program. The amount is based on the services the NEO received in 2018. This benefit was eliminated effective January 1, 2019.

Charitable Match. Charitable Match consists of two separate programs: Halliburton Giving Choices and the Halliburton Foundation. The Halliburton Giving Choices Program allows NEOs and other employees to donate to approved not-for-profit charities of their choice. We match donations by contributing ten cents for every dollar contributed by employees. Matching amounts donated to charities on behalf of the NEOs were: $1,000 for Mr. Miller; $360 for Mr. Loeffler; and $875 for Mr. Weber. The Halliburton Foundation allows NEOs and other employees to donate to approved universities, medical hospitals, and primary schools of their choice. In 2018, the Halliburton Foundation matched donations up to $20,000 on a 2.25 for 1 basis. Messrs. Miller and Lesar participated in the Halliburton Foundation's matching program for Directors, which allowed their 2018 contributions up to $50,000 to be matched on a 2.25 for 1 basis. For 2018, the matching contributions were $112,500 for Mr. Miller; $17,325 for Mr. Loeffler; and $112,295 for Mr. Lesar.

Halliburton Political Action Committee. The Halliburton Political Action Committee, or HALPAC, allows NEOs and other eligible employees to donate to political candidates and participate in the political process. We match the NEOs' and other employees' donations to HALPAC dollar-for-dollar to a 501(c)(3) status nonprofit organization of the contributor's choice. The amounts shown represent the match amounts donated to charities on behalf of the NEOs in 2018.

Restricted Stock Dividends. This is the amount of dividends paid on restricted stock held by NEOs in 2018. With the exception of restricted stock awards made to Mr. Brown and Mr. Lesar in June of 2017, restricted stock units granted to employees do not receive dividend payments.

Halliburton Retirement and Savings Plan Employer Match. This is the contribution we made on behalf of each NEO to the Halliburton Company Retirement and Savings Plan, our defined contribution plan. We match employee contributions up to 5% of each employee's eligible base salary up to the 401(a)(17) compensation limit of $275,000 in 2018.

Halliburton Retirement and Savings Plan Basic Contribution. This is the contribution we made on behalf of each NEO to the Halliburton Company Retirement and Savings Plan. If actively employed on December 31, 2018, or if they meet retirement eligibility requirements of the plan as of their separation date, each employee receives a contribution equal to 2% of their eligible base pay up to the 401(a)(17) compensation limit of $275,000 in 2018.

Halliburton Company Benefit Restoration Plan. This is the award earned under the Halliburton Company Benefit Restoration Plan in 2018 as discussed in the Benefit Restoration Plan section of Compensation Discussion and Analysis. Associated interest, awards, and beginning and ending balances for the Halliburton Company Benefit Restoration Plan are included in the 2018 Nonqualified Deferred Compensation table.

Halliburton Company Supplemental Executive Retirement Plan. This is the award approved under the Halliburton Company Supplemental Executive Retirement Plan in 2018 as discussed in the Supplemental Executive Retirement Plan section of Compensation Discussion and Analysis. Associated interest, awards, and beginning and ending balances for the Halliburton Company Supplemental Executive Retirement Plan are included in the 2018 Nonqualified Deferred Compensation table.

Expatriate Assignment. In 2018, Mr. Rainey received compensation associated with his expatriate assignment similar in type to that received by other expatriates on comparable assignments. He received $79,736 for cost of living adjustment; $87,500 mobility premium; $2,283,284 for tax equalization; $500 for tax preparation fees; $113,784 for imputed housing allowance; and $13,069 for auto imputed allowance.

All Other.

- *Country Club Membership Dues*. Club memberships are approved for business purposes only. During 2018, we paid club membership dues for Mr. Brown in the amount of $48,000. Beginning January 1, 2019, we will no longer pay country club membership dues for our NEOs, except for a prior commitment to Mr. Brown which expires upon his retirement in 2019.
- *Aircraft Usage*. As a result of the recommendations provided by an independent, third-party security consultant, the Board has determined that Messrs. Miller and Lesar (before his retirement) must use company aircraft for all travel. The security study also recommends that their spouses and children use company-

provided aircraft. The only personal use of company aircraft in 2018 for other NEOs was for spousal and dependent travel on select business trips. For 2018, the incremental cost to us for this personal use of our aircraft was as follows: $27,561 for Mr. Miller; $22,175 for Mr. Brown; $5,069 for Mr. Rainey; and $417,528 for Mr. Lesar. For total compensation purposes in 2018, we valued the incremental cost of the personal use of aircraft using a method that takes into account: landing, parking, hanger, flight planning services, and dead-head costs; crew travel expenses; supplies and catering; aircraft fuel and oil expenses per hour of flight; any customs, foreign permit, and similar fees; and passenger ground transportation. For tax purposes, we impute income to the NEO for the value of the spousal and dependent travel on select business trips and reimburse the NEO for the tax impact of the imputed income. For 2018, tax reimbursements for imputed income associated with this spousal and dependent travel were as follows: $32,312 for Mr. Miller; $31,304 for Mr. Brown; $3,133 for Mr. Rainey; and $47,218 for Mr. Lesar. Effective January 1, 2019, NEOs will no longer be reimbursed for the tax impact of any imputed income resulting from aircraft usage.

- *Home Security*. We provide security for residences based on risk assessments which consider the NEO's position. In 2018, home security costs were as follows: $91,603 for Mr. Miller; $4,516 for Mr. Lesar; and $44,360 for Mr. Weber.
- *Car/Driver*. A car and part-time driver were used by Messrs. Miller and Lesar for security purposes and so that they can work while in transit to meet customer and our needs. In 2018, the cost to us was $8,044 and $9,507, respectively.
- *Other Compensation for Mr. Lesar*. In 2018, Mr. Lesar received $2,672 in imputed income for relocation, $1,683 for tax equalization, and $11,684 in retirement gifts.
- *Other Compensation for Mr. Weber*. In 2018, Mr. Weber's other compensation consisted of $1,400,000 in severance, $15,000 in lieu of outplacement services, and a $21,535 unused vacation payment.

Grants of Plan-Based Awards in Fiscal 2018

The following table represents amounts associated with the 2018 cycle Performance Unit Program, the 2018 Annual Performance Pay Plan, and restricted stock and stock option awards granted in 2018 to our NEOs.

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards						
Name	Grant Date	Threshold ($)	Target ($)	Maximum ($)	All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/Share)	Grant Date Fair Value of Stock and Option Awards ($)
Jeffrey A. Miller		1,182,114	4,728,457	9,456,914(1)				
		840,000	2,100,000	4,200,000(2)				
	12/05/2018				99,800			3,137,712
	12/05/2018					171,200	$31.44	1,253,184
Lance Loeffler		60,000	150,000	300,000(2)				
	01/02/2018				7,660			380,013
	01/02/2018					20,416	$49.61	252,138
	12/05/2018				29,800			936,912
	12/05/2018					51,100	$31.44	374,052
James S. Brown		475,985	1,903,942	3,807,883(1)				
		396,000	990,000	1,980,000(2)				
	12/05/2018				38,900			1,223,016
	12/05/2018					66,800	$31.44	488,976
Joe D. Rainey		422,349	1,689,396	3,378,792(1)				
		385,000	962,500	1,925,000(2)				
	12/05/2018				38,900			1,223,016
	12/05/2018					66,800	$31.44	488,976

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/Share)	Grant Date Fair Value of Stock and Option Awards ($)
		Threshold ($)	Target ($)	Maximum ($)				
David J. Lesar		716,250	2,865,000	5,730,000(1)				
		500,000	1,250,000	2,500,000(2)				
Christopher T. Weber(3)		314,743	1,258,970	2,517,940(1)				
		280,000	700,000	1,400,000(2)				

(1) Opportunity levels under the 2018 cycle of the Performance Unit Program.

(2) Opportunity levels under the 2018 Halliburton Annual Performance Pay Plan.

(3) The amounts reflected were the initial opportunity levels under the 2018 cycle of the Performance Unit Program and the 2018 Annual Performance Pay Plan for Mr. Weber. Because of his resignation, no payment will be made to him under the 2018 cycle of the Performance Unit Program; however, he received a prorated payment under the 2018 Annual Performance Pay Plan.

As indicated by footnote (1), the opportunities for each NEO under the 2018 cycle Performance Unit Program if the Threshold, Target, or Maximum levels are achieved are reflected under Estimated Future Payouts Under Non-Equity Incentive Plan Awards. The potential payouts are performance driven and completely at risk. For more information on the 2018 cycle Performance Unit Program, refer to Long-term Incentives in Compensation Discussion and Analysis.

As indicated by footnote (2), the opportunities for each NEO under the 2018 Halliburton Annual Performance Pay Plan are also reflected under Estimated Future Payouts Under Non-Equity Incentive Plan Awards. The potential payouts are performance driven and completely at risk. For more information on the 2018 Halliburton Annual Performance Pay Program, refer to Short-term (Annual) Incentive in Compensation Discussion and Analysis.

All restricted stock and nonqualified stock option awards are granted under the Stock and Incentive Plan. The awards listed under All Other Stock Awards: Number of Shares of Stock or Units and under All Other Option Awards: Number of Securities Underlying Options were awarded to each NEO on the date indicated by the Compensation Committee.

The restricted stock grants awarded to the NEOs during 2018 are subject to a graded vesting schedule of 20% per year over five years. All restricted shares are priced at fair market value on the date of grant. Quarterly dividends are paid on the restricted shares at the same time and rate payable on our common stock, which was $0.18 per share during 2018. The shares may not be sold or transferred until fully vested. The shares remain subject to forfeiture during the restricted period in the event of the NEO's termination of employment or an unapproved early retirement.

Nonqualified stock options granted in 2018 vest over a three-year graded vesting period with 33⅓% of the options vesting each year. All options are priced at the fair market value on the date of grant using the Black-Scholes options pricing model. There are no voting or dividend rights unless the NEO exercises the options and acquires the shares.

Outstanding Equity Awards at Fiscal Year End 2018

The following table represents outstanding stock option and restricted stock awards for our NEOs as of December 31, 2018. The market value of shares or units of stock not vested was determined by multiplying the number of unvested restricted shares at year end by the closing price of our common stock on the NYSE of $26.58 on December 31, 2018.

		Option Awards				Stock Awards	
Name	**Grant Date**	**Number of Securities Underlying Unexercised Options (#) Exercisable**	**Number of Securities Underlying Unexercised Options (#) Unexercisable**	**Option Exercise Price ($)**	**Option Expiration Date**	**Number of Shares or Units of Stock Not Vested (#)**	**Market Value of Shares or Units of Stock Not Vested ($)**
Jeffrey A. Miller(1)	12/4/2013	55,700	–	50.62	12/4/2023	–	–
	8/1/2014	–	–			45,300	1,204,074
	12/3/2014	115,100	–	40.75	12/3/2024	12,400	329,592
	12/2/2015	99,200	–	38.95	12/2/2025	22,280	592,202
	12/7/2016	46,334	23,166	53.54	12/7/2026	25,080	666,626
	6/1/2017	–	–			150,000	3,987,000
	12/6/2017	42,834	85,666	43.38	12/6/2027	61,680	1,639,454
	12/5/2018	–	171,200	31.44	12/5/2028	99,800	2,652,684
TOTAL		**359,168**	**280,032**			**416,540**	**11,071,632**
Lance Loeffler(2)	9/8/2014	–	–			1,000	26,580
	1/2/2015	15,594	–	39.49	1/2/2025	3,292	87,501
	5/1/2015	–	–			406	10,791
	1/4/2016	18,609	9,303	34.48	1/4/2026	6,264	166,497
	1/3/2017	5,560	11,118	55.68	1/3/2017	5,186	137,844
	5/3/2017	–	–			8,840	234,967
	1/2/2018	–	20,416	49.61	1/2/2028	7,660	203,603
	12/5/2018	–	51,100	31.44	12/5/2028	29,800	792,084
TOTAL		**39,763**	**91,937**			**62,448**	**1,659,867**
James S. Brown(3)	12/1/2010	26,100	–	39.19	12/1/2020	–	–
	12/6/2011	43,700	–	35.57	12/6/2021	–	–
	12/5/2012	56,900	–	33.50	12/5/2022	–	–
	12/4/2013	45,500	–	50.62	12/4/2023	–	–
	12/3/2014	59,500	–	40.75	12/3/2024	6,400	170,112
	12/2/2015	58,700	–	38.95	12/2/2025	13,160	349,793
	12/7/2016	26,734	13,366	53.54	12/7/2026	14,520	385,942
	6/1/2017	–	–			108,743	2,890,389
	12/6/2017	16,024	32,046	43.38	12/6/2027	23,936	636,219
	12/5/2018	–	66,800	31.44	12/5/2028	38,900	1,033,962
TOTAL		**333,158**	**112,212**			**205,659**	**5,466,417**

Name	Grant Date	Option Awards: Number of Securities Underlying Unexercised Options (#) Exercisable	Option Awards: Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Awards: Option Exercise Price ($)	Option Awards: Option Expiration Date	Stock Awards: Number of Shares or Units of Stock Not Vested (#)	Stock Awards: Market Value of Shares or Units of Stock Not Vested ($)
Joe D. Rainey(4)	12/6/2011	14,566	–	35.57	12/6/2021	–	–
	12/5/2012	37,933	–	33.50	12/5/2022	–	–
	12/4/2013	45,500	–	50.62	12/4/2023	–	–
	12/3/2014	59,500	–	40.75	12/3/2024	6,400	170,112
	12/2/2015	58,700	–	38.95	12/2/2025	13,160	349,793
	12/7/2016	26,734	13,366	53.54	12/7/2026	14,520	385,942
	5/17/2017	–	–			54,089	1,437,686
	12/6/2017	15,301	30,599	43.38	12/6/2027	22,080	586,886
	12/5/2018	–	66,800	31.44	12/5/2028	38,900	1,033,962
TOTAL		**258,234**	**110,765**			**149,149**	**3,964,381**
David J. Lesar(5)	12/1/2010	108,000	–	39.19	12/1/2020	–	–
	12/6/2011	141,900	–	35.57	12/6/2021	–	–
	12/5/2012	208,900	–	33.50	12/5/2022	–	–
	12/4/2013	137,900	–	50.62	12/4/2023	–	–
	12/3/2014	178,100	–	40.75	12/3/2024	–	–
	12/2/2015	176,900	–	38.95	12/2/2025	–	–
	12/7/2016	76,601	38,299	53.54	12/7/2026	–	–
	6/1/2017	–	–			–	–
	12/6/2017	25,967	51,932	43.38	12/6/2027	–	–
TOTAL		**1,054,268**	**90,231**			**–**	**–**
Christopher T. Weber(6)	6/22/2017	6,059	–	41.90	2/7/2019	–	–
TOTAL		**6,059**	**–**			**–**	**–**

(1) Mr. Miller's stock option awards vest annually in equal amounts over three-year vesting schedules. His restricted stock awards vest in equal amounts over each grant's five-year vesting schedule, except for the August 1, 2014, and June 1, 2017, awards, which each vest 100% five years from the date of grant.

(2) Mr. Loeffler's stock option awards vest annually in equal amounts over three-year vesting schedules. His restricted stock awards vest in equal amounts over each grant's five-year vesting schedule, except for the May 3, 2017, award, which will vest 100% three years from the date of grant.

(3) Mr. Brown's stock option awards vest annually in equal amounts over three-year vesting schedules. His restricted stock awards vest in equal amounts over each grant's five-year vesting schedule, except the June 1, 2017, grant which vests 50% provided that he remains employed by us through December 31, 2019, or his employment is earlier terminated, other than for early retirement, cause, or a fiduciary violation. The remaining one-half of the equity grant will be valued on the termination date and paid in three equal annual installments beginning on the first anniversary of his termination.

(4) Mr. Rainey's stock option awards vest annually in equal amounts over three-year vesting schedules. His restricted stock awards vest in equal amounts over each grant's five-year vesting schedule, except for the May 17, 2017, grant which vests 100% five years from the date of grant.

(5) As a result of his retirement, Mr. Lesar's restricted stock was vested and his outstanding options maintained their original vesting schedules and expiration dates.

(6) As a result of his resignation, Mr. Weber's restricted stock was vested and unvested stock options were cancelled.

2018 Option Exercises and Stock Vested

The following table represents stock options exercised and restricted shares that vested during fiscal year 2018 for our NEOs.

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)
Jeffrey A. Miller	–	–	54,960	1,702,802
Lance Loeffler	–	–	6,235	302,458
James S. Brown	–	–	49,499	1,545,410
Joe D. Rainey	–	–	29,580	920,111
David J. Lesar	–	–	428,569	12,554,410
Christopher T. Weber	–	–	64,628	2,063,607

The value realized for vested restricted stock awards was determined by multiplying the fair market value of the shares (closing price of our common stock on the NYSE on the vesting date) by the number of shares that vested. Shares vested on various dates throughout the year. The value listed represents the aggregate value of all shares that vested for each NEO in 2018.

2018 Nonqualified Deferred Compensation

The 2018 Nonqualified Deferred Compensation table reflects balances in our nonqualified plans as of January 1, 2018, contributions made by the NEO and us during 2018, earnings (the net of the gains and losses on funds, as applicable), distributions, and the ending balance as of December 31, 2018. The plans are described in Compensation Discussion and Analysis.

Name	Plan	01/01/18 Balance ($)	Executive Contributions In Last Fiscal Year ($)	Registrant Contributions In Last Fiscal Year ($)	Aggregate Earnings In Last Fiscal Year ($)	Aggregate Distributions ($)	Aggregate Balance At Last Fiscal Year End ($)
Jeffrey A. Miller	SERP	3,886,611	0	876,000	194,180	0	4,956,791
	Benefit Restoration	376,702	0	78,750	22,506	0	477,958
	TOTAL	**4,263,313**	**0**	**954,750**	**216,686**	**0**	**5,434,749**
Lance Loeffler	SERP	0	0	159,000	0	0	159,000
	Benefit Restoration	13,557	0	7,000	809	0	21,366
	TOTAL	**13,557**	**0**	**166,000**	**809**	**0**	**180,366**
James S. Brown	SERP	7,238,913	0	0	361,794	0	7,600,707
	Benefit Restoration	558,223	0	43,750	33,374	0	635,347
	Elective Deferral	1,097,623	0	0	61,262	0	1,158,885
	TOTAL	**8,894,759**	**0**	**43,750**	**456,430**	**0**	**9,394,939**
Joe D. Rainey	SERP	4,642,172	0	464,000	231,994	0	5,338,166
	Benefit Restoration	402,706	0	42,000	24,073	0	468,779
	Elective Deferral	3,748,466	0	0	105,535	0	3,854,001
	TOTAL	**8,793,344**	**0**	**506,000**	**361,602**	**0**	**9,660,946**
David J. Lesar	SERP	15,243,544	0	0	761,936	0	16,005,480
	Benefit Restoration	4,030,240	0	50,750	241,074	0	4,322,064
	Elective Deferral	1,404,137	0	0	87,198	0	1,491,334
	TOTAL	**20,677,921**	**0**	**50,750**	**1,090,208**	**0**	**21,818,878**
Christopher T. Weber(1)	SERP	–	–	–	–	–	–
	Benefit Restoration	5,056	0	0	300	0	5,356
	TOTAL	**5,056**	**0**	**0**	**300**	**0**	**5,356**

(1) Mr. Weber's SERP balance of $396,846 was forfeited as a result of his resignation.

Employment Contracts and Change-in-Control Arrangements

Employment Contracts

All of our NEOs have employment agreements with us that contain substantial non-compete and non-solicitation provisions post separation.

The employment agreements for Messrs. Miller, Loeffler, and Rainey provide that if the agreement is terminated by the employee for good reason or by death, disability, or retirement or his employment is terminated by the company for any reason other than cause or a fiduciary violation, all restrictions on restricted stock and units will lapse. In addition, in the case of a termination by the employee for good reason or termination by the company for any reason other than cause or a fiduciary violation, the employee will receive a lump sum cash payment equal to two years of his base salary then in effect.

Mr. Brown's employment agreement provides that if the agreement is terminated by Mr. Brown for good reason or by death, disability, retirement, or early retirement or his employment is terminated by us for any reason other than cause or a fiduciary violation, all restrictions on restricted stock and units, other than a restricted stock unit grant valued at $5 million (the Brown equity grant), will lapse. In addition, provided that Mr. Brown remains employed by us through December 31, 2019, or his employment is earlier terminated for any of the above reasons other than early retirement, he will receive one-half of the value of the Brown equity grant in the form of Halliburton common stock. The remaining one-half of that equity grant will be valued on the termination date and paid in three equal annual installments beginning on the first anniversary of his termination, provided that he remains in compliance with his continuing obligations under the employment agreement, which include three-year non-compete and non-solicitation provisions. In addition, in the case of a termination by Mr. Brown for good reason or termination by the company for any reason other than cause or a fiduciary violation, Mr. Brown will receive a lump sum cash payment equal to two years of his base salary then in effect.

Mr. Lesar retired as Executive Chairman on December 31, 2018. In accordance with his employment agreement, his participation continues for the 2017 and 2018 cycles of the Performance Unit Program, all restrictions on his restricted stock lapsed, he received a lump sum cash payment of $2 million, and one-half of the restricted stock unit for 326,229 shares (the Lesar equity grant) was distributed in the form of Halliburton common stock. The remaining one-half of the Lesar equity grant was valued based on the closing price of our common stock on the NYSE of $26.58 on December 31, 2018, and will be paid in four equal annual installments beginning on December 31, 2019, provided that he remains in compliance with his continuing obligations under the employment agreement, which include four-year non-compete and non-solicitation provisions. The employment agreement also provides that we will reimburse Mr. Lesar for reasonable office space rental, secretarial support, and security for a period of five (5) years from the date of his retirement, for which we estimate the annual cost to be approximately $251,475.

Mr. Weber resigned as Chief Financial Officer effective November 9, 2018. In accordance with the Separation Agreement we entered into with Mr. Weber, he received a severance payment of $1.4 million, a pro rated payment of incentive compensation earned under the Company's Annual Performance Pay Plan for 2018, and all restrictions on his restricted stock lapsed. The Separation Agreement restricts Mr. Weber from competing with us or soliciting our personnel for a period of two years.

Change-In-Control Arrangements

We do not maintain individual change-in-control agreements or provide for excise tax gross-ups on any payments associated with a change-in-control. Some of our compensation plans, however, contain change-in-control provisions, which could result in payment of specific benefits.

Under the Stock and Incentive Plan, in the event of a change-in-control, the following will occur automatically:

- any outstanding options and stock appreciation rights shall become immediately vested and fully exercisable;
- any restrictions on restricted stock awards shall immediately lapse;
- all performance measures upon which an outstanding performance award is contingent are deemed achieved and the holder receives a payment equal to the maximum amount of the award he or she would have been entitled to receive, prorated through the date of the change-in-control; and
- any outstanding cash awards, including stock value equivalent awards, immediately vest and are paid based on the vested value of the award.

Under the Annual Performance Pay Plan:

- in the event of a change-in-control during a plan year, a participant will be entitled to an immediate cash payment equal to the maximum dollar amount he or she would have been entitled to for the year, prorated through the date of the change-in-control; and
- in the event of a change-in-control after the end of a plan year but before the payment date, a participant will be entitled to an immediate cash payment equal to the incentive earned for the plan year.

Under the Performance Unit Program:

- in the event of a change-in-control during a performance cycle, a participant will be entitled to an immediate cash payment equal to the maximum amount he or she would have been entitled to receive for the performance cycle, prorated through the date of the change-in-control; and
- in the event of a change-in-control after the end of a performance cycle but before the payment date, a participant will be entitled to an immediate cash payment equal to the incentive earned for that performance cycle.

Under the Employee Stock Purchase Plan, in the event of a change-in-control, unless the successor corporation assumes or substitutes new stock purchase rights:

- the purchase date for the outstanding stock purchase rights will be accelerated to a date fixed by the Compensation Committee prior to the effective date of the change-in-control; and
- upon such effective date, any unexercised stock purchase rights will expire and we will refund to each participant the amount of his or her payroll deductions made for purposes of the Employee Stock Purchase Plan that have not yet been used to purchase stock.

As noted in the Compensation Discussion and Analysis, the Stock and Incentive Plan was amended on February 13, 2019, subject to shareholder approval, to implement a new double-trigger vesting provision upon a change-of-control.

Post-Termination or Change-in-Control Payments

The following tables and narratives represent the impact of certain termination events or a change-in-control on each element of compensation for NEOs as of December 31, 2018. Mr. Lesar is not included in the table because he retired on December 31, 2018. Mr. Weber is not included in the table because he resigned effective November 9, 2018. Refer to Employment Contracts for a summary of the payments each is entitled to as a result of those events.

		Termination Event						
Name	**Payments**	**Resignation ($)**	**Early Retirement w/o Approval ($)**	**Early Retirement w/Approval ($)**	**Normal Retirement ($)**	**Term for Cause ($)**	**Term w/o Cause ($)**	**Change in Control ($)**
Jeffrey A. Miller	Severance	0	0	0	0	0	2,800,000	0
	Annual Perf. Pay Plan	0	0	0	0	0	0	4,200,000
	Restricted Stock	0	0	11,071,632	11,071,632	0	11,071,632	11,071,632
	Stock Options	0	0	0	0	0	0	0
	Performance Units	0	0	6,972,558	6,972,558	0	0	6,972,558
	Nonqualified Plans	5,434,749	5,434,749	5,434,749	5,434,749	5,434,749	5,434,749	0
	Health Benefits	0	12,000	12,000	0	0	0	0
	TOTAL	**5,434,749**	**5,446,749**	**23,490,939**	**23,478,939**	**5,434,749**	**19,306,381**	**22,244,190**
Lance Loeffler	Severance	0	0	0	0	0	750,000	0
	Annual Perf. Pay Plan	0	0	0	0	0	0	300,000
	Restricted Stock	0	0	1,659,867	1,659,867	0	1,659,867	1,659,867
	Stock Options	0	0	0	0	0	0	0
	Performance Units	0	0	0	0	0	0	0
	Nonqualified Plans	180,366	180,366	180,366	180,366	180,366	180,366	0
	Health Benefits	0	0	0	0	0	0	0
	TOTAL	**180,366**	**180,366**	**1,840,233**	**1,840,233**	**180,366**	**2,590,233**	**1,959,867**
James S. Brown	Severance	0	0	0	0	0	1,800,000	0
	Annual Perf. Pay Plan	0	0	0	0	0	0	1,980,000
	Restricted Stock	0	0	5,466,417	5,466,417	0	5,466,417	5,466,417
	Stock Options	0	0	0	0	0	0	0
	Performance Units	0	0	3,474,577	3,474,577	0	0	3,474,577
	Nonqualified Plans	9,394,939	9,394,939	9,394,939	9,394,939	9,394,939	9,394,939	0
	Health Benefits	0	12,000	12,000	0	0	0	0
	TOTAL	**9,394,939**	**9,406,939**	**18,347,933**	**18,335,933**	**9,394,939**	**16,661,356**	**10,920,994**
Joe D. Rainey	Severance	0	0	0	0	0	1,750,000	0
	Annual Perf. Pay Plan	0	0	0	0	0	0	1,925,000
	Restricted Stock	0	0	3,964,381	3,964,381	0	3,964,381	3,964,381
	Stock Options	0	0	0	0	0	0	0
	Performance Units	0	0	3,331,547	3,331,547	0	0	3,331,547
	Nonqualified Plans	9,660,946	9,660,946	9,660,946	9,660,946	9,660,946	9,660,946	0
	Health Benefits	0	12,000	12,000	0	0	0	0
	TOTAL	**9,660,946**	**9,672,946**	**16,968,874**	**16,956,874**	**9,660,946**	**15,375,327**	**9,220,928**

Resignation. Resignation is defined as leaving employment with us voluntarily, without having attained early or normal retirement status (see the applicable sections below for information on what constitutes these statuses). Upon resignation, the following actions will occur for the NEO's various elements of compensation:

- *Severance Pay*. No severance would be paid to the NEO.
- *Restricted Stock*. Any restricted stock holdings would be forfeited upon the date of resignation. Restricted stock holdings information can be found in the Outstanding Equity Awards at Fiscal Year End 2018 table.
- *Stock Options*. The NEO must exercise outstanding, vested options within 30 - 90 days after the NEO's resignation or the options will be forfeited as per the terms of the stock option agreements. Any unvested stock options would be forfeited. Stock option information can be found in the Outstanding Equity Awards at Fiscal Year End 2018 table.
- *Performance Units*. The NEO would not be eligible to receive payments under the Performance Unit Program.
- *Nonqualified Plans*. The NEO is entitled to any vested benefits under the applicable nonqualified plans as shown in the 2018 Nonqualified Deferred Compensation table. Payments from the Halliburton Company Supplemental Executive Retirement Plan and Halliburton Company Benefit Restoration Plan are paid out of an irrevocable grantor trust. The principal and income of the trust are treated as our assets and income for federal income tax purposes and are subject to the claims of our general creditors to the extent provided in the plan. The Halliburton Elective Deferral Plan is unfunded and we make payments from our general assets. Payments from these plans may be paid in a lump sum or in annual installments for a maximum ten-year period.
- *Health Benefits*. The NEO is not eligible for the $12,000 credit to assist in paying for retiree medical costs.

Early Retirement. A NEO becomes eligible for early retirement when the NEO has attained age 55 with ten years of service or when the NEO's age and years of service equals 70 points. Eligibility for early retirement does not guarantee retention of stock awards (lapse of forfeiture restrictions on restricted stock and ability to exercise outstanding options for the remainder of the stated term). Early retirement eligibility is a condition that must be met before the Compensation Committee will consider retention of stock awards upon separation from employment. For example, if a NEO is eligible for early retirement but is leaving us to go to work for a competitor, then the NEO's stock awards would not be considered for retention.

Early Retirement (Without Approval). The impact on the NEO's various elements of compensation is the same as described under Resignation except as follows:

- *Health Benefits*. A NEO that was age 40 or older as of December 31, 2004, and qualifies for early retirement under our health and welfare plans, which require that the NEO has attained age 55 with ten years of service or that the NEO's age and years of service equals 70 points with a minimum of ten years of service, is eligible for a $12,000 credit toward retiree medical costs incurred prior to age 65. The credit is only applicable if the NEO chooses Halliburton retiree medical coverage. This benefit is amortized as a monthly credit applied to the cost of retiree medical coverage based on the number of months from the time of early retirement to age 65. For example, if a NEO is 10 years or 120 months away from age 65 at the time of the NEO's early retirement, the NEO will receive a monthly credit in the amount of $100 ($12,000/120 months). Should the NEO choose not to elect coverage with Halliburton after the NEO's separation, the NEO would not receive any cash in lieu of the credit.

Early Retirement (With Approval). The following actions will occur for the NEO's various elements of compensation:

- Severance Pay. No severance would be paid to the NEO.
- *Restricted Stock*. Any stock holdings restrictions would lapse upon the date of retirement. Restricted stock holdings information can be found in the Outstanding Equity Awards at Fiscal Year End 2018 table.
- *Stock Options*. The NEO will be granted retention of the NEO's option awards. The unvested awards will continue to vest per the vesting schedule outlined in the NEO stock option agreements and any vested options will not expire until 10 years from the grant award date. Stock option information can be found in the Outstanding Equity Awards at Fiscal Year End 2018 table.
- *Performance Units*. The NEO will participate on a prorated basis for any Performance Unit Program cycles that have not been completed at the time of the NEO's retirement. These payments, if earned, are paid out and the NEO would receive payments at the same time as other participants, which is usually no later than March of the year following the close of the cycle.
- *Nonqualified Plans*. The NEO is entitled to any vested benefits under the applicable nonqualified plans as shown in the 2018 Nonqualified Deferred Compensation table. Refer above to Resignation for more information on Nonqualified Plans.
- *Health Benefits*. Same as described under Early Retirement (Without Approval).

Normal Retirement. A NEO would be eligible for normal retirement should the NEO cease employment at age 65 or later. The impact on the NEO's various elements of compensation is the same as described under Early Retirement (With Approval) except as follows:

- *Health Benefits*. The NEO is not eligible for the $12,000 credit to assist in paying for retiree medical costs.

Termination (For Cause). Should we terminate a NEO for cause, such as violating our Code of Business Conduct, the impact on the NEO's various elements of compensation is the same as described under Resignation.

Termination (Without Cause). Should we terminate a NEO without cause, such as termination at our convenience, then the provisions of the NEO's employment agreement related to severance payments and lapsing of stock restrictions would apply. Payments for these items are conditioned on a release agreement being executed by the NEO. The impact on the NEO's various elements of compensation is the same as described under Normal Retirement except as follows:

- *Severance Pay*. Severance is paid according to terms of the applicable employment agreement. Messrs. Miller, Loeffler, Brown, and Rainey would receive severance in the amount of two times base salary at the time of termination.
- *Performance Units*. No payment would be paid to the NEO under the Performance Unit Program.

Change-in-Control. Should a change-in-control take place, the following actions will occur for the NEO's various elements of compensation:

- *Annual Performance Pay Plan*. In the event of a change-in-control during a plan year, the NEO is entitled to an immediate cash payment equal to the maximum dollar amount he or she would have been entitled to for the year, prorated through the date of the change-in-control. In the event of a change-in-control after the end of a plan year but before the payment date, the NEO is entitled to an immediate cash payment equal to the incentive earned for the plan year.
- *Restricted Stock*. Restricted shares under the Stock and Incentive Plan are automatically vested. Restricted stock holdings information can be found in the Outstanding Equity Awards at Fiscal Year End 2018 table.
- *Stock Options*. Any outstanding options shall become immediately vested and fully exercisable by the NEO. Stock option information can be found in the Outstanding Equity Awards at Fiscal Year End 2018 table.
- *Performance Units*. In the event of a change-in-control during a performance cycle, the NEO will be entitled to an immediate cash payment equal to the maximum amount he or she would have been entitled to receive for the performance cycle, prorated through the date of the change-in-control. In the event of a change-in-control after the end of a performance cycle but before the payment date, the NEO is entitled to an immediate cash payment equal to the incentive earned for that performance cycle.

Equity Compensation Plan Information

The following table provides certain information, as of December 31, 2018, with respect to our equity compensation plans.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by security holders	21,221,321	$ 45.44	36,385,477
Equity compensation plans not approved by security holders	—	—	—
TOTAL	**21,221,321**	**$ 45.44**	**36,385,477**

CEO Pay Ratio

For 2018, the annual total compensation of our CEO was 193 times the median of the annual total compensation of all employees, based on annual total compensation of $17,016,991 for the CEO and $88,244 for the median employee. There was no material change in our employee demographics and compensation structure; therefore, the median employee identified in 2017 was utilized in our 2018 analysis. What follows is a description of the methodology used from 2017.

This disclosure is based on an October 1, 2017, employee population of 52,833, of which 21,862 were U.S. employees and 30,971 were non-U.S. employees. We excluded from this employee population 2,637 non-U.S. employees from 47 countries as the total number of employees from these non-U.S. jurisdictions was less than 5% of our total employee population. After applying the exclusion, the total employee population was 50,196.

Non-U.S. Employee Country Exclusions

Country	Headcount	Country	Headcount	Country	Headcount	Country	Headcount
Ecuador	442	Cameroon	55	Chile	17	Ukraine	4
Azerbaijan	417	Panama	51	Spain	14	Hungary	3
Kazakhstan	378	Poland	48	Belgium	11	Kenya	3
Congo	158	Romania	46	Philippines	11	Uganda	3
Germany	113	France	35	Mozambique	10	Switzerland	2
Italy	113	Papua New Guinea	31	Turkmenistan	7	Equatorial Guinea	2
Netherlands	110	Bangladesh	28	Tanzania	7	Turkey	2
Bolivia	109	Denmark	27	Austria	6	South Africa	2
Trinidad & Tobago	84	Peru	23	Cyprus	6	Albania	1
Ghana	64	Suriname	23	Israel	5	Bulgaria	1
New Zealand	59	Cote d'Ivoire	21	South Korea	4	Gabon	1
Vietnam	57	Japan	19	Myanmar	4		

The median employee was identified using base pay, overtime pay, bonuses, allowances, and premiums. We used the total gross wages of all employees as of our determination date of October 1, 2017, as a reasonable estimate of the median total gross wages for the employee population and identified all employees within 1% of the median total gross wages. From this group we selected an employee as a reasonable representative of our median employee. Annual total compensation for both the CEO and the median employee was calculated in accordance with Item 402(c)(2)(x) of Regulation S-K.

The annual total compensation for our CEO includes both the amount reported in the "Total" column of our 2018 Summary Compensation Table, $16,999,898, and the estimated value of our CEO's health and welfare benefits, $17,093. Due to the flexibility afforded in calculating the CEO pay ratio, the ratio may not be comparable to CEO pay ratios presented by other companies.

Proposal No. 4 Proposal to Amend and Restate the Halliburton Company Stock and Incentive Plan

Introduction

The Halliburton Company Stock and Incentive Plan was last approved by shareholders at the 2017 annual meeting and reserved 27,136,621 shares for issuance thereunder.

The proposed amendment and restatement of the Stock and Incentive Plan replenishes the pool of shares of Halliburton common stock available for issuance under the Stock and Incentive Plan by adding 25,000,000 shares. This proposal changes the treatment of awards under the Stock and Incentive Plan in the event of a change-in-control of Halliburton, adds an annual limit to all compensation, whether pursuant to the Stock and Incentive Plan or otherwise, that can be paid to Halliburton's non-management Directors, and makes other changes as described in the following summary of the Stock and Incentive Plan. The Stock and Incentive Plan is the only active plan used to grant awards of the types described in this proposal.

Our Board is requesting that shareholders approve the amendment and restatement of the Stock and Incentive Plan which amendment and restatement was adopted by the Board on February 13, 2019, subject to shareholder approval.

General

In order to give Halliburton the flexibility to responsibly address its future equity compensation needs, Halliburton is requesting that shareholders approve the amendment and restatement which adds 25,000,000 shares to the Stock and Incentive Plan (the "Plan").

In addition, the amendment and restatement changes the treatment of awards upon a change-in-control of Halliburton and adds an annual limit to total compensation that can be paid to Halliburton's non-management Directors. The Plan also contains the following important features:

- All awards under the Plan are subject to a one-year minimum vesting period, with the exception of 5% of shares available for awards;
- The Plan contains a prohibition against "liberal share counting" or "liberal share recycling" with respect to shares available for awards under the Plan;
- The Plan provides that all shares available for award are available for awards of incentive stock options;
- Repricing of stock options and stock appreciation rights is prohibited unless prior shareholder approval is obtained;
- Stock options and stock appreciation rights must be granted with an exercise price that is not less than 100% of the fair market value on the date of grant; and
- The ability to automatically receive replacement stock options when a stock option is exercised with previously acquired shares of Halliburton common stock, or so-called "stock option reloading", is not permitted.

The 25,000,000 shares to be added under the Plan pursuant to the amendment and restatement of the Plan, in combination with the remaining authorized shares and shares added back into the Plan from forfeitures, are expected to satisfy Halliburton's equity compensation needs through the 2021 annual meeting of shareholders. This being the case, if the amendment and restatement is approved, Halliburton anticipates seeking the authorization of additional shares under the Plan in 2021.

Share Reserve (adjusted for 1997 and 2006 stock splits where applicable)

Shares authorized under the Stock and Incentive Plan	206,199,680
Shares granted (less available cancellations and shares expired) from 1993 through January 31, 2019, from the Plan(1)	198,178,879
Remaining shares available for grant as of January 31, 2019	**8,020,801**
Additional shares being requested under the amendment and restatement of the Plan	25,000,000
Total shares available for grant under the amended and restated Stock and Incentive Plan	**33,020,801**

(1) *As of January 31, 2019, Halliburton had total outstanding awards of 22,773,822 options with a weighted average exercise price of $44.20 and a weighted average life of 6.24 years and 14,209,854 full value awards.*

If the amendment and restatement of the Plan is approved by shareholders, the aggregate number of shares of Halliburton common stock that will be available for issuance under the Plan would increase to 33,020,801 shares, based on the estimates set forth above, all of which shall be available for awards of incentive stock options. Each share issued as restricted stock (or pursuant to the vesting of a stock unit or a performance share award) will count as the issuance of 1.60 shares reserved under the Plan, while each share granted as a stock option or stock appreciation right will count as the issuance of 1.0 share reserved under the Plan. If awards granted under the Plan are forfeited or terminate before being exercised, then the shares underlying those awards will again become available for awards under the Plan.

The Plan does not provide for "liberal share counting" or "liberal share recycling". Liberal share counting or liberal share recycling refers to circumstances where shares granted and exercised may be added back to an incentive plan for future issuance, including the following situations:

- Shares tendered or withheld in payment of an exercise price;
- Shares tendered or withheld to satisfy tax withholding obligations;
- Shares reacquired by an issuer with the proceeds of an option exercise price; and
- Shares that are not issued due to a net settlement of an award.

In each of the situations above, such shares are no longer available for awards under the Plan. For example, shares withheld from an award to satisfy tax withholding obligations are no longer available for awards under the Plan, and a stock appreciation right or option will be counted in full against the number of shares available for issuance under the Plan, regardless of whether a net settlement occurs resulting in a fewer number of shares issued than are covered by the stock appreciation right or option.

The number of stock option shares or stock appreciation rights, singly or in combination, together with shares or share equivalents under performance awards granted to any individual who is an employee in any one calendar year, shall not in the aggregate exceed 1,000,000. The cash value determined as of the date of grant of any performance award not denominated in common stock granted to any individual who is an employee for any one calendar year shall not exceed $30,000,000. The amendment and restatement of the Plan provides that the value of awards (based on fair market value determined as of the date of grant) granted to a non-management Director in any single calendar year, when added to any cash or other compensation payable to such Director in the same calendar year, shall not exceed $750,000.

In the event of any recapitalization, reorganization, merger, consolidation, combination, exchange, stock dividend, stock split, extraordinary dividend or divestiture (including a spin-off), or any other change in the corporate structure or shares of common stock occurring after the date of the grant of an award, the Compensation Committee shall make appropriate adjustments to the number and price of shares of common stock or other consideration subject to such awards and the award limits set forth in the preceding paragraph.

The Stock and Incentive Plan

Types of Awards

The Plan provides for the grant of any or all of the following types of awards:

- stock options, including incentive stock options and nonqualified stock options;
- stock appreciation rights, either independent of, or in connection with, stock options;
- restricted stock;
- restricted stock units;
- performance awards; and
- stock value equivalent awards.

Any stock option granted in the form of an incentive stock option must satisfy the requirements of Section 422 of the Internal Revenue Code. Awards may be made to the same person on more than one occasion and may be granted singly, in combination, or in tandem as determined by the Compensation Committee. To date, only awards of nonqualified stock options, restricted stock, restricted stock units, and cash-based performance awards have been made under the Plan.

Term

The Plan has an indefinite term.

Administration

The Board has appointed the Compensation Committee to administer the Plan. Subject to the terms of the Plan, and to any approvals and other authority as the Board may reserve to itself from time to time, the Compensation Committee, consistent with the terms of the Plan, will have authority to:

- select the individuals to receive awards and determine the timing, form, amount or value and term of grants and awards, including providing for terms regarding the accelerated vesting of an award otherwise subject to minimum vesting provisions, and the conditions and restrictions, if any, subject to which grants and awards will be made and become payable under the Plan;
- construe the Plan and prescribe rules and regulations for the administration of the Plan; and
- make any other determinations authorized under the Plan as the Compensation Committee deems necessary or appropriate.

Eligibility

A broad group of our employees and employees of our affiliates are eligible to participate in the Plan. The selection of participants from eligible employees is within the discretion of the Compensation Committee. Non-management Directors are eligible to participate in the Plan. As of January 1, 2019, approximately 12,000 employees (including employees and executive officers) and eight non-management Directors were eligible for awards under the Plan as determined by the Compensation Committee.

Stock Options

Under the Plan, the Compensation Committee may grant awards in the form of stock options to purchase shares of common stock. The Compensation Committee will determine the number of shares subject to an option, the manner and time of the option's exercise, and the exercise price per share of stock subject to the option. Options may not become exercisable in less than one year from the date of grant, provided that up to 5% of the shares available for grant under the Plan may be awarded without regard to the minimum one-year vesting period. The term of an option may not exceed ten years. We do not receive any consideration for granting stock options. The exercise price of a stock option will not be less than the fair market value of the common stock on the date the option is granted. Repricing of stock options and reloading of stock options are prohibited unless prior shareholder approval is obtained. The Compensation Committee will designate each option as a nonqualified or an incentive stock option.

The option exercise price may, at the discretion of the Compensation Committee, be paid by a participant in cash, shares of common stock, or a combination of cash and common stock.

Stock Appreciation Rights

The Plan also authorizes the Compensation Committee to grant stock appreciation rights either independent of, or in connection with, a stock option. The exercise price of a stock appreciation right will not be less than the fair market value of the common stock on the date the stock appreciation right is granted. If granted with a stock option, exercise of stock appreciation rights will result in the surrender of the right to purchase the shares under the option as to which the stock appreciation rights were exercised. Upon exercising a stock appreciation right, the holder receives for each share for which the stock appreciation right is exercised, an amount equal to the difference between the exercise price and the fair market value of the common stock on the date of exercise. Payment of that amount may be made in shares of common stock, cash, or a combination of cash and common stock, as determined by the Compensation Committee. Stock appreciation rights may not become exercisable in less than one year from the date of grant, provided that up to 5% of the shares available for grant under the Plan may be awarded without regard to the minimum one-year vesting period. The term of a stock appreciation right grant may not exceed ten years. Repricing of stock appreciation rights and reloading of stock appreciation rights are prohibited unless prior shareholder approval is obtained. We do not receive any consideration for granting stock appreciation rights.

Restricted Stock

The Plan provides that shares of common stock subject to specific restrictions may be awarded to eligible individuals as determined by the Compensation Committee. The Compensation Committee will determine the nature and extent of the restrictions on the shares, the duration of the restrictions, and any circumstance under which restricted shares will be forfeited. The restriction period may not be less than one year from the date of grant, provided that up to 5% of the shares available for grant under the Plan may be awarded without regard to the minimum one-year vesting period. During the period of restriction, recipients will have the right to receive dividends and the right to vote the shares.

Restricted Stock Units

The Plan authorizes the Compensation Committee to grant restricted stock units. A restricted stock unit is a unit evidencing the right to receive one share of common stock or an equivalent cash value equal to the fair market value of a share of common stock. The Compensation Committee will determine the nature and extent of the restrictions on the restricted stock units, the duration of the restrictions, and any circumstance under which restricted stock units will be forfeited. The restriction period may not be less than one year from the date of grant, provided that up to 5% of the shares available for grant under the Plan may be awarded without regard to the minimum one-year vesting period. The Compensation Committee may provide for the payment of dividend equivalents during the period of restriction, but recipients will not have the right to receive actual dividends or to vote the shares underlying the restricted stock units.

Performance Awards

The Plan permits the Compensation Committee to grant performance awards to eligible individuals. Performance awards are awards that are contingent, in whole or in part, on the achievement of one or more performance measures. Performance awards may be settled in cash or stock, as determined by the Compensation Committee. The number of shares or share equivalents under performance awards, singly or in combination, together with the number of stock option shares or stock appreciation rights, granted to any individual in any one calendar year, shall not in the aggregate exceed 1,000,000. The cash value (determined as of the date of grant) of any performance award that is not denominated in stock granted to any one participant in a calendar year may not exceed $30,000,000. The vesting period of a performance award may not be less than one year from the date of grant, provided that up to 5% of the shares available for grant under the Stock and Incentive Plan may be awarded without regard to the minimum one-year vesting period.

The performance criteria that may be used by the Compensation Committee in granting performance awards consist of objective tests based on the following:

- earnings
- cash flow
- customer satisfaction
- revenues
- financial return ratios
- profit return and margins
- market share
- working capital
- cash value added performance
- return on capital
- shareholder return and/or value
- operating profits (including EBITDA)
- net profits
- earnings per share
- stock price
- cost reduction goals
- debt to capital ratio
- any other criteria as determined by the Compensation Committee.

The Compensation Committee may select one criterion or multiple criteria for measuring performance. The measurement may be based on our overall corporate performance, based on subsidiary or business unit performance, or based on comparative performance with other companies or other external measures of selected performance criteria. The Compensation Committee will also determine the length of time over which performance will be measured and the effect of a recipient's death, disability, retirement, or other termination of service during the performance period.

Stock Value Equivalent Awards

The Plan permits the Compensation Committee to grant stock value equivalent awards to eligible individuals. Stock value equivalent awards are rights to receive the fair market value of a specified number of shares of common stock, or the appreciation in the fair market value of the shares, over a specified period of time, pursuant to a vesting schedule, all as determined by the Compensation Committee. Stock value equivalent awards may not vest earlier than one year from the date of grant, provided that up to 5% of the shares available for grant under the Plan may be awarded without regard to the minimum one-year vesting period. Payment of the vested portion of a stock value equivalent award shall be made in cash, based on the fair market value of the common stock on the payment date. The Compensation Committee will also determine the effect of a recipient's death, disability, retirement, or other termination of service during the applicable period.

Amendment

The Plan provides that the Board may at any time terminate or amend the Plan. However, the Board may not, without approval of the shareholders, amend the Plan to effect a "material revision" of the Plan, where a "material revision" includes, but is not limited to, a revision that:

- materially increases the benefits accruing to a Holder under the Plan;
- materially increases the aggregate number of securities that may be issued under the Plan;
- materially modifies the requirements as to eligibility for participation in the Plan; or
- changes the types of awards available under the Plan.

No amendment or termination of the Plan shall, without the consent of the optionee or participant, alter or impair rights under any options or other awards previously granted.

The summary of the Plan provided above is a summary of the principal features of the Plan. This summary, however, does not purport to be a complete description of all of the provisions of the Plan. It is qualified in its entirety by references to the full text of the Plan. A copy of the Plan can be found in Appendix A to this proxy statement.

Change-in-Control

Prior to the amendment and restatement of the Plan, awards would automatically vest upon the occurrence of a corporate change. Under the amended and restated Plan, awards are subject to double-trigger vesting, such that, if a participant experiences an involuntary termination without cause, a termination due to death or disability, a termination for good reason (or similar constructive termination event upon which a severance benefit is payable), as provided for in a holder's employment agreement, if applicable, or another termination event as defined in an award document within the period beginning on the date of the public announcement of a transaction that, if consummated, would constitute a corporate change and ending on the date that is the earlier of the announcement of the termination of the proposed transaction or two years after the consummation of the transaction, the following will occur automatically:

- any outstanding options and stock appreciation rights shall become immediately vested and fully exercisable for the full term thereof;
- any restrictions on restricted stock awards or restricted stock unit awards shall immediately lapse;
- all performance measures upon which an outstanding performance award is contingent shall be deemed achieved and the holder shall receive a payment equal to the target amount of the award he or she would have been entitled to receive; and
- any outstanding cash awards, including stock value equivalent awards, shall immediately vest and be paid based on the vested value of the award.

Plan Benefits

All awards to directors, executive officers, and employees are made at the discretion of the Compensation Committee. Therefore, the benefits and amounts that will be received or allocated under the Plan, as amended and restated, are not determinable at this time.

Federal Income Tax Treatment

The following summarizes the current U.S. federal income tax consequences generally arising for awards under the Plan.

A participant who is granted an incentive stock option does not realize any taxable income at the time of the grant or at the time of exercise, but in some circumstances may be subject to an alternative minimum tax as a result of the exercise. Similarly, we are not entitled to any deduction at the time of grant or at the time of exercise. If the participant makes no disposition of the shares acquired pursuant to an incentive stock option before the later of two years from the date of grant and one year from the date of exercise, any gain or loss realized on a subsequent disposition of the shares will be treated as a long-term capital gain or loss. Under these circumstances, we will not be entitled to any deduction for federal income tax purposes. If the participant fails to hold the shares for that period, the disposal is treated as a disqualifying disposition. The gain on the disposition is ordinary income to the participant to the extent of the difference between the option price and the fair market value on the exercise date. Any excess is long-term or short-term capital gain, depending on the holding period. Under these circumstances, we will be entitled to a tax deduction equal to the ordinary income amount the participant recognizes in a disqualifying disposition.

A participant who is granted a nonqualified stock option does not have taxable income at the time of grant, but does have taxable income at the time of exercise. The income equals the difference between the exercise price of the shares and the market value of the shares on the date of exercise. We are entitled to a corresponding tax deduction for the same amount.

The grant of a stock appreciation right will produce no U.S. federal tax consequences for the participant or us. The exercise of a stock appreciation right results in taxable income to the participant, equal to the difference between the exercise price of the shares and the market price of the shares on the date of exercise, and a corresponding tax deduction to us.

A participant who has been granted an award of restricted shares of common stock or an award of restricted stock units will not realize taxable income at the time of the grant. When the restrictions lapse, the participant will recognize taxable income in an amount equal to the excess of the fair market value of the shares or cash received at that time over the amount, if any, paid for the shares. We will be entitled to a corresponding tax deduction. Dividends on restricted stock and dividend equivalents, if any, on restricted stock units paid to the participant during the restriction period will also be compensation income to the participant and will be deductible as compensation expense by us.

A participant who has been granted a performance award will not realize taxable income at the time of the grant, and we will not be entitled to a tax deduction at that time. A participant will realize ordinary income at the time the award is paid equal to the amount of cash paid or the value of shares delivered, and we will be entitled to a corresponding tax deduction.

The grant of a stock value equivalent award produces no U.S. federal income tax consequences for the participant or us. The payment of a stock value equivalent award results in taxable income to the participant equal to the amount of the payment received, valued with reference to the fair market value of the common stock on the payment date. We are entitled to a corresponding tax deduction for the same amount.

We may deduct any taxes required by law to be withheld in connection with any award.

Section 409A of the Internal Revenue Code generally provides that any deferred compensation arrangement which does not meet specific requirements regarding (i) timing of payouts, (ii) advance election of deferrals, or (iii) restrictions on acceleration of payouts will result in immediate taxation of any amounts deferred to the extent not subject to a substantial risk of forfeiture. Failure to comply with Section 409A may result in the early taxation (plus interest) to the holder of deferred compensation and the imposition of a 20% penalty on the holder on such deferred amounts included in the holder's income. In general, to avoid a Section 409A violation, amounts deferred may only be paid out on separation from service, disability, death, a change-in-control, an unforeseen emergency (other than death), each as defined under Section 409A, or at a specified time. Furthermore, the election to defer generally must be made in the calendar year prior to performance of services, and any provision for accelerated payout, other than for the reasons specified above, may cause the amounts deferred to be subject to early taxation and to the imposition of the excise tax. Based on current guidance, we expect that we will be able to structure future awards in a manner that complies with Section 409A.

General/Vote Required

The closing price of our common stock on March 18, 2019, as traded on the NYSE, was $28.87 per share.

The affirmative vote of the holders of a majority of the shares of Halliburton's common stock represented at the Annual Meeting and entitled to vote on the matter is needed to approve the proposal.

THE BOARD OF DIRECTORS RECOMMENDS A **VOTE FOR** THE APPROVAL OF THE PROPOSED AMENDMENT AND RESTATEMENT OF THE HALLIBURTON COMPANY STOCK AND INCENTIVE PLAN.

Additional Information

Involvement in Certain Legal Proceedings

There are no legal proceedings to which any of our Directors, executive officers, or any associate of any of our Directors or executive officers is a party adverse to us or has a material interest adverse to us.

Advance Notice Procedures

Under our By-laws, no business, including nominations of a person for election as a Director, may be brought before an Annual Meeting unless it is specified in the notice of the Annual Meeting or is otherwise brought before the Annual Meeting by or at the direction of the Board or by a shareholder who meets the requirements specified in our By-laws and has delivered notice to us (containing the information specified in the By-laws). To be timely, a shareholder's notice for matters to be brought before the Annual Meeting of Shareholders in 2020 must be delivered to or mailed and received at our principal executive office, 3000 N. Sam Houston Parkway East, Administration Building, Houston, TX 77032, not less than 90 days nor more than 120 days prior to the anniversary date of the 2019 Annual Meeting of Shareholders, or no later than February 15, 2020, and no earlier than January 16, 2020. These requirements are separate from and in addition to the SEC's requirements that a shareholder must meet in order to have a shareholder proposal included in our proxy statement. This advance notice requirement does not preclude discussion by any shareholder of any business properly brought before the Annual Meeting in accordance with these procedures.

Proxy Solicitation Costs

We are soliciting the proxies accompanying this proxy statement and we will bear the cost of soliciting those proxies. We have retained Innisfree M&A Incorporated to aid in the solicitation of proxies. For these services, we will pay Innisfree a fee of $17,500 and reimburse it for out-of-pocket disbursements and expenses. Our officers and employees may solicit proxies personally and by telephone or other electronic communications with some shareholders if proxies are not received promptly. We will, upon request, reimburse banks, brokers, and others for their reasonable expenses in forwarding proxies and proxy materials to beneficial owners of our stock.

Shareholder Proposals for the 2020 Annual Meeting

Shareholders interested in submitting a proposal for inclusion in the proxy materials for the Annual Meeting of Shareholders in 2020 may do so by following the procedures prescribed in SEC Rule 14a-8. To be eligible for inclusion, shareholder proposals must be received by our Corporate Secretary at 3000 N. Sam Houston Parkway East, Administration Building, Houston, TX 77032, no later than December 4, 2019. The 2020 Annual Meeting will be held on May 19, 2020.

Other Matters

As of the date of this proxy statement, we know of no business that will be presented for consideration at the Annual Meeting other than the matters described in this proxy statement. If any other matters should properly come before the Annual Meeting for action by shareholders, it is intended that proxies will be voted on those matters in accordance with the judgment of the person or persons voting the proxies.

By Authority of the Board of Directors,

Robb L. Voyles
Executive Vice President, Secretary and General Counsel
April 2, 2019

Appendix A

Halliburton Company Stock and Incentive Plan

As Amended and Restated ______, 2019

I. Purpose

The purpose of the Halliburton Company Stock and Incentive Plan (the "Plan") is to provide a means whereby Halliburton Company, a Delaware corporation (the "Company"), and its Subsidiaries may attract, motivate and retain highly competent employees and to provide a means whereby selected employees can acquire and maintain stock ownership and receive cash awards, thereby strengthening their concern for the long-term welfare of the Company. The Plan is also intended to provide employees with additional incentive and reward opportunities designed to enhance the profitable growth of the Company over the long term. A further purpose of the Plan is to allow awards under the Plan to non-management Directors in order to enhance the Company's ability to attract and retain highly qualified Directors. Accordingly, the Plan provides for granting Incentive Stock Options, Options which do not constitute Incentive Stock Options, Stock Appreciation Rights, Restricted Stock Awards, Restricted Stock Unit Awards, Performance Awards, Stock Value Equivalent Awards, or any combination of the foregoing, as is best suited to the circumstances of the particular employee or non-management Director as provided herein. The Plan was established February 18, 1993 as the Halliburton Company 1993 Stock and Incentive Plan, has been amended from time to time thereafter. The Plan as amended and restated herein was adopted by the Board on February 13, 2019, subject to approval by the Company's stockholders, and will become effective as of the date of such approval.

II. Definitions

The following definitions shall be applicable throughout the Plan unless specifically modified by any paragraph:

(a) "Award" means, individually or collectively, any Option, Stock Appreciation Right, Restricted Stock Award, Restricted Stock Unit Award, Performance Award or Stock Value Equivalent Award.

(b) "Award Document" means the relevant award agreement or other document containing the terms and conditions of an Award.

(c) "Beneficial Owners" shall have the meaning set forth in Rule 13d-3 promulgated under the Exchange Act.

(d) "Board" means the Board of Directors of Halliburton Company.

(e) "Cause" shall have the meaning set forth in the Participant's Employment Agreement, or, if there is no Employment Agreement or the Employment Agreement does not define "Cause," "Cause" shall have the meaning set forth in an Award Document, or, if the Award Document does not define "Cause", "Cause" shall mean:

- (i) conduct involving fraud or misuse of the funds or other property of the Company; or
- (ii) gross negligence or willful misconduct in the performance of duties; or
- (iii) indictment of a felony, or a misdemeanor involving moral turpitude; or
- (iv) material violation of Company policy, including the Company's Code of Business Conduct.

(f) "Code" means the Internal Revenue Code of 1986, as amended. Reference in the Plan to any section of the Code shall be deemed to include any amendments or successor provisions to such section and any regulations under such section.

(g) "Committee" means the committee selected by the Board to administer the Plan in accordance with Paragraph (a) of Article IV of the Plan.

(h) "Common Stock" means the Common Stock, par value $2.50 per share, of the Company.

(i) "Company" means Halliburton Company, a Delaware corporation.

(j) "Corporate Change" shall conclusively be deemed to have occurred on a Corporate Change Effective Date if an event set forth in any one of the following paragraphs shall have occurred:

- (i) any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its affiliates) representing 20% or more of the combined voting power of the Company's then outstanding securities; or
- (ii) the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the date hereof, constitute the Board and any new Director (other than a Director whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of Directors of the Company) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved or recommended by a vote of at least two-thirds (2/3) of the Directors then still in office who either were

Directors on the date hereof or whose appointment, election or nomination for election was previously so approved or recommended; or

(iii) there is consummated a merger or consolidation of the Company or any direct or indirect Subsidiary of the Company with any other corporation, other than (A) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any Subsidiary of the Company, at least 50% of the combined voting power of the securities of the Company or such surviving entity or any parent thereof outstanding immediately after such merger or consolidation, or (B) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company (not including in the securities Beneficially Owned by such Person any securities acquired directly from the Company or any of its affiliates other than in connection with the acquisition by the Company or any of its affiliates of a business) representing 20% or more of the combined voting power of the Company's then outstanding securities; or

(iv) the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated an agreement for the sale, disposition, lease or exchange by the Company of all or substantially all of the Company's assets, other than a sale, disposition, lease or exchange by the Company of all or substantially all of the Company's assets to an entity, at least 50% of the combined voting power of the voting securities of which are owned by stockholders of the Company in substantially the same proportions as their ownership of the Company immediately prior to such sale.

Notwithstanding the foregoing, a "Corporate Change" shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the record holders of the Common Stock of the Company immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions.

(k) "Corporate Change Effective Date" shall mean:

(i) the first date that the direct or indirect ownership of 20% or more combined voting power of the Company's outstanding securities results in a Corporate Change as described in clause (i) of such definition above; or

(ii) the date of the election of Directors that results in a Corporate Change as described in clause (ii) of such definition; or

(iii) the date of the merger or consideration that results in a Corporate Change as described in clause (iii) of such definition; or

(iv) the date of stockholder approval that results in a Corporate Change as described in clause (iv) of such definition.

(l) "Employment Agreement" shall mean a written and active executive agreement between the Company, Halliburton Energy Services, Inc. or Halliburton Worldwide Resources, LLC and a Participant who is an officer, addressing the terms and conditions of the Participant's employment, and shall include such agreements pertaining to at-will employment.

(m) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(n) "Fair Market Value" means, as of any specified date, the closing price of the Common Stock on the New York Stock Exchange (or, if the Common Stock is not then listed on such exchange, such other national securities exchange on which the Common Stock is then listed) on that date, or if no prices are reported on that date, on the last preceding date on which such prices of the Common Stock are so reported or, in the sole discretion of the Committee for purposes of determining the Fair Market Value of the Common Stock at the time of exercise of an Option or a Stock Appreciation Right, such Fair Market Value shall be the prevailing price of the Common Stock as of the time of exercise. If the Common Stock is not then listed or quoted on any national securities exchange but is traded over the counter at the time a determination of its Fair Market Value is required to be made hereunder, its Fair Market Value shall be deemed to be equal to the average between the reported high and low sales prices of Common Stock on the most recent date on which Common Stock was publicly traded. If the Common Stock is not publicly traded at the time a determination of its value is required to be made hereunder, the determination of its Fair Market Value shall be made by the Committee in such manner as it deems appropriate.

(o) "Holder" means an employee or non-management Director of the Company who has been granted an Award.

(p) "Immediate Family" means, with respect to a particular Holder, the Holder's spouse, parent, brother, sister, children and grandchildren (including adopted and step children and grandchildren).

(q) "Incentive Stock Option" means an Option within the meaning of Section 422 of the Code.

(r) "Minimum Criteria" means a Restriction Period that is not less than one (1) year from the date of grant of an Option, a Stock Appreciation Right, a Restricted Stock Award, Restricted Stock Unit Award, a Performance Award or a Stock Equivalent Award, such that the first time-based vesting event will occur no sooner than the first anniversary of the date of grant.

(s) "Minimum Criteria Exception" means that 5% of the total number of shares available for Awards under the Plan may have a Restriction Period that is less than the Minimum Criteria.

(t) "non-management Director" means a member of the Board who is not an employee or former employee of the Company or its Subsidiaries.

(u) "Option" means an Award granted under Article VII of the Plan and includes both Incentive Stock Options to purchase Common Stock and Options which do not constitute Incentive Stock Options to purchase Common Stock.

(v) "Option Agreement" means a written agreement between the Company and a Holder with respect to an Option.

(w) "Optionee" means a Holder who has been granted an Option.

(x) "Parent Corporation" shall have the meaning set forth in Section 424(e) of the Code.

(y) "Performance Award" means an Award granted under Article XI of the Plan.

(z) "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its Subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company or any of its affiliates, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, or (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

(aa) "Plan" means the Halliburton Company Stock and Incentive Plan, as amended and restated.

(bb) "Protected Period" means the period beginning on the date of the public announcement of a transaction that, if consummated, would result in a Corporate Change and ending on the date that is the earlier of (i) the announcement of the termination of the proposed transaction or (ii) two years after the Corporate Change Effective Date.

(cc) "Qualifying Termination" means, with respect to an Award granted on or after February 13, 2019, a Holder's termination of service during a Protected Period due to involuntary termination without Cause, death, disability, Good Reason (as defined in an Employment Agreement, or a similar constructive termination event, in each case, only if a severance benefit is payable upon termination of employment due to such event pursuant to an Employment Agreement) or other event as specified in the Holder's Award Document.

(dd) "Restricted Stock Award" means an Award granted under Article IX of the Plan.

(ee) "Restricted Stock Award Agreement" means a written agreement between the Company and a Holder with respect to a Restricted Stock Award.

(ff) "Restricted Stock Unit" means a unit evidencing the right to receive one share of Common Stock or an equivalent value equal to the Fair Market Value of a share of Common Stock (as determined by the Committee) that is restricted or subject to forfeiture provisions.

(gg) "Restricted Stock Unit Award" means an Award granted under Article X of the Plan.

(hh) "Restricted Stock Unit Award Agreement" means a written agreement between the Company and a Holder with respect to a Restricted Stock Unit Award.

(ii) "Restriction Period" means a period of time beginning as of the date upon which an Option, a Stock Appreciation Right, a Restricted Stock Award, a Restricted Stock Unit Award, a Performance Award or a Stock Value Equivalent Award is made pursuant to the Plan and ending as of the date upon which all or a portion of the Option or Stock Appreciation Right becomes exercisable or the Common Stock or cash subject to a Restricted Stock Award, a Restricted Stock Unit Award, a Performance Award or a Stock Value Equivalent Award is issued (if not previously issued), no longer restricted or subject to forfeiture provisions, but shall not include restrictions associated with deferral of vested Awards.

(jj) "Spread" means, in the case of a Stock Appreciation Right, an amount equal to the excess, if any, of the Fair Market Value of a share of Common Stock on the date such right is exercised over the exercise price of such Stock Appreciation Right.

(kk) "Stock Appreciation Right" means an Award granted under Article VIII of the Plan.

(ll) "Stock Appreciation Rights Agreement" means a written agreement between the Company and a Holder with respect to an Award of Stock Appreciation Rights.

(mm) "Stock Value Equivalent Award" means an Award granted under Article XII of the Plan.

(nn) "Subsidiary" means a company (whether a corporation, partnership, joint venture or other form of entity) in which the Company or a corporation in which the Company owns a majority of the shares of capital stock, directly or indirectly, owns a greater than 20% equity interest, except that with respect to the issuance of Incentive Stock Options the term "Subsidiary" shall have the same meaning as the term "subsidiary corporation" as defined in Section 424(f) of the Code.

(oo) "Successor Holder" shall have the meaning given such term in Paragraph (f) of Article XV.

III. Effective Date and Duration of the Plan

The Plan as amended and restated herein was adopted by the Board on February 13, 2019, is subject to approval by the Company's stockholders and will become effective as of the date of such approval. Subject to the provisions of Article XIII, the Plan shall remain in effect until all Options and Stock Appreciation Rights granted under the Plan have been exercised or expired by reason of lapse of time, all restrictions imposed upon Restricted Stock Awards and Restricted Stock Unit Awards have lapsed and all Performance Awards and Stock Value Equivalent Awards have been satisfied.

IV. Administration

(a) Composition of Committee: The Plan shall be administered by a Committee of Directors of the Company which shall be appointed by the Board.

(b) Powers: The Committee shall have authority, in its discretion, to determine which eligible individuals shall receive an Award, the time or times when such Award shall be made, whether an Incentive Stock Option, nonqualified Option or Stock Appreciation Right shall be granted, the number of shares of Common Stock which may be issued under each Option, Stock Appreciation Right, Restricted Stock Award and Restricted Stock Unit Award, and the value of each Performance Award and Stock Value Equivalent Award. The Committee shall have the authority, in its discretion, to establish the terms and conditions applicable to any Award, subject to any specific limitations or provisions of the Plan. In making such determinations the Committee may take into account the nature of the services rendered by the respective individuals, their responsibility level, their present and potential contribution to the Company's success and such other factors as the Committee in its discretion shall deem relevant. Notwithstanding any provision of the Plan to the contrary, the Committee may provide for the acceleration of vesting or exercisability of an Award upon a Corporate Change, upon a termination of employment or service by reason of death, disability, retirement or otherwise or for any other reason.

(c) Additional Powers. The Committee shall have such additional powers as are delegated to it by the other provisions of the Plan. Subject to the express provisions of the Plan, the Committee is authorized to construe the Plan and the respective Award Documents executed thereunder, to prescribe such rules and regulations relating to the Plan as it may deem advisable to carry out the Plan, and to determine the terms, restrictions and provisions of each Award, including such terms, restrictions and provisions as shall be requisite in the judgment of the Committee to cause designated Options to qualify as Incentive Stock Options, and to make all other determinations necessary or advisable for administering the Plan. The Committee may correct any defect or supply any omission or reconcile any inconsistency in any Award Document relating to an Award in the manner and to the extent the Committee shall deem expedient to carry the Award into effect. The determinations of the Committee on the matters referred to in this Article IV shall be conclusive.

(d) Delegation of Authority. The Committee may delegate some or all of its power to the Chief Executive Officer of the Company as the Committee deems appropriate; provided, however, that the Committee may not delegate its power with regard to the selection for participation in the Plan of an officer or other person subject to Section 16 of the Exchange Act or decisions concerning the timing, pricing or amount of an Award to such an officer or other person and any delegation of the power to grant Awards shall be permitted by applicable law.

(e) Engagement of an Agent. The Company may, in its discretion, engage an agent to (i) maintain records of Awards and Holders' holdings under the Plan, (ii) execute sales transactions in shares of Common Stock at the direction of Holders, (iii) deliver sales proceeds as directed by Holders, and (iv) hold shares of Common Stock owned without restriction by Holders, including shares of Common Stock previously obtained through the Plan that are transferred to the agent by Holders at their discretion. Except to the extent otherwise agreed by the Company and the agent, when an individual loses his or her status as an employee or non-management Director of the Company, the agent shall have no obligation to provide any further services to such person and the shares of Common Stock previously held by the agent under the Plan may be distributed to the person or his or her legal representative.

V. Grant of Options, Stock Appreciation Rights, Restricted Stock Awards, Restricted Stock Unit Awards, Performance Awards and Stock Value Equivalent Awards; Shares Subject to the Plan

(a) Award Limits. The Committee may from time to time grant Awards to one or more individuals determined by it to be eligible for participation in the Plan in accordance with the provisions of Article VI. The aggregate number of shares of Common Stock that may be issued under the Plan shall not exceed 33,020,801 shares, all of which shall be available for Awards of Incentive Stock Options. Shares issued as Restricted Stock Awards, Restricted Stock Unit Awards or pursuant to Performance Awards will count against the shares available for issuance under the Plan as 1.60 shares for every 1 share issued in connection with the Award. Notwithstanding anything contained herein to the contrary, the number of Option shares or Stock Appreciation Rights, singly or in combination, together with shares or share equivalents under Performance Awards granted to any Holder who is an employee in any one calendar year, shall not in the aggregate exceed 1,000,000. The cash value determined as of the date of grant of any Performance Award not denominated in Common Stock granted to any Holder who is an employee in any one calendar year shall not exceed $30,000,000. The fair market value, determined as of the date of grant, of Awards granted to a Holder who is a non-management Director in any one calendar year, when added to any cash or other compensation payable to such a Holder in such calendar year, shall not exceed $750,000. Any shares which remain unissued and which are not subject to outstanding Options or Awards at the termination of the Plan shall cease to be subject to the Plan, but, until termination of the Plan, the Company shall at all times reserve a sufficient number of shares to meet the requirements of the Plan. If Awards are forfeited or are terminated for any other reason before being exercised or settled, then the shares underlying such Awards shall again become available for Awards under the Plan. Notwithstanding the foregoing, the following shares shall not become available for Awards under the Plan: (i) shares tendered by an Optionee or withheld by the Company for payment of an option price, (ii) shares tendered by a Holder or withheld by the Company to satisfy the Company's tax withholding obligation in connection with an Award, (iii) shares reacquired in the open market or otherwise using cash proceeds from the exercise of Options, and (iv) shares that are not issued to a Holder due to a net settlement of an Award. For purposes of clarity, Stock Appreciation Rights and Options shall be counted in full against the number of shares available for issuance under the Plan, regardless of the number of shares issued upon settlement of the Stock Appreciation Rights and Options. The aggregate number of shares which may be issued under the Plan shall be subject to adjustment in the same manner as provided in Article XIII with respect to shares of Common Stock subject to Options then outstanding. The 1,000,000-share limit on Holders who are employees with respect to Stock Options and Stock Appreciation Rights Awards, singly or in combination, together with shares or share equivalents under Performance Awards granted to any Holder who is an employee in any calendar year shall be subject to adjustment in the same manner as provided in Article XIII. Separate stock certificates shall be issued by the Company for those shares acquired pursuant to the exercise of an Incentive Stock Option and for those shares acquired pursuant to the exercise of any Option which does not constitute an Incentive Stock Option.

(b) Stock Offered. The stock to be offered pursuant to the grant of an Award may be authorized but unissued Common Stock or Common Stock previously issued and reacquired by the Company.

VI. Eligibility

Only employees of the Company or any Parent Corporation or Subsidiary of the Company and non-management Directors shall be eligible for Awards under the Plan as determined by the Committee in its sole discretion. Each Award shall be evidenced in such manner and form as may be prescribed by the Committee.

VII. Stock Options

(a) Stock Option Agreement. Each Option shall be evidenced by an Option Agreement between the Company and the Optionee which shall contain such terms and conditions as may be approved by the Committee. The terms and conditions of the respective Option Agreements need not be identical. Specifically, an Option Agreement may provide for the payment of the option price, in whole or in part, by the delivery of a number of shares of Common Stock (plus cash if necessary) having a Fair Market Value equal to such option price.

(b) Restriction Period To Be Established by the Committee. The Committee shall establish the Restriction Period applicable to an Option; provided, however, that such Restriction Period shall not be less than the Minimum Criteria. Notwithstanding the foregoing, Awards of Options may utilize the Minimum Criteria Exception.

(c) Option Period. The term of each Option shall be as specified by the Committee at the date of grant; provided that, in no case, shall the term of an Option exceed ten (10) years.

(d) Limitations on Exercise of Option. An Option shall be exercisable in whole or in such installments and at such times as determined by the Committee.

(e) Option Price. The purchase price of Common Stock issued under each Option shall be determined by the Committee, but such purchase price shall not be less than the Fair Market Value of Common Stock subject to the Option on the date the Option is granted.

(f) Options and Rights in Substitution for Stock Options Granted by Other Corporations. Options and Stock Appreciation Rights may be granted under the Plan from time to time in substitution for stock options held by employees of corporations who become, or who became prior to the effective date of the Plan, employees of the Company or of any Subsidiary as a result of a merger or consolidation of the employing corporation with the Company or such Subsidiary, or the acquisition by the Company or a Subsidiary of all or a portion of the assets of the employing corporation, or the acquisition by the Company or a Subsidiary of stock of the employing corporation with the result that such employing corporation becomes a Subsidiary.

(g) Repricing Prohibited. Except for adjustments pursuant to Article XIII, the purchase price of Common Stock for any outstanding Option granted under the Plan may not be decreased after the date of grant nor may an outstanding Option granted under the Plan be surrendered to the Company as consideration for the grant of a new Option with a lower purchase price, cash or a new Award unless there is prior approval by the Company stockholders. Any other action that is deemed to be a repricing under any applicable rule of the New York Stock Exchange shall be prohibited unless there is prior approval by the Company stockholders.

VIII. Stock Appreciation Rights

(a) Stock Appreciation Rights. A Stock Appreciation Right is the right to receive an amount equal to the Spread with respect to a share of Common Stock upon the exercise of such Stock Appreciation Right. Stock Appreciation Rights may be granted in connection with the grant of an Option, in which case the Option Agreement will provide that exercise of Stock Appreciation Rights will result in the surrender of the right to purchase the shares under the Option as to which the Stock Appreciation Rights were exercised. Alternatively, Stock Appreciation Rights may be granted independently of Options in which case each Award of Stock Appreciation Rights shall be evidenced by a Stock Appreciation Rights Agreement between the Company and the Holder which shall contain such terms and conditions as may be approved by the Committee. The terms and conditions of the respective Stock Appreciation Rights Agreements need not be identical. The Spread with respect to a Stock Appreciation Right may be payable either in cash, shares of Common Stock with a Fair Market Value equal to the Spread or in a combination of cash and shares of Common Stock as determined by the Committee in its sole discretion.

(b) Restriction Period To Be Established by the Committee. The Committee shall establish the Restriction Period applicable to a Stock Appreciation Right; provided, however, that such Restriction Period shall not be less than the Minimum Criteria. Notwithstanding the foregoing, Awards of Stock Appreciation Rights may utilize the Minimum Criteria Exception.

(c) Exercise Price. The exercise price of each Stock Appreciation Right shall be determined by the Committee, but such exercise price shall not be less than the Fair Market Value of a share of Common Stock on the date the Stock Appreciation Right is granted.

(d) Exercise Period. The term of each Stock Appreciation Right shall be as specified by the Committee at the date of grant; provided that, in no case, shall the term of a Stock Appreciation Right exceed ten (10) years.

(e) Limitations on Exercise of Stock Appreciation Right. A Stock Appreciation Right shall be exercisable in whole or in such installments and at such times as determined by the Committee.

(f) Repricing Prohibited. Except for adjustments pursuant to Article XIII, the exercise price of a Stock Appreciation Right may not be decreased after the date of grant nor may an outstanding Stock Appreciation Right granted under the Plan be surrendered to the Company as consideration for the grant of a new Stock Appreciation Right with a lower exercise price, cash or a new Award unless there is prior approval by the Company stockholders. Any other action that is deemed to be a repricing under any applicable rule of the New York Stock Exchange shall be prohibited unless there is prior approval by the Company stockholders.

IX. Restricted Stock Awards

(a) Restriction Period To Be Established by the Committee. The Committee shall establish the Restriction Period applicable to Restricted Stock Awards; provided, however, that such Restriction Period shall not be less than the Minimum Criteria. Notwithstanding the foregoing, Restricted Stock Awards may utilize the Minimum Criteria Exception.

(b) Other Terms and Conditions. Common Stock awarded pursuant to a Restricted Stock Award shall be represented by a stock certificate registered in the name of the Holder of such Restricted Stock Award or, at the option of the Company, in the name of a nominee of the Company. The Holder shall have the right to receive dividends during the Restriction Period, to vote the Common Stock subject thereto and to enjoy all other stockholder rights, except that (i) the Holder shall not be entitled to possession of the stock certificate until the Restriction Period shall have expired, (ii) the Company shall retain custody of the stock during the Restriction Period, (iii) the Holder may not sell, transfer, pledge, exchange, hypothecate or otherwise dispose of the stock during the Restriction Period, and (iv) a breach of the terms and conditions established by the Committee pursuant to the Restricted Stock Award shall cause a forfeiture of the Restricted Stock Award. The Committee may, in its sole discretion, prescribe additional terms, conditions or restrictions relating to Restricted Stock Awards as shall be set forth in a Restricted Stock Award Agreement.

(c) Payment for Restricted Stock. A Holder shall not be required to make any payment for Common Stock received pursuant to a Restricted Stock Award, except to the extent otherwise required by law and except that the Committee may, in its discretion, charge the Holder an amount in cash not in excess of the par value of the shares of Common Stock issued under the Plan to the Holder.

(d) Miscellaneous. Nothing in this Article shall prohibit the exchange of shares issued under the Plan (whether or not then subject to a Restricted Stock Award) pursuant to a plan of reorganization for stock or securities in the Company or another corporation a party to the reorganization, but the stock or securities so received for shares then subject to the restrictions of a Restricted Stock Award shall become subject to the restrictions of such Restricted Stock Award. Any shares of stock received as a result of a stock split or stock dividend with respect to shares then subject to a Restricted Stock Award shall also become subject to the restrictions of the Restricted Stock Award.

X. Restricted Stock Unit Awards

(a) Restriction Period To Be Established by the Committee. The Committee shall establish the Restriction Period applicable to Restricted Stock Unit Awards; provided, however, that such Restriction Period shall not be less than the Minimum Criteria. Notwithstanding the foregoing, Restricted Stock Unit Awards may utilize the Minimum Criteria Exception.

(b) Other Terms and Conditions. The Committee may, in its sole discretion, prescribe additional terms, conditions or restrictions relating to the Restricted Stock Unit Award as shall be set forth in a Restricted Stock Unit Award Agreement. Cash dividend equivalents may be converted into additional Restricted Stock Units or may be paid during, or may be accumulated and paid at the end of, the Restriction Period with respect to a Restricted Stock Unit Award, as determined by the Committee. The Committee, in its sole discretion, may provide for the deferral of a Restricted Stock Unit Award.

(c) Payment for Restricted Stock Unit. A Holder shall not be required to make any payment for Common Stock received pursuant to a Restricted Stock Unit Award, except to the extent otherwise required by law and except that the Committee may, in its discretion, charge the Holder an amount in cash not in excess of the par value of the shares of Common Stock issued under the Plan to the Holder.

(d) Restricted Stock Units in Substitution for Units Granted by Other Corporations. Restricted Stock Unit Awards may be granted under the Plan from time to time in substitution for restricted stock units held by employees of corporations who become, or who became prior to the effective date of the Plan, employees of the Company or of any Subsidiary as a result of a merger or consolidation of the employing corporation with the Company or such Subsidiary, or the acquisition by the Company or a Subsidiary of all or a portion of the assets of the employing corporation, or the acquisition by the Company or a Subsidiary of stock of the employing corporation with the result that such employing corporation becomes a Subsidiary.

XI. Performance Awards

(a) Performance Period. The Committee shall establish, with respect to and at the time of each Performance Award, a performance period over which the performance applicable to the Performance Award of the Holder shall be measured and a Restriction Period; provided, however, that such Restriction Period shall not be less than the Minimum Criteria. Notwithstanding the foregoing, Performance Awards may utilize the Minimum Criteria Exception.

(b) Performance Awards. Each Performance Award may have a maximum value established by the Committee at the time of such Award.

(c) Performance Measures. A Performance Award granted under the Plan shall be awarded contingent, in whole or in part, upon the achievement of one or more performance measures. The performance criteria for Performance Awards shall consist of objective tests based on the following: earnings, cash flow, return on capital, cash value added performance, stockholder return and/or value, revenues, operating profits (including EBITDA), net profits, earnings per share, stock price, cost reduction goals, debt to capital ratio, financial return ratios, profit return and margins, market share, working capital, customer satisfaction and any other criteria as determined by the Committee. The Committee may select one criterion or multiple criteria for measuring performance. Performance criteria may be measured on corporate, subsidiary or business unit performance, or on a combination thereof. Further, the performance criteria may be based on comparative performance with other companies or other external measure of the selected performance criteria.

(d) Payment. Following the end of the performance period, the Holder of a Performance Award shall be entitled to receive payment of an amount, not exceeding the maximum value of the Performance Award, if any, based on the achievement of the performance measures for such performance period, as determined by the Committee in its sole discretion. Payment of a Performance Award (i) may be made in cash, Common Stock or a combination thereof, as determined by the Committee in its sole discretion, (ii) shall be made in a lump sum or in installments as prescribed by the Committee in its sole discretion, and (iii) to the extent applicable, shall be based on the Fair Market Value of the Common Stock on the payment date.

(e) Termination of Service. The Committee shall determine the effect of termination of service during the performance period on a Holder's Performance Award.

XII. Stock Value Equivalent Awards

(a) Stock Value Equivalent Awards. Stock Value Equivalent Awards are rights to receive an amount equal to the Fair Market Value of shares of Common Stock or rights to receive an amount equal to any appreciation or increase in the Fair Market Value of Common Stock over a specified period of time, which is subject to a Restriction Period as established by the Committee, without payment of any amounts by the Holder thereof (except to the extent otherwise required by law) or satisfaction of any performance criteria or objectives. Each Stock Value Equivalent Award may have a maximum value established by the Committee at the time of such Award.

(b) Award Period. The Committee shall establish the Restriction Period applicable to Stock Value Equivalent Awards; provided, however, that such Restriction Period shall not be less than the Minimum Criteria. Notwithstanding the foregoing, Stock Value Equivalent Awards may utilize the Minimum Criteria Exception.

(c) Payment. Following the end of the determined period for a Stock Value Equivalent Award, the Holder of a Stock Value Equivalent Award shall be entitled to receive payment of an amount, not exceeding the maximum value of the Stock Value Equivalent Award, if any, based on the then vested value of the Award. Payment of a Stock Value Equivalent Award (i) shall be made in cash, (ii) shall be made in a lump sum or in installments as prescribed by the Committee in its sole discretion, and (iii) shall be based on the Fair Market Value of the Common Stock on the payment date. Cash dividend equivalents may be paid during, or may be accumulated and paid at the end of, the determined vesting period with respect to a Stock Value Equivalent Award, as determined by the Committee.

(d) Termination of Service. The Committee shall determine the effect of termination of service during the applicable vesting period on a Holder's Stock Value Equivalent Award.

XIII. Recapitalization or Reorganization

(a) Except as hereinafter otherwise provided, in the event of any recapitalization, reorganization, merger, consolidation, combination, exchange, stock dividend, stock split, extraordinary dividend or divestiture (including a spin-off) or any other change in the corporate structure or shares of Common Stock occurring after the date of the grant of an Award, the Committee shall, in its discretion, make such adjustment as to the number and price of shares of Common Stock or other consideration subject to such Awards as the Committee shall deem appropriate in order to prevent dilution or enlargement of rights of the Holders.

(b) The existence of the Plan and the Awards granted hereunder shall not affect in any way the right or power of the Board or the stockholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, any merger or consolidation of the Company, any issue of debt or equity securities having any priority or preference with respect to or affecting Common Stock or the rights thereof, the dissolution or liquidation of the Company or any sale, lease, exchange or other disposition of all or any part of its assets or business or any other corporate act or proceeding.

(c) The shares with respect to which Options, Stock Appreciation Rights or Restricted Stock Units may be granted are shares of Common Stock as presently constituted, but if, and whenever, prior to the expiration of an Option, Stock Appreciation Rights or Restricted Stock Unit Award, the Company shall effect a subdivision or consolidation of shares of Common Stock or the payment of a stock dividend on Common Stock without receipt of consideration by the Company, the number of shares of Common Stock with respect to which such Award relates or may thereafter be exercised (i) in the event of an increase in the number of outstanding shares shall be proportionately increased, and, as applicable, the purchase price per share shall be proportionately reduced, and (ii) in the event of a reduction in the number of outstanding shares shall be proportionately reduced, and, as applicable, the purchase price per share shall be proportionately increased.

(d) If the Company recapitalizes or otherwise changes its capital structure, thereafter upon any exercise of an Option or Stock Appreciation Right or payment in settlement of a Restricted Stock Unit Award theretofore granted, the Holder shall be entitled to purchase or receive, as applicable, under such Award, in lieu of the number of shares of Common Stock as to which such Award relates or shall then be exercisable, the number and class of shares of stock and securities and the cash and other property to which the Holder would have been entitled pursuant to the terms of the recapitalization if, immediately prior to such recapitalization, the Holder had been the holder of record of the number of shares of Common Stock then covered by such Award.

(e) Notwithstanding any provisions of the Plan to the contrary, in the event of an employee Holder's Qualifying Termination, unless an Award Document otherwise provides, as of the date of such Holder's termination of service (i) any outstanding Options and Stock Appreciation Rights shall become immediately vested and fully exercisable for the full term thereof, (ii) any restrictions on Restricted Stock Awards or Restricted Stock Unit Awards shall immediately lapse, (iii) all performance measures upon which an outstanding Performance Award is contingent shall be deemed achieved and the Holder shall receive a payment equal to the target amount of the Award he or she would have been entitled to receive, without proration, and (iv) any outstanding cash Awards including Stock Value Equivalent Awards shall immediately vest and be paid based on the vested value of the Award.

(f) Except as hereinbefore expressly provided, the issuance by the Company of shares of stock of any class or securities convertible into shares of stock of any class, for cash, property, labor or services, upon direct sale, upon the exercise of rights or warrants to subscribe therefor, or upon conversion of shares or obligations of the Company convertible into such shares or other securities, and in any case whether or not for fair value, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number of shares of Common Stock subject to Awards theretofore granted, the purchase price per share of Common Stock subject to Options or the calculation of the Spread with respect to Stock Appreciation Rights.

(g) Notwithstanding the foregoing, the provisions of this Article XIII shall be administered in accordance with Section 409A of the Code, and settlement of Awards under Section 13(e) will be delayed until the scheduled payment or vesting date to the extent required to comply with Section 409A of the Code or to avoid the taxes imposed thereunder.

XIV. Amendment or Termination of the Plan

The Board in its discretion may terminate the Plan or alter or amend the Plan or any part thereof from time to time; provided that no change in any Award theretofore granted may be made which would impair the rights of the Holder without the consent of the Holder, and provided, further, that the Board may not, without approval of the stockholders, amend the Plan to effect a "material revision" of the Plan, where a "material revision" includes, but is not limited to, a revision that: (a) materially increases the benefits accruing to a Holder under the Plan, (b) materially increases the aggregate number of securities that may be issued under the Plan, (c) materially modifies the requirements as to eligibility for participation in the Plan, or (d) changes the types of awards available under the Plan.

XV. Other

(a) No Right To An Award. Neither the adoption of the Plan nor any action of the Board or of the Committee shall be deemed to give an employee or a non-management Director any right to be granted an Option, a Stock Appreciation Right, a right to a Restricted Stock Award, Restricted Stock Unit Award, Performance Award or Stock Value Equivalent Award or any other rights hereunder except as may be evidenced by an Award or by an Option or Stock Appreciation Agreement duly executed on behalf of the Company, and then only to the extent of and on the terms and conditions expressly set forth therein. The Plan shall be unfunded. The Company shall not be required to establish any special or separate fund or to make any other segregation of funds or assets to assure the payment of any Award.

(b) No Employment Rights Conferred. Nothing contained in the Plan or in any Award made hereunder shall:

- (i) confer upon any employee any right to continuation of employment with the Company or any Subsidiary; or
- (ii) interfere in any way with the right of the Company or any Subsidiary to terminate his or her employment at any time.

(c) No Rights to Serve as a Director Conferred. Nothing contained in the Plan or in any Award made hereunder shall confer upon any Director any right to continue their position as a Director of the Company.

(d) Other Laws; Withholding. The Company shall not be obligated to issue any shares of Common Stock pursuant to any Award at any time, when the offering of the shares of Common Stock covered by such Award has not been registered under the U.S. Securities Act of 1933, as amended (the "Act") or such other country, U.S. federal or state laws, rules or regulations as the Company deems applicable and, in the opinion of legal counsel for the Company, there is no exemption from the registration. The Company intends to use reasonable efforts to ensure that no such delay will occur. In the event exemption from registration under the Act is available upon vesting of an Award, the Participant, if requested by the Company to do so, will execute and deliver to the Company in writing an agreement containing such provisions as the Company may require to assure compliance with applicable securities laws. By accepting an Award, the Participant agrees that the shares of Common Stock which the Participant may acquire upon vesting of an Award will not be sold or otherwise disposed of in any manner which would constitute a violation of any applicable U.S. federal, state or non-U.S. securities laws. Furthermore, the Participant also agrees (i) that the Company may refuse to register the transfer of the shares of Common Stock acquired under an Award on the stock transfer records of the Company if such proposed transfer would in the opinion of counsel to the Company constitute a violation of any applicable securities law, and (ii) that the Company may give related instructions to its transfer agent, if any, to stop registration of the transfer of the shares of Common Stock acquired under the Plan. No fractional shares of Common Stock shall be delivered, nor shall any cash in lieu of fractional shares be paid. The Company shall have the right to deduct in connection with all Awards any taxes required by law to be withheld and to require any payments necessary to enable it to satisfy its withholding obligations. The Committee may permit the Holder of an Award to elect to surrender, or authorize the Company to withhold, shares of Common Stock (valued at their Fair Market Value on the date of surrender or withholding of such shares) in satisfaction of the Company's withholding obligation, subject to such restrictions as the Committee deems appropriate.

(e) No Restriction on Corporate Action. Nothing contained in the Plan shall be construed to prevent the Company or any Subsidiary from taking any corporate action which is deemed by the Company or such Subsidiary to be appropriate or in its best interest, whether or not such action would have an adverse effect on the Plan or any Award made under the Plan. No Holder, beneficiary or other person shall have any claim against the Company or any Subsidiary as a result of any such action.

(f) Restrictions on Transfer. No Award may be sold, assigned, pledged, exchanged, hypothecated, encumbered, disposed of, or otherwise transferred, except by will or the laws of descent and distribution or pursuant to a "qualified domestic relations order" as defined by the Code or Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended, or similar order. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of an Award or of such rights contrary to the provisions of an Award Document or in the Plan, the Award and such rights shall immediately become null and void. The Committee may prescribe and include in the respective Award Documents hereunder other restrictions on transfer. Upon a Holder's death, the Holder's personal representative or other person entitled to succeed to the rights of the Holder (the "Successor Holder") may exercise such rights as are provided under the applicable Award Document. A Successor Holder must furnish proof satisfactory to the Company of his or her rights to exercise the Award under the Holder's will or under the applicable laws of descent and distribution. Notwithstanding the foregoing, the Committee shall have the authority, in its discretion, to grant (or to sanction by way of amendment to an existing grant) Awards (other than Incentive Stock Options) which may be transferred by the Holder for no consideration to or for the benefit of the Holder's Immediate Family, to a trust solely for the benefit of the Holder and his Immediate Family, or to a partnership or limited liability company in which the Holder and members of his Immediate Family have at least 99% of the equity, profit and loss interest, in which case the Award Document shall so state. A transfer of an Award pursuant to this Paragraph (f) shall be subject to such rules and procedures as the Committee may establish. In the event an Award is transferred as contemplated in this Paragraph (f), such Award may not be subsequently transferred by the transferee except by will or the laws of descent and distribution, and such Award shall continue to be governed by and subject to the terms and limitations of the Plan and the relevant written instrument for the Award and the transferee shall be entitled to the same rights as the Holder under Articles XIII and XIV hereof as if no transfer had taken place. No transfer shall be effective unless and until written notice of such transfer is provided to the Committee, in the form and manner prescribed by the Committee. The consequences of termination of employment shall continue to be applied with respect to the original Holder, following which the Awards shall be exercised by the transferee only to the extent and for the periods specified in the Plan and the related Award Document. The Option Agreement, Stock Appreciation Rights Agreement, Restricted Stock Award Agreement, Restricted Stock Unit Award Agreement or other Award Document shall specify the effect of the death of the Holder on the Award.

(g) Governing Law. This Plan shall be construed in accordance with the laws of the State of Texas, except to the extent that it implicates matters which are the subject of the General Corporation Law of the State of Delaware which matters shall be governed by the latter law.

(h) Foreign Awardees. Without amending the Plan, the Committee may grant Awards to eligible persons who are foreign nationals on such terms and conditions different from those specified in the Plan as may, in the judgment of the Committee, be necessary or desirable to foster and promote achievement of the purposes of the Plan and, in furtherance of such purposes, the Committee may make such modifications, amendments, procedures, subplans and the like as may be necessary or advisable to comply with the provisions of laws and regulations in other countries or jurisdictions in which the Company or its Subsidiaries operate.

(i) Clawback or Recoupment. Notwithstanding any other provisions in this Plan, any Award shall be subject to clawback, recovery or recoupment by the Company under any clawback or recoupment policy adopted by the Company, whether before or after the date of grant of the Award.

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

(Mark One)

[X] Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the fiscal year ended December 31, 2018

OR

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from ______ to ______

Commission File Number 001-03492

HALLIBURTON COMPANY

(Exact name of registrant as specified in its charter)

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

3000 North Sam Houston Parkway East
Houston, Texas 77032
(Address of principal executive offices)
Telephone Number – Area code (281) 871-2699

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 if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes [X] No [ ]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Yes [ ] No [X]

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 whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).
Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) 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. [X]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	[X]	Accelerated Filer	[ ]
Non-accelerated Filer	[ ]	Smaller Reporting Company	[ ]
Emerging Growth Company	[ ]		

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

The aggregate market value of Halliburton Company Common Stock held by nonaffiliates on June 30, 2018, determined using the per share closing price on the New York Stock Exchange Composite tape of $45.06 on that date, was approximately $39.5 billion.

As of February 8, 2019, there were 872,542,842 shares of Halliburton Company Common Stock, $2.50 par value per share, outstanding.

Portions of the Halliburton Company Proxy Statement for our 2019 Annual Meeting of Stockholders (File No. 001-03492) are incorporated by reference into Part III of this report.

HALLIBURTON COMPANY
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For the Year Ended December 31, 2018

PART I

Item 1. Business.

General description of business

Halliburton Company's predecessor was established in 1919 and incorporated under the laws of the State of Delaware in 1924. With approximately 60,000 employees, representing 140 nationalities in more than 80 countries, we help our customers maximize value throughout the lifecycle of the reservoir - from locating hydrocarbons and managing geological data, to drilling and formation evaluation, well construction and completion and optimizing production throughout the life of the asset. We serve major, national and independent oil and natural gas companies throughout the world and operate under two divisions, which form the basis for the two operating segments we report, the Completion and Production segment and the Drilling and Evaluation segment.

Completion and Production delivers cementing, stimulation, intervention, pressure control, specialty chemicals, artificial lift and completion products and services. The segment consists of the following product service lines:

- Production Enhancement: includes stimulation services and sand control services. Stimulation services optimize oil and natural gas reservoir production through a variety of pressure pumping services, nitrogen services and chemical processes, commonly known as hydraulic fracturing and acidizing. Sand control services include fluid and chemical systems and pumping services for the prevention of formation sand production.
- Cementing: involves bonding the well and well casing while isolating fluid zones and maximizing wellbore stability. Our cementing product service line also provides casing equipment.
- Completion Tools: provides downhole solutions and services to our customers to complete their wells, including well completion products and services, intelligent well completions, liner hanger systems, sand control systems and service tools.
- Production Solutions: provides customized well intervention solutions to increase well performance, which includes coiled tubing, hydraulic workover units and downhole tools.
- Pipeline & Process Services: provides a complete range of pre-commissioning, commissioning, maintenance and decommissioning services to the onshore and offshore pipeline and process plant construction, commissioning and maintenance industries.
- Multi-Chem: provides customized specialty oilfield completion, production, and downstream water and process treatment chemicals and services to maximize production, ensure integrity of well and pipeline assets and address production, processing and transportation challenges.
- Artificial Lift: provides services to maximize reservoir and wellbore recovery by applying lifting technology, intelligent field management solutions and related services throughout the life of the well, including electrical submersible pumps and progressive cavity pumps.

Drilling and Evaluation provides field and reservoir modeling, drilling, evaluation and precise wellbore placement solutions that enable customers to model, measure, drill and optimize their well construction activities. The segment consists of the following product service lines:

- Baroid: provides drilling fluid systems, performance additives, completion fluids, solids control, specialized testing equipment and waste management services for oil and natural gas drilling, completion and workover operations.
- Sperry Drilling: provides drilling systems and services that offer directional control for precise wellbore placement while providing important measurements about the characteristics of the drill string and geological formations while drilling wells. These services include directional and horizontal drilling, measurement-while-drilling, logging-while-drilling, surface data logging, multilateral systems, underbalanced applications and rig site information systems.
- Wireline and Perforating: provides open-hole logging services that supply information on formation evaluation and reservoir fluid analysis, including formation lithology, rock properties and reservoir fluid properties. Also offered are cased-hole and slickline services, including perforating, pipe recovery services, through-casing formation evaluation and reservoir monitoring, casing and cement integrity measurements and well intervention services.
- Drill Bits and Services: provides roller cone rock bits, fixed cutter bits, hole enlargement and related downhole tools and services used in drilling oil and natural gas wells. In addition, coring equipment and services are provided to acquire cores of the formation drilled for evaluation.
- Landmark Software and Services: supplies integrated exploration, drilling and production software and related professional and data management services for the upstream oil and natural gas industry.

- Testing and Subsea: provides acquisition and analysis of dynamic reservoir information and reservoir optimization solutions to the oil and natural gas industry through a broad portfolio of test tools, data acquisition services, fluid sampling, surface well testing and subsea safety systems.
- Consulting and Project Management: provides integrated solutions to our customers by leveraging the full line of our oilfield services, products and technologies to solve customer challenges throughout the oilfield lifecycle. It includes project management, consulting, integrated asset management and well control and prevention services.

See Note 2 to the consolidated financial statements for further financial information related to each of our business segments. We have manufacturing operations in various locations, the most significant of which are located in the United States, Canada, Malaysia, Singapore and the United Kingdom.

Business strategy

Our value proposition is to collaborate and engineer solutions to maximize asset value for our customers. We strive to achieve superior growth and returns for our shareholders by delivering technology and services that improve efficiency, increase recovery and maximize production for our customers. Our objectives are to:

- create a balanced portfolio of services and products supported by global infrastructure and anchored by technological innovation to further differentiate our company;
- reach a distinguished level of operational excellence that reduces costs and creates real value;
- preserve a dynamic workforce by being a preferred employer to attract, develop and retain the best global talent; and
- uphold our strong ethical and business standards, and maintain the highest standards of health, safety and environmental performance.

For further discussion on our business strategies, see "Management's Discussion and Analysis of Financial Condition and Results of Operations – Executive Overview."

Markets and competition

We are one of the world's largest diversified energy services companies. Our services and products are sold in highly competitive markets throughout the world. Competitive factors impacting sales of our services and products include: price; service delivery; health, safety and environmental standards and practices; service quality; global talent retention; understanding the geological characteristics of the hydrocarbon reservoir; product quality; warranty; and technical proficiency.

We conduct business worldwide in more than 80 countries. The business operations of our divisions are organized around four primary geographic regions: North America, Latin America, Europe/Africa/CIS and Middle East/Asia. In 2018, 2017 and 2016, based on the location of services provided and products sold, 58%, 53% and 41% of our consolidated revenue was from the United States. No other country accounted for more than 10% of our consolidated revenue during these periods. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" for additional information about our geographic operations. Because the markets for our services and products are vast and cross numerous geographic lines, it is not practicable to provide a meaningful estimate of the total number of our competitors. The industries we serve are highly competitive, and we have many substantial competitors. Most of our services and products are marketed through our service and sales organizations.

Operations in some countries may be adversely affected by unsettled political conditions, acts of terrorism, civil unrest, force majeure, war or other armed conflict, sanctions, expropriation or other governmental actions, inflation, changes in foreign currency exchange rates, foreign currency exchange restrictions and highly inflationary currencies, as well as other geopolitical factors. We believe the geographic diversification of our business activities reduces the risk that loss of operations in any one country, other than the United States, would be materially adverse to our business, consolidated results of operations or consolidated financial condition.

Information regarding our exposure 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 – Financial Instrument Market Risk" and in Note 13 to the consolidated financial statements.

Customers

Our revenue from continuing operations during the past three years was derived from the sale of services and products to the energy industry. No single customer represented more than 10% of our consolidated revenue in any period presented.

Raw materials

Raw materials essential to our business are normally readily available. Market conditions can trigger constraints in the supply of certain raw materials, such as proppants (primarily sand), hydrochloric acid and gels, including guar gum (a blending additive used in hydraulic fracturing). We are always seeking ways to ensure the availability of resources, as well as manage costs of raw materials. Our procurement department uses our size and buying power to enhance our access to key materials at competitive prices.

Patents

We own a large number of patents and have pending a substantial number of patent applications covering various products and processes. We are also licensed to utilize technology covered by patents owned by others, and we license others to utilize technology covered by our patents. We do not consider any particular patent to be material to our business operations.

Seasonality

Weather and natural phenomena can temporarily affect the performance of our services, but the widespread geographical locations of our operations mitigate those effects. Examples of how weather can impact our business include:

- the severity and duration of the winter in North America can have a significant impact on natural gas storage levels and drilling activity;
- the timing and duration of the spring thaw in Canada directly affects activity levels due to road restrictions;
- typhoons and hurricanes can disrupt coastal and offshore operations; and
- severe weather during the winter normally results in reduced activity levels in the North Sea and Russia.

Additionally, customer spending patterns for software, completion tools and various other oilfield services and products typically result in higher activity in the fourth quarter of the year. Conversely, customer budget constraints may lead to lower demand for our services and products in the fourth quarter of the year.

Employees

At December 31, 2018, we employed approximately 60,000 people worldwide compared to approximately 55,000 at December 31, 2017. At December 31, 2018, approximately 13% of our employees were subject to collective bargaining agreements. Based upon the geographic diversification of these employees, we do not believe any risk of loss from employee strikes or other collective actions would be material to the conduct of our operations taken as a whole.

Environmental regulation

We are subject to numerous environmental, legal and regulatory requirements related to our operations worldwide. For further information related to environmental matters and regulation, see Note 8 to the consolidated financial statements and Item 1(a), "Risk Factors."

Hydraulic fracturing

Hydraulic fracturing is a process that creates fractures extending from the well bore into the rock formation to enable natural gas or oil to move more easily from the rock pores to a production conduit. A significant portion of our Completion and Production segment provides hydraulic fracturing services to customers developing shale natural gas and shale oil. From time to time, questions arise about the scope of our operations in the shale natural gas and shale oil sectors, and the extent to which these operations may affect human health and the environment.

At the direction of our customer, we design and generally implement a hydraulic fracturing operation to 'stimulate' the well's production, once the well has been drilled, cased and cemented. Our customer is generally responsible for providing the base fluid (usually water) used in the hydraulic fracturing of a well. We generally supply the proppant (primarily sand) and at least a portion of the additives used in the overall fracturing fluid mixture. In addition, we mix the additives and proppant with the base fluid and pump the mixture down the wellbore to create the desired fractures in the target formation. The customer is responsible for disposing and/or recycling for further use any materials that are subsequently produced or pumped out of the well, including flowback fluids and produced water.

As part of the process of constructing the well, the customer will take a number of steps designed to protect drinking water resources. In particular, the casing and cementing of the well are designed to provide 'zonal isolation' so that the fluids pumped down the wellbore and the oil and natural gas and other materials that are subsequently pumped out of the well will not come into contact with shallow aquifers or other shallow formations through which those materials could potentially migrate to freshwater aquifers or the surface.

The potential environmental impacts of hydraulic fracturing have been studied by numerous government entities and others. In 2004, the United States Environmental Protection Agency (EPA) conducted an extensive study of hydraulic fracturing practices, focusing on coalbed methane wells, and their potential effect on underground sources of drinking water. The EPA's study concluded that hydraulic fracturing of coalbed methane wells poses little or no threat to underground sources of drinking water. In December 2016, the EPA released a final report, "*Hydraulic Fracturing for Oil and Gas: Impacts from the Hydraulic Fracturing Water Cycle on Drinking Water Resources in the United States*" representing the culmination of a six-year study requested by Congress. While the EPA report noted a potential for some impact to drinking water sources caused by hydraulic fracturing, the agency confirmed the overall incidence of impacts is low. Moreover, a number of the areas of potential impact identified in the report involve activities for which we are not generally responsible, such as potential impacts associated with withdrawals of surface water for use as a base fluid and management of wastewater.

We have proactively developed processes to provide our customers with the chemical constituents of our hydraulic fracturing fluids to enable our customers to comply with state laws as well as voluntary standards established by the Chemical Disclosure Registry, www.fracfocus.org. We have also invested considerable resources in developing hydraulic fracturing technologies, in both the equipment and chemistry portions of our business, which offer our customers a variety of environment-friendly alternatives related to the use of hydraulic fracturing fluid additives and other aspects of our hydraulic fracturing operations. We created a hydraulic fracturing fluid system comprised of materials sourced entirely from the food industry. In addition, we have engineered a process that uses ultraviolet light to control the growth of bacteria in hydraulic fracturing fluids, allowing customers to minimize the use of chemical biocides. We are committed to the continued development of innovative chemical and mechanical technologies that allow for more economical and environment-friendly development of the world's oil and natural gas reserves, and that reduce noise while complying with Tier 4 lower emission legislation.

In evaluating any environmental risks that may be associated with our hydraulic fracturing services, it is helpful to understand the role that we play in the development of shale natural gas and shale oil. Our principal task generally is to manage the process of injecting fracturing fluids into the borehole to 'stimulate' the well. Thus, based on the provisions in our contracts and applicable law, the primary environmental risks we face are potential pre-injection spills or releases of stored fracturing fluids and potential spills or releases of fuel or other fluids associated with pumps, blenders, conveyors, or other above-ground equipment used in the hydraulic fracturing process.

Although possible concerns have been raised about hydraulic fracturing, the circumstances described above have helped to mitigate those concerns. To date, we have not been obligated to compensate any indemnified party for any environmental liability arising directly from hydraulic fracturing, although there can be no assurance that such obligations or liabilities will not arise in the future. For further information on risks related to hydraulic fracturing, see Item 1(a), "Risk Factors."

Working capital

We fund our business operations through a combination of available cash and equivalents, short-term investments and cash flow generated from operations. In addition, our revolving credit facility is available for additional working capital needs.

Web site access

Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 are made available free of charge on our internet web site (www.halliburton.com) as soon as reasonably practicable after we have electronically filed the material with, or furnished it to, the Securities and Exchange Commission (SEC). The SEC maintains an internet site (www.sec.gov) that contains our reports, proxy and information statements and our other SEC filings. We have posted on our web site our Code of Business Conduct, which applies to all of our employees and Directors and serves as a code of ethics for our principal executive officer, principal financial officer, principal accounting officer and other persons performing similar functions. Any amendments to our Code of Business Conduct or any waivers from provisions of our Code of Business Conduct granted to the specified officers above are disclosed on our web site within four business days after the date of any amendment or waiver pertaining to these officers. There have been no waivers from provisions of our Code of Business Conduct for the years 2018, 2017, or 2016. Except to the extent expressly stated otherwise, information contained on or accessible from our web site or any other web site is not incorporated by reference into this annual report on Form 10-K and should not be considered part of this report.

Executive Officers of the Registrant

The following table indicates the names and ages of the executive officers of Halliburton Company as of February 13, 2019, including all offices and positions held by each in the past five years:

Name and Age	Offices Held and Term of Office
Anne L. Beaty (Age 62)	Senior Vice President, Finance of Halliburton Company, since March 2017 Senior Vice President, Internal Assurance Services of Halliburton Company, November 2013 to March 2017
Eric J. Carre (Age 52)	Executive Vice President, Global Business Lines of Halliburton Company, since May 2016 Senior Vice President, Drilling and Evaluation Division of Halliburton Company, June 2011 to April 2016
Charles E. Geer, Jr. (Age 48)	Vice President and Corporate Controller of Halliburton Company, since January 2015 Vice President, Finance of Halliburton Company, December 2013 to December 2014
Myrtle L. Jones (Age 59)	Senior Vice President, Tax of Halliburton Company, since March 2013
Lance Loeffler (Age 41)	Executive Vice President and Chief Financial Officer of Halliburton Company, since November 2018 Vice President of Investor Relations of Halliburton Company, April 2016 to November 2018 Vice President of Corporate Development of Halliburton Company, August 2014 to April 2016 Director of Deutsche Bank, March 2011 to August 2014
Timothy M. McKeon (Age 46)	Vice President and Treasurer of Halliburton Company, since January 2014
Jeffrey A. Miller (Age 55)	Chairman of the Board, President and Chief Executive Officer of Halliburton Company, since January 2019 Member of the Board of Directors, President and Chief Executive Officer of Halliburton Company, June 2017 to December 2018 Member of the Board of Directors and President of Halliburton Company, August 2014 to May 2017 Executive Vice President and Chief Operating Officer of Halliburton Company, September 2012 to July 2014
Lawrence J. Pope (Age 50)	Executive Vice President of Administration and Chief Human Resources Officer of Halliburton Company, since January 2008
Joe D. Rainey (Age 62)	President, Eastern Hemisphere of Halliburton Company, since January 2011
Mark J. Richard (Age 57)	President, Western Hemisphere of Halliburton Company, since February 2019 Senior Vice President, Northern U.S. Region of Halliburton Company, August 2018 to January 2019 Senior Vice President, Business Development and Marketing of Halliburton Company, November 2015 to July 2018 Senior Vice President, Europe/Sub-Saharan Africa Region of Halliburton Company, February 2014 to October 2015

Robb L. Voyles (Age 61)	Executive Vice President, Secretary and General Counsel of Halliburton Company, since May 2015
	Interim Chief Financial Officer of Halliburton Company, March 2017 to June 2017
	Executive Vice President and General Counsel of Halliburton Company, January 2014 to April 2015

There are no family relationships between the executive officers of the registrant or between any director and any executive officer of the registrant.

Item 1(a). Risk Factors.

The statements in this section describe the known material risks to our business and should be considered carefully.

Trends in oil and natural gas prices affect the level of exploration, development and production activity of our customers and the demand for our services and products, which could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

Demand for our services and products is particularly sensitive to the level of exploration, development and production activity of, and the corresponding capital spending by, oil and natural gas companies. The level of exploration, development and production activity is directly affected by trends in oil and natural gas prices, which historically have been volatile and are likely to continue to be volatile. Prices for oil and natural gas are subject to large fluctuations in response to relatively minor changes in the supply of and demand for oil and natural gas, market uncertainty and a variety of other economic factors that are beyond our control. Given the long-term nature of many large-scale development projects, even the perception of longer-term lower oil and natural gas prices by oil and natural gas companies can cause them to reduce or defer major expenditures. We also have a small number of integrated projects that have remuneration tied to hydrocarbon production. Reduction in oil and gas prices can affect the overall returns for these projects, either lengthening the time until the expected returns are realized or by impairing the value of the asset. Any prolonged reductions of commodity prices or expectations of such reductions could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition, and could result in asset impairments and severance costs.

Factors affecting the prices of oil and natural gas include:

- the level of supply and demand for oil and natural gas;
- the ability or willingness of the Organization of Petroleum Exporting Countries (OPEC) to set and maintain oil production levels;
- the level of oil production in the U.S. and by other non-OPEC countries;
- oil refining capacity and shifts in end-customer preferences toward fuel efficiency and the use of natural gas;
- the cost of, and constraints associated with, producing and delivering oil and natural gas;
- governmental regulations, including the policies of governments regarding the exploration for and production and development of their oil and natural gas reserves;
- weather conditions and natural disasters;
- worldwide political, military and economic conditions; and
- increased demand for alternative fuels and electric vehicles, including government initiatives to promote the use of renewable energy sources and public sentiment around alternatives to oil and gas.

Our business is dependent on capital spending by our customers, and reductions in capital spending could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

Our business is directly affected by changes in capital expenditures by our customers, and reductions in their capital spending could reduce demand for our services and products and have a material adverse effect on our business, consolidated results of operations, and consolidated financial condition. Some of the items that may impact our customer's capital spending include:

- oil and natural gas prices, including volatility of oil and natural gas prices and expectations regarding future prices;
- the inability of our customers to access capital on economically advantageous terms;
- restrictions on our customers' ability to get their produced oil and natural gas to market due to infrastructure limitations (such as those that currently exist in the U.S. Permian Basin);
- the consolidation of our customers;
- customer personnel changes; and
- adverse developments in the business or operations of our customers, including write-downs of oil and natural gas reserves and borrowing base reductions under customer credit facilities.

Any significant reduction in commodity prices or a change in our customers’ expectations of commodity prices, economic growth or supply and demand for oil and natural gas may result in capital budget reductions in the future. For example, we believe that the drop in the price of oil at the end of 2018, despite the recovery during January 2019, had a negative impact on certain of our customers’ expectations about prices during 2019 and, as a result, the amount of their capital spending budgets for 2019. Any substantial and unexpected drop in commodity prices in the future, even if the drop is relatively short-lived, could similarly affect our customers’ expectations and capital spending, which could result in a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

Our operations are subject to political and economic instability and risk of government actions that could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

We are exposed to risks inherent in doing business in each of the countries in which we operate. Our operations are subject to various risks unique to each country that could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition. With respect to any particular country, these risks may include:

- political and economic instability, including:
  - civil unrest, acts of terrorism, war and other armed conflict;
  - inflation; and
  - currency fluctuations, devaluations and conversion restrictions; and
- governmental actions that may:
  - result in expropriation and nationalization of our assets in that country;
  - result in confiscatory taxation or other adverse tax policies;
  - limit or disrupt markets or our operations, restrict payments, or limit the movement of funds;
  - impose sanctions on our ability to conduct business with certain customers or persons;
  - result in the deprivation of contract rights; and
  - result in the inability to obtain or retain licenses required for operation.

For example, due to the unsettled political conditions in many oil-producing countries, our operations, revenue and profits are subject to the adverse consequences of war, terrorism, civil unrest, strikes, currency controls and governmental actions. These and other risks described above could result in the loss of our personnel or assets, cause us to evacuate our personnel from certain countries, cause us to increase spending on security worldwide, cause us to cease operating in certain countries, disrupt financial and commercial markets, including the supply of and pricing for oil and natural gas, and generate greater political and economic instability in some of the geographic areas in which we operate. Areas where we operate that have significant risk include, but are not limited to: the Middle East, North Africa, Angola, Azerbaijan, Indonesia, Kazakhstan, Mexico, Nigeria, Russia and Venezuela. In addition, any possible reprisals as a consequence of military or other action, such as acts of terrorism in the United States or elsewhere, could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

Our operations are subject to cyberattacks that could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

We are increasingly dependent on digital technologies and services to conduct our business. We use these technologies for internal purposes, including data storage, processing and transmissions, as well as in our interactions with customers and suppliers. Examples of these digital technologies include analytics, automation, and cloud services. Digital technologies and services are subject to the risk of cyberattacks and, given the nature of such attacks, some incidents can remain undetected for a period of time despite our efforts to detect and respond to them in a timely manner. We routinely monitor our systems for cyber threats and have processes in place to detect and remediate vulnerabilities. Nevertheless, we have experienced occasional cyberattacks and attempted breaches over the past year, including phishing emails and ransomware infections. We detected and remediated all of these incidents. No known leakage of financial, technical or customer data occurred and none of the incidents had a material adverse effect on our business, operations, reputation, or consolidated results of operations or consolidated financial condition.

If our systems for protecting against cybersecurity risks prove not to be sufficient, we could be adversely affected by, among other things: loss of or damage to intellectual property, proprietary or confidential information, or customer, supplier, or employee data; interruption of our business operations; and increased costs required to prevent, respond to, or mitigate cybersecurity attacks. These risks could harm our reputation and our relationships with customers, suppliers, employees and other third parties, and may result in claims against us. These risks could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

Our operations outside the United States require us to comply with a number of United States and international regulations, violations of which could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

Our operations outside the United States require us to comply with a number of United States and international regulations. For example, our operations in countries outside the United States are subject to the United States Foreign Corrupt Practices Act (FCPA), which prohibits United States companies and their agents and employees from providing anything of value to a foreign official for the purposes of influencing any act or decision of these individuals in their official capacity to help obtain or retain business, direct business to any person or corporate entity, or obtain any unfair advantage. Our activities create the risk of unauthorized payments or offers of payments by our employees, agents, or joint venture partners that could be in violation of anti-corruption laws, even though some of these parties are not subject to our control. We have internal control policies and procedures and have implemented training and compliance programs for our employees and agents with respect to the FCPA. However, we cannot assure that our policies, procedures and programs always will protect us from reckless or criminal acts committed by our employees or agents. We are also subject to the risks that our employees, joint venture partners and agents outside of the United States may fail to comply with other applicable laws. Allegations of violations of applicable anti-corruption laws have resulted and may in the future result in internal, independent, or government investigations. Violations of anti-corruption laws may result in severe criminal or civil sanctions, and we may be subject to other liabilities, which could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

In addition, the shipment of goods, services and technology across international borders subjects us to extensive trade laws and regulations. Our import activities are governed by the unique customs laws and regulations in each of the countries where we operate. Moreover, many countries, including the United States, control the export and re-export of certain goods, services and technology and impose related export recordkeeping and reporting obligations. Governments may also impose economic sanctions against certain countries, persons and entities that may restrict or prohibit transactions involving such countries, persons and entities, which may limit or prevent our conduct of business in certain jurisdictions. During 2014, the United States and European Union imposed sectoral sanctions directed at Russia's oil and gas industry. Among other things, these sanctions restrict the provision of U.S. and EU goods, services and technology in support of exploration or production for deep water, Arctic offshore, or shale projects that have the potential to produce oil in Russia. These sanctions resulted in our winding down and ending work on two projects in Russia in 2014, and have prevented us from pursuing certain other projects in Russia. In 2017 and 2018, the U.S. Government imposed additional sanctions against Russia, Russia's oil and gas industry and certain Russian companies. Our ability to engage in certain future projects in Russia or involving certain Russian customers is dependent upon whether or not our involvement in such projects is restricted under U.S. or EU sanctions laws and the extent to which any of our current or prospective operations in Russia or with certain Russian customers may be subject to those laws. Those laws may change from time to time, and any expansion of sanctions against Russia's oil and gas industry could further hinder our ability to do business in Russia or with certain Russian customers, which could have a material adverse effect on our consolidated results of operations.

In 2017, the U.S. Government announced sanctions directed at certain Venezuelan individuals and imposed additional economic sanctions around certain categories of trade financing transactions in Venezuela. In the first quarter of 2018, the Office of Foreign Assets Control (OFAC) of the U.S. Department of the Treasury issued additional guidance on these sanctions which purports to prohibit the acceptance of payments on receivables issued on or after August 25, 2017 and outstanding longer than 90 days from customers subject to U.S. sanctions related to Venezuela in the absence of an OFAC license. During the first quarter of 2018, we wrote down all of our remaining investment in Venezuela. See Note 4 to the consolidated financial statements for further information. On January 28, 2019, OFAC issued additional sanctions targeting the Venezuela energy sector and granted a general license to us to continue our operations in Venezuela until July 27, 2019, subject to previously issued OFAC sanctions. We are continuing our limited operations in Venezuela pursuant to this general license and are evaluating our operations in advance of the July 27, 2019 termination of the general license.

The laws and regulations concerning import activity, export recordkeeping and reporting, export control and economic sanctions are complex and constantly changing. These laws and regulations can cause delays in shipments and unscheduled operational downtime. Moreover, any failure to comply with applicable legal and regulatory trading obligations could result in criminal and civil penalties and sanctions, such as fines, imprisonment, debarment from governmental contracts, seizure of shipments and loss of import and export privileges. In addition, investigations by governmental authorities and legal, social, economic and political issues in these countries could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

Changes in, compliance with, or our failure to comply with laws in the countries in which we conduct business may negatively impact our ability to provide services in, make sales of equipment to and transfer personnel or equipment among some of those countries and could have a material adverse effect on our business and consolidated results of operations.

In the countries in which we conduct business, we are subject to multiple and, at times, inconsistent regulatory regimes, including those that govern our use of radioactive materials, explosives and chemicals in the course of our operations. Various national and international regulatory regimes govern the shipment of these items. Many countries, but not all, impose special controls upon the export and import of radioactive materials, explosives and chemicals. Our ability to do business is subject to maintaining required licenses and complying with these multiple regulatory requirements applicable to these special products. In addition, the various laws governing import and export of both products and technology apply to a wide range of services and products we offer. In turn, this can affect our employment practices of hiring people of different nationalities because these laws may prohibit or limit access to some products or technology by employees of various nationalities. Changes in, compliance with, or our failure to comply with these laws may negatively impact our ability to provide services in, make sales of equipment to and transfer personnel or equipment among some of the countries in which we operate and could have a material adverse effect on our business and consolidated results of operations.

The adoption of any future federal, state, or local laws or implementing regulations imposing reporting obligations on, or limiting or banning, the hydraulic fracturing process could make it more difficult to complete natural gas and oil wells and could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

Various federal and state legislative and regulatory initiatives, as well as actions in other countries, have been or could be undertaken which could result in additional requirements or restrictions being imposed on hydraulic fracturing operations. For example, legislation and/or regulations have been adopted in many U.S. states that require additional disclosure regarding chemicals used in the hydraulic fracturing process but that generally include protections for proprietary information. Legislation, regulations and/or policies have also been adopted at the state level that impose other types of requirements on hydraulic fracturing operations (such as limits on operations in the event of certain levels of seismic activity). Additional legislation and/or regulations are being considered at the state and local level that could impose further chemical disclosure or other regulatory requirements (such as prohibitions on hydraulic fracturing operations in certain areas) that could affect our operations. Three states (New York, Maryland and Vermont) have banned the use of high volume hydraulic fracturing. Local jurisdictions in some states have adopted ordinances that restrict or in certain cases prohibit the use of hydraulic fracturing, although many of these ordinances have been challenged and some have been overturned. In addition, governmental authorities in various foreign countries where we have provided or may provide hydraulic fracturing services have imposed or are considering imposing various restrictions or conditions that may affect hydraulic fracturing operations.

The adoption of any future federal, state, local, or foreign laws or regulations imposing reporting obligations on, or limiting or banning, the hydraulic fracturing process could make it more difficult to complete natural gas and oil wells and could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

Liabilities arising out of catastrophic well incidents could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

Catastrophic events can occur at well sites where we conduct our operations, including blowouts resulting in explosions, fires, personal injuries, property damage, pollution and regulatory responsibility. Generally, we rely on contractual indemnities, releases and limitations on liability with our customers, and liability insurance coverage, to protect us from potential liability related to such occurrences. However, we do not have these contractual provisions in all contracts, and even where we do, it is possible that the respective customer or insurer could seek to avoid or be financially unable to meet its obligations or a court may decline to enforce such provisions. Damages that are not indemnified or released could greatly exceed available insurance coverage and could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

Liability for cleanup costs, natural resource damages and other damages arising as a result of environmental laws could be substantial and could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

We are exposed to claims under environmental requirements and, from time to time, such claims have been made against us. In the United States, environmental requirements and regulations typically impose strict liability. Strict liability means that in some situations we could be exposed to liability for cleanup costs, natural resource damages and other damages as a result of our conduct that was lawful at the time it occurred or the conduct of prior operators or other third parties. We are periodically notified of potential liabilities at federal and state superfund sites. These potential liabilities may arise from both historical Halliburton operations and the historical operations of companies that we have acquired. Our exposure at these sites may be materially impacted by unforeseen adverse developments both in the final remediation costs and with respect to the final allocation among the various parties involved at the sites. The relevant regulatory agency may bring suit against us for amounts in excess of what we have accrued and what we believe is our proportionate share of remediation costs at any superfund site. We also could be subject to third-party claims, including punitive damages, with respect to environmental matters for which we have been named as a potentially responsible party. Liability for damages arising as a result of environmental laws or related third-party claims could be substantial and could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

Failure on our part to comply with, and the costs of compliance with, applicable health, safety and environmental requirements could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

Our business is subject to a variety of health, safety and environmental laws, rules and regulations in the United States and other countries, including those covering hazardous materials and requiring emission performance standards for facilities. For example, our well service operations routinely involve the handling of significant amounts of waste materials, some of which are classified as hazardous substances. We also store, transport and use radioactive and explosive materials in certain of our operations. Applicable regulatory requirements include those concerning:

- the containment and disposal of hazardous substances, oilfield waste and other waste materials;
- the importation and use of radioactive materials;
- the use of underground storage tanks;
- the use of underground injection wells; and
- the protection of worker safety both onshore and offshore.

These and other requirements generally are becoming increasingly strict. The failure to comply with the requirements, many of which may be applied retroactively, may result in:

- administrative, civil and criminal penalties;
- revocation of permits to conduct business; and
- corrective action orders, including orders to investigate and/or clean up contamination.

Failure on our part to comply with applicable environmental requirements or costs arising from regulatory compliance, including compliance with changes in or expansion of applicable regulatory requirements, could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

Existing or future laws, regulations, treaties or international agreements related to greenhouse gases, climate change and alternative energy sources could have a negative impact on our business and may result in additional compliance obligations that could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

Changes in environmental requirements related to greenhouse gases, climate change and alternative energy sources may negatively impact demand for our services. For example, oil and natural gas exploration and production may decline as a result of environmental requirements, including land use policies responsive to environmental concerns. State, national and international governments and agencies in areas in which we conduct business continue to evaluate, and in some instances adopt, climate-related legislation and other regulatory initiatives that would restrict emissions of greenhouse gases. Because our business depends on the level of activity in the oil and natural gas industry, existing or future laws, regulations, treaties, or international agreements related to greenhouse gases and climate change, including incentives to conserve energy or use alternative energy sources, may reduce demand for oil and natural gas and could have a negative impact on our business. Likewise, such restrictions may result in additional compliance obligations with respect to the release, capture, sequestration and use of carbon dioxide that could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

Our business could be materially and adversely affected by severe or unseasonable weather where we have operations.

Our business could be materially and adversely affected by severe weather, particularly in Canada, the Gulf of Mexico, Russia and the North Sea. Some experts believe global climate change could increase the frequency and severity of extreme weather conditions. Repercussions of severe or unseasonable weather conditions may include:

- evacuation of personnel and curtailment of services;
- weather-related damage to offshore drilling rigs resulting in suspension of operations;
- weather-related damage to our facilities and project work sites;
- inability to deliver materials to jobsites in accordance with contract schedules;
- decreases in demand for oil and natural gas during unseasonably warm winters; and
- loss of productivity.

Changes in or interpretation of tax law and currency/repatriation control could impact the determination of our income tax liabilities for a tax year.

We have operations in more than 80 countries. Consequently, we are subject to the jurisdiction of a significant number of taxing authorities. The income earned in these various jurisdictions is taxed on differing bases, including net income actually earned, net income deemed earned and revenue-based tax withholding. The final determination of our income tax liabilities involves the interpretation of local tax laws, tax treaties and related authorities in each jurisdiction, as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. Changes in the operating environment, including changes in or interpretation of tax law and currency/repatriation controls, could impact the determination of our income tax liabilities for the year.

We are subject to foreign exchange risks and limitations on our ability to reinvest earnings from operations in one country to fund the capital needs of our operations in other countries or to repatriate assets from some countries.

A sizable portion of our consolidated revenue and consolidated operating expenses is in foreign currencies. As a result, we are subject to significant risks, including:

- foreign currency exchange risks resulting from changes in foreign currency exchange rates and the implementation of exchange controls; and
- limitations on our ability to reinvest earnings from operations in one country to fund the capital needs of our operations in other countries.

As an example, we conduct business in countries that have restricted or limited trading markets for their local currencies and restrict or limit cash repatriation. We may accumulate cash in those geographies, but we may be limited in our ability to convert our profits into United States dollars or to repatriate the profits from those countries.

Our failure to protect our proprietary information and any successful intellectual property challenges or infringement proceedings against us could materially and adversely affect our competitive position.

We rely on a variety of intellectual property rights that we use in our services and products. We may not be able to successfully preserve these intellectual property rights in the future, and these rights could be invalidated, circumvented or challenged. In addition, the laws of some foreign countries in which our services and products may be sold do not protect intellectual property rights to the same extent as the laws of the United States. Our failure to protect our proprietary information and any successful intellectual property challenges or infringement proceedings against us could materially and adversely affect our competitive position.

If we are not able to design, develop and produce commercially competitive products and to implement commercially competitive services in a timely manner in response to changes in the market, customer requirements, competitive pressures and technology trends, our business and consolidated results of operations could be materially and adversely affected, and the value of our intellectual property may be reduced.

The market for our services and products is characterized by continual technological developments to provide better and more reliable performance and services. If we are not able to design, develop and produce commercially competitive products and to implement commercially competitive services in a timely manner in response to changes in the market, customer requirements, competitive pressures and technology trends, our business and consolidated results of operations could be materially and adversely affected, and the value of our intellectual property may be reduced. Likewise, if our proprietary technologies, equipment, facilities, or work processes become obsolete, we may no longer be competitive, and our business and consolidated results of operations could be materially and adversely affected.

If we lose one or more of our significant customers or if our customers delay paying or fail to pay a significant amount of our outstanding receivables, it could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

We depend on a limited number of significant customers. While no single customer represented more than 10% of consolidated revenue in any period presented, the loss of one or more significant customers could have a material adverse effect on our business and our consolidated results of operations.

In most cases, we bill our customers for our services in arrears and are, therefore, subject to our customers delaying or failing to pay our invoices. In weak economic or commodity price environments, we may experience increased delays and failures due to, among other reasons, a reduction in our customers' cash flow from operations and their access to the credit markets. If our customers delay paying or fail to pay us a significant amount of our outstanding receivables, it could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

We sometimes provide integrated project management services in the form of long-term, fixed price contracts that may require us to assume additional risks associated with cost over-runs, operating cost inflation, labor availability and productivity, supplier and contractor pricing and performance, and potential claims for liquidated damages.

We sometimes provide integrated project management services outside our normal discrete business in the form of long-term, fixed price contracts. Some of these contracts are required by our customers, primarily national oil companies (NOCs). These services include acting as project managers as well as service providers and may require us to assume additional risks associated with cost over-runs. These customers may provide us with inaccurate information in relation to their reserves, which is a subjective process that involves location and volume estimation, that may result in cost over-runs, delays and project losses. In addition, NOCs often operate in countries with unsettled political conditions, war, civil unrest, or other types of community issues. These issues may also result in cost over-runs, delays and project losses.

Providing services on an integrated basis may also require us to assume additional risks associated with operating cost inflation, labor availability and productivity, supplier pricing and performance, and potential claims for liquidated damages. We rely on third-party subcontractors and equipment providers to assist us with the completion of these types of contracts. To the extent that we cannot engage subcontractors or acquire equipment or materials in a timely manner and on reasonable terms, our ability to complete a project in accordance with stated deadlines or at a profit may be impaired. If the amount we are required to pay for these goods and services exceeds the amount we have estimated in bidding for fixed-price work, we could experience losses in the performance of these contracts. These delays and additional costs may be substantial, and we may be required to compensate our customers for these delays. This may reduce the profit to be realized or result in a loss on a project.

Constraints in the supply of, prices for and availability of transportation of raw materials can have a material adverse effect on our business and consolidated results of operations.

Raw materials essential to our business, such as proppants (primarily sand), hydrochloric acid, and gels, including guar gum, are normally readily available. Shortage of raw materials as a result of high levels of demand or loss of suppliers during market challenges can trigger constraints in the supply chain of those raw materials, particularly where we have a relationship with a single supplier for a particular resource. Many of the raw materials essential to our business require the use of rail, storage and trucking services to transport the materials to our jobsites. These services, particularly during times of high demand, may cause delays in the arrival of or otherwise constrain our supply of raw materials. These constraints could have a material adverse effect on our business and consolidated results of operations. In addition, price increases imposed by our vendors for raw materials used in our business and the inability to pass these increases through to our customers could have a material adverse effect on our business and consolidated results of operations.

Our acquisitions, dispositions and investments may not result in anticipated benefits and may present risks not originally contemplated, which may have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

We continually seek opportunities to maximize efficiency and value through various transactions, including purchases or sales of assets, businesses, investments, or joint venture interests. These transactions are intended to (but may not) result in the realization of savings, the creation of efficiencies, the offering of new products or services, the generation of cash or income, or the reduction of risk. Acquisition transactions may use cash on hand or be financed by additional borrowings or by the issuance of our common stock. These transactions may also affect our business, consolidated results of operations and consolidated financial condition.

These transactions also involve risks, and we cannot ensure that:

- any acquisitions we attempt will be completed on the terms announced, or at all;
- any acquisitions would result in an increase in income or provide an adequate return of capital or other anticipated benefits;
- any acquisitions would be successfully integrated into our operations and internal controls;
- the due diligence conducted prior to an acquisition would uncover situations that could result in financial or legal exposure, including under the FCPA, or that we will appropriately quantify the exposure from known risks;
- any disposition would not result in decreased earnings, revenue, or cash flow;
- use of cash for acquisitions would not adversely affect our cash available for capital expenditures and other uses; or
- any dispositions, investments, or acquisitions, including integration efforts, would not divert management resources.

Actions of and disputes with our joint venture partners could have a material adverse effect on the business and results of operations of our joint ventures and, in turn, our business and consolidated results of operations.

We conduct some operations through joint ventures in which unaffiliated third parties may control the operations of the joint venture or we may share control. As with any joint venture arrangement, differences in views among the joint venture participants may result in delayed decisions, the joint venture operating in a manner that is contrary to our preference or in failures to agree on major issues. We also cannot control the actions of our joint venture partners, including any nonperformance, default, or bankruptcy of our joint venture partners. These factors could have a material adverse effect on the business and results of operations of our joint ventures and, in turn, our business and consolidated results of operations.

Our ability to operate and our growth potential could be materially and adversely affected if we cannot attract, employ and retain technical personnel at a competitive cost.

Many of the services that we provide and the products that we sell are complex and highly engineered and often must perform or be performed in harsh conditions. We believe that our success depends upon our ability to attract, employ and retain technical personnel with the ability to design, utilize and enhance these services and products. A significant increase in the wages paid by competing employers could result in a reduction of our skilled labor force, increases in the wage rates that we must pay, or both. If either of these events were to occur, our cost structure could increase, our margins could decrease and any growth potential could be impaired.

The loss or unavailability of any of our executive officers or other key employees could have a material adverse effect on our business.

We depend greatly on the efforts of our executive officers and other key employees to manage our operations. The loss or unavailability of any of our executive officers or other key employees could have a material adverse effect on our business.

Item 1(b). Unresolved Staff Comments.

None.

Item 2. Properties.

We own or lease numerous properties in domestic and foreign locations. Our principal properties include manufacturing facilities, research and development laboratories, technology centers and corporate offices. We also have numerous small facilities that include sales, project and support offices and bulk storage facilities throughout the world. All of our owned properties are unencumbered. We believe all properties that we currently occupy are suitable for their intended use.

The following locations represent our major facilities by segment:

– *Completion and Production:* Arbroath, United Kingdom; Johor Bahru, Malaysia; and Lafayette, Louisiana

– *Drilling and Evaluation:* Alvarado, Texas; Nisku, Canada; and The Woodlands, Texas

– *Shared/corporate facilities:* Bangalore, India; Carrollton, Texas; Denver, Colorado; Dhahran, Saudi Arabia; Dubai, United Arab Emirates (corporate executive offices); Duncan, Oklahoma; Houston, Texas (corporate executive offices); Kuala Lumpur, Malaysia; London, England; Moscow, Russia; Panama City, Panama; Pune, India; Rio de Janeiro, Brazil; Singapore; and Tananger, Norway

Item 3. Legal Proceedings.

Information related to Item 3. Legal Proceedings is included in Note 8 to the consolidated financial statements.

Item 4. Mine Safety Disclosures.

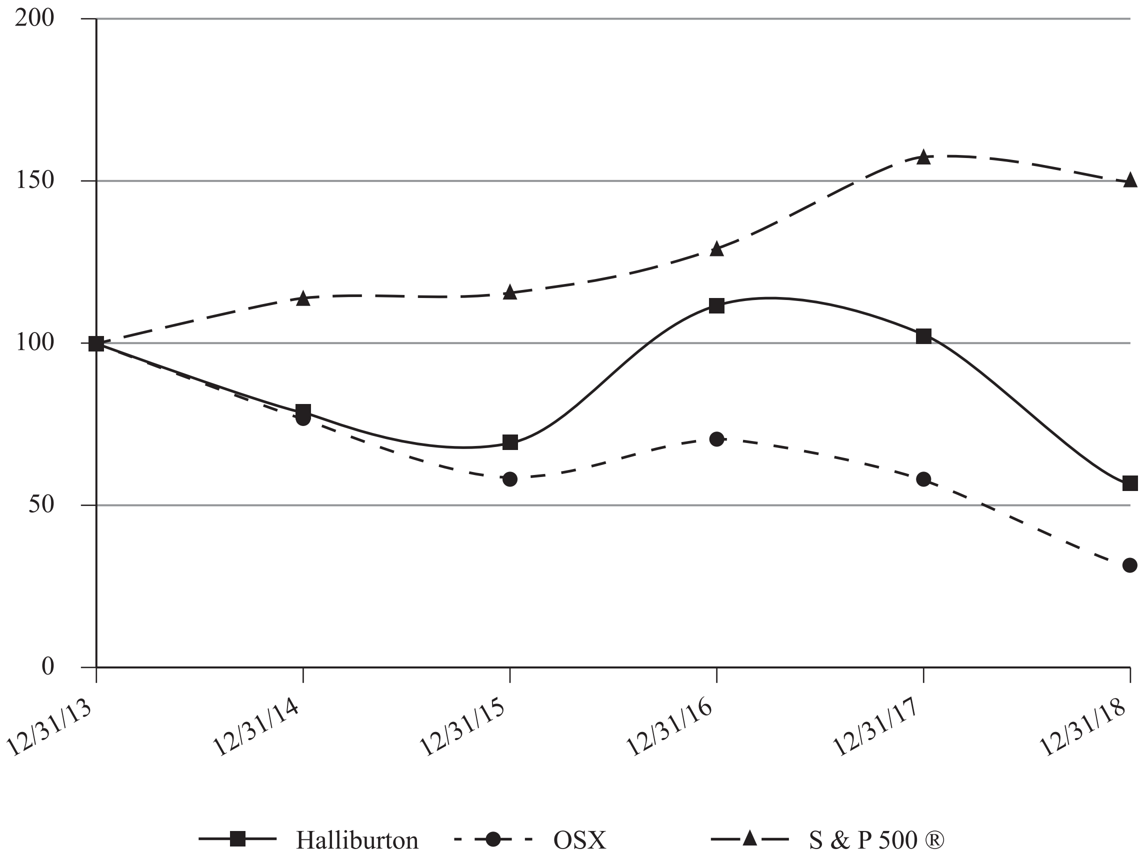
Our barite and bentonite mining operations, in support of our fluid services business, are subject to regulation by the federal Mine Safety and Health Administration under the Federal Mine Safety and Health Act of 1977. Information concerning mine safety violations or other regulatory matters required by section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K (17 CFR 229.104) is included in Exhibit 95 to this annual report.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Halliburton Company's common stock is traded on the New York Stock Exchange under the symbol "HAL." Information related to quarterly dividend payments is included under the caption "Quarterly Financial Data" in the consolidated financial statements. The declaration and payment of future dividends will be at the discretion of the Board of Directors and will depend on, among other things, future earnings, general financial condition and liquidity, success in business activities, capital requirements and general business conditions. Subject to Board of Directors approval, our intention is to continue paying dividends at our current rate during 2019.

The following graph and table compare total shareholder return on our common stock for the five-year period ended December 31, 2018, with the Philadelphia Oil Service Index (OSX) and the Standard & Poor's 500 ® Index over the same period. This comparison assumes the investment of $100 on December 31, 2013 and the reinvestment of all dividends. The shareholder return set forth is not necessarily indicative of future performance. The following graph and related information shall not be deemed "soliciting material" or to be "filed" with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that Halliburton specifically incorporates it by reference into such filing.



	December 31					
	2013	2014	2015	2016	2017	2018
Halliburton	$ 100.00	$ 78.40	$ 69.09	$ 111.64	$ 102.44	$ 56.78
Philadelphia Oil Service Index (OSX)	100.00	76.49	58.60	69.72	57.73	31.63
Standard & Poor's 500 ® Index	100.00	113.69	115.26	129.05	157.22	150.33

At February 8, 2019, we had 11,774 shareholders of record. In calculating the number of shareholders, we consider clearing agencies and security position listings as one shareholder for each agency or listing.

The following table is a summary of repurchases of our common stock during the three-month period ended December 31, 2018.

Period	Total Number of Shares Purchased (a)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (b)	Maximum Number (or Approximate Dollar Value) of Shares that may yet be Purchased Under the Program (b)
October 1 - 31	2,885,114	$34.88	2,868,100	$5,400,004,968
November 1 - 30	2,907,936	$34.52	2,896,800	$5,300,007,172
December 1 - 31	193,064	$30.45	—	$5,300,007,172
Total	5,986,114	$34.56	5,764,900	

(a) Of the 5,986,114 shares purchased during the three-month period ended December 31, 2018, 221,214 shares were acquired from employees in connection with the settlement of income tax and related benefit withholding obligations arising from vesting in restricted stock grants. These shares were not part of a publicly announced program to purchase common stock.

(b) Our Board of Directors has authorized a plan to repurchase a specified dollar amount of our common stock from time to time. During the fourth quarter of 2018, we repurchased approximately 5.8 million shares of our common stock pursuant to our share repurchase program for a total cost of approximately $200 million at an average price of $34.69 per share. Approximately $5.3 billion remained authorized for repurchases as of December 31, 2018. From the inception of this program in February 2006 through December 31, 2018, we repurchased approximately 212 million shares of our common stock for a total cost of approximately $8.8 billion.

Item 6. Selected Financial Data.

Information related to selected financial data is included on page 61 of this annual report.

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

Information related to Management’s Discussion and Analysis of Financial Condition and Results of Operations is included on pages 19 through 32 of this annual report.

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

Information related to market risk is included in “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Financial Instrument Market Risk” and Note 13 to the consolidated financial statements.

Item 8. Financial Statements and Supplementary Data.

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

None.

Item 9(a). Controls and Procedures.

In accordance with the Securities Exchange Act of 1934 Rules 13a-15 and 15d-15, we carried out an evaluation, under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2018 to provide reasonable assurance that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. Our disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

There has been no change in our internal control over financial reporting that occurred during the three months ended December 31, 2018 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

See page 33 for Management's Report on Internal Control Over Financial Reporting and page 35 for Report of Independent Registered Public Accounting Firm on its assessment of our internal control over financial reporting.

Item 9(b). Other Information.

None.

EXECUTIVE OVERVIEW

Financial results

Our business strengthened in 2018 as we continued to build for a longer-term industry recovery. We experienced some challenges in North America during the latter half of the year as a result of offtake capacity limitations and customer budget constraints, but we believe these are temporary in nature. We successfully maintained our global market share in 2018, which was accomplished by our investments in strategic growth areas and by competing in key markets as we continue to collaborate and engineer solutions to maximize asset value for our customers and align our business with customers in the fastest growing market segments.

We generated total company revenue of $24.0 billion during 2018, a 16% increase from the $20.6 billion of revenue generated in 2017, with our Completion and Production segment improving 22% and our Drilling and Evaluation segment improving 6%. We also reported total company operating income of approximately $2.5 billion in 2018, an 80% increase from operating income of $1.4 billion in 2017. These improvements were primarily associated with pressure pumping services, drilling activity and artificial lift in North America, as well as drilling activity in the Eastern Hemisphere.

Our North America revenue in 2018 increased 25% compared to 2017, outperforming the average North American rig count growth of 13%. However, the United States land rig count was relatively flat over the second half of 2018, with an average quarterly increase of less than 2%. A combination of offtake capacity limitations and customer budget constraints led to less demand for completion services during the fourth quarter of 2018. The lower demand created excess equipment capacity in the market and had a detrimental effect on pricing. As a result, our North America revenue decreased by 11% from the third quarter of 2018 to the fourth quarter of 2018, primarily driven by lower activity and pricing in stimulation services.

Our international business continues to show signs of a steady recovery and delivered annual revenue growth for the first time since 2014, with a 6% improvement from 2017 to 2018. This underscores the versatility and global reach of our business portfolio. Improvements in revenue were driven primarily by increased drilling and well intervention activity in the Middle East. While the international markets are continuing to improve, they are in the early stages of a recovery and pricing pressure remains a challenge. We have grown our international market share throughout the downturn because of our service quality and technology offerings and our willingness to collaborate with our customers. Our product service lines continue to focus on technology-driven value propositions to help our customers increase production and lower costs.

Business outlook

Commodity prices fell towards the end of 2018, with both West Texas Intermediate (WTI) and Brent crude oil spot prices dropping over 40% to levels not experienced since June of 2017. This price volatility created headwinds as we entered 2019. However, oil prices have climbed since the beginning of 2019, and we believe supply and demand fundamentals for multi-year industry growth are still intact. Our industry is going through a transformation brought on by the shale revolution and the recent down-cycle. The industry has removed substantial costs from the system and introduced significant efficiencies and many of our customers in North America appear to have shifted their strategy from production growth to operating within cash flow and generating returns. We believe this is a positive sign for the long-term prospects of our industry.

In North America, the drop in oil prices at the end of 2018 appears to have created some uncertainty about our customers' expectations about future prices, which in turn led to customer budgets for 2019 that are more limited than previously anticipated. Although we expect these reloaded budgets will drive modest improvement in completion activity levels in 2019, we anticipate that pressure on services pricing will continue in the first quarter. We believe, however, that there are several catalysts for a potential completions activity rebound in North America. These catalysts include what we expect will be a supportive commodity price environment, offtake capacity constraints alleviating in the Permian basin, and a high inventory of drilled but uncompleted (DUC) wells. If these catalysts materialize, we believe they will increase customer urgency and, in turn, drive higher pricing in the second half of 2019. We will continue to adjust our cost structure to market conditions. We are actively maintaining and improving the condition of our fleet to position our North America land business for success as the market improves.

Internationally, the market recovery continues at a modest pace. Over the course of 2019, we believe activity will improve across all international regions, although off of a low base in some geographies, such as Asia Pacific and Africa. This international recovery is led by mature fields as customers broadly favor shorter cycle returns and lower risk projects in today's environment. We believe in the strength of our mature fields technology portfolio, and we intend to continue building our mature fields capabilities in 2019 and beyond. We believe we are well-positioned for continued growth as a result of the significant investments we made to grow our global footprint in the last cycle, which included increasing our product service line operations in various geographies, expanding our manufacturing capacity in Singapore and opening technology centers in Saudi Arabia, India and Brazil. We intend to continue collaborating with our customers to improve their project economics and our profitability through advanced technology and increased operating efficiency.

During 2018, we had approximately $2.0 billion of capital expenditures, an increase of 48% from 2017, which were predominantly made in our Production Enhancement, Sperry Drilling, Artificial Lift, Wireline and Perforating, and Cementing product service lines. We intend to reduce our capital expenditures by 20% in 2019 to approximately $1.6 billion. We intend to focus our 2019 capital expenditures on key technologies and capabilities that deliver differentiation and drive returns, such as our new directional drilling platform and the expansion of our production business.

In 2019, we will continue to build the foundation for a longer-term recovery. We intend to dynamically respond to the changing market, invest effectively and remain flexible in our cost structure. We will maintain an appropriate level of capital spending to support our business. We believe in responsible capital stewardship, prioritizing capital efficiency, investing in the technologies that deliver differentiation and returns, and generating strong cash flow. We remain committed to generating strong cash flow by using cost levers, managing working capital, and remaining flexible on our capital spending with a focus on strong return-generating opportunities. In 2018, we continued our focus on returning capital to shareholders through share repurchases and dividends, which totaled over $1 billion. Going forward, we plan to use excess cash on strategic investments that meet our returns thresholds, for reducing debt, and for returning cash to our shareholders.

We intend to continue to strengthen our product service lines through a combination of organic growth, investment and selective acquisitions. We plan to continue executing the following strategies in 2019:

- directing capital and resources into strategic growth markets, including unconventional plays and mature fields;
- leveraging our broad technology offerings to provide value to our customers and enable them to more efficiently drill and complete their wells;
- exploring additional opportunities for acquisitions that will enhance or augment our current portfolio of services and products, including those with unique technologies or distribution networks in areas where we do not already have significant operations;
- investing in technology that will help our customers reduce reservoir uncertainty and increase operational efficiency;
- improving working capital and managing our balance sheet to maximize our financial flexibility;
- seeking additional ways to be one of the most cost-efficient service providers in the industry by maintaining capital discipline and leveraging our scale and breadth of operations;
- collaborating and engineering solutions to maximize asset value for our customers; and
- striving to achieve superior growth and returns for our shareholders.

Our operating performance and business outlook are described in more detail in "Business Environment and Results of Operations."

Financial markets, liquidity and capital resources

We believe we have invested our cash balances conservatively and secured sufficient financing to help mitigate any near-term negative impact on our operations from adverse market conditions. We had $2.0 billion of cash and equivalents as of December 31, 2018, and we generated approximately $3.2 billion in operating cash flow and retired $400 million in senior notes during 2018. We also have $3.0 billion available under our revolving credit facility which, combined with our cash balance, we believe provides us with sufficient liquidity to address the challenges and opportunities of the current market. For additional information on market conditions, see "Liquidity and Capital Resources" and "Business Environment and Results of Operations."

LIQUIDITY AND CAPITAL RESOURCES

As of December 31, 2018, we had $2.0 billion of cash and equivalents, compared to $2.3 billion at December 31, 2017.

Significant sources and uses of cash in 2018

Sources of cash:

- Cash flows from operating activities were $3.2 billion in 2018. This included the impact of changes in our primary components of working capital (receivables, inventories and accounts payable), which increased during the year by a net $384 million, primarily due to increased business activity, and thus reduced our operating cash flows.
- We sold $104 million of investment securities, net of purchases.

Uses of cash:

- Capital expenditures were $2.0 billion in 2018 and were predominantly made in our Production Enhancement, Sperry Drilling, Artificial Lift, Wireline and Perforating and Cementing product service lines.
- We paid $630 million of dividends to our shareholders.
- We repurchased approximately 10.5 million shares of our common stock under our share repurchase program at a total cost of approximately $400 million.
- We paid $400 million to retire our senior notes which matured in August 2018.
- We paid $187 million for acquisitions of various businesses, net of cash acquired, to further enhance our existing product service lines.

Future sources and uses of cash

We manufacture most of our own equipment, which allows us flexibility to increase or decrease our capital expenditures based on market conditions. Capital spending for 2019 is currently expected to be approximately $1.6 billion. The capital expenditures plan for 2019 is primarily directed towards key technologies and capabilities that deliver differentiation and drive returns, such as our new directional drilling platform and the expansion of our production business.

Currently, our quarterly dividend rate is $0.18 per share, or approximately $158 million per quarter. Subject to Board of Directors approval, our intention is to continue paying dividends at our current rate during 2019. Our Board of Directors has authorized a program to repurchase a specified dollar amount of our common stock from time to time. Approximately $5.3 billion remained authorized for repurchases as of December 31, 2018, and may be used for open market and other share purchases.

Contractual obligations

The following table summarizes our significant contractual obligations and other long-term liabilities as of December 31, 2018:

	Payments Due						
Millions of dollars	2019	2020	2021	2022	2023	Thereafter	Total
Long-term debt (a)	$ 34	$ 27	$ 696	$ 12	$ 1,114	$ 8,664	$ 10,547
Interest on debt (b)	571	568	558	531	528	7,961	10,717
Operating leases	275	146	122	100	78	254	975
Purchase obligations (c)	688	77	21	—	—	15	801
Other long-term liabilities (d)	24	—	—	—	—	—	24
Total	$ 1,592	$ 818	$ 1,397	$ 643	$ 1,720	$ 16,894	$ 23,064

(a) Represents principal amounts of long-term debt, including capital lease obligations and current maturities of debt, which excludes any unamortized debt issuance costs and discounts. See Note 7 to the consolidated financial statements.

(b) Interest on debt includes 78 years of interest on $300 million of debentures at 7.6% interest that become due in 2096.

(c) Amount in 2019 primarily represents certain purchase orders for goods and services utilized in the ordinary course of our business.

(d) Represents pension funding obligations associated with international plans for 2019 only and are based on assumptions that are subject to change as we are currently not able to reasonably estimate our contributions for years after 2019.

Due to the uncertainty with respect to the timing of potential future cash outflows associated with our uncertain tax positions, we are not able to reasonably estimate the period of cash settlement with the respective taxing authorities. Therefore, gross unrecognized tax benefits have been excluded from the contractual obligations table above. We had $417 million of gross unrecognized tax benefits, excluding penalties and interest, at December 31, 2018, of which we estimate $399 million may require a cash payment by us. We estimate that $378 million of the cash payment will not be settled within the next 12 months.

Other factors affecting liquidity

Financial position in current market. As of December 31, 2018, we had $2.0 billion of cash and equivalents and $3.0 billion of available committed bank credit under our revolving credit facility. Furthermore, we have no financial covenants or material adverse change provisions in our bank agreements, and our debt maturities extend over a long period of time. We believe our cash on hand, cash flows generated from operations and our available credit facility will provide sufficient liquidity to address our global cash needs in 2019, including capital expenditures, working capital investments, dividends, if any, and contingent liabilities.

Guarantee agreements. In the normal course of business, we have agreements with financial institutions under which approximately $2.0 billion of letters of credit, bank guarantees, or surety bonds were outstanding as of December 31, 2018. Some of the outstanding letters of credit have triggering events that would entitle a bank to require cash collateralization.

Credit ratings. Our credit ratings with Standard & Poor's (S&P) remain A- for our long-term debt and A-2 for our short-term debt, with a stable outlook. Our credit ratings with Moody's Investors Service (Moody's) remain Baa1 for our long-term debt and P-2 for our short-term debt, with a stable outlook.

Customer receivables. In line with industry practice, we bill our customers for our services in arrears and are, therefore, subject to our customers delaying or failing to pay our invoices. In weak economic environments, we may experience increased delays and failures to pay our invoices due to, among other reasons, a reduction in our customers' cash flow from operations and their access to the credit markets, as well as unsettled political conditions. If our customers delay paying or fail to pay us a significant amount of our outstanding receivables, it could have a material adverse effect on our liquidity, consolidated results of operations and consolidated financial condition. See Note 4 to the consolidated financial statements for further discussion related to our receivables, including our receivables in Venezuela.

BUSINESS ENVIRONMENT AND RESULTS OF OPERATIONS

We operate in more than 80 countries throughout the world to provide a comprehensive range of services and products to the energy industry. A significant amount of our consolidated revenue is derived from the sale of services and products to major, national and independent oil and natural gas companies worldwide. The industry we serve is highly competitive with many substantial competitors in each segment of our business. In 2018, 2017 and 2016, based on the location of services provided and products sold, 58%, 53% and 41%, respectively, of our consolidated revenue was from the United States. No other country accounted for more than 10% of our revenue during these periods.

Operations in some countries may be adversely affected by unsettled political conditions, acts of terrorism, civil unrest, force majeure, war or other armed conflict, sanctions, expropriation or other governmental actions, inflation, changes in foreign currency exchange rates, foreign currency exchange restrictions and highly inflationary currencies, as well as other geopolitical factors. We believe the geographic diversification of our business activities reduces the risk that loss of operations in any one country, other than the United States, would have a material adverse effect on our business, consolidated results of operations or consolidated financial condition.

Activity within our business segments is significantly impacted by spending on upstream exploration, development and production programs by our customers. Also impacting our activity is the status of the global economy, which impacts oil and natural gas consumption.

Some of the more significant determinants of current and future spending levels of our customers are oil and natural gas prices and our customers' expectations about future prices, global oil supply and demand, completions intensity, the world economy, the availability of credit, government regulation and global stability, which together drive worldwide drilling and completions activity. Lower oil and natural gas prices usually translate into lower exploration and production budgets and lower rig count, while the opposite is usually true for higher oil and natural gas prices. Our financial performance is therefore significantly affected by oil and natural gas prices and worldwide rig activity, which are summarized in the tables below.

The following table shows the average oil and natural gas prices for West Texas Intermediate (WTI), United Kingdom Brent crude oil and Henry Hub natural gas:

	2018	2017	2016
Oil price - WTI (1)	$ 64.94	$ 50.93	$ 43.14
Oil price - Brent (1)	71.08	54.30	43.55
Natural gas price - Henry Hub (2)	3.17	3.04	2.52

(1) Oil price measured in dollars per barrel
(2) Natural gas price measured in dollars per million British thermal units (Btu), or MMBtu

	Three Months Ended December 31, 2018	Month Ended December 31, 2018
Oil price - WTI	$ 59.08	$ 49.52
Oil price - Brent	67.78	57.56

The historical average rig counts based on the weekly Baker Hughes rig count information were as follows:

	2018	2017	2016
U.S. Land	1,013	856	486
U.S. Offshore	19	20	23
Canada	191	206	130
North America	1,223	1,082	639
International	988	949	955
Worldwide total	2,211	2,031	1,594

Crude oil prices have been extremely volatile over the past few years. WTI oil spot prices declined significantly beginning in 2014 from a peak price of $108 per barrel in June 2014 to a low of $26 per barrel in February 2016, a level which had not been experienced since 2003. Brent crude oil spot prices declined from a high of $115 per barrel in June 2014 to $26 per barrel in January 2016. Since the low point experienced in early 2016, oil prices increased substantially, with WTI oil spot prices reaching a high of $77 per barrel in June 2018 and Brent crude oil spot prices reaching a high of $86 per barrel in October 2018. In the fourth quarter of 2018, oil prices again declined with WTI and Brent oil spot prices reaching a low of $44 per barrel and $50 per barrel, respectively, in December. The average full year 2018 WTI and Brent crude oil spot prices of $65 per barrel and $71 per barrel increased 28% and 31%, respectively, from the average 2017 prices.

In the United States Energy Information Administration (EIA) January 2019 "Short Term Energy Outlook," the EIA projected Brent prices to average $61 per barrel in 2019 and $65 per barrel in 2020, while WTI prices were projected to average approximately $8 less per barrel in the first quarter of 2019, before the discount to Brent gradually falls to approximately $4 in the fourth quarter of 2019 and throughout 2020. The International Energy Agency's (IEA) January 2019 "Oil Market Report" forecasts 2019 global demand to average approximately 100.7 million barrels per day, an increase of 1.5% from 2018, driven by increases in the Asia Pacific region, while all other regions remain approximately the same.

The Henry Hub natural gas spot price in the United States averaged $3.15 per MMBtu in 2018, an increase of $0.16 per MMBtu, or 5%, from 2017. The EIA January 2019 “Short Term Energy Outlook” projects Henry Hub natural gas prices to average $2.89 per MMBtu in 2019 and $2.92 per MMBtu in 2020. The projected decline from 2018 levels is primarily due to expected production growth keeping pace with demand and export growth and inventories building faster than the five-year average.

North America operations

The average North America rig count increased 141 rigs, or 13%, for the full year 2018 as compared to 2017. However, the average United States land rig count was essentially flat from the third quarter to the fourth quarter of 2018 as the market softened. During the fourth quarter of 2018, we faced challenges caused by offtake capacity limitations and year-end customer budget constraints, which led to decreasing demand for completion services and increasing pressure on pricing. We expect that the increased oil price volatility in recent months will continue to create pressure on services pricing in the first quarter of 2019. However, we believe there are several catalysts for a potential completions activity rebound in North America. These catalysts include what we believe will be a supportive commodity price environment, offtake capacity constraints alleviating in the Permian basin, and a high inventory of drilled but uncompleted (DUC) wells. If these catalysts materialize, we believe they will increase customer urgency and, in turn, drive higher pricing in the second half of 2019.

International operations

The average international rig count for 2018 increased 39 rigs, or 4% compared to 2017. While the international markets are continuing to improve, they are in the early stages of a recovery and pricing pressure remains a challenge in a competitive landscape. We expect the international recovery to be focused, at least initially, on mature fields as customers broadly favor shorter cycle returns and lower risk projects in today’s environment. We believe we are well-positioned for continued growth as a result of the significant investments we made to grow our global footprint in the last cycle.

RESULTS OF OPERATIONS IN 2018 COMPARED TO 2017

REVENUE: *Millions of dollars*	2018	2017	Favorable (Unfavorable)	Percentage Change
Completion and Production	$ 15,973	$ 13,077	$ 2,896	22%
Drilling and Evaluation	8,022	7,543	479	6
Total revenue	$ 23,995	$ 20,620	$ 3,375	16%
By geographic region:				
North America	$ 14,431	$ 11,564	$ 2,867	25%
Latin America	2,065	2,116	(51)	(2)
Europe/Africa/CIS	2,945	2,781	164	6
Middle East/Asia	4,554	4,159	395	9
Total	$ 23,995	$ 20,620	$ 3,375	16%

OPERATING INCOME (LOSS): *Millions of dollars*	2018	2017	Favorable (Unfavorable)	Percentage Change
Completion and Production	$ 2,278	$ 1,625	$ 653	40%
Drilling and Evaluation	745	726	19	3
Total	3,023	2,351	672	29
Corporate and other	(291)	(330)	39	12
Impairments and other charges	(265)	(647)	382	59
Total operating income	$ 2,467	$ 1,374	$ 1,093	80%

Consolidated revenue in 2018 was $24.0 billion, an increase of $3.4 billion, or 16%, compared to 2017, with increases across all of our product service lines globally, primarily associated with pressure pumping services, drilling activity and artificial lift in North America, as well as drilling activity in the Eastern Hemisphere. Revenue from North America was 60% of consolidated revenue in 2018 and 56% of consolidated revenue in 2017.

We reported consolidated operating income of $2.5 billion in 2018, as compared to operating income of $1.4 billion in 2017, an 80% increase primarily due to increases in pressure pumping and artificial lift activity in North America. Operating results were also impacted by $265 million and $647 million of impairments and other charges related to Venezuela recorded during 2018 and 2017, respectively. See Note 4 to the consolidated financial statements for further information on the Venezuela charges taken during 2018.

OPERATING SEGMENTS

Completion and Production

Completion and Production revenue was $16.0 billion in 2018, an increase of $2.9 billion, or 22%, compared to 2017. Operating income was $2.3 billion in 2018, a 40% increase compared to $1.6 billion in 2017. Operating results significantly improved due to increased activity across all of our product service lines, primarily associated with pressure pumping and artificial lift in North America. International operating results improved due to increased well completion services in Europe/Africa/CIS and well intervention services in the Middle East.

Drilling and Evaluation

Drilling and Evaluation revenue was $8.0 billion in 2018, an increase of $479 million, or 6%, from 2017. Operating income was $745 million in 2018, an increase of $19 million, or 3%, compared to 2017. Operating results improved for drilling services in North America coupled with increased drilling, logging and fluids activity in the Middle East. Partially offsetting these results were activity declines across multiple product service lines in Latin America, primarily drilling activity.

GEOGRAPHIC REGIONS

North America

North America revenue was $14.4 billion in 2018, a 25% increase compared to 2017. This improvement was driven by increased activity throughout the United States land sector in the majority of our product service lines, primarily related to higher activity in pressure pumping, artificial lift, specialty chemicals, and drilling services. These increases were partially offset by lower stimulation activity in Canada.

Latin America

Latin America revenue was $2.1 billion in 2018, a 2% decrease compared to 2017, resulting primarily from reduced activity in Venezuela, Mexico and Brazil, partially offset by increases in the majority of our product service lines in Argentina, Colombia and Ecuador.

Europe/Africa/CIS

Europe/Africa/CIS revenue was $2.9 billion in 2018, a 6% increase compared to 2017. The increases were due to increased activity throughout the region, primarily related to improvements in the majority of our product service lines in the North Sea and Ghana, partially offset by activity reductions in Angola.

Middle East/Asia

Middle East/Asia revenue was $4.6 billion in 2018, a 9% increase compared to 2017, primarily resulting from improvements in drilling, stimulation and well intervention services in the Middle East and higher project management activity in India, partially offset by lower project management activity in Indonesia.

OTHER OPERATING ITEMS

Corporate and other expenses were $291 million in 2018 as compared to $330 million in 2017. Corporate and other expenses in 2017 included approximately $42 million of one-time charges for litigation settlements, primarily associated with the resolution of an SEC investigation, and executive compensation costs.

Impairments and other charges were $265 million in 2018, related to a write-down of all of our remaining investment in Venezuela. See Note 4 to the consolidated financial statements for further information. This compares to $647 million of impairments and other charges recorded in 2017, representing a charge against receivables from our primary customer in Venezuela.

NONOPERATING ITEMS

Interest expense, net was $554 million in 2018, as compared to $593 million in 2017, which included $104 million in costs related to the early extinguishment of $1.4 billion of senior notes during the first quarter of 2017.

Effective tax rate. During 2018, we recorded a total income tax provision of $157 million on pre-tax income of $1.8 billion, resulting in an effective tax rate of 8.7%. During 2017, we recorded a total income tax provision $1.1 billion on pre-tax income of $682 million, resulting in an effective tax rate of 165.8%. See Note 9 to the consolidated financial statements for significant drivers of these effective tax rates.

RESULTS OF OPERATIONS IN 2017 COMPARED TO 2016

REVENUE: *Millions of dollars*	2017	2016	Favorable (Unfavorable)	Percentage Change
Completion and Production	$ 13,077	$ 8,882	$ 4,195	47%
Drilling and Evaluation	7,543	7,005	538	8
Total revenue	$ 20,620	$ 15,887	$ 4,733	30%
By geographic region:				
North America	$ 11,564	$ 6,770	$ 4,794	71%
Latin America	2,116	1,860	256	14
Europe/Africa/CIS	2,781	2,993	(212)	(7)
Middle East/Asia	4,159	4,264	(105)	(2)
Total	$ 20,620	$ 15,887	$ 4,733	30%

OPERATING INCOME (LOSS): *Millions of dollars*	2017	2016	Favorable (Unfavorable)	Percentage Change
Completion and Production	$ 1,625	$ 108	$ 1,517	1,405%
Drilling and Evaluation	726	801	(75)	(9)
Total	2,351	909	1,442	159
Corporate and other	(330)	(4,322)	3,992	(92)
Impairments and other charges	(647)	(3,357)	2,710	(81)
Total operating income (loss)	$ 1,374	$ (6,770)	$ 8,144	—%

Consolidated revenue in 2017 increased 30% compared to 2016, associated with improved utilization, pricing and activity, primarily attributable to higher stimulation activity, and well completion and drilling services in North America. Revenue from North America was 56% of consolidated revenue in 2017 and 43% of consolidated revenue in 2016.

We reported consolidated operating income of $1.4 billion in 2017, as compared to an operating loss of $6.8 billion in 2016. Higher consolidated operating results were primarily due to increases in stimulation activity and well completion services in North America. Operating results were also impacted by $647 million and $3.4 billion of impairments and other charges recorded during 2017 and 2016, respectively. Additionally, we incurred $4.1 billion of merger-related costs during 2016, primarily due to a $3.5 billion termination fee and $464 million of charges resulting from our reversal of assets held for sale accounting.

OPERATING SEGMENTS

Completion and Production

Completion and Production revenue was $13.1 billion in 2017, an increase of $4.2 billion, or 47%, compared to 2016. Completion and Production operating income was $1.6 billion in 2017 compared to $108 million in 2016. Operating results significantly improved due to increased activity and pricing across the majority of our product service lines, primarily pressure pumping services in North America. International operating results improved slightly as increased pressure pumping services in the Middle East and Latin America were partially offset by reduced completion tool sales in the Eastern Hemisphere.

Drilling and Evaluation

Drilling and Evaluation revenue was $7.5 billion in 2017, an increase of $538 million, or 8%, from 2016. Drilling and Evaluation operating income was $726 million in 2017, a decrease of $75 million, or 9%, compared to 2016. Operating results improved for drilling services in North America as a result of improved pricing, utilization and rig count. These increases were offset by pricing pressure and activity reductions across the majority of our product service lines in the Eastern Hemisphere, particularly drilling and logging services, as well as activity reductions in Venezuela, primarily software sales and testing activity.

GEOGRAPHIC REGIONS

North America

North America revenue was $11.6 billion in 2017, a 71% improvement compared to 2016. These results were driven by improved customer demand in our United States land sector with increases in both pricing and activity, primarily related to pressure pumping services, drilling activity and completion tool sales.

Latin America

Latin America revenue was $2.1 billion in 2017, a 14% increase compared to 2016, primarily related to higher drilling activity in Brazil and Colombia, as well as increased project management activity in Mexico. These increases were partially offset by reduced activity in the majority of our product service lines in Venezuela and lower completion tool sales in Brazil.

Europe/Africa/CIS

Europe/Africa/CIS revenue was $2.8 billion in 2017, a 7% decline compared to 2016. The decreases were driven by activity reductions and pricing pressure across the region, particularly in Angola and the North Sea, along with reduced completion tool sales and logging services throughout the region.

Middle East/Asia

Middle East/Asia revenue was $4.2 billion in 2017, a 2% decrease compared to 2016, driven by reduced activity and pricing pressure, particularly for drilling and logging services in Thailand, reductions across all of our product service lines in Indonesia and drilling services and completion tool sales across the region. These decreases were partially offset by improved stimulation and well intervention activity in the Middle East, increased project management activity in Iraq and improved activity across the majority of our product service lines in Australia.

OTHER OPERATING ITEMS

Corporate and other expenses were $330 million in 2017, which included approximately $42 million of one-time charges for litigation settlements, primarily associated with the resolution of an SEC investigation, and executive compensation costs. This compares to corporate and other expenses of $4.3 billion in 2016, which included a $3.5 billion termination fee and other merger-related costs, coupled with $464 million of charges resulting from our reversal of assets held for sale accounting.

Impairments and other charges were $647 million in 2017 representing a fair market value adjustment on a promissory note from our primary customer in Venezuela and a full reserve against our other accounts receivable with this customer. This compares to $3.4 billion of impairments and other charges recorded in 2016, primarily as a result of the downturn in the energy market, which consisted of fixed asset impairments and write-offs, inventory write-downs, impairments of intangible assets, severance costs, country and facility closures, a loss on exchange for our Venezuela promissory note and other charges.

NONOPERATING ITEMS

Interest expense, net was $593 million in 2017, which includes $104 million in costs related to the early extinguishment of $1.4 billion of senior notes during the first quarter of 2017, offset by additional interest income recognized during the year related to interest receipts and accretion on the promissory note from our primary customer in Venezuela. We recognized $639 million of net interest expense in 2016, which includes $41 million of debt redemption fees and associated expenses related to the $2.5 billion of senior notes mandatorily redeemed in the second quarter of 2016, with the corresponding interest savings from these debt payments reflected in 2017.

Other, net was an $99 million loss in 2017, as compared to a $216 million loss in 2016, driven by foreign currency exchange losses in various countries as a result of the strengthening U.S. dollar. During 2017, foreign exchange losses were primarily incurred in Brazil and Nigeria. During 2016, foreign exchange losses were primarily incurred in Egypt, Argentina and Brazil, including a $53 million loss for the devaluation of the Egyptian pound.

Effective tax rate. During 2017, we recorded a total income tax provision of $1.1 billion on pre-tax income of $682 million, resulting in an effective tax rate of 165.8%. This included $770 million of tax expenses associated with our preliminary estimate of the net impact of the United States tax reform enacted in 2017. During 2016, we recorded a total income tax benefit $1.9 billion on pre-tax losses of $7.6 billion, resulting in an effective tax rate of 24.4%. See Note 9 to the consolidated financial statements for significant drivers of these effective tax rates.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements requires the use of judgments and estimates. Our critical accounting policies are described below to provide a better understanding of how we develop our assumptions and judgments about future events and related estimates and how they can impact our financial statements. A critical accounting estimate is one that requires our most difficult, subjective or complex judgments and assessments and is fundamental to our results of operations. We identified our most critical accounting estimates to be:

- forecasting our effective income tax rate, including our future ability to utilize foreign tax credits and the realizability of deferred tax assets, and providing for uncertain tax positions;
- legal, environmental and investigation matters;
- valuations of long-lived assets, including intangible assets and goodwill;
- purchase price allocation for acquired businesses; and
- allowance for bad debts.

We base our estimates on historical experience and on various other assumptions we believe to be reasonable according to the current facts and circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. We believe the following are the critical accounting policies used in the preparation of our consolidated financial statements, as well as the significant estimates and judgments affecting the application of these policies. This discussion and analysis should be read in conjunction with our consolidated financial statements and related notes included in this report.

Income tax accounting

We recognize the amount of taxes payable or refundable for the current year and use an asset and liability approach in recognizing the amount of deferred tax liabilities and assets for the future tax consequences of events that have been recognized in our financial statements or tax returns. We apply the following basic principles in accounting for our income taxes:

- a current tax liability or asset is recognized for the estimated taxes payable or refundable on tax returns for the current year;
- a deferred tax liability or asset is recognized for the estimated future tax effects attributable to temporary differences and carryforwards;
- the measurement of current and deferred tax liabilities and assets is based on provisions of the enacted tax law, and the effects of potential future changes in tax laws or rates are not considered; and
- the value of deferred tax assets is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realized.

We determine deferred taxes separately for each tax-paying component (an entity or a group of entities that is consolidated for tax purposes) in each tax jurisdiction. That determination includes the following procedures:

- identifying the types and amounts of existing temporary differences;
- measuring the total deferred tax liability for taxable temporary differences using the applicable tax rate;
- measuring the total deferred tax asset for deductible temporary differences and operating loss carryforwards using the applicable tax rate;
- measuring the deferred tax assets for each type of tax credit carryforward; and
- reducing the deferred tax assets by a valuation allowance if, based on available evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Our methodology for recording income taxes requires a significant amount of judgment in the use of assumptions and estimates. Additionally, we use forecasts of certain tax elements, such as taxable income and foreign tax credit utilization, as well as evaluate the feasibility of implementing tax planning strategies. Given the inherent uncertainty involved with the use of such variables, there can be significant variation between anticipated and actual results. Unforeseen events may significantly impact these variables, and changes to these variables could have a material impact on our income tax accounts related to both continuing and discontinued operations.

We have operations in more than 80 countries. Consequently, we are subject to the jurisdiction of a significant number of taxing authorities. The income earned in these various jurisdictions is taxed on differing bases, including income actually earned, income deemed earned and revenue-based tax withholding. The final determination of our income tax liabilities involves the interpretation of local tax laws, tax treaties and related authorities in each jurisdiction. Changes in the operating environment, including changes in tax law and currency/repatriation controls, could impact the determination of our income tax liabilities for a tax year.

Tax filings of our subsidiaries, unconsolidated affiliates and related entities are routinely examined in the normal course of business by tax authorities. These examinations may result in assessments of additional taxes, which we work to resolve with the tax authorities and through the judicial process. Predicting the outcome of disputed assessments involves some uncertainty. Factors such as the availability of settlement procedures, willingness of tax authorities to negotiate and the operation and impartiality of judicial systems vary across the different tax jurisdictions and may significantly influence the ultimate outcome. We review the facts for each assessment, and then utilize assumptions and estimates to determine the most likely outcome and provide taxes, interest and penalties as needed based on this outcome. We provide for uncertain tax positions pursuant to current accounting standards, which prescribe a minimum recognition threshold and measurement methodology that a tax position taken or expected to be taken in a tax return is required to meet before being recognized in the financial statements. The standards also provide guidance for derecognition classification, interest and penalties, accounting in interim periods, disclosure and transition.

Legal, environmental and investigation matters

As discussed in Note 8 of our consolidated financial statements, as of December 31, 2018, we have accrued an estimate of the probable and estimable costs for the resolution of some of our legal, environmental and investigation matters. For other matters for which the liability is not probable and reasonably estimable, we have not accrued any amounts. Attorneys in our legal department monitor and manage all claims filed against us and review all pending investigations. Generally, the estimate of probable costs related to these matters is developed in consultation with internal and outside legal counsel representing us. Our estimates are based upon an analysis of potential results, assuming a combination of litigation and settlement strategies. The accuracy of these estimates is impacted by, among other things, the complexity of the issues and the amount of due diligence we have been able to perform. We attempt to resolve these matters through settlements, mediation and arbitration proceedings when possible. If the actual settlement costs, final judgments or fines, after appeals, differ from our estimates, there may be a material adverse effect on our future financial results. We have in the past recorded significant adjustments to our initial estimates of these types of contingencies.

Value of long-lived assets, including intangible assets and goodwill

We carry a variety of long-lived assets on our balance sheet including property, plant and equipment, goodwill and other intangibles. Impairment is the condition that exists when the carrying amount of a long-lived asset exceeds its fair value, and any impairment charge that we record reduces our operating income. Goodwill is the excess of the cost of an acquired entity over the net of the amounts assigned to assets acquired and liabilities assumed. We conduct impairment tests on goodwill annually, during the third quarter, or more frequently whenever events or changes in circumstances indicate an impairment may exist. We conduct impairment tests on long-lived assets, other than goodwill, whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

When conducting an impairment test on long-lived assets, other than goodwill, we first compare estimated future undiscounted cash flows associated with the asset to the asset’s carrying amount. If the undiscounted cash flows are less than the asset’s carrying amount, we then determine the asset's fair value by using a discounted cash flow analysis. These analyses are based on estimates such as management’s short-term and long-term forecast of operating performance, including revenue growth rates and expected profitability margins, estimates of the remaining useful life and service potential of the asset, and a discount rate based on our weighted average cost of capital.

We perform our goodwill impairment assessment for each reporting unit, which is the same as our reportable segments, the Completion and Production division and the Drilling and Evaluation division, comparing the estimated fair value of each reporting unit to the reporting unit’s carrying value, including goodwill. We estimate the fair value for each reporting unit using a discounted cash flow analysis based on management’s short-term and long-term forecast of operating performance. This analysis includes significant assumptions regarding discount rates, revenue growth rates, expected profitability margins, forecasted capital expenditures and the timing of expected future cash flows based on market conditions. If the estimated fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is not considered impaired. If the carrying amount of a reporting unit exceeds its estimated fair value, an impairment loss is measured and recorded.

The impairment assessments discussed above incorporate inherent uncertainties, including projected commodity pricing, supply and demand for our services and future market conditions, which are difficult to predict in volatile economic environments and could result in impairment charges in future periods if actual results materially differ from the estimated assumptions utilized in our forecasts. If crude oil prices decline significantly and remain at low levels for a sustained period of time, we could be required to record an impairment of the carrying value of our long-lived assets in the future which could have a material adverse impact on our operating results. See Note 1 to the consolidated financial statements for our accounting policies related to long-lived assets as well as the results of our annual goodwill impairment assessment.

Acquisitions-purchase price allocation

We allocate the purchase price of an acquired business to its identifiable assets and liabilities based on estimated fair values. The excess of the purchase price over the amount allocated to the assets and liabilities, if any, is recorded as goodwill. We use all available information to estimate fair values, including quoted market prices, the carrying value of acquired assets and widely accepted valuation techniques such as discounted cash flows. We engage third-party appraisal firms when appropriate to assist in fair value determination of inventories, identifiable intangible assets and any other significant assets or liabilities. The judgments made in determining the estimated fair value assigned to each class of assets acquired and liabilities assumed, as well as asset lives, can materially impact our results of operations. Our acquisitions may also include contingent consideration, or earn-out provisions, which provide for additional consideration to be paid to the seller if certain future conditions are met. These earn-out provisions are estimated and recognized at fair value at the acquisition date based on projected earnings or other financial metrics over specified periods after the acquisition date. These estimates are reviewed during the specified period and adjusted based on actual results.

Allowance for bad debts

We evaluate our global accounts receivable through a continuous process of assessing our portfolio on an individual customer and overall basis. This process consists of a thorough review of historical collection experience, current aging status of the customer accounts, financial condition of our customers and whether the receivables involve retainages. We also consider the economic environment of our customers, both from a marketplace and geographic perspective, in evaluating the need for an allowance. Based on our review of these factors, we establish or adjust allowances for specific customers. This process involves a high degree of judgment and estimation, and frequently involves significant dollar amounts. Accordingly, our results of operations can be affected by adjustments to the allowance due to actual write-offs that differ from estimated amounts.

During 2017, we significantly increased our allowance for bad debts related to accounts receivable with our primary customer in Venezuela as a result of delayed payments and deteriorating market conditions in Venezuela. At December 31, 2018, our allowance for bad debts totaled $738 million, or 12.8% of notes and accounts receivable before the allowance. At December 31, 2017, our allowance for bad debts totaled $725 million, or 12.8% of notes and accounts receivable before the allowance. A hypothetical 100 basis point change in our estimate of the collectability of our notes and accounts receivable balance as of December 31, 2018 would have resulted in a $58 million adjustment to 2018 total operating costs and expenses. See Note 4 to the consolidated financial statements for further information.

OFF BALANCE SHEET ARRANGEMENTS

At December 31, 2018, we had no material off balance sheet arrangements, except for operating leases. In the normal course of business, we have agreements with financial institutions under which approximately $2.0 billion of letters of credit, bank guarantees or surety bonds were outstanding as of December 31, 2018. Some of the outstanding letters of credit have triggering events that would entitle a bank to require cash collateralization. None of these off balance sheet arrangements either has, or is likely to have, a material effect on our consolidated financial statements. For information on our contractual obligations related to operating leases, see Note 8 to the consolidated financial statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources – Contractual obligations."

FINANCIAL INSTRUMENT MARKET RISK

We are exposed to market risk from changes in foreign currency exchange rates and interest rates. We selectively manage these exposures through the use of derivative instruments, including forward foreign exchange contracts, foreign exchange options and interest rate swaps. The objective of our risk management strategy is to minimize the volatility from fluctuations in foreign currency and interest rates. We do not use derivative instruments for trading purposes. The counterparties to our forward contracts, options and interest rate swaps are global commercial and investment banks.

We use a sensitivity analysis model to measure the impact of potential adverse movements in foreign currency exchange rates and interest rates. With respect to foreign exchange sensitivity, after consideration of the impact from our foreign exchange hedges, a hypothetical 10% adverse change in the value of all our foreign currency positions relative to the United States dollar as of December 31, 2018 would result in a $73 million, pre-tax, loss for our net monetary assets denominated in currencies other than United States dollars. With respect to interest rates sensitivity, after consideration of the impact from our interest rate swap, a hypothetical 100 basis point increase in the LIBOR rate would result in approximately an additional $1 million of interest charges for the year ended December 31, 2018.

There are certain limitations inherent in the sensitivity analyses presented, primarily due to the assumption that exchange rates and interest rates change instantaneously in an equally adverse fashion. In addition, the analyses are unable to reflect the complex market reactions that normally would arise from the market shifts modeled. While this is our best estimate of the impact of the various scenarios, these estimates should not be viewed as forecasts.

For further information regarding foreign currency exchange risk, interest rate risk and credit risk, see Note 13 to the consolidated financial statements.

ENVIRONMENTAL MATTERS

We are subject to numerous environmental, legal and regulatory requirements related to our operations worldwide. For information related to environmental matters, see Note 8 to the consolidated financial statements and Part I, Item 1(a), "Risk Factors."

FORWARD-LOOKING INFORMATION

The Private Securities Litigation Reform Act of 1995 provides safe harbor provisions for forward-looking information. Forward-looking information is based on projections and estimates, not historical information. Some statements in this Form 10-K are forward-looking and use words like "may," "may not," "believe," "do not believe," "plan," "estimate," "intend," "expect," "do not expect," "anticipate," "do not anticipate," "should," "likely" and other expressions. We may also provide oral or written forward-looking information in other materials we release to the public. Forward-looking information involves risk and uncertainties and reflects our best judgment based on current information. Our results of operations can be affected by inaccurate assumptions we make or by known or unknown risks and uncertainties. In addition, other factors may affect the accuracy of our forward-looking information. As a result, no forward-looking information can be guaranteed. Actual events and the results of our operations may vary materially.

We do not assume any responsibility to publicly update any of our forward-looking statements regardless of whether factors change as a result of new information, future events or for any other reason. You should review any additional disclosures we make in our press releases and Forms 10-K, 10-Q and 8-K filed with or furnished to the SEC. We also suggest that you listen to our quarterly earnings release conference calls with financial analysts.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of Halliburton Company is responsible for establishing and maintaining adequate internal control over financial reporting as defined in the Securities Exchange Act Rule 13a-15(f).

Internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Further, because of changes in conditions, the effectiveness of internal control over financial reporting may vary over time.

Under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, we conducted an evaluation to assess the effectiveness of our internal control over financial reporting as of December 31, 2018 based upon criteria set forth in the *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Based on our assessment, we believe that, as of December 31, 2018, our internal control over financial reporting is effective. The effectiveness of Halliburton's internal control over financial reporting as of December 31, 2018 has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report that is included herein.

HALLIBURTON COMPANY

by

/s/ Jeffrey A. Miller	/s/ Lance Loeffler
Jeffrey A. Miller	Lance Loeffler
Chairman of the Board, President and	Executive Vice President and
Chief Executive Officer	Chief Financial Officer

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Halliburton Company:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Halliburton Company and subsidiaries (the "Company") as of December 31, 2018 and 2017, and the related consolidated statements of operations, comprehensive income (loss), shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2018, and the related notes (collectively, the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2018, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 13, 2019 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ KPMG LLP

We have served as the Company's auditor since 2002.

Houston, Texas
February 13, 2019

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Halliburton Company:

Opinion on Internal Control Over Financial Reporting

We have audited Halliburton Company's (the "Company") internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated balance sheets of the Company as of December 31, 2018 and 2017, and the related consolidated statements of operations, comprehensive income (loss), shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2018 and the related notes (collectively, the "consolidated financial statements"), and our report dated February 13, 2019 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

Houston, Texas
February 13, 2019

HALLIBURTON COMPANY
Consolidated Statements of Operations

	Year Ended December 31		
Millions of dollars and shares except per share data	2018	2017	2016
Revenue:			
Services	$ 18,444	$ 15,408	$ 11,140
Product sales	5,551	5,212	4,747
Total revenue	23,995	20,620	15,887
Operating costs and expenses:			
Cost of services	16,591	14,205	11,249
Cost of sales	4,418	4,138	3,768
Merger-related costs and termination fee	—	—	4,057
Impairments and other charges	265	647	3,357
General and administrative	254	256	226
Total operating costs and expenses	21,528	19,246	22,657
Operating income (loss)	2,467	1,374	(6,770)
Interest expense, net of interest income of $44, $112, and $59	(554)	(593)	(639)
Other, net	(99)	(99)	(216)
Income (loss) from continuing operations before income taxes	1,814	682	(7,625)
Income tax benefit (provision)	(157)	(1,131)	1,858
Income (loss) from continuing operations	1,657	(449)	(5,767)
Loss from discontinued operations, net	—	(19)	(2)
Net income (loss)	$ 1,657	$ (468)	$ (5,769)
Net (income) loss attributable to noncontrolling interest	(1)	5	6
Net income (loss) attributable to company	$ 1,656	$ (463)	$ (5,763)
Amounts attributable to company shareholders:			
Income (loss) from continuing operations	$ 1,656	$ (444)	$ (5,761)
Loss from discontinued operations, net	—	(19)	(2)
Net income (loss) attributable to company	$ 1,656	$ (463)	$ (5,763)
Basic and diluted income (loss) per share attributable to company shareholders:			
Income (loss) from continuing operations	$ 1.89	$ (0.51)	$ (6.69)
Loss from discontinued operations, net	—	(0.02)	—
Net income (loss) per share	$ 1.89	$ (0.53)	$ (6.69)
Basic weighted average common shares outstanding	875	870	861
Diluted weighted average common shares outstanding	877	870	861

See notes to consolidated financial statements.

HALLIBURTON COMPANY
Consolidated Statements of Comprehensive Income (Loss)

	Year Ended December 31		
Millions of dollars	2018	2017	2016
Net income (loss)	$ 1,657	$ (468)	$ (5,769)
Other comprehensive income (loss), net of income taxes:			
Defined benefit and other post retirement plans adjustment	131	(22)	(92)
Other	(17)	7	1
Other comprehensive income (loss), net of income taxes	114	(15)	(91)
Comprehensive income (loss)	$ 1,771	$ (483)	$ (5,860)
Comprehensive (income) loss attributable to noncontrolling interest	(1)	5	6
Comprehensive income (loss) attributable to company shareholders	$ 1,770	$ (478)	$ (5,854)

See notes to consolidated financial statements.

HALLIBURTON COMPANY
Consolidated Balance Sheets

Millions of dollars and shares except per share data	December 31 2018	2017
Assets		
Current assets:		
Cash and equivalents	$ 2,008	$ 2,337
Receivables (net of allowances for bad debts of $738 and $725)	5,234	5,036
Inventories	3,028	2,396
Other current assets	881	1,008
Total current assets	11,151	10,777
Property, plant and equipment (net of accumulated depreciation of $13,182 and $12,249)	8,961	8,521
Goodwill	2,825	2,693
Deferred income taxes	1,384	1,230
Other assets	1,661	1,864
Total assets	$ 25,982	$ 25,085
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 3,018	$ 2,554
Accrued employee compensation and benefits	714	746
Taxes other than income	248	231
Short-term borrowings and current maturities of long-term debt	36	512
Other current liabilities	786	819
Total current liabilities	4,802	4,862
Long-term debt	10,421	10,430
Employee compensation and benefits	483	609
Other liabilities	732	835
Total liabilities	16,438	16,736
Shareholders' equity:		
Common shares, par value $2.50 per share (authorized 2,000 shares, issued 1,069 and 1,069 shares)	2,671	2,673
Paid-in capital in excess of par value	211	207
Accumulated other comprehensive loss	(355)	(469)
Retained earnings	13,739	12,668
Treasury stock, at cost (198 and 196 shares)	(6,744)	(6,757)
Company shareholders' equity	9,522	8,322
Noncontrolling interest in consolidated subsidiaries	22	27
Total shareholders' equity	9,544	8,349
Total liabilities and shareholders' equity	$ 25,982	$ 25,085

See notes to consolidated financial statements.

HALLIBURTON COMPANY
Consolidated Statements of Cash Flows

	Year Ended December 31		
Millions of dollars	2018	2017	2016
Cash flows from operating activities:			
Net income (loss)	$ 1,657	$ (468)	$ (5,769)
Adjustments to reconcile net income (loss) to cash flows from operating activities:			
Depreciation, depletion and amortization	1,606	1,556	1,503
Deferred income tax provision (benefit), continuing operations	(267)	734	(1,501)
Impairments and other charges	265	647	3,357
Changes in assets and liabilities:			
Inventories	(681)	(29)	552
Accounts payable	483	753	(219)
Receivables	(186)	(1,350)	899
Other	280	625	(525)
Total cash flows provided by (used in) operating activities	3,157	2,468	(1,703)
Cash flows from investing activities:			
Capital expenditures	(2,026)	(1,373)	(798)
Sales of investment securities	527	98	96
Purchases of investment securities	(423)	(109)	(92)
Proceeds from sales of property, plant and equipment	218	158	222
Payments to acquire businesses, net of cash acquired	(187)	(628)	(31)
Other investing activities	(102)	(73)	(107)
Total cash flows provided by (used in) investing activities	(1,993)	(1,927)	(710)
Cash flows from financing activities:			
Dividends to shareholders	(630)	(626)	(620)
Payments on long-term borrowings	(445)	(1,641)	(3,171)
Stock repurchase program	(400)	—	—
Proceeds from issuance of common stock	195	158	186
Other financing activities	(139)	(52)	65
Total cash flows provided by (used in) financing activities	(1,419)	(2,161)	(3,540)
Effect of exchange rate changes on cash	(74)	(52)	(115)
Decrease in cash and equivalents	(329)	(1,672)	(6,068)
Cash and equivalents at beginning of year	2,337	4,009	10,077
Cash and equivalents at end of year	$ 2,008	$ 2,337	$ 4,009
Supplemental disclosure of cash flow information:			
Cash payments (receipts) during the period for:			
Interest	$ 556	$ 594	$ 659
Income taxes	$ 178	$ (178)	$ (20)

See notes to consolidated financial statements.

HALLIBURTON COMPANY
Consolidated Statements of Shareholders' Equity

	Company Shareholders' Equity						
Millions of dollars	Common Shares	Paid-in Capital in Excess of Par Value	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling interest in Consolidated Subsidiaries	Total
Balance at December 31, 2015	$ 2,677	$ 274	$ (7,650)	$ 20,524	$ (363)	$ 33	$ 15,495
Comprehensive income (loss):							
Net loss	—	—	—	(5,763)	—	(6)	(5,769)
Other comprehensive loss	—	—	—	—	(91)	—	(91)
Cash dividends ($0.72 per share)	—	—	—	(620)	—	—	(620)
Stock plans	(3)	(69)	497	—	—	—	425
Other	—	(4)	—	—	—	12	8
Balance at December 31, 2016	$ 2,674	$ 201	$ (7,153)	$ 14,141	$ (454)	$ 39	$ 9,448
Comprehensive income (loss):							
Net loss	—	—	—	(463)	—	(5)	(468)
Retained earnings adjustment for new accounting standard	—	—	—	(384)	—	—	(384)
Other comprehensive loss	—	—	—	—	(15)	—	(15)
Cash dividends ($0.72 per share)	—	—	—	(626)	—	—	(626)
Stock plans	(1)	6	396	—	—	—	401
Other	—	—	—	—	—	(7)	(7)
Balance at December 31, 2017	$ 2,673	$ 207	$ (6,757)	$ 12,668	$ (469)	$ 27	$ 8,349
Comprehensive income (loss):							
Net income	—	—	—	1,656	—	1	1,657
Other comprehensive income	—	—	—	—	114	—	114
Cash dividends ($0.72 per share)	—	—	—	(630)	—	—	(630)
Stock plans	(2)	4	413	—	—	—	415
Stock repurchase program	—	—	(400)	—	—	—	(400)
Other	—	—	—	45	—	(6)	39
Balance at December 31, 2018	$ 2,671	$ 211	$ (6,744)	$ 13,739	$ (355)	$ 22	$ 9,544

See notes to consolidated financial statements.

Note 1. Description of Company and Significant Accounting Policies

Description of Company

Halliburton Company's predecessor was established in 1919 and incorporated under the laws of the State of Delaware in 1924. We help our customers maximize value throughout the lifecycle of the reservoir - from locating hydrocarbons and managing geological data, to drilling and formation evaluation, well construction and completion, and optimizing production throughout the life of the asset. We serve major, national and independent oil and natural gas companies throughout the world and operate under two divisions, which form the basis for the two operating segments we report, the Completion and Production segment and the Drilling and Evaluation segment.

Use of estimates

Our financial statements are prepared in conformity with United States generally accepted accounting principles, requiring us to make estimates and assumptions that affect:

- the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements; and
- the reported amounts of revenue and expenses during the reporting period.

We believe the most significant estimates and assumptions are associated with the forecasting of our effective income tax rate and the valuation of deferred taxes, legal and environmental reserves, long-lived asset valuations, purchase price allocations and allowance for bad debts. Ultimate results could differ from our estimates.

Basis of presentation

The consolidated financial statements include the accounts of our company and all of our subsidiaries that we control or variable interest entities for which we have determined that we are the primary beneficiary. All material intercompany accounts and transactions are eliminated. Investments in companies in which we do not have a controlling interest, but over which we do exercise significant influence, are accounted for using the equity method of accounting. If we do not have significant influence, we use the cost method of accounting. In addition, certain reclassifications of prior period balances have been made to conform to the current period presentation.

Revenue recognition

Effective January 1, 2018, we adopted a comprehensive new revenue recognition standard using a modified retrospective basis. The comparative information for the years ended December 31, 2017 and December 31, 2016 has not been adjusted and continues to be reported under the previous revenue standard, the accounting policies for which are discussed below.

Our services and products are generally sold based upon purchase orders or contracts with our customers that include fixed or determinable prices but do not include right of return provisions or other significant post-delivery obligations. We recognize revenue from product sales when title passes to the customer, the customer assumes risks and rewards of ownership, collectability is reasonably assured and delivery occurs as directed by our customer. Service revenue, including training and consulting services, is recognized when the services are rendered and collectability is reasonably assured. Rates for services are typically priced on a per day, per meter, per man-hour or similar basis.

See Note 3 for changes to these accounting policies for the year ended December 31, 2018 and Note 15 for additional information about the new revenue standard.

Research and development

We maintain an active research and development program. The program improves products, processes and engineering standards and practices that serve the changing needs of our customers, such as those related to high pressure and high temperature environments, and also develops new products and processes. Research and development costs are expensed as incurred and were $390 million in 2018, $360 million in 2017 and $329 million in 2016.

Cash equivalents

We consider all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost represents invoice or production cost for new items and original cost. Production cost includes material, labor and manufacturing overhead. Some domestic manufacturing and field service finished products and parts inventories for drill bits, completion products and bulk materials are recorded using the last-in, first-out method. The remaining inventory is recorded on the average cost method. We regularly review inventory quantities on hand and record provisions for excess or obsolete inventory based primarily on historical usage, estimated product demand and technological developments.

Allowance for bad debts

We establish an allowance for bad debts through a review of several factors, including historical collection experience, current aging status of the customer accounts and financial condition of our customers. Our policy is to write off bad debts when the customer accounts are determined to be uncollectible.

Property, plant and equipment

Other than those assets that have been written down to their fair values due to impairment, property, plant and equipment are reported at cost less accumulated depreciation, which is generally provided on the straight-line method over the estimated useful lives of the assets. Accelerated depreciation methods are used for tax purposes, wherever permitted. 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. Planned major maintenance costs are generally expensed as incurred. Expenditures for additions, modifications and conversions are capitalized when they increase the value or extend the useful life of the asset.

Goodwill and other intangible assets

We record as goodwill the excess purchase price over the fair value of the tangible and identifiable intangible assets acquired in a business acquisition. Changes in the carrying amount of goodwill are detailed below by reportable segment.

Millions of dollars	Completion and Production	Drilling and Evaluation	Total
Balance at December 31, 2016:	$ 1,679	$ 735	$ 2,414
Current year acquisitions	249	36	285
Purchase price adjustments for previous acquisitions	(6)	—	(6)
Balance at December 31, 2017:	$ 1,922	$ 771	$ 2,693
Current year acquisitions	99	6	105
Purchase price adjustments for previous acquisitions	34	(7)	27
Balance at December 31, 2018:	$ 2,055	$ 770	$ 2,825

The reported amounts of goodwill for each reporting unit are reviewed for impairment on an annual basis, during the third quarter, and more frequently when circumstances indicate an impairment may exist. As a result of our goodwill impairment assessments performed in the years ended December 31, 2018, 2017 and 2016, we determined that the fair value of each reporting unit exceeded its net book value and, therefore, no goodwill impairments were deemed necessary. For further information on our goodwill impairment assessments, see "Management's Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Estimates."

We amortize other identifiable intangible assets with a finite life on a straight-line basis over the period which the asset is expected to contribute to our future cash flows, ranging from one year to twenty-eight years. The components of these other intangible assets generally consist of patents, license agreements, non-compete agreements, trademarks and customer lists and contracts.

Evaluating impairment of long-lived assets

When events or changes in circumstances indicate that long-lived assets other than goodwill may be impaired, an evaluation is performed. For an asset classified as held for use, the estimated future undiscounted cash flows associated with the asset are compared to the asset's carrying amount to determine if a write-down to fair value is required. When an asset is classified as held for sale, the asset's book value is evaluated and adjusted to the lower of its carrying amount or fair value less cost to sell. In addition, depreciation and amortization is ceased while it is classified as held for sale.

Income taxes

We recognize the amount of taxes payable or refundable for the year. In addition, deferred tax assets and liabilities are recognized for the expected future tax consequences of events that have been recognized in the financial statements or tax returns. A valuation allowance is provided for deferred tax assets if it is more likely than not that these items will not be realized.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is more likely than not that we will realize the benefits of these deductible differences, net of the existing valuation allowances.

We recognize interest and penalties related to unrecognized tax benefits within the provision for income taxes on continuing operations in our consolidated statements of operations.

Derivative instruments

At times, we enter into derivative financial transactions to hedge existing or projected exposures to changing foreign currency exchange rates and interest rates. We do not enter into derivative transactions for speculative or trading purposes. We recognize all derivatives on the balance sheet at fair value. Derivatives that are not hedges are adjusted to fair value and reflected through the results of operations. If the derivative is designated as a hedge, depending on the nature of the hedge, changes in the fair value of derivatives are either offset against:

- the change in fair value of the hedged assets, liabilities or firm commitments through earnings; or
- recognized in other comprehensive income until the hedged item is recognized in earnings.

The ineffective portion of a derivative’s change in fair value is recognized in earnings. Recognized gains or losses on derivatives entered into to manage foreign currency exchange risk are included in “Other, net” on the consolidated statements of operations. Gains or losses on interest rate derivatives are included in “Interest expense, net.”

Foreign currency translation

Foreign entities whose functional currency is the United States dollar translate monetary assets and liabilities at year-end exchange rates, and nonmonetary items are translated at historical rates. Revenue and expense transactions are translated at the average rates in effect during the year, except for those expenses associated with nonmonetary balance sheet accounts, which are translated at historical rates. Gains or losses from remeasurement of monetary assets and liabilities due to changes in exchange rates are recognized in our consolidated statements of operations in “Other, net” in the year of occurrence.

Stock-based compensation

Stock-based compensation cost is measured at the date of grant, based on the calculated fair value of the award and is recognized as expense over the employee’s service period, which is generally the vesting period of the equity grant. Additionally, compensation cost is recognized based on awards ultimately expected to vest, therefore, we have reduced the cost for estimated forfeitures based on historical forfeiture rates. Forfeitures are estimated at the time of grant and revised in subsequent periods to reflect actual forfeitures. See Note 11 for additional information related to stock-based compensation.

Note 2. Business Segment and Geographic Information

We operate under two divisions, which form the basis for the two operating segments we report: the Completion and Production segment and the Drilling and Evaluation segment. For more information about the product service lines included in each segment, see Part I, Item 1, "Business.” The business operations of our divisions are organized around four primary geographic regions: North America, Latin America, Europe/Africa/CIS and Middle East/Asia. Intersegment revenue and revenue between geographic areas are immaterial. Our equity in earnings and losses of unconsolidated affiliates that are accounted for using the equity method of accounting are included within cost of services and cost of sales on our statements of operations, which is part of operating income of the applicable segment.

Operations by business segment

The following tables present financial information on our business segments.

Millions of dollars	Year Ended December 31 2018	2017	2016
Revenue:			
Completion and Production	$ 15,973	$ 13,077	$ 8,882
Drilling and Evaluation	8,022	7,543	7,005
Total revenue	$ 23,995	$ 20,620	$ 15,887
Operating income (loss):			
Completion and Production	$ 2,278	$ 1,625	$ 108
Drilling and Evaluation	745	726	801
Total operations	3,023	2,351	909
Corporate and other (a)	(291)	(330)	(4,322)
Impairments and other charges (b)	(265)	(647)	(3,357)
Total operating income (loss)	$ 2,467	$ 1,374	$ (6,770)
Interest expense, net of interest income	$ (554)	$ (593)	$ (639)
Other, net	(99)	(99)	(216)
Income (loss) from continuing operations before income taxes	$ 1,814	$ 682	$ (7,625)
Capital expenditures:			
Completion and Production	$ 1,364	$ 1,111	$ 500
Drilling and Evaluation	657	261	297
Corporate and other	5	1	1
Total	$ 2,026	$ 1,373	$ 798
Depreciation, depletion and amortization:			
Completion and Production	$ 1,058	$ 953	$ 900
Drilling and Evaluation	512	563	569
Corporate and other	36	40	34
Total	$ 1,606	$ 1,556	$ 1,503

(a) Includes certain expenses not attributable to a particular business segment, such as costs related to support functions and corporate executives, and also includes amortization expense associated with intangible assets recorded as a result of acquisitions. Also includes merger-related costs and a termination fee during the year ended December 31, 2016.

(b) Impairments and other charges are as follows:

-For the year ended December 31, 2018, the aggregate charge of $265 million represents a write-down of all of our remaining investment in Venezuela, consisting of receivables, fixed assets, inventory and other assets and liabilities.

-For the year ended December 31, 2017, the aggregate charge of $647 million represents a fair market value adjustment on our existing promissory note with our primary customer in Venezuela and a full reserve against our other accounts receivable with this customer.

-For the year ended December 31, 2016, the aggregate charge of $3.4 billion consisted of fixed asset impairments and write-offs, inventory write-downs, impairments of intangible assets, severance costs, country and facility closures, and other charges related to the energy downturn. This included $2.1 billion attributable to Completion and Production, $1.2 billion attributable to Drilling and Evaluation and $10 million attributable to Corporate and other.

Millions of dollars	December 31 2018	2017
Total assets:		
Completion and Production (a)	$ 13,231	$ 12,276
Drilling and Evaluation (a)	8,037	7,837
Corporate and shared assets (b)	4,714	4,972
Total	$ 25,982	$ 25,085

(a) Assets associated with specific segments primarily include receivables, inventories, certain identified property, plant and equipment (including field service equipment), equity in and advances to related companies and goodwill.

(b) Corporate and other shared assets primarily include cash and equivalents and deferred tax assets.

Operations by geographic region

The following tables present information by geographic area. In 2018, 2017 and 2016, based on the location of services provided and products sold, 58%, 53% and 41% of our consolidated revenue was from the United States. As of December 31, 2018 and December 31, 2017, 62% and 56% of our property, plant and equipment was located in the United States. No other country accounted for more than 10% of our revenue or property, plant and equipment during the periods presented.

	Year Ended December 31		
Millions of dollars	2018	2017	2016
Revenue:			
North America	$ 14,431	$ 11,564	$ 6,770
Latin America	2,065	2,116	1,860
Europe/Africa/CIS	2,945	2,781	2,993
Middle East/Asia	4,554	4,159	4,264
Total	$ 23,995	$ 20,620	$ 15,887

	December 31	
Millions of dollars	2018	2017
Net property, plant and equipment:		
North America	$ 5,672	$ 4,922
Latin America	974	945
Europe/Africa/CIS	938	1,098
Middle East/Asia	1,377	1,556
Total	$ 8,961	$ 8,521

Note 3. Revenue

Changes in accounting policies

Effective January 1, 2018, we adopted a comprehensive new revenue recognition standard. The details of the significant changes to our accounting policies resulting from the adoption of the new standard are set out below. We adopted the standard using a modified retrospective method; accordingly, the comparative information for the years ended December 31, 2017 and December 31, 2016 has not been adjusted and continues to be reported under the previous revenue standard. The adoption of this standard did not have a material impact to our consolidated financial position, reported revenue, results of operations or cash flows as of and for the year ended December 31, 2018. See Note 15 for additional information about the new accounting standard.

Under the new standard, revenue recognition is based on the transfer of control, or our customer’s ability to benefit from our services and products in an amount that reflects the consideration we expect to receive in exchange for those services and products. The vast majority of our service and product contracts are short-term in nature. In recognizing revenue for our services and products, we determine the transaction price of purchase orders or contracts with our customers, which may consist of fixed and variable consideration. Determining the transaction price may require significant judgment, which includes identifying performance obligations in the contract, determining whether promised services can be distinguished in the context of the contract, and estimating the amount of variable consideration to include in the transaction price.

We also assess our customer’s ability and intention to pay, which is based on a variety of factors including our customer’s historical payment experience and financial condition. Payment terms and conditions vary by contract type, although terms generally include a requirement of payment within 20 days to 60 days. Other judgments involved in recognizing revenue include an assessment of progress towards completion of performance obligations for certain long-term contracts, which involve estimating total costs to determine our progress towards contract completion and calculating the corresponding amount of revenue to recognize.

Disaggregation of revenue

We disaggregate revenue from contracts with customers into types of services or products, consistent with our two reportable segments, in addition to geographical area. In 2018, 2017 and 2016, based on the location of services provided and products sold, 58%, 53% and 41%, respectively, of our consolidated revenue was from the United States. No other country accounted for more than 10% of our revenue. The following table presents information on our disaggregated revenue.

	Year Ended December 31		
Millions of dollars	2018	2017	2016
Revenue by division:			
Completion and Production	$ 15,973	$ 13,077	$ 8,882
Drilling and Evaluation	8,022	7,543	7,005
Total revenue	$ 23,995	$ 20,620	$ 15,887
Revenue by geographic region:			
North America	$ 14,431	$ 11,564	$ 6,770
Latin America	2,065	2,116	1,860
Europe/Africa/CIS	2,945	2,781	2,993
Middle East/Asia	4,554	4,159	4,264
Total revenue	$ 23,995	$ 20,620	$ 15,887

Contract balances

We perform our obligations under contracts with our customers by transferring services and products in exchange for consideration. The timing of our performance often differs from the timing of our customer's payment, which results in the recognition of receivables and deferred revenue. Deferred revenue represents advance consideration received from customers for contracts where revenue is recognized on future performance of service. Deferred revenue, as well as revenue recognized during the period relating to amounts included as deferred revenue at the beginning of the period, was not material to our consolidated financial statements.

Transaction price allocated to remaining performance obligations

Remaining performance obligations represent firm contracts for which work has not been performed and future revenue recognition is expected. We have elected the practical expedient permitting the exclusion of disclosing remaining performance obligations for contracts that have an original expected duration of one year or less. We have some long-term contracts related to software and integrated project management services such as lump sum turnkey contracts. For software contracts, revenue is generally recognized over time throughout the license period when the software is considered to be a right to access our intellectual property. For lump sum turnkey projects, we recognize revenue over time using an input method, which requires us to exercise judgment. Revenue allocated to remaining performance obligations for these long-term contracts is not material.

Note 4. Receivables

As of December 31, 2018, 43% of our net trade receivables were from customers in the United States. As of December 31, 2017, 42% of our net trade receivables were from customers in the United States. No other country or single customer accounted for more than 10% of our net trade receivables at these dates.

We routinely monitor the financial stability of our customers and employ an extensive process to evaluate the collectability of outstanding receivables. This process, which involves a high degree of judgment utilizing significant assumptions, includes analysis of our customers' historical time to pay, financial condition and various financial metrics, debt structure, credit agency ratings, and production profile, as well as political and economic factors in countries of operations and other customer-specific factors.

Venezuela. During the first quarter of 2018, the Venezuelan government announced that it changed the existing dual-rate foreign currency exchange system by eliminating the DIPRO foreign exchange rate, which was 10 Bolívares per United States dollar, and that all future currency transactions would be carried out at the DICOM floating rate, which was approximately 50,000 Bolívares per United States dollar at March 31, 2018. Additionally, the U.S. government issued guidance on sanctions against Venezuela during the quarter. These events, combined with continued deteriorating political and economic conditions in Venezuela and ongoing delayed payments on existing accounts receivable with customers in the country, created significant uncertainties regarding the recoverability of our investment. As such, we determined it was appropriate to write down all of our remaining investment in Venezuela during the first quarter of 2018, which resulted in a $312 million charge, net of tax. This consisted of $119 million of allowance for doubtful accounts related to remaining accounts receivable, a $32 million write-off of our promissory note from our primary customer in Venezuela, and write-offs of $48 million of inventory, $53 million of fixed assets and $13 million of other assets and liabilities, all of which were included within "Impairments and other charges" in our consolidated statements of operations, in addition to $47 million of accrued taxes recognized in our tax provision. We have maintained limited operations in Venezuela and have changed our accounting for revenue with all customers in the country to a cash basis, effective April 1, 2018, while carefully managing our exposure.

The following table presents a rollforward of our global allowance for bad debts for 2016, 2017 and 2018.

Millions of dollars	Balance at Beginning of Period	Provision (a)	Other (b)	Balance at End of Period
Year ended December 31, 2016	$ 145	$ 50	$ (20)	$ 175
Year ended December 31, 2017	175	566	(16)	725
Year ended December 31, 2018	725	57	(44)	738

(a) Represents increases to allowance for bad debts charged to costs and expenses, net of recoveries.
(b) Includes write-offs, balance sheet reclassifications, and other activity.

Note 5. Inventories

Inventories are stated at the lower of cost and net realizable value. In the United States, we manufacture certain finished products and parts inventories for drill bits, completion products, bulk materials and other tools that are recorded using the last-in, first-out method, which totaled $186 million at December 31, 2018 and $177 million at December 31, 2017. If the average cost method had been used, total inventories would have been $24 million higher than reported as of December 31, 2018 and $31 million higher as of December 31, 2017. The cost of the remaining inventory was recorded using the average cost method. Inventories consisted of the following:

	December 31	
Millions of dollars	2018	2017
Finished products and parts	$ 1,947	$ 1,547
Raw materials and supplies	934	703
Work in process	147	146
Total	$ 3,028	$ 2,396

All amounts in the table above are reported net of obsolescence reserves of $219 million at December 31, 2018 and $276 million at December 31, 2017.

Note 6. Property, Plant and Equipment

Property, plant and equipment were composed of the following:

	December 31	
Millions of dollars	2018	2017
Land	$ 252	$ 248
Buildings and property improvements	3,461	3,460
Machinery, equipment and other	18,430	17,062
Total	22,143	20,770
Less accumulated depreciation	13,182	12,249
Net property, plant and equipment	$ 8,961	$ 8,521

Classes of assets are depreciated over the following useful lives:

	Buildings and Property Improvements	
	2018	2017
1 - 10 years	11%	11%
11 - 20 years	42%	42%
21 - 30 years	23%	22%
31 - 40 years	25%	25%

	Machinery, Equipment and Other	
	2018	2017
1 - 5 years	34%	35%
6 - 10 years	56%	56%
11 - 20 years	10%	9%

Note 7. Debt

Our total debt, including short-term borrowings and current maturities of long-term debt, consisted of the following:

	December 31	
Millions of dollars	2018	2017
5.0% senior notes due November 2045	$ 2,000	$ 2,000
3.8% senior notes due November 2025	2,000	2,000
3.5% senior notes due August 2023	1,100	1,100
4.85% senior notes due November 2035	1,000	1,000
7.45% senior notes due September 2039	1,000	1,000
4.75% senior notes due August 2043	900	900
6.7% senior notes due September 2038	800	800
3.25% senior notes due November 2021	500	500
4.5% senior notes due November 2041	500	500
7.6% senior debentures due August 2096	300	300
8.75% senior debentures due February 2021	185	185
6.75% notes due February 2027	104	104
2.0% senior notes due August 2018	—	400
Other	160	251
Unamortized debt issuance costs and discounts	(92)	(98)
Total	10,457	10,942
Short-term borrowings and current maturities of long-term debt	(36)	(512)
Total long-term debt	$ 10,421	$ 10,430

Senior debt

All of our senior notes and debentures rank equally with our existing and future senior unsecured indebtedness, have semiannual interest payments and have no sinking fund requirements. We may redeem all of our senior notes from time to time or all of the notes of each series at any time at the applicable redemption prices, plus accrued and unpaid interest. Our 7.60% and 8.75% senior debentures may not be redeemed prior to maturity.

During 2018, we repaid $400 million of 2.0% senior notes, which matured in August 2018.

Revolving credit facilities

We have a revolving credit facility with a capacity of $3.0 billion, which expires in July 2020. The facility is for working capital or general corporate purposes. The full amount of the revolving credit facility was available as of December 31, 2018.

Debt maturities

Our long-term debt matures as follows: $34 million in 2019, $27 million in 2020, $696 million in 2021, $12 million in 2022, $1.1 billion in 2023 and the remainder in 2024 and thereafter.

Note 8. Commitments and Contingencies

Securities and related litigation

Commencing in June 2002, a number of class action lawsuits were filed against us in federal court alleging violations of the federal securities laws arising out of our change in accounting for revenue on long-term construction projects, our 1998 acquisition of Dresser Industries, Inc. and our reserves for asbestos liability exposure. In December 2016, we reached an agreement to settle these lawsuits and in July 2017, the district court issued final approval of the settlement.

The settlement resolves all pending cases other than *Magruder v. Halliburton Co., et. al.* (the Magruder case). The allegations in the Magruder case arise out of the same general events described above, but for a later class period, December 8, 2001 to May 28, 2002. There has been limited activity in the Magruder case. In March 2009, our motion to dismiss was granted, with leave to replead. In March 2012, plaintiffs filed an amended complaint and in May 2012, we filed a motion to dismiss. That motion was granted in May 2018, with leave to replead some of the claims. An amended complaint was filed in June 2018 and we filed another motion to dismiss which remains pending. We cannot predict the outcome or consequences of this case, which we intend to vigorously defend.

Environmental

We are subject to numerous environmental, legal and regulatory requirements related to our operations worldwide. In the United States, these laws and regulations include, among others:

- the Comprehensive Environmental Response, Compensation and Liability Act;
- the Resource Conservation and Recovery Act;
- the Clean Air Act;
- the Federal Water Pollution Control Act;
- the Toxic Substances Control Act; and
- the Oil Pollution Act.

In addition to the federal laws and regulations, states and other countries where we do business often have numerous environmental, legal and regulatory requirements by which we must abide. We evaluate and address the environmental impact of our operations by assessing and remediating contaminated properties in order to avoid future liabilities and comply with environmental, legal and regulatory requirements. Our Health, Safety and Environment group has several programs in place to maintain environmental leadership and to help prevent the occurrence of environmental contamination. On occasion, we are involved in environmental litigation and claims, including the remediation of properties we own or have operated, as well as efforts to meet or correct compliance-related matters. We do not expect costs related to those claims and remediation requirements to have a material adverse effect on our liquidity, consolidated results of operations, or consolidated financial position. Our accrued liabilities for environmental matters were $42 million as of December 31, 2018 and $48 million as of December 31, 2017. Because our estimated liability is typically within a range and our accrued liability may be the amount on the low end of that range, our actual liability could eventually be well in excess of the amount accrued. Our total liability related to environmental matters covers numerous properties.

Additionally, we have subsidiaries that have been named as potentially responsible parties along with other third parties for eight federal and state Superfund sites for which we have established reserves. As of December 31, 2018, those eight sites accounted for approximately $9 million of our $42 million total environmental reserve. Despite attempts to resolve these Superfund matters, the relevant regulatory agency may at any time bring suit against us for amounts in excess of the amount accrued. With respect to some Superfund sites, we have been named a potentially responsible party by a regulatory agency; however, in each of those cases, we do not believe we have any material liability. We also could be subject to third-party claims with respect to environmental matters for which we have been named as a potentially responsible party.

Guarantee arrangements

In the normal course of business, we have agreements with financial institutions under which approximately $2.0 billion of letters of credit, bank guarantees, or surety bonds were outstanding as of December 31, 2018. Some of the outstanding letters of credit have triggering events that would entitle a bank to require cash collateralization. None of these off balance sheet arrangements either has, or is likely to have, a material effect on our consolidated financial statements.

Leases

We are party to numerous operating leases, primarily related to real estate, transportation and equipment. Total rentals on our operating leases, net of sublease rentals, were $680 million in 2018, $574 million in 2017 and $587 million in 2016.

Future total rentals on our noncancellable operating leases are $975 million in the aggregate, which includes the following: $275 million in 2019; $146 million in 2020; $122 million in 2021; $100 million in 2022; $78 million in 2023; and $254 million thereafter.

Note 9. Income Taxes

The components of the benefit (provision) for income taxes on continuing operations were:

	Year Ended December 31		
Millions of dollars	2018	2017	2016
Current income taxes:			
Federal	$ 19	$ 40	$ 737
Foreign	(428)	(423)	(415)
State	(15)	(14)	35
Total current	(424)	(397)	357
Deferred income taxes:			
Federal	286	(678)	1,343
Foreign	9	(31)	77
State	(28)	(25)	81
Total deferred	267	(734)	1,501
Income tax benefit (provision)	$ (157)	$ (1,131)	$ 1,858

The United States and foreign components of income (loss) from continuing operations before income taxes were as follows:

	Year Ended December 31		
Millions of dollars	2018	2017	2016
United States	$ 1,097	$ 694	$ (6,636)
Foreign	717	(12)	(989)
Total	$ 1,814	$ 682	$ (7,625)

Reconciliations between the actual provision for income taxes on continuing operations and that computed by applying the United States statutory rate to income (loss) from continuing operations before income taxes were as follows:

	Year Ended December 31		
	2018	2017	2016
United States statutory rate	21.0%	35.0%	35.0%
Valuation allowance against tax assets	(16.2)	(6.2)	(2.1)
Venezuela adjustment	5.7	36.6	—
Impact of foreign income taxed at different rates	(3.0)	(18.3)	(3.2)
Impact of U.S. tax reform	(2.6)	113.0	—
Adjustments of prior year taxes	2.0	(2.3)	0.2
State income taxes	1.9	1.7	1.0
Undistributed foreign earnings	—	3.8	(5.1)
Domestic manufacturing deduction	—	—	(1.3)
Non-deductible acquisition costs	—	—	0.6
Other items, net	(0.1)	2.5	(0.7)
Total effective tax rate on continuing operations	8.7%	165.8%	24.4%

Our effective tax rate on continuing operations was 8.7% for 2018, 165.8% for 2017 and 24.4% for 2016. For the year ended December 31, 2018, we had the following significant items impacting our effective tax rate:

– during the fourth quarter of 2018, we recognized the impact of a strategic change in the Company's corporate structure, which resulted in a net tax benefit of $306 million;
– we wrote down all of our remaining investment in Venezuela during the first quarter of 2018. As a result, we recognized a pre-tax charge of $265 million, which was not tax-deductible, coupled with $47 million of additional accrued local Venezuela taxes in our tax provision. See Note 4 to the consolidated financial statements for further information;
– we completed our analysis in the fourth quarter of 2018 on the impact of the United States tax reform enacted in 2017 and made an adjustment to the provisional estimate we previously recorded. As a result, we recognized $47 million of additional tax benefits, primarily related to the remeasurement of deferred taxes and an adjustment to mandatory deemed repatriation; and
– we recognized income in our foreign operations in which the corresponding tax expenses are applied at lower statutory rates in certain jurisdictions.

The primary components of our deferred tax assets and liabilities were as follows:

	December 31	
Millions of dollars	2018	2017
Gross deferred tax assets:		
Net operating loss carryforwards	$ 1,466	$ 1,370
Foreign tax credit carryforwards	728	828
Employee compensation and benefits	242	263
Accrued liabilities	101	97
Other	404	416
Total gross deferred tax assets	2,941	2,974
Gross deferred tax liabilities:		
Depreciation and amortization	635	315
Undistributed foreign earnings	2	242
Other	64	56
Total gross deferred tax liabilities	701	613
Valuation allowances	913	1,173
Net deferred income tax asset	$ 1,327	$ 1,188

At December 31, 2018, we had $1.5 billion of domestic and foreign tax-effected net operating loss carryforwards. The ultimate realization of these deferred tax assets depends on the ability to generate sufficient taxable income in the appropriate taxing jurisdiction. $168 million of the net operating loss carryforwards will expire after taxable years ended from 2019 through 2023, $180 million will expire after taxable years ended from 2024 through 2028, and $786 million will expire after taxable years ended from 2029 through 2039. The remaining balance will not expire. Additionally, we had $805 million of foreign tax credit carryforwards that will expire from 2024 through 2028, which are offset by foreign branch deferred activity reflected in the above table, along with $138 million of research and development tax credit carryforwards that will expire from 2029 through 2039.

In accordance with the Tax Cuts and Jobs Act of 2017, a company's foreign earnings accumulated under the legacy tax laws are deemed to be repatriated into the United States. We have provided federal and state income tax related to this deemed repatriation. We have not provided incremental United States income taxes and foreign withholding taxes on undistributed earnings of foreign subsidiaries as of December 31, 2018. The Company generally does not provide for taxes related to its undistributed earnings because such earnings either would not be taxable when remitted or they are considered to be indefinitely reinvested.

The following table presents a rollforward of our unrecognized tax benefits and associated interest and penalties.

Millions of dollars	Unrecognized Tax Benefits		Interest and Penalties
Balance at January 1, 2016	$ 322		$ 47
Change in prior year tax positions	44		20
Change in current year tax positions	129		3
Cash settlements with taxing authorities	(62)		(8)
Lapse of statute of limitations	(6)		(1)
Balance at December 31, 2016	$ 427		$ 61
Change in prior year tax positions	(108)		—
Change in current year tax positions	24		2
Cash settlements with taxing authorities	(6)		—
Lapse of statute of limitations	(4)		(3)
Balance at December 31, 2017	$ 333	(a)	$ 60
Change in prior year tax positions	32		11
Change in current year tax positions	63		—
Cash settlements with taxing authorities	(7)		(2)
Lapse of statute of limitations	(4)		(2)
Balance at December 31, 2018	$ 417	(a)(b)	$ 67

(a) Includes $18 million as of December 31, 2018 and $9 million as of December 31, 2017 in foreign unrecognized tax benefits that would give rise to a United States tax credit. As of December 31, 2018 and December 31, 2017, approximately $399 million and $319 million, respectively, of unrecognized tax benefits would positively impact the effective tax rate and be recognized as additional tax benefits in our statement of operations if resolved in our favor.

(b) Includes $21 million that could be resolved within the next 12 months.

We file income tax returns in the United States federal jurisdiction and in various states and foreign jurisdictions. In most cases, we are no longer subject to state, local, or non-United States income tax examination by tax authorities for years before 2009. Tax filings of our subsidiaries, unconsolidated affiliates and related entities are routinely examined in the normal course of business by tax authorities. Currently, our United States federal tax filings for the tax years 2014 through 2015 are under review by the Internal Revenue Service, and the appeal process is closed and final resolution has been achieved for the tax years 2010 through 2013.

Note 10. Shareholders' Equity

Shares of common stock

The following table summarizes total shares of common stock outstanding:

	December 31	
Millions of shares	2018	2017
Issued	1,069	1,069
In treasury	(198)	(196)
Total shares of common stock outstanding	871	873

Our Board of Directors has authorized a program to repurchase a specified dollar amount of our common stock from time to time. The program does not require a specific number of shares to be purchased and the program may be effected through solicited or unsolicited transactions in the market or in privately negotiated transactions. The program may be terminated or suspended at any time. During the year ended December 31, 2018 we repurchased approximately 10.5 million shares of our common stock for a total cost of $400 million. There were no repurchases made under the program during the year ended December 31, 2017. Approximately $5.3 billion remained authorized for repurchases as of December 31, 2018. From the inception of this program in February 2006 through December 31, 2018, we repurchased approximately 212 million shares of our common stock for a total cost of approximately $8.8 billion.

Preferred stock

Our preferred stock consists of five million total authorized shares at December 31, 2018, of which none are issued.

Accumulated other comprehensive loss

Accumulated other comprehensive loss consisted of the following:

	December 31	
Millions of dollars	2018	2017
Defined benefit and other postretirement liability adjustments (a)	$ (203)	$ (334)
Cumulative translation adjustment	(82)	(80)
Other	(70)	(55)
Total accumulated other comprehensive loss	$ (355)	$ (469)

(a) Included net actuarial losses for our international pension plans of $184 million at December 31, 2018 and $295 million at December 31, 2017.

Note 11. Stock-based Compensation

The following table summarizes stock-based compensation costs for the years ended December 31, 2018, 2017 and 2016.

	Year Ended December 31		
Millions of dollars	2018	2017	2016
Stock-based compensation cost	$ 274	$ 290	$ 262
Tax benefit	(51)	(64)	(77)
Stock-based compensation cost, net of tax	$ 223	$ 226	$ 185

Our Stock and Incentive Plan, as amended (Stock Plan), provides for the grant of any or all of the following types of stock-based awards:

- stock options, including incentive stock options and nonqualified stock options;
- restricted stock awards;
- restricted stock unit awards;
- stock appreciation rights; and
- stock value equivalent awards.

There are currently no stock appreciation rights, stock value equivalent awards, or incentive stock options outstanding. Under the terms of the Stock Plan, approximately 206 million shares of common stock have been reserved for issuance to employees and non-employee directors. At December 31, 2018, approximately 11 million shares were available for future grants under the Stock Plan. The stock to be offered pursuant to the grant of an award under the Stock Plan may be authorized but unissued common shares or treasury shares.

In addition to the provisions of the Stock Plan, we also have stock-based compensation provisions under our Restricted Stock Plan for Non-Employee Directors and our Employee Stock Purchase Plan (ESPP).

Each of the active stock-based compensation arrangements is discussed below.

Stock options

The majority of our options are generally issued during the second quarter of the year. All stock options under the Stock Plan are granted at the fair market value of our common stock at the grant date. Employee stock options generally vest ratably over a period of three years and expire 10 years from the grant date. Compensation expense for stock options is generally recognized on a straight line basis over the entire vesting period.

The following table represents our stock options activity during 2018.

	Number of Shares (in millions)	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (in millions)
Outstanding at January 1, 2018	20.9	$ 44.92		
Granted	3.0	46.39		
Exercised	(2.2)	40.34		
Forfeited/expired	(0.7)	49.44		
Outstanding at December 31, 2018	21.0	$ 45.44	6.1	$ 2
Exercisable at December 31, 2018	15.6	$ 45.28	5.1	$ 2

The total intrinsic value of options exercised was $25 million in 2018, $21 million in 2017 and $25 million in 2016. As of December 31, 2018, there was $41 million of unrecognized compensation cost, net of estimated forfeitures, related to nonvested stock options, which is expected to be recognized over a weighted average period of approximately two years.

Cash received from issuance of common stock was $195 million during 2018, $158 million during 2017 and $186 million during 2016, of which $88 million, $53 million and $80 million related to proceeds from exercises of stock options in 2018, 2017 and 2016, respectively. The remainder relates to cash proceeds from the issuance of shares related to our employee stock purchase plan.

The fair value of options at the date of grant was estimated using the Black-Scholes option pricing model. The expected volatility of options granted was a blended rate based upon implied volatility calculated on actively traded options on our common stock and upon the historical volatility of our common stock. The expected term of options granted was based upon historical observation of actual time elapsed between date of grant and exercise of options for all employees. The assumptions and resulting fair values of options granted were as follows:

	Year Ended December 31		
	2018	2017	2016
Expected term (in years)	5.27	5.24	5.21
Expected volatility	28%	32%	37%
Expected dividend yield	1.37 - 2.29%	1.28 - 1.72%	1.35 - 2.46%
Risk-free interest rate	2.27 - 2.84%	1.79 - 2.14%	1.13 - 1.84%
Weighted average grant-date fair value per share	$11.56	$13.11	$12.33

Restricted stock

Restricted shares issued under the Stock Plan are restricted as to sale or disposition. These restrictions lapse periodically generally over a period of five years. Restrictions may also lapse for early retirement and other conditions in accordance with our established policies. Upon termination of employment, shares on which restrictions have not lapsed must be returned to us, resulting in restricted stock forfeitures. The fair market value of the stock on the date of grant is amortized and charged to income on a straight-line basis over the requisite service period for the entire award.

The following table represents our restricted stock awards and restricted stock units granted, vested and forfeited during 2018.

	Number of Shares (in millions)	Weighted Average Grant-Date Fair Value per Share
Nonvested shares at January 1, 2018	15.1	$ 45.42
Granted	4.9	47.43
Vested	(4.8)	45.24
Forfeited	(0.8)	46.62
Nonvested shares at December 31, 2018	14.4	$ 46.01

The weighted average grant-date fair value of shares granted was $47.43 during 2018, $45.99 during 2017 and $42.87 during 2016. The total fair value of shares vested was $219 million during 2018, $204 million during 2017, and $223 million during 2016. As of December 31, 2018, there was $433 million of unrecognized compensation cost, net of estimated forfeitures, related to nonvested restricted stock, which is expected to be recognized over a weighted average period of three years.

Employee Stock Purchase Plan

Under the ESPP, eligible employees may have up to 10% of their earnings withheld, subject to some limitations, to be used to purchase shares of our common stock. The ESPP contains four three-month offering periods commencing on January 1, April 1, July 1 and October 1 of each year. The price at which common stock may be purchased under the ESPP is equal to 85% of the lower of the fair market value of the common stock on the commencement date or last trading day of each offering period. Under this plan, 74 million shares of common stock have been reserved for issuance. The stock to be offered may be authorized but unissued common shares or treasury shares. As of December 31, 2018, 49 million shares have been sold through the ESPP since the inception of the plan and 25 million shares are available for future issuance.

The fair value of ESPP shares was estimated using the Black-Scholes option pricing model. The expected volatility was a one-year historical volatility of our common stock. The assumptions and resulting fair values were as follows:

	Year Ended December 31		
	2018	2017	2016
Expected volatility	25%	29%	36%
Expected dividend yield	1.62%	1.51%	1.87%
Risk-free interest rate	1.92%	0.86%	0.25%
Weighted average grant-date fair value per share	$ 8.86	$ 9.95	$ 8.61

Note 12. Income per Share

Basic income or loss per share is based on the weighted average number of common shares outstanding during the period. Diluted income per share includes additional common shares that would have been outstanding if potential common shares with a dilutive effect had been issued. Antidilutive securities represent potentially dilutive securities which are excluded from the computation of diluted income or loss per share as their impact was antidilutive.

A reconciliation of the number of shares used for the basic and diluted income per share computations is as follows:

	Year Ended December 31		
Millions of shares	2018	2017	2016
Basic weighted average common shares outstanding	875	870	861
Dilutive effect of awards granted under our stock incentive plans	2	—	—
Diluted weighted average common shares outstanding	877	870	861
Antidilutive shares:			
Options with exercise price greater than the average market price	14	6	11
Options which are antidilutive due to net loss position	—	2	1
Total antidilutive shares	14	8	12

Note 13. Financial Instruments and Risk Management

The carrying amount of cash and equivalents, receivables and accounts payable, as reflected in the consolidated balance sheets, approximates fair value due to the short maturities of these instruments.

The carrying amount and fair value of our total debt, including short-term borrowings and current maturities of long term debt, is as follows:

	December 31, 2018				December 31, 2017			
Millions of dollars	Level 1	Level 2	Total fair value	Carrying value	Level 1	Level 2	Total fair value	Carrying value
Total debt	$ 6,726	$ 4,150	$ 10,876	$ 10,457	$ 3,285	$ 9,172	$ 12,457	$ 10,942

Our debt categorized within level 1 on the fair value hierarchy is calculated using quoted prices in active markets for identical liabilities with transactions occurring on the last two days of period-end. Our debt categorized within level 2 on the fair value hierarchy is calculated using significant observable inputs for similar liabilities where estimated values are determined from observable data points on our other bonds and on other similarly rated corporate debt or from observable data points of transactions occurring prior to two days from period-end and adjusting for changes in market conditions. Differences between the periods presented in our level 1 and level 2 classification of our long-term debt relate to the timing of when transactions are executed. We have no debt categorized within level 3 on the fair value hierarchy based on unobservable inputs.

We are exposed to market risk from changes in foreign currency exchange rates and interest rates. We selectively manage these exposures through the use of derivative instruments, including forward foreign exchange contracts, foreign exchange options and interest rate swaps. The objective of our risk management strategy is to minimize the volatility from fluctuations in foreign currency and interest rates. We do not use derivative instruments for trading purposes. The fair value of our forward contracts, options and interest rate swaps was not material as of December 31, 2018 or December 31, 2017. The counterparties to our derivatives are primarily global commercial and investment banks.

Foreign currency exchange risk

We have operations in many international locations and are involved in transactions denominated in currencies other than the United States dollar, our functional currency, which exposes us to foreign currency exchange rate risk. Techniques in managing foreign currency exchange risk include, but are not limited to, foreign currency borrowing and investing and the use of currency exchange instruments. We attempt to selectively manage significant exposures to potential foreign currency exchange losses based on current market conditions, future operating activities and the associated cost in relation to the perceived risk of loss. The purpose of our foreign currency risk management activities is to minimize the risk that our cash flows from the purchase and sale of products and services in foreign currencies will be adversely affected by changes in exchange rates.

We use forward contracts and options to manage our exposure to fluctuations in the currencies of certain countries in which we do business internationally. These instruments are not treated as hedges for accounting purposes, generally have an expiration date of one year or less and are not exchange traded. While these instruments are subject to fluctuations in value, the fluctuations are generally offset by the value of the underlying exposures being managed. The use of some of these instruments may limit our ability to benefit from favorable fluctuations in foreign currency exchange rates.

Derivatives are not utilized to manage exposures in some currencies due primarily to the lack of available markets or cost considerations (non-traded currencies). We attempt to manage our working capital position to minimize foreign currency exposure in non-traded currencies and recognize that pricing for the services and products offered in these countries should account for the cost of exchange rate devaluations. We have historically incurred transaction losses in non-traded currencies.

The notional amounts of open foreign exchange derivatives were $591 million at December 31, 2018 and $633 million at December 31, 2017. The notional amounts of these instruments do not generally represent amounts exchanged by the parties, and thus are not a measure of our exposure or of the cash requirements related to these contracts. The fair value of our foreign exchange derivatives as of December 31, 2018 and December 31, 2017 is included in “Other current assets” in our consolidated balance sheets and was immaterial. The fair value of these instruments is categorized within level 2 on the fair value hierarchy and was determined using a market approach with certain inputs, such as notional amounts hedged, exchange rates, and other terms of the contracts that are observable in the market or can be derived from or corroborated by observable data.

Interest rate risk

We are subject to interest rate risk on our existing long-term debt. Our short-term borrowings do not give rise to significant interest rate risk due to their short-term nature. We had fixed rate long-term debt totaling $10.4 billion at both December 31, 2018 and December 31, 2017. We maintain an interest rate management strategy that is intended to mitigate the exposure to changes in interest rates in the aggregate for our debt portfolio. We use interest rate swaps to effectively convert a portion of our fixed rate debt to floating LIBOR-based rates. Our interest rate swaps, which expire when the underlying debt matures, are designated as fair value hedges of the underlying debt and are determined to be highly effective. These derivative instruments are marked to market with gains and losses recognized currently in interest expense to offset the respective gains and losses recognized on changes in the fair value of the hedged debt.

As of December 31, 2018, we had an interest rate swap relating to one of our debt instruments with a total notional amount of $100 million. The fair value of this interest rate swap as of December 31, 2018 and December 31, 2017 is included in “Other assets” in our consolidated balance sheets and was immaterial. The fair value of this interest rate swap is categorized within level 2 on the fair value hierarchy and was determined using a market approach with inputs, such as the notional amount, LIBOR rate spread and settlement terms that are observable in the market or can be derived from or corroborated by observable data.

Credit risk

Financial instruments that potentially subject us to concentrations of credit risk are primarily cash equivalents and trade receivables. It is our practice to place our cash equivalents in high quality investments with various institutions. Our trade receivables are from a broad and diverse group of customers and are generally not collateralized. As of December 31, 2018, 43% of our net trade receivables were from customers in the United States. As of December 31, 2017, 42% of our net trade receivables were from customers in the United States. We maintain an allowance for bad debts based upon several factors, including historical collection experience, current aging status of the customer accounts and financial condition of our customers. See Note 4 for further information.

We do not have any significant concentrations of credit risk with any individual counterparty to our derivative contracts. We select counterparties to those contracts based on our belief that each counterparty’s profitability, balance sheet and capacity for timely payment of financial commitments is unlikely to be materially adversely affected by foreseeable events.

Note 14. Retirement Plans

Our company and subsidiaries have various plans that cover a significant number of our employees. These plans include defined contribution plans, defined benefit plans and other postretirement plans:

- our defined contribution plans provide retirement benefits in return for services rendered. These plans 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 pretax income and/or discretionary amounts determined on an annual basis. Our expense for the defined contribution plans for continuing operations totaled $193 million in 2018, $173 million in 2017 and $111 million in 2016. The increase in 2018 resulted from an increase in the domestic and international workforce.
- our defined benefit plans, which include both funded and unfunded pension plans, define an amount of pension benefit to be provided, usually as a function of age, years of service and/or compensation. The unfunded obligations and net periodic benefit cost of our United States defined benefit plans were not material for the periods presented; and
- our postretirement plans other than pensions are offered to specific eligible employees. The accumulated benefit obligations and net periodic benefit cost for these plans were not material for the periods presented.

Funded status

For our international pension plans, at December 31, 2018, the projected benefit obligation was $951 million and the fair value of plan assets was $832 million, which resulted in an unfunded obligation of $119 million. At December 31, 2017, the projected benefit obligation was $1.2 billion and the fair value of plan assets was $940 million, which resulted in an unfunded obligation of $280 million. The accumulated benefit obligation for our international plans was $878 million at December 31, 2018 and $1.2 billion at December 31, 2017.

The following table presents additional information about our international pension plans.

	December 31	
Millions of dollars	2018	2017
Amounts recognized on the Consolidated Balance Sheets		
Other Assets	$ 39	$ 2
Accrued employee compensation and benefits	8	15
Employee compensation and benefits	150	267
Pension plans in which projected benefit obligation exceeded plan assets		
Projected benefit obligation (a)	$ 176	$ 1,202
Fair value of plan assets	18	920
Pension plans in which accumulated benefit obligation exceeded plan assets		
Accumulated benefit obligation (a)	$ 105	$ 1,139
Fair value of plan assets	18	920

(a) Our United Kingdom pension plan was underfunded as of December 31, 2017 and overfunded as of December 31, 2018. As such, the fair value of plan assets and projected and accumulated benefit obligation related to this plan are no longer captured in this table at December 31, 2018.

Fair value measurements of plan assets

The fair value of our plan assets categorized within level 1 on the fair value hierarchy is based on quoted prices in active markets for identical assets. The fair value of our plan assets categorized within level 2 on the fair value hierarchy is based on significant observable inputs for similar assets. The fair value of our plan assets categorized within level 3 on the fair value hierarchy is based on significant unobservable inputs.

The following table sets forth the fair values of assets held by our international pension plans by level within the fair value hierarchy.

Millions of dollars	Level 1	Level 2	Level 3	Total
Cash and equivalents	$ —	$ 12	$ —	$ 12
Common/collective trust funds (a)				
Equity funds (b)	—	137	—	137
Bond funds (c)	—	302	21	323
Alternatives funds (d)	—	209	—	209
Real estate funds (e)	—	81	28	109
Other assets	6	21	15	42
Fair value of plan assets at December 31, 2018	$ 6	$ 762	$ 64	$ 832
Cash and equivalents	$ —	$ 11	$ —	$ 11
Common/collective trust funds (a)				
Equity funds (b)	—	204	—	204
Bond funds (c)	—	323	46	369
Alternatives fund (d)	—	184	—	184
Real estate funds (e)	—	98	28	126
Other assets	7	22	17	46
Fair value of plan assets at December 31, 2017	$ 7	$ 842	$ 91	$ 940

(a) Common/collective trust funds are valued at the net asset value of units held by the plans at year-end.
(b) Strategy is to invest in diversified funds of global common stocks.
(c) Strategy is to invest in diversified funds of fixed income securities of varying geographies and credit quality and whose cash flows approximate the maturities of the benefit obligation.
(d) Strategy is to invest in a fund of diversifying investments, including but not limited to reinsurance, commodities and currencies.
(e) Strategy is to invest in diversified funds of real estate investment trusts and private real estate.

Our investment strategy varies by country depending on the circumstances of the underlying plan. Risk management practices include diversification by issuer, industry and geography, as well as the use of multiple asset classes and investment managers within each asset class. Our investment strategy for our United Kingdom pension plan, which constituted 80% of our international pension plans' projected benefit obligation at December 31, 2018 and is no longer accruing service benefits, aims to achieve full funding of the benefit obligation, with the plan's assets increasingly composed of investments whose cash flows match the maturities of the obligation.

Net periodic benefit cost

Net periodic benefit cost for our international pension plans was $32 million in 2018, $30 million in 2017 and $30 million in 2016. Included in net periodic benefit cost were $8 million in 2018 and $13 million in 2017 of net curtailment and settlement cost arising from reductions in workforce and an increase in lump sum payments made during these years.

Actuarial assumptions

Certain weighted-average actuarial assumptions used to determine benefit obligations of our international pension plans at December 31 were as follows:

	2018	2017
Discount rate	3.3%	2.8%
Rate of compensation increase	5.8%	5.5%

Certain weighted-average actuarial assumptions used to determine net periodic benefit cost of our international pension plans for the years ended December 31 were as follows:

	2018	2017	2016
Discount rate	2.8%	2.9%	4.2%
Expected long-term return on plan assets	4.1%	4.2%	5.3%
Rate of compensation increase	5.5%	4.8%	5.4%

Assumed long-term rates of return on plan assets, discount rates for estimating benefit obligations and rates of compensation increases vary by plan according to local economic conditions. Where possible, discount rates were determined based on the prevailing market rates of a portfolio of high-quality debt instruments with maturities matching the expected timing of the payment of the benefit obligations. Expected long-term rates of return on plan assets were determined based upon an evaluation of our plan assets and historical trends and experience, taking into account current and expected market conditions.

Other information

Contributions. Funding requirements for each plan are determined based on the local laws of the country where such plan resides. In certain countries the funding requirements are mandatory, while in other countries they are discretionary. We currently expect to contribute $16 million to our international pension plans in 2019.

Benefit payments. Expected benefit payments over the next 10 years for our international pension plans are as follows: $57 million in 2019, $55 million in 2020, $59 million in 2021, $64 million in 2022, $66 million in 2023 and $386 million in years 2024 through 2028.

Note 15. New Accounting Pronouncements

Standards adopted in 2018

Revenue Recognition

On January 1, 2018, we adopted the comprehensive new revenue recognition standard issued by the Financial Accounting Standards Board (FASB). The core principle of the new standard is that a company should recognize revenue to depict the transfer of promised services or products to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those services or products. The standard creates a five step model that requires companies to exercise judgment when considering the terms of a contract and all relevant facts and circumstances.

We adopted the new revenue recognition standard using a modified retrospective basis and applied the guidance to all contracts that were not completed as of January 1, 2018. This resulted in an immaterial cumulative-effect adjustment to retained earnings as of January 1, 2018. The comparative financial information has not been restated and continues to be reported under the revenue accounting standards in effect during those periods. The adoption of this standard did not have a material impact to our consolidated financial position, reported revenue, results of operations or cash flows as of and for the year ended December 31, 2018. See Note 3 for our expanded revenue disclosures required by the new standard.

Standards not yet adopted

Leases

In February 2016, the FASB issued an accounting standards update related to accounting for leases, which requires assets and liabilities that arise from all leases to be recognized on the balance sheet for lessees and expanded financial statement disclosures for both lessees and lessors. Currently, only capital leases are recorded on the balance sheet. This update will require lessees to recognize a lease liability equal to the present value of its lease payments and a right-of-use asset representing its right to use the underlying asset for the lease term for all leases longer than 12 months. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and liabilities and instead recognize lease expense for such leases generally on a straight-line basis over the lease term. Leases with a term of longer than 12 months will be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the income statement.

We adopted the new standard effective January 1, 2019 and intend to elect the modified retrospective transition method. As such, the comparative financial information will not be restated and will continue to be reported under the lease standard in effect during those periods. We also intend to elect other practical expedients provided by the new standard, including the package of practical expedients, the short-term lease recognition practical expedient in which leases with a term of 12 months or less will not be recognized on the balance sheet, and the practical expedient to not separate lease and non-lease components for the majority of our leases. We expect that the adoption of this standard will result in a range of approximately $1.0 billion to $1.2 billion of additional assets and liabilities on our consolidated balance sheet representing the recognition of operating lease right-of-use assets and operating lease liabilities.

HALLIBURTON COMPANY
Selected Financial Data
(Unaudited)

Millions of dollars except per share	Year ended December 31 2018	2017	2016	2015	2014
Revenue	$ 23,995	$ 20,620	$ 15,887	$ 23,633	$ 32,870
Operating income (loss)	2,467	1,374	(6,770)	(165)	5,097
Income (loss) from continuing operations	1,657	(449)	(5,767)	(662)	3,437
Basic income (loss) per share from continuing operations	1.89	(0.51)	(6.69)	(0.78)	4.05
Diluted income (loss) per share from continuing operations	1.89	(0.51)	(6.69)	(0.78)	4.03
Cash dividends per share	0.72	0.72	0.72	0.72	0.63
Net working capital	6,349	5,915	7,654	14,733	8,781
Total assets	25,982	25,085	27,000	36,942	32,165
Long-term debt	10,421	10,430	12,214	14,687	7,765
Total debt	10,457	10,942	12,384	15,429	7,915
Total shareholders’ equity	9,544	8,349	9,448	15,495	16,298
Capital expenditures	2,026	1,373	798	2,184	3,283

HALLIBURTON COMPANY
Quarterly Financial Data
(Unaudited)

Millions of dollars except per share data	Quarter First	Second	Third	Fourth	Year
2018					
Revenue	$ 5,740	$ 6,147	$ 6,172	$ 5,936	$ 23,995
Operating income	354	789	716	608	2,467
Net income	47	508	434	668	1,657
Net income from continuing operations attributable to company	46	511	435	664	1,656
Basic and diluted net income from continuing operations attributable to company per share	0.05	0.58	0.50	0.76	1.89
Cash dividends paid per share	0.18	0.18	0.18	0.18	0.72
2017					
Revenue	$ 4,279	$ 4,957	$ 5,444	$ 5,940	$ 20,620
Operating income	203	146	642	383	1,374
Net income (loss)	(32)	28	361	(825)	(468)
Amounts attributable to company shareholders:					
Income (loss) from continuing operations	(32)	28	365	(805)	(444)
Loss from discontinued operations	—	—	—	(19)	(19)
Net income (loss) attributable to company	(32)	28	365	(824)	(463)
Basic and diluted per share attributable to company shareholders:					
Income (loss) from continuing operations	(0.04)	0.03	0.42	(0.92)	(0.51)
Loss from discontinued operations	—	—	—	(0.02)	(0.02)
Net income (loss)	(0.04)	0.03	0.42	(0.94)	(0.53)
Cash dividends paid per share	0.18	0.18	0.18	0.18	0.72

Note: Results for the first quarter of 2018 include charges related to the write-down of our remaining investment in Venezuela. See Note 4 for further information. Results for the fourth quarter of 2017 include charges for U.S. tax reform and Venezuela receivables.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The information required for the directors of the Registrant is incorporated by reference to the Halliburton Company Proxy Statement for our 2019 Annual Meeting of Stockholders (File No. 001-03492) under the captions “Election of Directors” and “Involvement in Certain Legal Proceedings.” The information required for the executive officers of the Registrant is included under Part I on pages 5 through 6 of this annual report. The information required for a delinquent form required under Section 16(a) of the Securities Exchange Act of 1934 is incorporated by reference to the Halliburton Company Proxy Statement for our 2019 Annual Meeting of Stockholders (File No. 001-03492) under the caption “Section 16(a) Beneficial Ownership Reporting Compliance,” to the extent any disclosure is required. The information for our code of ethics is incorporated by reference to the Halliburton Company Proxy Statement for our 2019 Annual Meeting of Stockholders (File No. 001-03492) under the caption “Corporate Governance.” The information regarding our Audit Committee and the independence of its members, along with information about the audit committee financial expert(s) serving on the Audit Committee, is incorporated by reference to the Halliburton Company Proxy Statement for our 2019 Annual Meeting of Stockholders (File No. 001-03492) under the caption “The Board of Directors and Standing Committees of Directors.”

Item 11. Executive Compensation.

This information is incorporated by reference to the Halliburton Company Proxy Statement for our 2019 Annual Meeting of Stockholders (File No. 001-03492) under the captions “Compensation Discussion and Analysis,” “Compensation Committee Report,” “Summary Compensation Table,” “Grants of Plan-Based Awards in Fiscal 2018,” “Outstanding Equity Awards at Fiscal Year End 2018,” “2018 Option Exercises and Stock Vested,” “2018 Nonqualified Deferred Compensation,” “Employment Contracts and Change-in-Control Arrangements,” “Post-Termination or Change-in-Control Payments,” “Equity Compensation Plan Information” and “Directors’ Compensation.”

Item 12(a). Security Ownership of Certain Beneficial Owners.

This information is incorporated by reference to the Halliburton Company Proxy Statement for our 2019 Annual Meeting of Stockholders (File No. 001-03492) under the caption “Stock Ownership of Certain Beneficial Owners and Management.”

Item 12(b). Security Ownership of Management.

This information is incorporated by reference to the Halliburton Company Proxy Statement for our 2019 Annual Meeting of Stockholders (File No. 001-03492) under the caption “Stock Ownership of Certain Beneficial Owners and Management.”

Item 12(c). Changes in Control.

Not applicable.

Item 12(d). Securities Authorized for Issuance Under Equity Compensation Plans.

This information is incorporated by reference to the Halliburton Company Proxy Statement for our 2019 Annual Meeting of Stockholders (File No. 001-03492) under the caption “Equity Compensation Plan Information.”

Item 13. Certain Relationships and Related Transactions, and Director Independence.

This information is incorporated by reference to the Halliburton Company Proxy Statement for our 2019 Annual Meeting of Stockholders (File No. 001-03492) under the caption “Corporate Governance” to the extent any disclosure is required and under the caption “The Board of Directors and Standing Committees of Directors.”

Item 14. Principal Accounting Fees and Services.

This information is incorporated by reference to the Halliburton Company Proxy Statement for our 2019 Annual Meeting of Stockholders (File No. 001-03492) under the caption “Fees Paid to KPMG LLP.”

PART IV

Item 15. Exhibits.

1. Financial Statements:

   The reports of the Independent Registered Public Accounting Firm and the financial statements of Halliburton Company as required by Part II, Item 8, are included on pages 34 through 35 and pages 36 through 60 of this annual report. See index on page (i).

2. Financial Statement Schedules:

   The schedules listed in Rule 5-04 of Regulation S-X (17 CFR 210.5-04) have been omitted because they are not applicable or the required information is shown in the consolidated financial statements or notes thereto.

3. Exhibits:

Exhibit Number	Exhibits
3.1	Restated Certificate of Incorporation of Halliburton Company filed with the Secretary of State of Delaware on May 30, 2006 (incorporated by reference to Exhibit 3.1 to Halliburton's Form 8-K filed June 5, 2006, File No. 001-03492).
3.2	By-laws of Halliburton Company revised effective December 7, 2017 (incorporated by reference to Exhibit 3.1 to Halliburton's Form 8-K filed December 12, 2017, File No. 001-03492).
4.1	Form of debt security of 8.75% Debentures due February 12, 2021 (incorporated by reference to Exhibit 4(a) to the Form 8-K of Halliburton Company, now known as Halliburton Energy Services, Inc. (the Predecessor), dated as of February 20, 1991, File No. 001-03492).
4.2	Senior Indenture dated as of January 2, 1991 between the Predecessor and The Bank of New York Trust Company, N.A. (as successor to Texas Commerce Bank National Association), as Trustee (incorporated by reference to Exhibit 4(b) to the Predecessor's Registration Statement on Form S-3 (Registration 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, Halliburton and the Trustee (incorporated by reference to Exhibit 4.1 of Halliburton's Registration Statement on Form 8-B dated December 12, 1996, File No. 001-03492).
4.3	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, File No. 001-03492).
4.4	Second Senior Indenture dated as of December 1, 1996 between the Predecessor and The Bank of New York Trust Company, N.A. (as successor to 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, Halliburton and the Trustee (incorporated by reference to Exhibit 4.2 of Halliburton's Registration Statement on Form 8-B dated December 12, 1996, File No. 001-03492).
4.5	Third Supplemental Indenture dated as of August 1, 1997 between Halliburton and The Bank of New York Trust Company, N.A. (as successor to Texas Commerce Bank National Association), as Trustee, to the Second Senior Indenture dated as of December 1, 1996 (incorporated by reference to Exhibit 4.7 to Halliburton's Form 10-K for the year ended December 31, 1998, File No. 001-03492).

4.6 Fourth Supplemental Indenture dated as of September 29, 1998 between Halliburton and The Bank of New York Trust Company, N.A. (as successor to Texas Commerce Bank National Association), as Trustee, to the Second Senior Indenture dated as of December 1, 1996 (incorporated by reference to Exhibit 4.8 to Halliburton's Form 10-K for the year ended December 31, 1998, File No. 001-03492).

4.7 Resolutions of Halliburton's Board of Directors adopted by unanimous consent dated December 5, 1996 (incorporated by reference to Exhibit 4(g) of Halliburton's Form 10-K for the year ended December 31, 1996, File No. 001-03492).

4.8 Form of debt security of 6.75% Notes due February 1, 2027 (incorporated by reference to Exhibit 4.1 to Halliburton's Form 8-K dated as of February 11, 1997, File No. 001-03492).

4.9 Copies of instruments that define the rights of holders of miscellaneous long-term notes of Halliburton Company and its subsidiaries have not been filed with the Commission. Halliburton Company agrees to furnish copies of these instruments upon request.

4.10 Form of Indenture dated as of April 18, 1996 between Dresser and The Bank of New York Trust Company, N.A. (as successor to Texas Commerce Bank National Association), as Trustee (incorporated by reference to Exhibit 4 to Dresser's Registration Statement on Form S-3/A filed on April 19, 1996, Registration No. 333-01303), as supplemented and amended by Form of First Supplemental Indenture dated as of August 6, 1996 between Dresser and The Bank of New York Trust Company, N.A. (as successor to Texas Commerce Bank National Association), Trustee, for 7.60% Debentures due 2096 (incorporated by reference to Exhibit 4.1 to Dresser's Form 8-K filed on August 9, 1996, File No. 1-4003).

4.11 Second Supplemental Indenture dated as of October 27, 2003 between DII Industries, LLC and The Bank of New York Trust Company, N.A. (as successor to JPMorgan Chase Bank), as Trustee, to the Indenture dated as of April 18, 1996 (incorporated by reference to Exhibit 4.15 to Halliburton's Form 10-K for the year ended December 31, 2003, File No. 001-03492).

4.12 Third Supplemental Indenture dated as of December 12, 2003 among DII Industries, LLC, Halliburton Company and The Bank of New York Trust Company, N.A. (as successor to JPMorgan Chase Bank), as Trustee, to the Indenture dated as of April 18, 1996, (incorporated by reference to Exhibit 4.16 to Halliburton's Form 10-K for the year ended December 31, 2003, File No. 001-03492).

4.13 Indenture dated as of October 17, 2003 between Halliburton Company and The Bank of New York Trust Company, N.A. (as successor to JPMorgan Chase Bank), as Trustee (incorporated by reference to Exhibit 4.1 to Halliburton's Form 10-Q for the quarter ended September 30, 2003, File No. 001-03492).

4.14 Second Supplemental Indenture dated as of December 15, 2003 between Halliburton Company and The Bank of New York Trust Company, N.A. (as successor to JPMorgan Chase Bank), as Trustee, to the Senior Indenture dated as of October 17, 2003 (incorporated by reference to Exhibit 4.27 to Halliburton's Form 10-K for the year ended December 31, 2003, File No. 001-03492).

4.15 Form of note of 7.6% debentures due 2096 (included as Exhibit A to Exhibit 4.14 above).

4.16 Fourth Supplemental Indenture, dated as of September 12, 2008, between Halliburton Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee to JPMorgan Chase Bank, to the Senior Indenture dated as of October 17, 2003 (incorporated by reference to Exhibit 4.2 to Halliburton's Form 8-K filed September 12, 2008, File No. 001-03492).

4.17 Form of Global Note for Halliburton's 6.70% Senior Notes due 2038 (included as part of Exhibit 4.16).

4.18 Fifth Supplemental Indenture, dated as of March 13, 2009, between Halliburton Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee to JPMorgan Chase Bank, to the Senior Indenture dated as of October 17, 2003 (incorporated by reference to Exhibit 4.2 to Halliburton's Form 8-K filed March 13, 2009, File No. 001-03492).

4.19 Form of Global Note for Halliburton’s 7.45% Senior Notes due 2039 (included as part of Exhibit 4.18).

4.20 Sixth Supplemental Indenture, dated as of November 14, 2011, between Halliburton Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee to JPMorgan Chase Bank, to the Senior Indenture dated as of October 17, 2003 (incorporated by reference to Exhibit 4.2 to Halliburton’s Form 8-K filed November 14, 2011, File No. 001-03492).

4.21 Form of Global Note for Halliburton’s 3.25% Senior Notes due 2021 (included as part of Exhibit 4.20).

4.22 Form of Global Note for Halliburton’s 4.50% Senior Notes due 2041 (included as part of Exhibit 4.20).

4.23 Seventh Supplemental Indenture, dated as of August 5, 2013, between Halliburton Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee to JPMorgan Chase Bank (incorporated by reference to Exhibit 4.2 of Halliburton’s Form 8-K filed August 5, 2013, File No. 001-03492).

4.24 Form of Global Note for Halliburton’s 3.50% Senior Notes due 2023 (included as part of Exhibit 4.23).

4.25 Form of Global Note for Halliburton’s 4.75% Senior Notes due 2043 (included as part of Exhibit 4.23).

4.26 Eighth Supplemental Indenture, dated as of November 13, 2015, between Halliburton Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee to JPMorgan Chase Bank (incorporated by reference to Exhibit 4.2 to Halliburton’s Form 8-K filed November 13, 2015, File No. 001-03492).

4.27 Form of Global Note for Halliburton’s 3.800% Senior Notes due 2025 (included as part of Exhibit 4.27).

4.28 Form of Global Note for Halliburton’s 4.850% Senior Notes due 2035 (included as part of Exhibit 4.27).

4.29 Form of Global Note for Halliburton’s 5.000% Senior Notes due 2045 (included as part of Exhibit 4.27).

† 10.1 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, File No. 001-03492).

† 10.2 Dresser Industries, Inc. Deferred Compensation Plan, as amended and restated effective January 1, 2000 (incorporated by reference to Exhibit 10.16 to Halliburton’s Form 10-K for the year ended December 31, 2000, File No. 001-03492).

† 10.3 ERISA Excess Benefit Plan for Dresser Industries, Inc., as amended and restated effective June 1, 1995 (incorporated by reference to Exhibit 10.7 to Dresser’s Form 10-K for the year ended October 31, 1995, File No. 1-4003).

10.4 Form of Indemnification Agreement for Officers (incorporated by reference to Exhibit 10.1 to Halliburton’s Form 8-K filed August 3, 2007, File No. 001-03492).

10.5 Form of Indemnification Agreement for Directors (incorporated by reference to Exhibit 10.2 to Halliburton’s Form 8-K filed August 3, 2007, File No. 001-03492).

10.6 Form of Indemnification Agreement for Officers (first elected after January 1, 2013) (incorporated by reference to Exhibit 10.2 to Halliburton's Form 10-Q for the quarter ended March 31, 2013, File No. 001-03492).

	10.7	Form of Indemnification Agreement for Directors (first elected after January 1, 2013) (incorporated by reference to Exhibit 10.1 of Halliburton's Form 8-K filed March 22, 2013, File No. 001-03492).
†	10.8	2008 Halliburton Elective Deferral Plan, as amended and restated effective January 1, 2008 (incorporated by reference to Exhibit 10.3 to Halliburton's Form 10-Q for the quarter ended September 30, 2007, File No. 001-03492).
†	10.9	Halliburton Company Supplemental Executive Retirement Plan, as amended and restated effective January 1, 2008 (incorporated by reference to Exhibit 10.4 to Halliburton's Form 10-Q for the quarter ended September 30, 2007, File No. 001-03492).
†	10.10	Halliburton Company Benefit Restoration Plan, as amended and restated effective January 1, 2008 (incorporated by reference to Exhibit 10.5 to Halliburton's Form 10-Q for the quarter ended September 30, 2007, File No. 001-03492).
†	10.11	Halliburton Company Pension Equalizer Plan, as amended and restated effective March 1, 2007 (incorporated by reference to Exhibit 10.8 to Halliburton's Form 10-Q for the quarter ended September 30, 2007, File No. 001-03492).
†	10.12	Halliburton Company Directors' Deferred Compensation Plan, as amended and restated effective as of May 16, 2012 (incorporated by reference to Exhibit 10.5 to Halliburton's Form 10-Q for the quarter ended June 30, 2012, File No. 001-03492).
†	10.13	Retirement Plan for the Directors of Halliburton Company, as amended and restated effective July 1, 2007 (incorporated by reference to Exhibit 10.10 to Halliburton's Form 10-Q for the quarter ended September 30, 2007, File No. 001-03492).
†	10.14	Halliburton Company Employee Stock Purchase Plan, as amended and restated effective February 24, 2015 (incorporated by reference to Appendix C of Halliburton's proxy statement filed April 7, 2015, File No. 001-03492).
†	10.15	First Amendment to Halliburton Company Supplemental Executive Retirement Plan, as amended and restated effective January 1, 2008 (incorporated by reference to Exhibit 10.1 to Halliburton's Form 8-K filed September 21, 2009, File No. 001-03492).
†	10.16	Amendment No. 1 to Halliburton Company Benefit Restoration Plan, as amended and restated effective January 1, 2008 (incorporated by reference to Exhibit 10.2 to Halliburton's Form 8-K filed September 21, 2009, File No. 001-03492).
†	10.17	Amendment No. 1 to 2008 Halliburton Elective Deferral Plan, as amended and restated effective January 1, 2008 (incorporated by reference to Exhibit 10.41 to Halliburton's Form 10-K for the year ended December 31, 2010, File No. 001-03492).
	10.18	U.S. $3,000,000,000 Five Year Revolving Credit Agreement among Halliburton Company, as Borrower, the Banks party thereto, and Citibank, N.A., as Agent, effective July 21, 2015 (incorporated by reference to Exhibit 10.1 to Halliburton's Form 10-Q for the quarter ended June 30, 2015, File No. 001-03492).
†	10.19	First Amendment to the Retirement Plan for the Directors of Halliburton Company, effective September 1, 2007 (incorporated by reference to Exhibit 10.3 to Halliburton's Form 10-Q for the quarter ended March 31, 2011, File No. 001-03492).

†	10.20	First Amendment to Halliburton Company Restricted Stock Plan for Non-Employee Directors (incorporated by reference to Exhibit 10.41 to Halliburton’s Form 10-K for the year ended December 31, 2011, File No. 001-03492).
†	10.21	Second Amendment to Restricted Stock Plan for Non-Employee Directors of Halliburton Company (incorporated by reference to Exhibit 10.4 to Halliburton's Form 10-Q for the quarter ended June 30, 2012, File No. 001-03492).
†	10.22	Third Amendment to Restricted Stock Plan for Non-Employee Directors of Halliburton Company effective December 1, 2012 (incorporated by reference to Exhibit 10.44 to Halliburton’s Form 10-K for the year ended December 31, 2012, File No. 001-03492).
†	10.23	First Amendment dated December 1, 2012 to Halliburton Company Directors' Deferred Compensation Plan, as amended and restated effective May 16, 2012 (incorporated by reference to Exhibit 10.45 to Halliburton’s Form 10-K for the year ended December 31, 2012, File No. 001-03492).
†	10.24	Executive Agreement (Myrtle L. Jones) (incorporated by reference to Exhibit 10.1 to Halliburton's Form 10-Q for the quarter ended March 31, 2013, File No. 001-03492).
†	10.25	Executive Agreement (Timothy McKeon) (incorporated by reference to Exhibit 10.49 to Halliburton’s Form 10-K filed February 7, 2014, File No. 001-03492).
†	10.26	Executive Agreement (Charles E. Geer, Jr.) (incorporated by reference to Exhibit 10.2 to Halliburton’s Form 8-K filed December 9, 2014, File No. 001-03492).
	10.27	HESI Punitive Damages and Assigned Claims Settlement Agreement dated September 2, 2014, entered into between Halliburton Company and Halliburton Energy Services, Inc. and counsel for The Plaintiffs Steering Committee in MDL 2179 and the Deepwater Horizon Economic and Property Damages Settlement Class (incorporated by reference to Exhibit 10.1 to Halliburton's Form 10-Q for the quarter ended September 30, 2014, File No. 001-03492).
†	10.28	Halliburton Annual Performance Pay Plan, as amended and restated effective January 1, 2010 (incorporated by reference to Exhibit 10.3 to Halliburton's Form 8-K filed September 21, 2009, File No. 001-03492).
†	10.29	Form of Non-Employee Director Restricted Stock Agreement (Directors Plan) (incorporated by reference as Exhibit 99.5 of Halliburton's Form S-8 filed May 21, 2009, Registration No. 333-159394).
†	10.30	Form of Non-Employee Director Restricted Stock Agreement (Stock and Incentive Plan) (incorporated by reference to Exhibit 10.43 to Halliburton's Form 10-K for the year ended December 31, 2011, Registration No. 001-03492).
†	10.31	Amendment No. 2 to Halliburton Company Benefit Restoration Plan, as amended and restated effective January 1, 2008 (incorporated by reference to Exhibit 10.1 to Halliburton’s Form 10-Q for the quarter ended September 30, 2016, File No. 001-03492).
†	10.32	Second Amendment to Halliburton Company Supplemental Executive Retirement Plan, as amended and restated effective January 1, 2008 (incorporated by reference to Exhibit 10.2 to Halliburton’s Form 10-Q for the quarter ended September 30, 2016, File No. 001-03492).
†	10.33	Executive Agreement (Joe D. Rainey) (incorporated by reference to Exhibit 10.1 to Halliburton's Form 8-K filed December 12, 2017, File No. 001-03492).
†	10.34	Executive Agreement (Anne Lyn Beaty) (incorporated by reference to Exhibit 10.1 to Halliburton's Form 10-Q filed April 28, 2017, File No. 001-03492).

†	10.35	Executive Agreement (Jeffrey A. Miller) (incorporated by reference to Exhibit 10.1 to Halliburton's Form 8-K filed June 5, 2017, File No. 001-03492).
†	10.36	Halliburton Company Stock and Incentive Plan, as amended and restated effective February 8, 2017 (incorporated by reference to Appendix B of Halliburton's proxy statement filed April 7, 2017, File No. 001-03492).
†	10.37	Form of Nonstatutory Stock Option Agreement (U.S.) (incorporated by reference as Exhibit 10.1 of Halliburton's Form 10-Q filed July 27, 2018, File No. 001-03492)
†	10.38	Form of Nonstatutory Stock Option Agreement (International) (incorporated by reference as Exhibit 10.2 of Halliburton's Form 10-Q filed July 27, 2018, File No. 001-03492).
†	10.39	Form of Restricted Stock Agreement (incorporated by reference as Exhibit 10.3 of Halliburton's Form 10-Q filed July 27, 2018, File No. 001-03492).
†	10.40	Form of Restricted Stock Unit Agreement (International) (incorporated by reference as Exhibit 10.4 of Halliburton's Form 10-Q filed July 27, 2018, File No. 001-03492).
†	10.41	Form of Restricted Stock Unit Agreement (U.S. Expat) (incorporated by reference as Exhibit 10.5 of Halliburton's Form 10-Q filed July 27, 2018, File No. 001-03492).
†	10.42	Executive Agreement (Eric J. Carre) (incorporated by reference as Exhibit 10.46 of Halliburton's Form 10-K filed February 2, 2018, File No. 001-03492).
†	10.43	Executive Agreement (Lawrence J. Pope) (incorporated by reference as Exhibit 10.47 of Halliburton's Form 10-K filed February 2, 2018, File No. 001-03492).
†	10.44	Executive Agreement (Robb L. Voyles) (incorporated by reference as Exhibit 10.48 of Halliburton's Form 10-K filed February 2, 2018, File No. 001-03492).
†	10.45	Executive Agreement (Lance Loeffler) (incorporated by reference as Exhibit 10.1 of Halliburton’s Form 8-K filed December 11, 2018, File No. 001-03492).
*†	10.46	Form of Non-Management Director Restricted Stock Unit Agreement (Stock and Incentive Plan).
*†	10.47	Second Amendment dated January 1, 2019, to Halliburton Company Directors’ Deferred Compensation Plan as Amended and Restated effective as of May 16, 2012.
*†	10.48	Executive Agreement (Mark J. Richard).
*	21.1	Subsidiaries of the Registrant.
*	23.1	Consent of KPMG LLP.

*	24.1	Powers of attorney for the following directors signed in January 2019: Abdulaziz F. Al Khayyal William E. Albrecht Alan M. Bennett James R. Boyd Milton Carroll Nance K. Dicciani Murry S. Gerber Robert A. Malone
*	31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
*	31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
**	32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
**	32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
*	95	Mine Safety Disclosures.
*	101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
*	101.SCH	XBRL Taxonomy Extension Schema Document
*	101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
*	101.LAB	XBRL Taxonomy Extension Label Linkbase Document
*	101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
*	101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

* Filed with this Form 10-K.
** Furnished with this Form 10-K.
† Management contracts or compensatory plans or arrangements.

Item 16. Form 10-K Summary.

None.

SIGNATURES

As required by Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has authorized this report to be signed on its behalf by the undersigned authorized individuals on this 13th day of February, 2019.

HALLIBURTON COMPANY

By /s/ Jeffrey A. Miller
Jeffrey A. Miller
Chairman of the Board, President and Chief Executive Officer

As required by the Securities Exchange Act of 1934, this report has been signed below by the following persons in the capacities indicated on this 13th day of February, 2019.

Signature	Title
/s/ Jeffrey A. Miller Jeffrey A. Miller	Chairman of the Board, Director, President and Chief Executive Officer
/s/ Lance Loeffler Lance Loeffler	Executive Vice President and Chief Financial Officer
/s/ Charles E. Geer, Jr. Charles E. Geer, Jr.	Vice President and Corporate Controller

Signature	Title
* Abdulaziz F. Al Khayyal Abdulaziz F. Al Khayyal	Director
* William E. Albrecht William E. Albrecht	Director
* Alan M. Bennett Alan M. Bennett	Director
* James R. Boyd James R. Boyd	Director
* Milton Carroll Milton Carroll	Director
* Nance K. Dicciani Nance K. Dicciani	Director
* Murry S. Gerber Murry S. Gerber	Director
* Robert A. Malone Robert A. Malone	Director

/s/ Robb L. Voyles
*By Robb L. Voyles, Attorney-in-fact

Directions to the Halliburton Annual Meeting of Shareholders

The Halliburton North Belt Facility is located on the North Sam Houston Parkway (Beltway 8 Tollway) south feeder between Aldine Westfield and JFK Boulevard.

3000 N. Sam Houston Parkway East
Houston, Texas 77032
281-871-4000

From I-45	From I-69 / US 59 and IAH
• Take the Sam Houston Parkway East • Exit JFK Blvd	• Take the Sam Houston Parkway West • Exit Aldine Westfield • “U-Turn” at Aldine Westfield and proceed east on the Sam Houston Parkway feeder

The main entrance to the North Belt facility will be on your right, about halfway between Aldine Westfield and JFK Blvd.

HALLIBURTON

281.871.2699
www.halliburton.com

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

(Mark One)
[X] Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the fiscal year ended December 31, 2017

OR

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from ______ to ______

Commission File Number 001-03492

HALLIBURTON COMPANY

(Exact name of registrant as specified in its charter)

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

3000 North Sam Houston Parkway East
Houston, Texas 77032
(Address of principal executive offices)
Telephone Number – Area code (281) 871-2699

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 if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes [X] No [ ]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Yes [ ] No [X]

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 whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) 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. [X]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer [X] Accelerated filer [ ]
Non-accelerated filer [ ] (Do not check if a smaller reporting company)
Smaller reporting company [ ] Emerging growth company [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

The aggregate market value of Halliburton Company Common Stock held by nonaffiliates on June 30, 2017, determined using the per share closing price on the New York Stock Exchange Composite tape of $42.71 on that date, was approximately $37.1 billion.

As of February 2, 2018, there were 874,909,834 shares of Halliburton Company Common Stock, $2.50 par value per share, outstanding.

Portions of the Halliburton Company Proxy Statement for our 2018 Annual Meeting of Stockholders (File No. 001-03492) are incorporated by reference into Part III of this report.

HALLIBURTON COMPANY
Index to Form 10-K
For the Year Ended December 31, 2017

PART I

Item 1. Business.

General description of business

Halliburton Company's predecessor was established in 1919 and incorporated under the laws of the State of Delaware in 1924. With approximately 55,000 employees, representing 140 nationalities in approximately 70 countries, we help our customers maximize value throughout the lifecycle of the reservoir - from locating hydrocarbons and managing geological data, to drilling and formation evaluation, well construction and completion and optimizing production throughout the life of the asset. We serve major, national and independent oil and natural gas companies throughout the world and operate under two divisions, which form the basis for the two operating segments we report, the Completion and Production segment and the Drilling and Evaluation segment.

Completion and Production delivers cementing, stimulation, intervention, pressure control, specialty chemicals, artificial lift and completion products and services. The segment consists of the following product service lines:

- Production Enhancement: includes stimulation services and sand control services. Stimulation services optimize oil and natural gas reservoir production through a variety of pressure pumping services, nitrogen services and chemical processes, commonly known as hydraulic fracturing and acidizing. Sand control services include fluid and chemical systems and pumping services for the prevention of formation sand production.
- Cementing: involves bonding the well and well casing while isolating fluid zones and maximizing wellbore stability. Our cementing product service line also provides casing equipment.
- Completion Tools: provides downhole solutions and services to our customers to complete their wells, including well completion products and services, intelligent well completions, liner hanger systems, sand control systems and service tools.
- Production Solutions: provides customized well intervention solutions to increase well performance, which includes coiled tubing, hydraulic workover units and downhole tools.
- Pipeline & Process Services: provides a complete range of pre-commissioning, commissioning, maintenance and decommissioning services to the onshore and offshore pipeline and process plant construction, commissioning and maintenance industries.
- Multi-Chem: provides customized specialty oilfield production and completion chemicals and services to maximize production, ensure integrity of well and pipeline assets and address production, processing and transportation challenges.
- Artificial Lift: provides services to maximize reservoir and wellbore recovery by applying lifting technology, intelligent field management solutions and related services throughout the life of the well, including electrical submersible pumps and progressive cavity pumps.

Drilling and Evaluation provides field and reservoir modeling, drilling, evaluation and precise wellbore placement solutions that enable customers to model, measure, drill and optimize their well construction activities. The segment consists of the following product service lines:

- Baroid: provides drilling fluid systems, performance additives, completion fluids, solids control, specialized testing equipment and waste management services for oil and natural gas drilling, completion and workover operations.
- Sperry Drilling: provides drilling systems and services that offer directional control for precise wellbore placement while providing important measurements about the characteristics of the drill string and geological formations while drilling wells. These services include directional and horizontal drilling, measurement-while-drilling, logging-while-drilling, surface data logging, multilateral systems, underbalanced applications and rig site information systems.
- Wireline and Perforating: provides open-hole logging services that supply information on formation evaluation and reservoir fluid analysis, including formation lithology, rock properties and reservoir fluid properties. Also offered are cased-hole and slickline services, including perforating, pipe recovery services, through-casing formation evaluation and reservoir monitoring, casing and cement integrity measurements and well intervention services.
- Drill Bits and Services: provides roller cone rock bits, fixed cutter bits, hole enlargement and related downhole tools and services used in drilling oil and natural gas wells. In addition, coring equipment and services are provided to acquire cores of the formation drilled for evaluation.
- Landmark Software and Services: supplies integrated exploration, drilling and production software and related professional and data management services for the upstream oil and natural gas industry.

- Testing and Subsea: provides acquisition and analysis of dynamic reservoir information and reservoir optimization solutions to the oil and natural gas industry through a broad portfolio of test tools, data acquisition services, fluid sampling, surface well testing and subsea safety systems.
- Consulting and Project Management: provides integrated solutions to our customers by leveraging the full line of our oilfield services, products and technologies to solve customer challenges throughout the oilfield lifecycle. It includes project management, consulting, integrated asset management and well control and prevention services.

See Note 2 to the consolidated financial statements for further financial information related to each of our business segments. We have manufacturing operations in various locations, the most significant of which are located in the United States, Canada, Malaysia, Singapore and the United Kingdom.

Business strategy

Our value proposition is to collaborate and engineer solutions to maximize asset value for our customers. We strive to achieve superior growth and returns for our shareholders by delivering technology and services that improve efficiency, increase recovery and maximize production for our customers. Our objectives are to:

- create a balanced portfolio of services and products supported by global infrastructure and anchored by technological innovation to further differentiate our company;
- reach a distinguished level of operational excellence that reduces costs and creates real value;
- preserve a dynamic workforce by being a preferred employer to attract, develop and retain the best global talent; and
- uphold our strong ethical and business standards, and maintain the highest standards of health, safety and environmental performance.

For further discussion on our business strategies, see "Management’s Discussion and Analysis of Financial Condition and Results of Operations – Executive Overview."

Markets and competition

We are one of the world’s largest diversified energy services companies. Our services and products are sold in highly competitive markets throughout the world. Competitive factors impacting sales of our services and products include: price; service delivery; health, safety and environmental standards and practices; service quality; global talent retention; understanding the geological characteristics of the hydrocarbon reservoir; product quality; warranty; and technical proficiency.

We conduct business worldwide in approximately 70 countries. The business operations of our divisions are organized around four primary geographic regions: North America, Latin America, Europe/Africa/CIS and Middle East/Asia. In 2017, 2016 and 2015, based on the location of services provided and products sold, 53%, 41% and 44% of our consolidated revenue was from the United States. No other country accounted for more than 10% of our consolidated revenue during these periods. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations” for additional information about our geographic operations. Because the markets for our services and products are vast and cross numerous geographic lines, it is not practicable to provide a meaningful estimate of the total number of our competitors. The industries we serve are highly competitive, and we have many substantial competitors. Most of our services and products are marketed through our service and sales organizations.

Operations in some countries may be adversely affected by unsettled political conditions, acts of terrorism, civil unrest, war or other armed conflict, sanctions, expropriation or other governmental actions, inflation, changes in foreign currency exchange rates, foreign currency exchange restrictions and highly inflationary currencies, and other geopolitical factors. We believe the geographic diversification of our business activities reduces the risk that loss of operations in any one country, other than the United States, would be materially adverse to our business, consolidated results of operations or consolidated financial condition.

Information regarding our exposure 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 – Financial Instrument Market Risk” and in Note 12 to the consolidated financial statements.

Customers

Our revenue from continuing operations during the past three years was derived from the sale of services and products to the energy industry. No customer represented more than 10% of our consolidated revenue in any period presented.

Raw materials

Raw materials essential to our business are normally readily available. Market conditions can trigger constraints in the supply of certain raw materials, such as proppants (primarily sand), hydrochloric acid and gels, including guar gum (a blending additive used in hydraulic fracturing). We are always seeking ways to ensure the availability of resources, as well as manage costs of raw materials. Our procurement department uses our size and buying power to enhance our access to key materials at competitive prices.

Research and development costs

We maintain an active research and development program. The program improves products, processes and engineering standards and practices that serve the changing needs of our customers, such as those related to high pressure and high temperature environments, and also develops new products and processes. Our expenditures for research and development activities were $360 million in 2017, $329 million in 2016 and $487 million in 2015.

Patents

We own a large number of patents and have pending a substantial number of patent applications covering various products and processes. We are also licensed to utilize technology covered by patents owned by others, and we license others to utilize technology covered by our patents. We do not consider any particular patent to be material to our business operations.

Seasonality

Weather and natural phenomena can temporarily affect the performance of our services, but the widespread geographical locations of our operations mitigate those effects. Examples of how weather can impact our business include:

- the severity and duration of the winter in North America can have a significant impact on natural gas storage levels and drilling activity;
- the timing and duration of the spring thaw in Canada directly affects activity levels due to road restrictions;
- typhoons and hurricanes can disrupt coastal and offshore operations; and
- severe weather during the winter normally results in reduced activity levels in the North Sea and Russia.

Additionally, customer spending patterns for software, completion tools and various other oilfield services and products typically result in higher activity in the fourth quarter of the year.

Employees

At December 31, 2017, we employed approximately 55,000 people worldwide compared to approximately 50,000 at December 31, 2016. At December 31, 2017, approximately 13% of our employees were subject to collective bargaining agreements. Based upon the geographic diversification of these employees, we do not believe any risk of loss from employee strikes or other collective actions would be material to the conduct of our operations taken as a whole.

Environmental regulation

We are subject to numerous environmental, legal and regulatory requirements related to our operations worldwide. For further information related to environmental matters and regulation, see Note 7 to the consolidated financial statements and Item 1(a), “Risk Factors.”

Hydraulic fracturing

Hydraulic fracturing is a process that creates fractures extending from the well bore into the rock formation to enable natural gas or oil to move more easily from the rock pores to a production conduit. A significant portion of our Completion and Production segment provides hydraulic fracturing services to customers developing shale natural gas and shale oil. From time to time, questions arise about the scope of our operations in the shale natural gas and shale oil sectors, and the extent to which these operations may affect human health and the environment.

At the direction of our customer, we design and generally implement a hydraulic fracturing operation to 'stimulate' the well's production, once the well has been drilled, cased and cemented. Our customer is generally responsible for providing the base fluid (usually water) used in the hydraulic fracturing of a well. We generally supply the proppant (primarily sand) and at least a portion of the additives used in the overall fracturing fluid mixture. In addition, we mix the additives and proppant with the base fluid and pump the mixture down the wellbore to create the desired fractures in the target formation. The customer is responsible for disposing and/or recycling for further use any materials that are subsequently produced or pumped out of the well, including flowback fluids and produced water.

As part of the process of constructing the well, the customer will take a number of steps designed to protect drinking water resources. In particular, the casing and cementing of the well are designed to provide 'zonal isolation' so that the fluids pumped down the wellbore and the oil and natural gas and other materials that are subsequently pumped out of the well will not come into contact with shallow aquifers or other shallow formations through which those materials could potentially migrate to freshwater aquifers or the surface.

The potential environmental impacts of hydraulic fracturing have been studied by numerous government entities and others. In 2004, the United States Environmental Protection Agency (EPA) conducted an extensive study of hydraulic fracturing practices, focusing on coalbed methane wells, and their potential effect on underground sources of drinking water. The EPA's study concluded that hydraulic fracturing of coalbed methane wells poses little or no threat to underground sources of drinking water. In December 2016, the EPA released a final report, "*Hydraulic Fracturing for Oil and Gas: Impacts from the Hydraulic Fracturing Water Cycle on Drinking Water Resources in the United States*" representing the culmination of a six-year study requested by Congress. While the EPA report noted a potential for some impact to drinking water sources caused by hydraulic fracturing, the agency confirmed the overall incidence of impacts is low. Moreover, a number of the areas of potential impact identified in the report involve activities for which we are not generally responsible, such as potential impacts associated with withdrawals of surface water for use as a base fluid and management of wastewater.

We have made detailed information regarding our fracturing fluid composition and breakdown available on our internet web site at www.halliburton.com. We also have proactively developed processes to provide our customers with the chemical constituents of our hydraulic fracturing fluids to enable our customers to comply with state laws as well as voluntary standards established by the Chemical Disclosure Registry, www.fracfocus.org.

We have also invested considerable resources in developing hydraulic fracturing technologies, in both the equipment and chemistry portions of our business, which offer our customers a variety of environment-friendly alternatives related to the use of hydraulic fracturing fluid additives and other aspects of our hydraulic fracturing operations. We created a hydraulic fracturing fluid system comprised of materials sourced entirely from the food industry. In addition, we have engineered a process that uses ultraviolet light to control the growth of bacteria in hydraulic fracturing fluids, allowing customers to minimize the use of chemical biocides. We are committed to the continued development of innovative chemical and mechanical technologies that allow for more economical and environmentally friendly development of the world's oil and natural gas reserves, and that reduce noise while complying with Tier 4 lower emission legislation.

In evaluating any environmental risks that may be associated with our hydraulic fracturing services, it is helpful to understand the role that we play in the development of shale natural gas and shale oil. Our principal task generally is to manage the process of injecting fracturing fluids into the borehole to 'stimulate' the well. Thus, based on the provisions in our contracts and applicable law, the primary environmental risks we face are potential pre-injection spills or releases of stored fracturing fluids and potential spills or releases of fuel or other fluids associated with pumps, blenders, conveyors, or other above-ground equipment used in the hydraulic fracturing process.

Although possible concerns have been raised about hydraulic fracturing, the circumstances described above have helped to mitigate those concerns. To date, we have not been obligated to compensate any indemnified party for any environmental liability arising directly from hydraulic fracturing, although there can be no assurance that such obligations or liabilities will not arise in the future. For further information on risks related to hydraulic fracturing, see Item 1(a), "Risk Factors."

Working capital

We fund our business operations through a combination of available cash and equivalents, short-term investments and cash flow generated from operations. In addition, our revolving credit facility is available for additional working capital needs.

Web site access

Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act of 1934 are made available free of charge on our internet web site (www.halliburton.com) as soon as reasonably practicable after we have electronically filed the material with, or furnished it to, the Securities and Exchange Commission (SEC). The public may read and copy any materials we have filed with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. The SEC maintains an internet site (www.sec.gov) that contains our reports, proxy and information statements and our other SEC filings. We have posted on our web site our Code of Business Conduct, which applies to all of our employees and Directors and serves as a code of ethics for our principal executive officer, principal financial officer, principal accounting officer and other persons performing similar functions. Any amendments to our Code of Business Conduct or any waivers from provisions of our Code of Business Conduct granted to the specified officers above are disclosed on our web site within four business days after the date of any amendment or waiver pertaining to these officers. There have been no waivers from provisions of our Code of Business Conduct for the years 2017, 2016, or 2015. Except to the extent expressly stated otherwise, information contained on or accessible from our web site or any other web site is not incorporated by reference into this annual report on Form 10-K and should not be considered part of this report.

Executive Officers of the Registrant

The following table indicates the names and ages of the executive officers of Halliburton Company as of February 9, 2018, including all offices and positions held by each in the past five years:

Name and Age	Offices Held and Term of Office
Anne L. Beaty (Age 61)	Senior Vice President, Finance of Halliburton Company, since March 2017
	Senior Vice President, Internal Assurance Services of Halliburton Company, November 2013 to March 2017
	Vice President, Internal Audit and Controls of Halliburton Company, January 2007 to November 2013
James S. Brown (Age 63)	President, Western Hemisphere of Halliburton Company, since January 2008
Eric J. Carre (Age 51)	Executive Vice President, Global Business Lines of Halliburton Company, since May 2016
	Senior Vice President, Drilling and Evaluation Division of Halliburton Company, June 2011 to April 2016
Charles E. Geer, Jr. (Age 47)	Vice President and Corporate Controller of Halliburton Company, since January 2015
	Vice President, Finance of Halliburton Company, December 2013 to December 2014
	Vice President and Chief Accounting Officer of Select Energy Services, April 2011 to November 2013
Myrtle L. Jones (Age 58)	Senior Vice President, Tax of Halliburton Company, since March 2013
	Senior Managing Director of Tax and Internal Audit, Service Corporation International, February 2008 to February 2013
David J. Lesar (Age 64)	Executive Chairman of the Board of Directors of Halliburton Company, since August 2000
	Chief Executive Officer of Halliburton Company, August 2014 to May 2017
	President and Chief Executive Officer of Halliburton Company, August 2000 to July 2014
Timothy M. McKeon (Age 45)	Vice President and Treasurer of Halliburton Company, since January 2014
	Assistant Treasurer of Halliburton Company, September 2011 to December 2013
Jeffrey A. Miller (Age 54)	President and Chief Executive Officer of Halliburton Company, since June 2017
	President of Halliburton Company, August 2014 to May 2017
	Member of the Board of Directors of Halliburton Company, since August 2014
	Executive Vice President and Chief Operating Officer of Halliburton Company, September 2012 to July 2014

Lawrence J. Pope (Age 49)	Executive Vice President of Administration and Chief Human Resources Officer of Halliburton Company, since January 2008
Joe D. Rainey (Age 61)	President, Eastern Hemisphere of Halliburton Company, since January 2011
Robb L. Voyles (Age 60)	Executive Vice President, Secretary and General Counsel of Halliburton Company, since May 2015 Interim Chief Financial Officer of Halliburton Company, March 2017 to June 2017 Executive Vice President and General Counsel of Halliburton Company, January 2014 to April 2015 Senior Vice President, Law of Halliburton Company, September 2013 to December 2013 Partner, Baker Botts L.L.P., January 1989 to August 2013
Christopher T. Weber (Age 45)	Executive Vice President and Chief Financial Officer of Halliburton Company, since June 2017 Senior Vice President and Chief Financial Officer of Parker Drilling Company, May 2013 to May 2017 Vice President and Treasurer of Ensco plc, from 2011 to May 2013

There are no family relationships between the executive officers of the registrant or between any director and any executive officer of the registrant.

Item 1(a). Risk Factors.

The statements in this section describe the known material risks to our business and should be considered carefully.

Trends in oil and natural gas prices affect the level of exploration, development and production activity of our customers and the demand for our services and products, which could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition. Demand for our services and products is particularly sensitive to the level of exploration, development and production activity of, and the corresponding capital spending by, oil and natural gas companies. The level of exploration, development and production activity is directly affected by trends in oil and natural gas prices, which historically have been volatile and are likely to continue to be volatile.

Prices for oil and natural gas are subject to large fluctuations in response to relatively minor changes in the supply of and demand for oil and natural gas, market uncertainty and a variety of other economic factors that are beyond our control. Crude oil prices have fluctuated significantly since 2014, with West Texas Intermediate (WTI) oil spot prices declining from a high of $108 per barrel in June 2014 to a low of $26 per barrel in February 2016, and subsequently increasing to reach a high of $60 per barrel in December 2017. For more information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Business Environment and Results of Operations."

The reduction in oil and natural gas prices in 2015 through 2016 depressed levels of exploration, development and production activity and negatively impacted our operating results during those periods. Although commodity prices improved in 2017, average prices remained well below 2014 levels. Any prolonged reductions of commodity prices could once again have a material adverse effect on our business, consolidated results of operations and consolidated financial condition, including potential asset impairments and severance costs. Given the long-term nature of many large-scale development projects, even the perception of longer-term lower oil and natural gas prices by oil and natural gas companies can similarly cause them to reduce or defer major expenditures. We also have a small number of integrated projects that have remuneration tied to hydrocarbon production. Reduction in oil and gas prices can affect the overall returns for these projects, either lengthening the time until the expected returns are realized or by impairing the value of the asset.

Factors affecting the prices of oil and natural gas include:

- the level of supply and demand for oil and natural gas;
- governmental regulations, including the policies of governments regarding the exploration for and production and development of their oil and natural gas reserves;
- weather conditions and natural disasters;
- worldwide political, military and economic conditions;
- the ability or willingness of the Organization of Petroleum Exporting Countries (OPEC) to set and maintain oil production levels;
- the level of oil production by non-OPEC countries;
- oil refining capacity and shifts in end-customer preferences toward fuel efficiency and the use of natural gas;
- the cost of producing and delivering oil and natural gas; and
- increased demand for alternative fuels and electric vehicles, including government initiatives to promote the use of renewable energy sources and public sentiment around alternatives to oil and gas.

Our business is dependent on capital spending by our customers, and reductions in capital spending could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition. Our business is directly affected by changes in capital expenditures by our customers, and reductions in their capital spending could reduce demand for our services and products and have a material adverse effect on our business, consolidated results of operations, and consolidated financial condition. Some of the items that may impact our customer's capital spending include:

- oil and natural gas prices, including volatility of oil and natural gas prices and expectations regarding future prices;
- the inability of our customers to access capital on economically advantageous terms;
- the consolidation of our customers;
- customer personnel changes; and
- adverse developments in the business or operations of our customers, including write-downs of reserves and borrowing base reductions under customer credit facilities.

Many of our customers reduced capital spending in 2015 and 2016 as a result of decreases in commodity prices. While customer budgets generally increased in 2017 in response to improved market conditions, any significant reduction in commodity prices or a change in our customers' expectations of future oil and natural gas prices, economic growth or the demand for oil and natural gas may result in capital budget reductions in the future.

Our operations are subject to political and economic instability and risk of government actions that could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

We are exposed to risks inherent in doing business in each of the countries in which we operate. Our operations are subject to various risks unique to each country that could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition. With respect to any particular country, these risks may include:

- political and economic instability, including:
  - civil unrest, acts of terrorism, war and other armed conflict;
  - inflation; and
  - currency fluctuations, devaluations and conversion restrictions; and
- governmental actions that may:
  - result in expropriation and nationalization of our assets in that country;
  - result in confiscatory taxation or other adverse tax policies;
  - limit or disrupt markets or our operations, restrict payments, or limit the movement of funds;
  - impose sanctions on our ability to conduct business with certain customers or persons;
  - result in the deprivation of contract rights; and
  - result in the inability to obtain or retain licenses required for operation.

For example, due to the unsettled political conditions in many oil-producing countries, our operations, revenue and profits are subject to the adverse consequences of war, terrorism, civil unrest, strikes, currency controls and governmental actions. These and other risks described above could result in the loss of our personnel or assets, cause us to evacuate our personnel from certain countries, cause us to increase spending on security worldwide, cause us to cease operating in certain countries, disrupt financial and commercial markets, including the supply of and pricing for oil and natural gas, and generate greater political and economic instability in some of the geographic areas in which we operate. Areas where we operate that have significant risk include, but are not limited to: the Middle East, North Africa, Angola, Azerbaijan, Colombia, Indonesia, Kazakhstan, Mexico, Nigeria, Russia and Venezuela. In addition, any possible reprisals as a consequence of military or other action, such as acts of terrorism in the United States or elsewhere, could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

Our operations are subject to cyber-attacks that could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

Our operations are increasingly dependent on digital technologies and services. We use these technologies for internal purposes, including data storage, processing and transmissions, as well as in our interactions with customers and suppliers. Digital technologies are subject to the risk of cyber-attacks. If our systems for protecting against cybersecurity risks prove not to be sufficient, we could be adversely affected by, among other things: loss of or damage to intellectual property, proprietary or confidential information, or customer, supplier, or employee data; interruption of our business operations; and increased costs required to prevent, respond to, or mitigate cybersecurity attacks. These risks could harm our reputation and our relationships with customers, suppliers, employees and other third parties, and may result in claims against us. These risks could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

Our operations outside the United States require us to comply with a number of United States and international regulations, violations of which could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

Our operations outside the United States require us to comply with a number of United States and international regulations. For example, our operations in countries outside the United States are subject to the United States Foreign Corrupt Practices Act (FCPA), which prohibits United States companies and their agents and employees from providing anything of value to a foreign official for the purposes of influencing any act or decision of these individuals in their official capacity to help obtain or retain business, direct business to any person or corporate entity, or obtain any unfair advantage. Our activities create the risk of unauthorized payments or offers of payments by our employees, agents, or joint venture partners that could be in violation of anti-corruption laws, even though some of these parties are not subject to our control. We have internal control policies and procedures and have implemented training and compliance programs for our employees and agents with respect to the FCPA. However, we cannot assure that our policies, procedures and programs always will protect us from reckless or criminal acts committed by our employees or agents. We are also subject to the risks that our employees, joint venture partners and agents outside of the United States may fail to comply with other applicable laws. Allegations of violations of applicable anti-corruption laws have resulted and may in the future result in internal, independent, or government investigations. Violations of anti-corruption laws may result in severe criminal or civil sanctions, and we may be subject to other liabilities, which could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

In addition, the shipment of goods, services and technology across international borders subjects us to extensive trade laws and regulations. Our import activities are governed by the unique customs laws and regulations in each of the countries where we operate. Moreover, many countries, including the United States, control the export and re-export of certain goods, services and technology and impose related export recordkeeping and reporting obligations. Governments may also impose economic sanctions against certain countries, persons and entities that may restrict or prohibit transactions involving such countries, persons and entities, which may limit or prevent our conduct of business in certain jurisdictions. During 2014, the United States and European Union imposed sectoral sanctions directed at Russia's oil and gas industry. Among other things, these sanctions restrict the provision of U.S. and EU goods, services and technology in support of exploration or production for deep water, Arctic offshore, or shale projects that have the potential to produce oil in Russia. These sanctions resulted in our winding down and ending work on two projects in Russia in 2014, and have prevented us from pursuing certain other projects in Russia. In 2017, the U.S. Government imposed additional sanctions against Russia's oil and gas industry and certain Russian companies. Our ability to engage in certain future projects in Russia or involving certain Russian customers is dependent upon whether or not our involvement in such projects is restricted under U.S. or EU sanctions laws and the extent to which any of our current or prospective operations in Russia or with certain Russian customers may be subject to those laws. Those laws may change from time to time, and any expansion of sanctions against Russia's oil and gas industry could further hinder our ability to do business in Russia or with certain Russian customers, which could have a material adverse effect on our consolidated results of operations.

During 2017, the U.S. Government imposed economic sanctions in Venezuela around certain financing transactions as further discussed below.

The laws and regulations concerning import activity, export recordkeeping and reporting, export control and economic sanctions are complex and constantly changing. These laws and regulations can cause delays in shipments and unscheduled operational downtime. Moreover, any failure to comply with applicable legal and regulatory trading obligations could result in criminal and civil penalties and sanctions, such as fines, imprisonment, debarment from governmental contracts, seizure of shipments and loss of import and export privileges. In addition, investigations by governmental authorities and legal, social, economic and political issues in these countries could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

Our business in Venezuela subjects us to actions by the Venezuelan government, sanctions imposed or other actions by the U.S. and foreign governments, the risk of delayed payments and currency risks, all of which could have a material adverse effect on our liquidity, consolidated results of operations and consolidated financial condition.

There are risks associated with our operations in Venezuela, which continues to experience significant political and economic turmoil. The political and economic conditions deteriorated in 2017, leading to uncertainty in the future business climate, the state of security and governance of the country. This environment increases the risk of civil unrest, armed conflicts, adverse actions by the government of Venezuela, including the possibility that the Venezuelan government could assume control over our operations and assets, and imposition of additional sanctions or other actions by the U.S. and foreign governments that may restrict our ability to continue operations or realize the value of our assets. In 2017, the U.S. Government announced sanctions directed at certain Venezuelan individuals and imposed additional economic sanctions around certain financing transactions in Venezuela. These sanctions prohibit dealings by our U.S. employees and entities in certain new debt issued by our primary customer in Venezuela or the Venezuelan government as well as dealings in existing Venezuelan government bonds. There can be no assurance that other sanctions affecting our business in Venezuela will not be imposed in the future that may have a material adverse effect on our ability to operate in Venezuela.

We have continued to experience delays in collecting payments on our receivables from our primary customer in Venezuela, including recent delays in scheduled payments on our existing promissory note. In November 2017, several credit rating agencies downgraded this customer's credit rating, some as low as a default level. As a result of this credit downgrade, delayed payments on our promissory note and accounts receivable, and deteriorating market conditions in Venezuela, we recognized an aggregate charge of $647 million during 2017, representing a fair market value adjustment on our promissory note and a full reserve against our other accounts receivable with this customer.

On January 29, 2018, the Venezuelan government announced that it has changed the existing dual-rate foreign exchange system by eliminating the DIPRO foreign exchange rate. All future currency transactions will now be carried out at the DICOM floating rate. We are currently evaluating the impact that this change in foreign exchange system will have on our business, consolidated results of operations and consolidated financial condition. This includes potential further write-downs of our net investment in Venezuela, which was approximately $202 million as of December 31, 2017.

The future results of our Venezuelan operations will be affected by many factors, including the foreign currency exchange rate, actions of the Venezuelan government, general economic conditions such as continued inflation, existing or future sanctions, future customer spending and the ability of our primary customer to pay its debts. For further information, see Note 3 to the consolidated financial statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations - Business Environment and Results of Operations - International operations - Venezuela."

Changes in, compliance with, or our failure to comply with laws in the countries in which we conduct business may negatively impact our ability to provide services in, make sales of equipment to and transfer personnel or equipment among some of those countries and could have a material adverse effect on our business and consolidated results of operations.

In the countries in which we conduct business, we are subject to multiple and, at times, inconsistent regulatory regimes, including those that govern our use of radioactive materials, explosives and chemicals in the course of our operations. Various national and international regulatory regimes govern the shipment of these items. Many countries, but not all, impose special controls upon the export and import of radioactive materials, explosives and chemicals. Our ability to do business is subject to maintaining required licenses and complying with these multiple regulatory requirements applicable to these special products. In addition, the various laws governing import and export of both products and technology apply to a wide range of services and products we offer. In turn, this can affect our employment practices of hiring people of different nationalities because these laws may prohibit or limit access to some products or technology by employees of various nationalities. Changes in, compliance with, or our failure to comply with these laws may negatively impact our ability to provide services in, make sales of equipment to and transfer personnel or equipment among some of the countries in which we operate and could have a material adverse effect on our business and consolidated results of operations.

The adoption of any future federal, state, or local laws or implementing regulations imposing reporting obligations on, or limiting or banning, the hydraulic fracturing process could make it more difficult to complete natural gas and oil wells and could have a material adverse effect on our liquidity, consolidated results of operations and consolidated financial condition.

Various federal and state legislative and regulatory initiatives have been or could be undertaken which could result in additional requirements or restrictions being imposed on hydraulic fracturing operations. For example, the EPA released the final results of its comprehensive research study on the potential adverse impacts that hydraulic fracturing may have on drinking water resources in December 2016. The EPA concluded that hydraulic fracturing activities can impact drinking water resources under some circumstances, including large volume spills and inadequate mechanical integrity of wells. The results of the EPA’s study could spur action towards federal or state legislation and regulation of hydraulic fracturing or similar production operations.

At the same time, legislation and/or regulations have been adopted in many states that require additional disclosure regarding chemicals used in the hydraulic fracturing process but that generally include protections for proprietary information. Legislation and/or regulations are being considered at the state and local level that could impose further chemical disclosure or other regulatory requirements (such as restrictions on the use of certain types of chemicals or prohibitions on hydraulic fracturing operations in certain areas) that could affect our operations. Three states (New York, Maryland and Vermont) have banned the use of high volume hydraulic fracturing. Moreover, in light of concerns about seismic activity being triggered by the injection of produced waters into underground wells and hydraulic fracturing, certain regulators are also considering additional requirements related to seismic safety for hydraulic fracturing activities. Local jurisdictions in some states have adopted ordinances that restrict or in certain cases prohibit the use of hydraulic fracturing. In addition, governmental authorities in various foreign countries where we have provided or may provide hydraulic fracturing services have imposed or are considering imposing various restrictions or conditions that may affect hydraulic fracturing operations.

The adoption of any future federal, state, local, or foreign laws or regulations imposing reporting obligations on, or limiting or banning, the hydraulic fracturing process could make it more difficult to complete natural gas and oil wells and could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

Liabilities arising out of catastrophic well incidents, such as the Deepwater Horizon blowout in April 2010, could have a material adverse effect on our liquidity, consolidated results of operations and consolidated financial condition.

Catastrophic events can occur at well sites where we conduct our operations, including blow outs resulting in explosions, fires, personal injuries, property damage, pollution and regulatory responsibility. Generally, we rely on contractual indemnities, releases and limitations on liability with our customers, and liability insurance coverage, to protect us from potential liability related to such occurrences. However, we do not have these contractual provisions in all contracts, and even where we do, it is possible that the respective customer or insurer could seek to avoid or be financially unable to meet its obligations or a court may decline to enforce such provisions. Damages that are not indemnified or released could greatly exceed available insurance coverage and could have a material adverse effect on our liquidity, consolidated results of operations and consolidated financial condition.

Liability for cleanup costs, natural resource damages and other damages arising as a result of environmental laws could be substantial and could have a material adverse effect on our liquidity, consolidated results of operations and consolidated financial condition.

We are exposed to claims under environmental requirements and, from time to time, such claims have been made against us. In the United States, environmental requirements and regulations typically impose strict liability. Strict liability means that in some situations we could be exposed to liability for cleanup costs, natural resource damages and other damages as a result of our conduct that was lawful at the time it occurred or the conduct of prior operators or other third parties. Liability for damages arising as a result of environmental laws could be substantial and could have a material adverse effect on our liquidity, consolidated results of operations and consolidated financial condition.

We are periodically notified of potential liabilities at federal and state superfund sites. These potential liabilities may arise from both historical Halliburton operations and the historical operations of companies that we have acquired. Our exposure at these sites may be materially impacted by unforeseen adverse developments both in the final remediation costs and with respect to the final allocation among the various parties involved at the sites. The relevant regulatory agency may bring suit against us for amounts in excess of what we have accrued and what we believe is our proportionate share of remediation costs at any superfund site. We also could be subject to third-party claims, including punitive damages, with respect to environmental matters for which we have been named as a potentially responsible party.

Failure on our part to comply with, and the costs of compliance with, applicable health, safety and environmental requirements could have a material adverse effect on our liquidity, consolidated results of operations and consolidated financial condition.

Our business is subject to a variety of health, safety and environmental laws, rules and regulations in the United States and other countries, including those covering hazardous materials and requiring emission performance standards for facilities. For example, our well service operations routinely involve the handling of significant amounts of waste materials, some of which are classified as hazardous substances. We also store, transport and use radioactive and explosive materials in certain of our operations. Applicable regulatory requirements include those concerning:

- the containment and disposal of hazardous substances, oilfield waste and other waste materials;
- the importation and use of radioactive materials;
- the use of underground storage tanks;
- the use of underground injection wells; and
- the protection of worker safety both onshore and offshore.

These and other requirements generally are becoming increasingly strict. The failure to comply with the requirements, many of which may be applied retroactively, may result in:

- administrative, civil and criminal penalties;
- revocation of permits to conduct business; and
- corrective action orders, including orders to investigate and/or clean up contamination.

Failure on our part to comply with applicable environmental requirements or costs arising from regulatory compliance, including compliance with changes in or expansion of applicable regulatory requirements, could have a material adverse effect on our liquidity, consolidated results of operations and consolidated financial condition.

Existing or future laws, regulations, treaties or international agreements related to greenhouse gases and climate change could have a negative impact on our business and may result in additional compliance obligations with respect to the release, capture and use of carbon dioxide that could have a material adverse effect on our liquidity, consolidated results of operations and consolidated financial condition.

Changes in environmental requirements related to greenhouse gases and climate change may negatively impact demand for our services. For example, oil and natural gas exploration and production may decline as a result of environmental requirements, including land use policies responsive to environmental concerns. State, national and international governments and agencies have been evaluating climate-related legislation and other regulatory initiatives that would restrict emissions of greenhouse gases in areas in which we conduct business. Because our business depends on the level of activity in the oil and natural gas industry, existing or future laws, regulations, treaties, or international agreements related to greenhouse gases and climate change, including incentives to conserve energy or use alternative energy sources, may reduce demand for oil and natural gas and could have a negative impact on our business. Likewise, such restrictions may result in additional compliance obligations with respect to the release, capture, sequestration and use of carbon dioxide that could have a material adverse effect on our liquidity, consolidated results of operations and consolidated financial condition.

Our business could be materially and adversely affected by severe or unseasonable weather where we have operations.

Our business could be materially and adversely affected by severe weather, particularly in Canada, the Gulf of Mexico, Russia and the North Sea. Some experts believe global climate change could increase the frequency and severity of extreme weather conditions. Repercussions of severe or unseasonable weather conditions may include:

- evacuation of personnel and curtailment of services;
- weather-related damage to offshore drilling rigs resulting in suspension of operations;
- weather-related damage to our facilities and project work sites;
- inability to deliver materials to jobsites in accordance with contract schedules;
- decreases in demand for oil and natural gas during unseasonably warm winters; and
- loss of productivity.

Changes in or interpretation of tax law and currency/repatriation control could impact the determination of our income tax liabilities for a tax year.

We have operations in approximately 70 countries. Consequently, we are subject to the jurisdiction of a significant number of taxing authorities. The income earned in these various jurisdictions is taxed on differing bases, including net income actually earned, net income deemed earned and revenue-based tax withholding. The final determination of our income tax liabilities involves the interpretation of local tax laws, tax treaties and related authorities in each jurisdiction, as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. Changes in the operating environment, including changes in or interpretation of tax law and currency/repatriation controls, could impact the determination of our income tax liabilities for the year.

Additionally, we are currently evaluating provisions of United States tax reform enacted in December 2017, which among other things, lowered the corporate income tax rate from 35% to 21% and moved the country towards a territorial tax system with a one-time mandatory tax on previously deferred foreign earnings of foreign subsidiaries. In the fourth quarter of 2017, we recorded a total provision to income taxes of $770 million related to our preliminary assessment of the net effects of tax reform. As we do not have all the necessary information to analyze all income tax effects of tax reform, this is a provisional amount which we believe represents a reasonable estimate of the accounting implications of this tax reform. We will continue to evaluate tax reform and adjust the provisional amounts as additional information is obtained. The ultimate impact of tax reform may differ from our provisional amounts due to changes in our interpretations and assumptions, as well as additional regulatory guidance that may be issued. We expect to complete our detailed analysis no later than the fourth quarter of 2018. For further information, see Note 8 to the consolidated financial statements.

We are subject to foreign exchange risks and limitations on our ability to reinvest earnings from operations in one country to fund the capital needs of our operations in other countries or to repatriate assets from some countries.

A sizable portion of our consolidated revenue and consolidated operating expenses is in foreign currencies. As a result, we are subject to significant risks, including:

- foreign currency exchange risks resulting from changes in foreign currency exchange rates and the implementation of exchange controls; and
- limitations on our ability to reinvest earnings from operations in one country to fund the capital needs of our operations in other countries.

As an example, we conduct business in countries that have restricted or limited trading markets for their local currencies and restrict or limit cash repatriation. We may accumulate cash in those geographies, but we may be limited in our ability to convert our profits into United States dollars or to repatriate the profits from those countries. For further information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Business Environment and Results of Operations" and Note 8 to the consolidated financial statements.

Our failure to protect our proprietary information and any successful intellectual property challenges or infringement proceedings against us could materially and adversely affect our competitive position.

We rely on a variety of intellectual property rights that we use in our services and products. We may not be able to successfully preserve these intellectual property rights in the future, and these rights could be invalidated, circumvented or challenged. In addition, the laws of some foreign countries in which our services and products may be sold do not protect intellectual property rights to the same extent as the laws of the United States. Our failure to protect our proprietary information and any successful intellectual property challenges or infringement proceedings against us could materially and adversely affect our competitive position.

If we are not able to design, develop and produce commercially competitive products and to implement commercially competitive services in a timely manner in response to changes in the market, customer requirements, competitive pressures and technology trends, our business and consolidated results of operations could be materially and adversely affected, and the value of our intellectual property may be reduced.

The market for our services and products is characterized by continual technological developments to provide better and more reliable performance and services. If we are not able to design, develop and produce commercially competitive products and to implement commercially competitive services in a timely manner in response to changes in the market, customer requirements, competitive pressures and technology trends, our business and consolidated results of operations could be materially and adversely affected, and the value of our intellectual property may be reduced. Likewise, if our proprietary technologies, equipment, facilities, or work processes become obsolete, we may no longer be competitive, and our business and consolidated results of operations could be materially and adversely affected.

If we lose one or more of our significant customers or if our customers delay paying or fail to pay a significant amount of our outstanding receivables, it could have a material adverse effect on our liquidity, consolidated results of operations and consolidated financial condition.

We depend on a limited number of significant customers. While none of these customers represented more than 10% of consolidated revenue in any period presented, the loss of one or more significant customers could have a material adverse effect on our business and our consolidated results of operations.

In most cases, we bill our customers for our services in arrears and are, therefore, subject to our customers delaying or failing to pay our invoices. In weak economic or commodity price environments, we may experience increased delays and failures due to, among other reasons, a reduction in our customers' cash flow from operations and their access to the credit markets. If our customers delay paying or fail to pay us a significant amount of our outstanding receivables, it could have a material adverse effect on our liquidity, consolidated results of operations and consolidated financial condition.

We sometimes provide integrated project management services in the form of long-term, fixed price contracts that may require us to assume additional risks associated with cost over-runs, operating cost inflation, labor availability and productivity, supplier and contractor pricing and performance, and potential claims for liquidated damages.

We sometimes provide integrated project management services outside our normal discrete business in the form of long-term, fixed price contracts. Some of these contracts are required by our customers, primarily national oil companies (NOCs). These services include acting as project managers as well as service providers and may require us to assume additional risks associated with cost over-runs. These customers may provide us with inaccurate information in relation to their reserves, which is a subjective process that involves location and volume estimation, that may result in cost over-runs, delays and project losses. In addition, NOCs often operate in countries with unsettled political conditions, war, civil unrest, or other types of community issues. These issues may also result in cost over-runs, delays and project losses.

Providing services on an integrated basis may also require us to assume additional risks associated with operating cost inflation, labor availability and productivity, supplier pricing and performance, and potential claims for liquidated damages. We rely on third-party subcontractors and equipment providers to assist us with the completion of these types of contracts. To the extent that we cannot engage subcontractors or acquire equipment or materials in a timely manner and on reasonable terms, our ability to complete a project in accordance with stated deadlines or at a profit may be impaired. If the amount we are required to pay for these goods and services exceeds the amount we have estimated in bidding for fixed-price work, we could experience losses in the performance of these contracts. These delays and additional costs may be substantial, and we may be required to compensate our customers for these delays. This may reduce the profit to be realized or result in a loss on a project.

Constraints in the supply of, prices for and availability of transportation of raw materials can have a material adverse effect on our business and consolidated results of operations.

Raw materials essential to our business, such as proppants (primarily sand), hydrochloric acid, and gels, including guar gum, are normally readily available. Shortage of raw materials as a result of high levels of demand or loss of suppliers during market challenges can trigger constraints in the supply chain of those raw materials, particularly where we have a relationship with a single supplier for a particular resource. Many of the raw materials essential to our business require the use of rail, storage and trucking services to transport the materials to our jobsites. These services, particularly during times of high demand, may cause delays in the arrival of or otherwise constrain our supply of raw materials. These constraints could have a material adverse effect on our business and consolidated results of operations. In addition, price increases imposed by our vendors for raw materials used in our business and the inability to pass these increases through to our customers could have a material adverse effect on our business and consolidated results of operations.

Our acquisitions, dispositions and investments may not result in anticipated benefits and may present risks not originally contemplated, which may have a material adverse effect on our liquidity, consolidated results of operations and consolidated financial condition.

We continually seek opportunities to maximize efficiency and value through various transactions, including purchases or sales of assets, businesses, investments, or joint venture interests. These transactions are intended to (but may not) result in the realization of savings, the creation of efficiencies, the offering of new products or services, the generation of cash or income, or the reduction of risk. Acquisition transactions may use cash on hand or be financed by additional borrowings or by the issuance of our common stock. These transactions may also affect our liquidity, consolidated results of operations and consolidated financial condition.

These transactions also involve risks, and we cannot ensure that:

- any acquisitions we attempt will be completed on the terms announced, or at all;
- any acquisitions would result in an increase in income or provide an adequate return of capital or other anticipated benefits;
- any acquisitions would be successfully integrated into our operations and internal controls;
- the due diligence conducted prior to an acquisition would uncover situations that could result in financial or legal exposure, including under the FCPA, or that we will appropriately quantify the exposure from known risks;
- any disposition would not result in decreased earnings, revenue, or cash flow;
- use of cash for acquisitions would not adversely affect our cash available for capital expenditures and other uses; or
- any dispositions, investments, or acquisitions, including integration efforts, would not divert management resources.

Actions of and disputes with our joint venture partners could have a material adverse effect on the business and results of operations of our joint ventures and, in turn, our business and consolidated results of operations.

We conduct some operations through joint ventures in which unaffiliated third parties may control the operations of the joint venture or we may share control. As with any joint venture arrangement, differences in views among the joint venture participants may result in delayed decisions, the joint venture operating in a manner that is contrary to our preference or in failures to agree on major issues. We also cannot control the actions of our joint venture partners, including any nonperformance, default, or bankruptcy of our joint venture partners. These factors could have a material adverse effect on the business and results of operations of our joint ventures and, in turn, our business and consolidated results of operations.

Our ability to operate and our growth potential could be materially and adversely affected if we cannot attract, employ and retain technical personnel at a competitive cost.

Many of the services that we provide and the products that we sell are complex and highly engineered and often must perform or be performed in harsh conditions. We believe that our success depends upon our ability to attract, employ and retain technical personnel with the ability to design, utilize and enhance these services and products. A significant increase in the wages paid by competing employers could result in a reduction of our skilled labor force, increases in the wage rates that we must pay, or both. If either of these events were to occur, our cost structure could increase, our margins could decrease and any growth potential could be impaired.

The loss or unavailability of any of our executive officers or other key employees could have a material adverse effect on our business.

We depend greatly on the efforts of our executive officers and other key employees to manage our operations. The loss or unavailability of any of our executive officers or other key employees could have a material adverse effect on our business.

Item 1(b). Unresolved Staff Comments.

None.

Item 2. Properties.

We own or lease numerous properties in domestic and foreign locations. Our principal properties include manufacturing facilities, research and development laboratories, technology centers and corporate offices. We also have numerous small facilities that include sales, project and support offices and bulk storage facilities throughout the world. All of our owned properties are unencumbered. We believe all properties that we currently occupy are suitable for their intended use.

The following locations represent our major facilities by segment:

- *Completion and Production:* Arbroath, United Kingdom; Johor Bahru, Malaysia; and Lafayette, Louisiana
- *Drilling and Evaluation:* Alvarado, Texas; Nisku, Canada; and The Woodlands, Texas
- *Shared/corporate facilities:* Carrollton, Texas; Denver, Colorado; Dhahran, Saudi Arabia; Dubai, United Arab Emirates (corporate executive offices); Duncan, Oklahoma; Houston, Texas (corporate executive offices); Kuala Lumpur, Malaysia; London, England; Moscow, Russia; Panama City, Panama; Pune, India; Rio de Janeiro, Brazil; Singapore; and Tananger, Norway

Item 3. Legal Proceedings.

Information related to Item 3. Legal Proceedings is included in Note 7 to the consolidated financial statements.

Item 4. Mine Safety Disclosures.

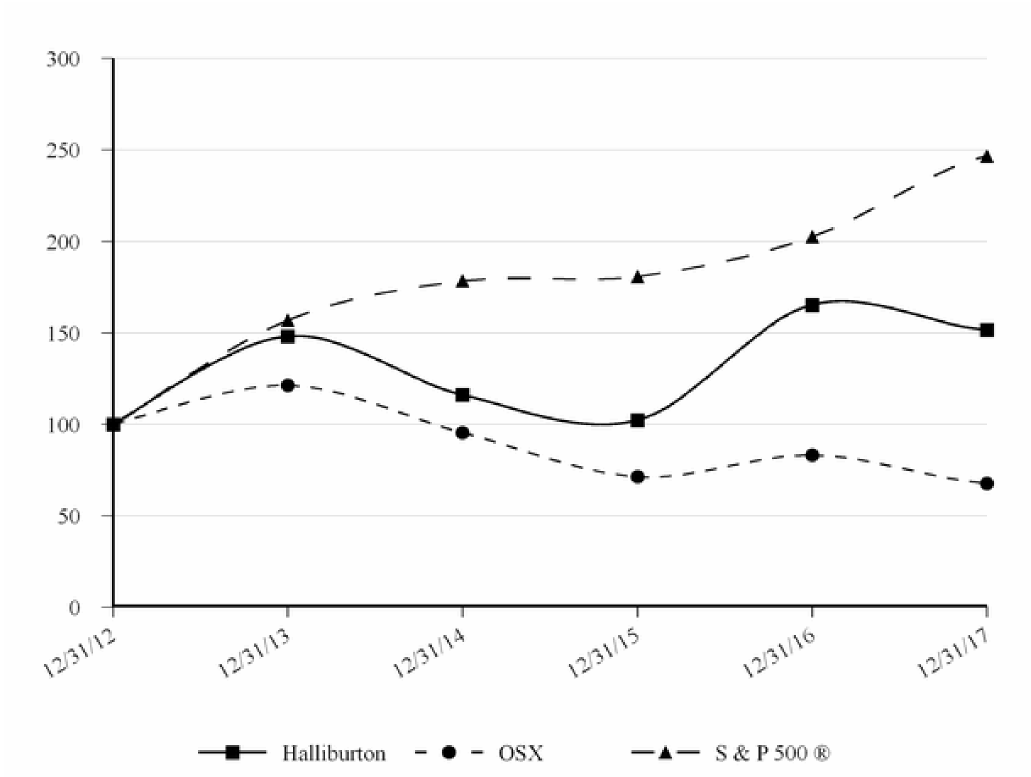
Our barite and bentonite mining operations, in support of our fluid services business, are subject to regulation by the federal Mine Safety and Health Administration under the Federal Mine Safety and Health Act of 1977. Information concerning mine safety violations or other regulatory matters required by section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K (17 CFR 229.104) is included in Exhibit 95 to this annual report.

PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Halliburton Company’s common stock is traded on the New York Stock Exchange. Information related to the high and low market prices of our common stock and quarterly dividend payments is included under the caption “Quarterly Data and Market Price Information” on page 68 of this annual report. Quarterly cash dividends on our common stock, which were paid in March, June, September and December of each year, were $0.18 per share for all four quarters of 2016 and 2017. The declaration and payment of future dividends will be at the discretion of the Board of Directors and will depend on, among other things, future earnings, general financial condition and liquidity, success in business activities, capital requirements and general business conditions. Subject to Board of Directors approval, our intention is to continue paying dividends at our current rate during 2018.

The following graph and table compare total shareholder return on our common stock for the five-year period ended December 31, 2017, with the Philadelphia Oil Service Index (OSX) and the Standard & Poor’s 500 ® Index over the same period. This comparison assumes the investment of $100 on December 31, 2012 and the reinvestment of all dividends. The shareholder return set forth is not necessarily indicative of future performance.



	December 31					
	2012	2013	2014	2015	2016	2017
Halliburton	$ 100.00	$ 148.00	$ 116.03	$ 102.26	$ 165.22	$ 151.61
Philadelphia Oil Service Index (OSX)	100.00	121.15	95.32	71.30	83.08	67.60
Standard & Poor’s 500 ® Index	100.00	156.82	178.28	180.75	202.37	246.55

At February 2, 2018, we had 12,374 shareholders of record. In calculating the number of shareholders, we consider clearing agencies and security position listings as one shareholder for each agency or listing.

The following table is a summary of repurchases of our common stock during the three-month period ended December 31, 2017.

Period	Total Number of Shares Purchased (a)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (b)	Maximum Number (or Approximate Dollar Value) of Shares that may yet be Purchased Under the Program (b)
October 1 - 31	25,254	$43.06	—	$5,700,004,373
November 1 - 30	17,384	$42.88	—	$5,700,004,373
December 1 - 31	193,421	$43.98	—	$5,700,004,373
Total	236,059	$43.80	—	

(a) All of the 236,059 shares purchased during the three-month period ended December 31, 2017 were acquired from employees in connection with the settlement of income tax and related benefit withholding obligations arising from vesting in restricted stock grants. These shares were not part of a publicly announced program to purchase common stock.

(b) Our Board of Directors has authorized a plan to repurchase our common stock from time to time. During the fourth quarter of 2017, we did not repurchase shares of our common stock pursuant to that plan. We have authorization remaining to repurchase up to a total of approximately $5.7 billion of our common stock.

Item 6. Selected Financial Data.

Information related to selected financial data is included on page 67 of this annual report.

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

Information related to Management's Discussion and Analysis of Financial Condition and Results of Operations is included on pages 19 through 36 of this annual report.

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

Information related to market risk is included in "Management's Discussion and Analysis of Financial Condition and Results of Operations – Financial Instrument Market Risk" and Note 12 to the consolidated financial statements.

Item 8. Financial Statements and Supplementary Data.

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

None.

Item 9(a). Controls and Procedures.

In accordance with the Securities Exchange Act of 1934 Rules 13a-15 and 15d-15, we carried out an evaluation, under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2017 to provide reasonable assurance that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms. Our disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

There has been no change in our internal control over financial reporting that occurred during the three months ended December 31, 2017 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

See page 37 for Management’s Report on Internal Control Over Financial Reporting and page 39 for Report of Independent Registered Public Accounting Firm on its assessment of our internal control over financial reporting.

Item 9(b). Other Information.

None.

EXECUTIVE OVERVIEW

Financial results

Our business continued to strengthen during 2017, which was a dynamic year for the oil and gas sector that marked another step on the road to recovery for our industry. We successfully executed our strategy by growing our global market share, moving quickly to reactivate equipment and build new equipment in North America to meet customer demand, continuing to focus on cost efficiencies, and aligning our business with customers in the fastest growing market segments to collaborate and engineer solutions to maximize their asset value. In the beginning of 2017, we made the decision to bring back cold-stacked pressure pumping equipment more rapidly than originally planned because of customer demand and to maintain market share while capturing leading edge pricing. We have successfully executed this plan with the reactivated and new-build equipment enhancing our overall margins during 2017.

Our North American business continued to improve during 2017, with revenue growth of 71% outperforming the growth in average North American rig count of 69%, compared to 2016. We also experienced a significant margin improvement in 2017 and profitability growth in six consecutive quarters as a result of activity and pricing increases. We are diligently working towards optimizing margins and reaching targets we have set for our organization, which we believe are achievable through higher pricing, improved equipment utilization and technology solutions. While the international markets have been slower to recover and continue to face pricing pressure as customers defer new projects and focus on lowering costs, these regions showed signs of recovery in the latter half of 2017, driven primarily by improved performance in the Middle East, the North Sea and Latin America. We are committed to making these markets sustainable and have focused on the use of technology and lowering customer costs during the down cycle. Our product service lines continue to deliver technology driven value propositions to help our customers increase production and lower costs.

We generated total company revenue of $20.6 billion during 2017, a 30% increase from the $15.9 billion of revenue generated in 2016, with our Completion and Production segment improving 47% and our Drilling and Evaluation segment improving 8%. We also reported total company operating income of approximately $1.4 billion in 2017. These results were primarily driven by improved activity, utilization and pricing in the United States land market associated with stimulation, well completion and drilling services. Our operating results also benefited from the structural global cost savings initiatives implemented over the past few years to address challenging market conditions.

Business outlook

While the past few years have been challenging as we navigated through this industry cycle, we believe our financial results in 2017 reflect our successful execution in a dynamic environment and that our strategy has positioned us to take advantage of opportunities ahead. We are benefiting from our improved market share, delivery platform and cost containment strategies, and we are optimistic about the prospects for 2018.

In North America, improved commodity prices and rig counts from 2016 lows have resulted in a rapidly recovering market throughout 2017, particularly in United States unconventionals. At the current North American rig count, we are drilling approximately the same footage as the peak of 2014, but with less equipment in the field as we experience significantly increased completions intensity. As rig count stabilizes, our customers focus on efficiencies, optimization and production. We are continuing to collaborate and engineer solutions to maximize asset value for our customers and will continue to focus on increasing equipment utilization, managing costs and expanding our surface efficiency model.

Additionally, we gained significant North America market share through the downturn by demonstrating to our customers the benefits of our service quality and technology. We have been utilizing this increased market share to drive margin improvement. The historically high level of market share we built in the downturn gives us the ability to focus our work with the most efficient customers, and we continued to execute our strategy of high grading the profitability of our portfolio with customers that value our services.

While the international markets had been more resilient than North America through most of the downturn, we experienced activity reductions and pricing pressure in these markets in 2017 when compared to 2016, particularly in the Eastern Hemisphere. This was driven by stressed customer budgets and economics across deepwater and mature fields. However, the international sector began to show signs of recovery in the latter half of 2017. Heading into 2018, we are encouraged by these markets, with enhanced tender activity and constructive conversations with our international customers. While we expect international activity to gradually improve throughout 2018, we are cognizant that pricing pressure and concessions that have been given throughout the cycle need to be unwound. We will continue to collaborate with our customers to create solutions through technology and improved operating efficiency that will overcome challenging project economics.

During 2017, we had approximately $1.4 billion of capital expenditures, an increase of 72% from 2016, which was predominantly made in our Production Enhancement, Sperry Drilling, Production Solutions, Wireline and Perforating, and Baroid product service lines. We successfully executed our deployment strategy to reactivate our cold-stacked pressure pumping equipment to respond to customer demand and converting our hydraulic fracturing fleet to Q10 pumps to support our surface efficiency model. We remain committed to generating industry-leading returns and continue to be focused on achieving leading edge pricing, driving better utilization and continuous cost control.

During 2017, we acquired Summit ESP, Ingrain Inc. and Optimization Petroleum Technology. The additions of these three businesses strengthen our Artificial Lift, Wireline and Perforating, and Landmark portfolios for our customers.

We intend to continue to strengthen our product service lines through a combination of organic growth, investment and selective acquisitions. We plan to continue executing the following strategies in 2018:

- directing capital and resources into strategic growth markets, including unconventional plays and mature fields;
- leveraging our broad technology offerings to provide value to our customers and enable them to more efficiently drill and complete their wells;
- exploring additional opportunities for acquisitions that will enhance or augment our current portfolio of services and products, including those with unique technologies or distribution networks in areas where we do not already have significant operations;
- investing in technology that will help our customers reduce reservoir uncertainty and increase operational efficiency;
- improving working capital and managing our balance sheet to maximize our financial flexibility;
- continuing to seek ways to be one of the most cost-efficient service providers in the industry by maintaining capital discipline and leveraging our scale and breadth of operations;
- collaborating and engineering solutions to maximize asset value for our customers; and
- striving to achieve superior growth and returns for our shareholders.

Our operating performance and business outlook are described in more detail in “Business Environment and Results of Operations.”

Financial markets, liquidity and capital resources

We believe we have invested our cash balances conservatively and secured sufficient financing to help mitigate any near-term negative impact on our operations from adverse market conditions. We had $2.3 billion of cash and equivalents as of December 31, 2017. We also have $3.0 billion available under our revolving credit facility which, combined with our cash balance, we believe provides us with sufficient liquidity to address the challenges and opportunities of the current market. Given our optimism about the business outlook and projected impact of U.S. tax reform, we are actively evaluating our options and opportunities around uses of cash, which could include debt retirements, funding acquisitions and organic growth projects and return of capital to shareholders. For additional information on market conditions, see “Liquidity and Capital Resources” and “Business Environment and Results of Operations.”

LIQUIDITY AND CAPITAL RESOURCES

As of December 31, 2017, we had $2.3 billion of cash and equivalents, compared to $4.0 billion at December 31, 2016. Additionally, we held $106 million of investments in fixed income securities at December 31, 2017, compared to $92 million at December 31, 2016. These securities are reflected in "Other current assets" and "Other assets" in our consolidated balance sheets. Approximately $1.9 billion of our total cash position as of December 31, 2017 was held by our foreign subsidiaries, a substantial portion of which is available to be repatriated into the United States to fund our U.S. operations or for general corporate purposes, with a portion subject to certain country-specific restrictions. See Note 8 for further discussion regarding U.S. tax reform and its corresponding impact on foreign cash repatriation.

Significant sources and uses of cash

Sources of cash:

– Cash flows from operating activities were $2.5 billion in 2017. This includes a United States tax refund of approximately $478 million that we received in the third quarter of 2017, primarily related to the carryback of our net operating losses recognized in 2016.

Uses of cash:

– We paid an aggregate $1.6 billion on long-term borrowings in 2017. This includes an early redemption of $1.4 billion of senior notes during the first quarter of 2017, which resulted in a payment of approximately $1.5 billion, inclusive of the redemption premium. We also repaid $45 million of notes that matured during the second quarter of 2017. See Note 6 for further information.

– Capital expenditures were $1.4 billion in 2017 and were predominantly made in our Production Enhancement, Sperry Drilling, Production Solutions, Wireline and Perforating and Baroid product service lines.

– We paid approximately $630 million in the third quarter of 2017 to acquire Summit ESP, Ingrain Inc. and Optimization Petroleum Technology. The additions of these three businesses strengthen our artificial lift, wireline and Landmark portfolios for our global customers.

– We paid $626 million of dividends to our shareholders in 2017.

– Our primary components of net working capital (receivables, inventories and accounts payable) increased during the year by a net $626 million, primarily due to increased business activity.

– We made the final installment settlement payment of $335 million related to the Macondo well incident, as well as our third and final legal fees payment of $33 million.

Future sources and uses of cash

We manufacture most of our own equipment, which allows us flexibility to increase or decrease our capital expenditures based on market conditions. Capital spending for 2018 is currently expected to be approximately $1.7 billion, an increase of over 25% from 2017. We expect capital spending to be in-line with our expected depreciation and amortization expense. The capital expenditures plan for 2018 is primarily directed towards our industry-leading pressure pumping fleet, the deployment of new Sperry drilling tools and the continued investment in our Artificial Lift and Multi-Chem product service lines.

Currently, our quarterly dividend rate is $0.18 per share, or approximately $156 million per quarter. Subject to Board of Directors approval, our intention is to continue paying dividends at our current rate during 2018. We also have $400 million senior notes that mature in August 2018, which we intend to repay with cash on hand.

Our Board of Directors has authorized a program to repurchase our common stock from time to time. Approximately $5.7 billion remains authorized for repurchases as of December 31, 2017, and may be used for open market and other share purchases. There were no repurchases made under the program during the year ended December 31, 2017.

We had $333 million of gross unrecognized tax benefits at December 31, 2017, of which we estimate $319 million may require a cash payment by us. We estimate that $296 million of the cash payment will not be settled within the next 12 months. We are not able to reasonably estimate in which future periods this amount will ultimately be settled and paid. Additionally, given our current U.S. tax attributes, we currently do not expect to pay any cash tax on our deemed repatriation tax obligations as a result of the recently enacted U.S. tax reform.

Given our optimism about the business outlook and projected impact of U.S. tax reform, we are actively evaluating our options and opportunities around uses of cash, which could include debt retirements, funding acquisitions and organic growth projects and return of capital to shareholders.

Contractual obligations

The following table summarizes our significant contractual obligations and other long-term liabilities as of December 31, 2017:

	Payments Due						
Millions of dollars	2018	2019	2020	2021	2022	Thereafter	Total
Long-term debt (a)	$ 440	$ 30	$ 26	$ 709	$ 14	$ 9,749	$ 10,968
Interest on debt (b)	564	553	551	540	513	8,438	11,159
Operating leases	166	135	100	71	54	194	720
Purchase obligations (c)	485	76	71	26	19	38	715
Other long-term liabilities (d)	32	—	—	—	—	—	32
Total	$ 1,687	$ 794	$ 748	$ 1,346	$ 600	$ 18,419	$ 23,594

(a) Represents principal amounts of long-term debt, including capital lease obligations and current maturities of debt, which excludes any unamortized debt issuance costs and discounts. See Note 6 to the consolidated financial statements.

(b) Interest on debt includes 79 years of interest on $300 million of debentures at 7.6% interest that become due in 2096.

(c) Amount in 2018 primarily represents certain purchase orders for goods and services utilized in the ordinary course of our business.

(d) Represents pension funding obligations associated with international plans for 2018 only as we are currently not able to reasonably estimate our contributions for years after 2018.

Other factors affecting liquidity

Financial position in current market. As of December 31, 2017, we had $2.3 billion of cash and equivalents, $106 million in fixed income investments and $3.0 billion of available committed bank credit under our revolving credit facility. Furthermore, we have no financial covenants or material adverse change provisions in our bank agreements, and our debt maturities extend over a long period of time. We believe our cash on hand, cash flows generated from operations and our available credit facility will provide sufficient liquidity to address our global cash needs in 2018, including debt retirement, capital expenditures, working capital investments, dividends, if any, and contingent liabilities.

Guarantee agreements. In the normal course of business, we have agreements with financial institutions under which approximately $1.8 billion of letters of credit, bank guarantees, or surety bonds were outstanding as of December 31, 2017. Some of the outstanding letters of credit have triggering events that would entitle a bank to require cash collateralization.

Credit ratings. Our credit ratings with Standard & Poor's (S&P) remain BBB+ for our long-term debt and A-2 for our short-term debt, with a stable outlook. Our credit ratings with Moody's Investors Service (Moody's) remain Baa1 for our long-term debt and P-2 for our short-term debt, with a stable outlook.

Customer receivables. In line with industry practice, we bill our customers for our services in arrears and are, therefore, subject to our customers delaying or failing to pay our invoices. In weak economic environments, we may experience increased delays and failures to pay our invoices due to, among other reasons, a reduction in our customers' cash flow from operations and their access to the credit markets as well as unsettled political conditions. If our customers delay paying or fail to pay us a significant amount of our outstanding receivables, it could have a material adverse effect on our liquidity, consolidated results of operations and consolidated financial condition. See Part I, Item 1(a), "Risk Factors," "Business Environment and Results of Operations," and Note 3 to the consolidated financial statements for further discussion related to receivables from our primary customer in Venezuela.

BUSINESS ENVIRONMENT AND RESULTS OF OPERATIONS

We operate in approximately 70 countries throughout the world to provide a comprehensive range of services and products to the energy industry. A significant amount of our consolidated revenue is derived from the sale of services and products to major, national and independent oil and natural gas companies worldwide. The industry we serve is highly competitive with many competitors in each segment of our business. In 2017, 2016 and 2015, based on the location of services provided and products sold, 53%, 41% and 44%, respectively, of our consolidated revenue was from the United States. No other country accounted for more than 10% of our revenue during these periods.

Operations in some countries may be adversely affected by unsettled political conditions, acts of terrorism, civil unrest, force majeure, war or other armed conflict, sanctions, expropriation or other governmental actions, inflation, changes in foreign currency exchange rates, foreign currency exchange restrictions and highly inflationary currencies, as well as other geopolitical factors. We believe the geographic diversification of our business activities reduces the risk that loss of operations in any one country, other than the United States, would be materially adverse to our consolidated results of operations.

Activity within our business segments is significantly impacted by spending on upstream exploration, development and production programs by our customers. Also impacting our activity is the status of the global economy, which impacts oil and natural gas consumption.

Some of the more significant determinants of current and future spending levels of our customers are oil and natural gas prices, global oil supply, completions intensity, the world economy, the availability of credit, government regulation and global stability, which together drive worldwide drilling and completions activity. Lower oil and natural gas prices usually translate into lower exploration and production budgets and lower rig count. Our financial performance is therefore significantly affected by oil and natural gas prices and worldwide rig activity, which are summarized in the tables below.

The following table shows the average oil and natural gas prices for West Texas Intermediate (WTI), United Kingdom Brent crude oil and Henry Hub natural gas:

	2017	2016	2015
Oil price - WTI (1)	$ 50.93	$ 43.14	$ 48.69
Oil price - Brent (1)	54.30	43.55	52.36
Natural gas price - Henry Hub (2)	3.04	2.52	2.63

(1) Oil price measured in dollars per barrel

(2) Natural gas price measured in dollars per million British thermal units (Btu), or MMBtu

The historical average rig counts based on the weekly Baker Hughes rig count information were as follows:

Land vs. Offshore	2017	2016	2015
United States:			
Land	856	486	943
Offshore (incl. Gulf of Mexico)	20	23	35
Total	876	509	978
Canada:			
Land	205	128	189
Offshore	1	2	2
Total	206	130	191
International (excluding Canada):			
Land	751	734	884
Offshore	198	221	283
Total	949	955	1,167
Worldwide total	2,031	1,594	2,336
Land total	1,812	1,348	2,016
Offshore total	219	246	320

Oil vs. Natural Gas	2017	2016	2015
United States (incl. Gulf of Mexico):			
Oil	704	409	751
Natural gas	172	100	227
Total	876	509	978
Canada:			
Oil	109	63	84
Natural gas	97	67	107
Total	206	130	191
International (excluding Canada):			
Oil	732	726	916
Natural gas	217	229	251
Total	949	955	1,167
Worldwide total	2,031	1,594	2,336
Oil total	1,545	1,198	1,751
Natural gas total	486	396	585

Drilling Type	2017	2016	2015
United States (incl. Gulf of Mexico):			
Horizontal	736	400	744
Vertical	70	60	139
Directional	70	49	95
Total	876	509	978

Crude oil prices have been extremely volatile during the past few years. WTI oil spot prices declined significantly beginning in 2014 from a peak price of $108 per barrel in June 2014 to a low of $26 per barrel in February 2016, a level which had not been experienced since 2003. Brent crude oil spot prices declined from a high of $115 per barrel in June 2014 to $26 per barrel in January 2016. Since the low point experienced in early 2016, oil prices have increased substantially. WTI oil spot prices ranged from a low of $42 per barrel in June 2017 to a high of $60 per barrel in December 2017. Brent crude oil spot prices ranged from a low of $44 in June 2017 to a high of $67 in December 2017. The average full year 2017 WTI and Brent crude oil spot prices of $51 per barrel and $54 per barrel increased 17% and 24% from 2016.

WTI and Brent crude oil spot prices had a monthly average in December 2017 of $58 per barrel and $64 per barrel, respectively. Prices have increased steadily through the second half of the year, with year-end prices higher than the annual average. Most of the price movement reflects continuing draws on global oil inventory levels, geopolitical tensions, and the announcement from the Organization of the Petroleum Exporting Countries (OPEC) of an extension through the end of 2018 of its crude oil supply reduction agreement. Crude oil production in the United States is projected to average 10.3 million barrels per day in 2018, which will mark the highest annual average production in U.S. history.

In the United States Energy Information Administration (EIA) January 2018 "Short Term Energy Outlook," the EIA projects Brent prices to average $60 per barrel in 2018 and $61 per barrel in 2019, while WTI prices are projected to average about $4 less per barrel in both 2018 and 2019. The International Energy Agency's (IEA) January 2018 "Oil Market Report" forecasts the 2018 global demand to average approximately 99.1 million barrels per day, an increase of 1% from 2017, driven by increases in the Asia Pacific region, while all other regions remain approximately the same.

The Henry Hub natural gas spot price in the United States averaged $2.99 per MMBtu in 2017, an increase of $0.47 per MMBtu, or 19%, from 2016. The EIA January 2018 “Short Term Energy Outlook” projects Henry Hub natural gas prices to average $2.88 per MMBtu in 2018 and $2.92 per MMBtu in 2019, a slight decline over 2017 levels primarily due to strong expected production growth, which is forecast to meet growing domestic consumption and exports.

North America operations

The average North America oil-directed rig count increased 341 rigs, or 72%, for the full year 2017 as compared to 2016, while the average North America natural gas-directed rig count increased 102 rigs, or 61%, during the same period. In the United States land market during 2017, there was a 76% improvement in the average rig count compared to 2016 and completions activity continued to strengthen in this market for drilled but uncompleted wells. As a result of the recent uptick in activity and the structural changes to our delivery platform we made over the past few years, after recording operating losses in North America in 2016, we returned to operating profitability with continued improvements throughout 2017. Rig count has stabilized during the second half of 2017, with customers searching for improved production with an increased focus on efficiency and optimization of wells.

In the Gulf of Mexico, the average offshore rig count for 2017 was down 13% compared to 2016. Low commodity prices have stressed budgets and have impacted economics across the deepwater market, negatively impacting activity and pricing. These headwinds persist today, and we believe there will continue to be challenges in 2018 to deepwater project economics. Activity in the Gulf of Mexico is dependent on governmental approvals for permits, our customers' actions and the entry and exit of deepwater rigs in the market.

International operations

While the average international rig count for 2017 decreased by 1% compared to 2016, the international markets began to show signs of improvement in the second half of the year. This improvement was driven primarily by the Middle East, North Sea and Latin America. Lower sustained crude oil prices have caused many of our customers to reduce their budgets and defer several new projects; however, we have continued to work with our customers to improve project economics through technology and improved operating efficiency. For the Eastern Hemisphere, we believe the first quarter of 2017 represented the bottom of the international rig count. The Middle East remains our most active international market, with the largest part of the work focused on maximizing production in mature fields with the use of technology and expanded reservoir knowledge. While we expect the international markets will continue to gradually improve throughout 2018, there are still headwinds that must be overcome to obtain a full recovery. This includes an over capitalized market, pricing pressure and price concessions that we have taken throughout the down cycle which we need to recapture. We will continue to remain focused on efficiencies in our execution.

Venezuela. Venezuela continues to experience significant political and economic turmoil. At December 31, 2017, the Venezuelan government had a dual-rate foreign exchange system: (i) the DIPRO, which represented a protected rate of 10.0 Bolívares per United States dollar made available for vital imports such as food, medicine and raw materials for production; and (ii) the DICOM, which is intended to be a free floating system that will fluctuate according to market supply and demand. The DICOM foreign exchange rate continues to significantly devalue and had a market rate of 3,345 Bolívares per United States dollar at December 31, 2017, as compared to a market rate of 276 Bolívares per United States dollar in early 2016 when the DICOM was created. On January 29, 2018, the Venezuelan government announced that it has eliminated the DIPRO foreign exchange rate and all future currency transactions will be carried out at the DICOM rate. We are currently evaluating the impact that this change in foreign exchange system will have on our business, consolidated results of operations and consolidated financial condition. This includes potential further write-downs of our net investment in Venezuela, which was approximately $202 million as of December 31, 2017.

We have continued to experience delays in collecting payments on our receivables from our primary customer in Venezuela. In November 2017, several credit rating agencies downgraded this customer's credit rating, some as low as a default level. As a result of this credit downgrade, delayed payments on our promissory note and accounts receivable, and deteriorating market conditions in Venezuela, we recognized an aggregate charge of $647 million during 2017, representing a fair market value adjustment on our promissory note and a full reserve against our other accounts receivable with this customer. See Note 3 and Note 12 to the consolidated financial statements for additional information about outstanding receivables from our primary customer in Venezuela and Part I, Item 1(a), "Risk Factors" for additional information on risks associated with our operations in Venezuela, including recent sanctions imposed in Venezuela.

RESULTS OF OPERATIONS IN 2017 COMPARED TO 2016

REVENUE: *Millions of dollars*	2017	2016	Favorable (Unfavorable)	Percentage Change
Completion and Production	$ 13,077	$ 8,882	$ 4,195	47 %
Drilling and Evaluation	7,543	7,005	538	8
Total revenue	$ 20,620	$ 15,887	$ 4,733	30 %
By geographic region:				
North America	$ 11,564	$ 6,770	$ 4,794	71 %
Latin America	2,116	1,860	256	14
Europe/Africa/CIS	2,781	2,993	(212)	(7)
Middle East/Asia	4,159	4,264	(105)	(2)
Total	$ 20,620	$ 15,887	$ 4,733	30 %

OPERATING INCOME: *Millions of dollars*	2017	2016	Favorable (Unfavorable)	Percentage Change
Completion and Production	$ 1,621	$ 107	$ 1,514	1,415 %
Drilling and Evaluation	718	794	(76)	(10)
Total	2,339	901	1,438	160
Corporate and other	(330)	(4,322)	3,992	92
Impairments and other charges	(647)	(3,357)	2,710	81
Total operating income (loss)	$ 1,362	$ (6,778)	$ 8,140	—

Consolidated revenue in 2017 increased 30% compared to 2016, associated with improved utilization, pricing and activity, primarily attributable to higher stimulation activity, and well completion and drilling services in North America. Revenue from North America was 56% of consolidated revenue in 2017 and 43% of consolidated revenue in 2016.

We reported consolidated operating income of $1.4 billion in 2017, as compared to an operating loss of $6.8 billion in 2016. Higher consolidated operating results were primarily due to increases in stimulation activity and well completion services in North America. Operating results were also impacted by $647 million and $3.4 billion of impairments and other charges recorded during 2017 and 2016, respectively. Additionally, we incurred $4.1 billion of merger related costs during 2016, primarily due to a $3.5 billion termination fee and $464 million of charges resulting from our reversal of assets held for sale accounting.

OPERATING SEGMENTS

Completion and Production

Completion and Production revenue was $13.1 billion in 2017, an increase of $4.2 billion, or 47%, compared to 2016. Completion and Production operating income was $1.6 billion in 2017 compared to $107 million in 2016. Operating results significantly improved due to increased activity and pricing across the majority of our product service lines, primarily pressure pumping services in North America. International operating results improved slightly as increased pressure pumping services in the Middle East and Latin America were partially offset by reduced completion tool sales in the Eastern Hemisphere.

Drilling and Evaluation

Drilling and Evaluation revenue was $7.5 billion in 2017, an increase of $538 million, or 8%, from 2016. Drilling and Evaluation operating income was $718 million in 2017, a decrease of $76 million, or 10%, compared to 2016. Operating results improved for drilling services in North America as a result of improved pricing, utilization and rig count. These increases were offset by pricing pressure and activity reductions across the majority of our product service lines in the Eastern Hemisphere, particularly drilling and logging services, as well as activity reductions in Venezuela, primarily software sales and testing activity.

GEOGRAPHIC REGIONS

North America

North America revenue was $11.6 billion in 2017, a 71% improvement compared to 2016. These results were driven by improved customer demand in our United States land sector with increases in both pricing and activity, primarily related to pressure pumping services, drilling activity and completion tool sales.

Latin America

Latin America revenue was $2.1 billion in 2017, a 14% increase compared to 2016, primarily related to higher drilling activity in Brazil and Colombia, as well as increased project management activity in Mexico. These increases were partially offset by reduced activity in the majority of our product service lines in Venezuela and lower completion tool sales in Brazil.

Europe/Africa/CIS

Europe/Africa/CIS revenue was $2.8 billion in 2017, a 7% decline compared to 2016. The decreases were driven by activity reductions and pricing pressure across the region, particularly in Angola and the North Sea, along with reduced completion tools sales and logging services throughout the region.

Middle East/Asia

Middle East/Asia revenue was $4.2 billion in 2017, a 2% decrease compared to 2016, driven by reduced activity and pricing pressure, particularly for drilling and logging services in Thailand, reductions across all of our product service lines in Indonesia and drilling services and completion tool sales across the region. These decreases were partially offset by improved stimulation and well intervention activity in the Middle East, increased project management activity in Iraq and improved activity across the majority of our product service lines in Australia.

OTHER OPERATING ITEMS

Corporate and other expenses were $330 million in 2017, as compared to $4.3 billion in 2016. The decrease was primarily driven by merger-related costs during 2016 of a $3.5 billion termination fee and $464 million of charges resulting from our reversal of assets held for sale accounting.

Impairments and other charges were $647 million in 2017 representing a fair market value adjustment on a promissory note from our primary customer in Venezuela and a full reserve against our other accounts receivable with this customer. See Note 3 to the consolidated financial statements for further information. This compares to $3.4 billion of impairments and other charges recorded in 2016, primarily as a result of the downturn in the energy market, which consisted of fixed asset impairments and write-offs, inventory write-downs, impairments of intangible assets, severance costs, country and facility closures, a loss on exchange for our Venezuela promissory note and other charges.

NONOPERATING ITEMS

Interest expense, net was $593 million in 2017, which includes $104 million in costs related to the early extinguishment of $1.4 billion of senior notes during the first quarter of 2017, offset by additional interest income recognized during the year related to interest receipts and accretion on the promissory note from our primary customer in Venezuela. See Note 3 to the consolidated financial statements for further information on our promissory note in Venezuela, including our decision to discontinue the note accretion beginning in 2018. We recognized $639 million of net interest expense in 2016, which includes $41 million of debt redemption fees and associated expenses related to the $2.5 billion of senior notes mandatorily redeemed in the second quarter of 2016, with the corresponding interest savings from these debt payments reflected in 2017.

Other, net was an $87 million loss in 2017, as compared to a $208 million loss in 2016, driven by foreign currency exchange losses in various countries primarily due to the strengthening U.S. dollar. During 2017, foreign exchange losses were primarily incurred in Brazil and Nigeria. During 2016, foreign exchange losses were primarily incurred in Egypt, Argentina and Brazil, including a $53 million loss for the devaluation of the Egyptian pound.

Effective tax rate. During 2017, we recorded a total income tax provision of $1.1 billion on pre-tax income of $682 million, resulting in an effective tax rate of 165.8%. This includes $770 million of tax expenses associated with our preliminary estimate of the net impact of the United States tax reform enacted in 2017. During 2016, we recorded a total income tax benefit $1.9 billion on pre-tax losses of $7.6 billion, resulting in an effective tax rate of 24.4%. See Note 8 to the consolidated financial statements for significant drivers of these effective tax rates.

RESULTS OF OPERATIONS IN 2016 COMPARED TO 2015

REVENUE: *Millions of dollars*	2016	2015	Favorable (Unfavorable)	Percentage Change
Completion and Production	$ 8,882	$ 13,682	$ (4,800)	(35)%
Drilling and Evaluation	7,005	9,951	(2,946)	(30)
Total revenue	$ 15,887	$ 23,633	$ (7,746)	(33)%
By geographic region:				
North America	$ 6,770	$ 10,856	$ (4,086)	(38)%
Latin America	1,860	3,149	(1,289)	(41)
Europe/Africa/CIS	2,993	4,175	(1,182)	(28)
Middle East/Asia	4,264	5,453	(1,189)	(22)
Total	$ 15,887	$ 23,633	$ (7,746)	(33)%

OPERATING INCOME: *Millions of dollars*	2016	2015	Favorable (Unfavorable)	Percentage Change
Completion and Production	$ 107	$ 1,069	$ (962)	(90)%
Drilling and Evaluation	794	1,519	(725)	(48)
Total	901	2,588	(1,687)	(65)
Corporate and other	(4,322)	(576)	(3,746)	650
Impairments and other charges	(3,357)	(2,177)	(1,180)	54
Total operating loss	$ (6,778)	$ (165)	$ (6,613)	4,008 %

Consolidated revenue in 2016 decreased 33% compared to 2015, associated with widespread pricing pressure and activity reductions on a global basis, primarily attributable to stimulation activity, well completion services and pricing declines in North America. Revenue outside of North America was 57% of consolidated revenue in 2016 and 54% of consolidated revenue in 2015.

We reported a consolidated operating loss of $6.8 billion in 2016, as compared to an operating loss of $165 million in 2015. Operating results were negatively impacted by $3.4 billion and $2.2 billion of impairments and other charges recorded during 2016 and 2015, respectively. Additionally, we incurred $4.1 billion of merger related costs during 2016, primarily due to the $3.5 billion termination fee and $464 million of charges resulting from our reversal of assets held for sale accounting, compared to $308 million of merger related costs during 2015. Also impacting consolidated operating results was the impact of the global downturn in the energy market, primarily pricing pressure and activity reductions in North America pressure pumping services and reduced well completion services globally.

OPERATING SEGMENTS

Completion and Production

Completion and Production revenue was $8.9 billion in 2016, a decrease of $4.8 billion, or 35%, compared to 2015, due to a decline in activity and pricing in the majority of our product service lines, particularly North America pressure pumping services which drove the majority of the revenue decline. International revenue declined as a result of reductions in well completion services and stimulation activity in all regions.

Completion and Production operating income was $107 million in 2016, compared to $1.1 billion of operating income in 2015, with decreased profitability across all regions as a result of global activity and pricing reductions, primarily in North America stimulation activity and completion of well services across all regions.

Drilling and Evaluation
Drilling and Evaluation revenue was $7.0 billion in 2016, a decrease of $2.9 billion, or 30%, from 2015. Reductions were seen across all product service lines due to the low rig count, lower pricing and customer budget constraints worldwide.

Drilling and Evaluation operating income was $794 million in 2016, a decrease of $725 million, or 48%, compared to 2015, driven by a decline in activity and pricing across all regions, particularly drilling and logging activity in Middle East/Asia region and reduced fluid services in Latin America.

GEOGRAPHIC REGIONS

North America
North America revenue was $6.8 billion in 2016, a 38% decline compared to 2015, relative to a 45% decline in average North America rig count. The decline was driven by reduced activity and pricing pressure throughout the United States land market, specifically relating to stimulation and drilling activity.

Latin America
Latin America revenue was $1.9 billion in 2016, a 41% reduction compared to 2015. The reduction was primarily related to our decision to curtail activity in Venezuela and currency weakness in the country, reduced activity across all product service lines in Mexico and lower drilling activity in Brazil and Colombia.

Europe/Africa/CIS
Europe/Africa/CIS revenue was $3.0 billion in 2016, a decline of 28% compared to 2015. The decrease was driven by a reduction of activity in the North Sea, Angola, Nigeria and Congo, along with lower drilling activity, completion tools sales and pressure pumping services throughout the region.

Middle East/Asia
Middle East/Asia revenue was $4.3 billion in 2016, a reduction of 22% compared to 2015. This was the result of pricing concessions across the region, along with reduced activity for pressure pumping services in the Middle East, Indonesia and Australia, and a decline in drilling and logging activity in Indonesia, Malaysia and the Middle East.

OTHER OPERATING ITEMS

Corporate and other expenses increased to $4.3 billion in 2016, as compared to $576 million in 2015, primarily driven by merger related costs. During 2016, we incurred a $3.5 billion termination fee and $464 million of charges resulting from our reversal of assets held for sale accounting, as compared to $308 million of merger related costs during 2015.

Impairments and other charges. Primarily as a result of the downturn in the energy market and its corresponding impact on the company's business outlook, we recorded a total of approximately $3.4 billion in company-wide charges during 2016, which consisted of fixed asset impairments and write-offs, inventory write-downs, impairments of intangible assets, severance costs, country and facility closures, a loss on exchange for a promissory note from our primary customer in Venezuela and other charges. This compares to $2.2 billion of impairments and other charges recorded in 2015 which consisted of fixed asset impairments and write-offs, inventory write-downs, impairments of intangible assets, severance costs, country and facility closures and other charges.

NONOPERATING ITEMS

Interest expense, net increased $192 million in 2016, compared to 2015. This was primarily due to additional interest resulting from the $7.5 billion of senior notes issued in November 2015, coupled with the $41 million of redemption fees and associated costs, which were recorded through interest expense, related to the $2.5 billion of senior notes mandatorily redeemed during the second quarter of 2016. Additionally, we recognized interest income in 2016 related to interest receipts and accretion on the promissory note from our primary customer in Venezuela.

Other, net was a $208 million loss in 2016, as compared to a $324 million loss in 2015, driven by foreign currency exchange losses in various countries primarily due to the strengthening U.S. dollar. These losses included a $53 million loss in 2016 for the devaluation of the Egyptian pound and a $199 million loss in 2015 as a result of utilizing the new currency exchange mechanism in Venezuela. Also impacting both periods were foreign currency exchange losses in Brazil and Argentina. See "Business Environment and Results of Operations" for further information about Venezuela.

Effective tax rate. During 2016, we recorded a total income tax benefit of $1.9 billion on pre-tax losses of $7.6 billion, resulting in an effective tax rate of 24.4%. During 2015, we recorded a total income tax benefit of $274 million on pre-tax losses of $936 million, resulting in an effective tax rate of 29.3%. See Note 8 to the consolidated financial statements for significant drivers of these effective tax rates.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements requires the use of judgments and estimates. Our critical accounting policies are described below to provide a better understanding of how we develop our assumptions and judgments about future events and related estimations and how they can impact our financial statements. A critical accounting estimate is one that requires our most difficult, subjective or complex judgments and assessments and is fundamental to our results of operations. We identified our most critical accounting estimates to be:

- forecasting our effective income tax rate, including our future ability to utilize foreign tax credits and the realizability of deferred tax assets, and providing for uncertain tax positions;
- legal, environmental and investigation matters;
- valuations of long-lived assets, including intangible assets and goodwill;
- purchase price allocation for acquired businesses; and
- allowance for bad debts, primarily related to receivables in Venezuela.

We base our estimates on historical experience and on various other assumptions we believe to be reasonable according to the current facts and circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. We believe the following are the critical accounting policies used in the preparation of our consolidated financial statements, as well as the significant estimates and judgments affecting the application of these policies. This discussion and analysis should be read in conjunction with our consolidated financial statements and related notes included in this report.

Income tax accounting

We recognize the amount of taxes payable or refundable for the current year and use an asset and liability approach in recognizing the amount of deferred tax liabilities and assets for the future tax consequences of events that have been recognized in our financial statements or tax returns. We apply the following basic principles in accounting for our income taxes:

- a current tax liability or asset is recognized for the estimated taxes payable or refundable on tax returns for the current year;
- a deferred tax liability or asset is recognized for the estimated future tax effects attributable to temporary differences and carryforwards;
- the measurement of current and deferred tax liabilities and assets is based on provisions of the enacted tax law, and the effects of potential future changes in tax laws or rates are not considered; and
- the value of deferred tax assets is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realized.

We determine deferred taxes separately for each tax-paying component (an entity or a group of entities that is consolidated for tax purposes) in each tax jurisdiction. That determination includes the following procedures:

- identifying the types and amounts of existing temporary differences;
- measuring the total deferred tax liability for taxable temporary differences using the applicable tax rate;
- measuring the total deferred tax asset for deductible temporary differences and operating loss carryforwards using the applicable tax rate;
- measuring the deferred tax assets for each type of tax credit carryforward; and
- reducing the deferred tax assets by a valuation allowance if, based on available evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Our methodology for recording income taxes requires a significant amount of judgment in the use of assumptions and estimates. Additionally, we use forecasts of certain tax elements, such as taxable income and foreign tax credit utilization, as well as evaluate the feasibility of implementing tax planning strategies. Given the inherent uncertainty involved with the use of such variables, there can be significant variation between anticipated and actual results. Unforeseen events may significantly impact these variables, and changes to these variables could have a material impact on our income tax accounts related to both continuing and discontinued operations.

We have operations in approximately 70 countries. Consequently, we are subject to the jurisdiction of a significant number of taxing authorities. The income earned in these various jurisdictions is taxed on differing bases, including income actually earned, income deemed earned and revenue-based tax withholding. The final determination of our income tax liabilities involves the interpretation of local tax laws, tax treaties and related authorities in each jurisdiction. Changes in the operating environment, including changes in tax law and currency/repatriation controls, could impact the determination of our income tax liabilities for a tax year.

Tax filings of our subsidiaries, unconsolidated affiliates and related entities are routinely examined in the normal course of business by tax authorities. These examinations may result in assessments of additional taxes, which we work to resolve with the tax authorities and through the judicial process. Predicting the outcome of disputed assessments involves some uncertainty. Factors such as the availability of settlement procedures, willingness of tax authorities to negotiate and the operation and impartiality of judicial systems vary across the different tax jurisdictions and may significantly influence the ultimate outcome. We review the facts for each assessment, and then utilize assumptions and estimates to determine the most likely outcome and provide taxes, interest and penalties as needed based on this outcome. We provide for uncertain tax positions pursuant to current accounting standards, which prescribe a minimum recognition threshold and measurement methodology that a tax position taken or expected to be taken in a tax return is required to meet before being recognized in the financial statements. The standards also provide guidance for derecognition classification, interest and penalties, accounting in interim periods, disclosure and transition.

We are currently evaluating provisions of United States tax reform enacted in December 2017. In the fourth quarter of 2017, we recorded a provision to income taxes for our preliminary assessment of the impact of tax reform. As we do not have all the necessary information to analyze all income tax effects of tax reform, this is a provisional amount which we believe represents a reasonable estimate of the accounting implications of this tax reform. We will continue to evaluate tax reform and adjust the provisional amounts as additional information is obtained. The ultimate impact of tax reform may differ from our provisional amounts due to changes in our interpretations and assumptions, as well as additional regulatory guidance that may be issued. We expect to complete our detailed analysis no later than the fourth quarter of 2018. For further information, see Note 8 to the consolidated financial statements.

Legal, environmental and investigation matters

As discussed in Note 7 of our consolidated financial statements, as of December 31, 2017, we have accrued an estimate of the probable and estimable costs for the resolution of some of our legal, environmental and investigation matters. For other matters for which the liability is not probable and reasonably estimable, we have not accrued any amounts. Attorneys in our legal department monitor and manage all claims filed against us and review all pending investigations. Generally, the estimate of probable costs related to these matters is developed in consultation with internal and outside legal counsel representing us. Our estimates are based upon an analysis of potential results, assuming a combination of litigation and settlement strategies. The accuracy of these estimates is impacted by, among other things, the complexity of the issues and the amount of due diligence we have been able to perform. We attempt to resolve these matters through settlements, mediation and arbitration proceedings when possible. If the actual settlement costs, final judgments or fines, after appeals, differ from our estimates, there may be a material adverse effect on our future financial results. We have in the past recorded significant adjustments to our initial estimates of these types of contingencies.

Value of long-lived assets, including intangible assets and goodwill

We carry a variety of long-lived assets on our balance sheet including property, plant and equipment, goodwill and other intangibles. Impairment is the condition that exists when the carrying amount of a long-lived asset exceeds its fair value, and any impairment charge that we record reduces our earnings. Goodwill is the excess of the cost of an acquired entity over the net of the amounts assigned to assets acquired and liabilities assumed. We conduct impairment tests on goodwill annually, during the third quarter, or more frequently whenever events or changes in circumstances indicate an impairment may exist. We conduct impairment tests on long-lived assets, other than goodwill, whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

When conducting an impairment test on long-lived assets, other than goodwill, we first compare estimated future undiscounted cash flows associated with the asset to the asset’s carrying amount. If the undiscounted cash flows are less than the asset’s carrying amount, we then determine the asset's fair value by using a discounted cash flow analysis. These analyses are based on estimates such as management’s short-term and long-term forecast of operating performance, including revenue growth rates and expected profitability margins, estimates of the remaining useful life and service potential of the asset, and a discount rate based on our weighted average cost of capital.

We perform our goodwill impairment assessment for each reporting unit, which is the same as our reportable segments, the Completion and Production division and the Drilling and Evaluation division, comparing the estimated fair value of each reporting unit to the reporting unit’s carrying value, including goodwill. We estimate the fair value for each reporting unit using a discounted cash flow analysis based on management’s short-term and long-term forecast of operating performance. This analysis includes significant assumptions regarding discount rates, revenue growth rates, expected profitability margins, forecasted capital expenditures and the timing of expected future cash flows based on market conditions. If the estimated fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is not considered impaired. If the carrying amount of a reporting unit exceeds its estimated fair value, an impairment loss is measured and recorded.

The impairment assessments discussed above incorporate inherent uncertainties, including projected commodity pricing, supply and demand for our services and future market conditions, which are difficult to predict in volatile economic environments and could result in impairment charges in future periods if actual results materially differ from the estimated assumptions utilized in our forecasts. If crude oil prices decline significantly and remain at low levels for a sustained period of time, we could be required to record an impairment of the carrying value of our long-lived assets in the future which could have a material adverse impact on our operating results. See Note 1 to the consolidated financial statements for our accounting policies related to long-lived assets as well as the results of our annual goodwill impairment assessment.

Acquisitions-purchase price allocation

We allocate the purchase price of an acquired business to its identifiable assets and liabilities based on estimated fair values. The excess of the purchase price over the amount allocated to the assets and liabilities, if any, is recorded as goodwill. We use all available information to estimate fair values, including quoted market prices, the carrying value of acquired assets and widely accepted valuation techniques such as discounted cash flows. We engage third-party appraisal firms when appropriate to assist in fair value determination of inventories, identifiable intangible assets and any other significant assets or liabilities. The judgments made in determining the estimated fair value assigned to each class of assets acquired and liabilities assumed, as well as asset lives, can materially impact our results of operations. Our acquisitions may also include contingent consideration, or earn-out provisions, which provide for additional consideration to be paid to the seller if certain future conditions are met. These earn-out provisions are estimated and recognized at fair value at the acquisition date based on projected earnings or other financial metrics over specified periods after the acquisition date. These estimates are reviewed during the specified period and adjusted based on actual results.

Allowance for bad debts, primarily related to receivables in Venezuela

We evaluate our global accounts receivable through a continuous process of assessing our portfolio on an individual customer and overall basis. This process consists of a thorough review of historical collection experience, current aging status of the customer accounts, financial condition of our customers and whether the receivables involve retainages. We also consider the economic environment of our customers, both from a marketplace and geographic perspective, in evaluating the need for an allowance. Based on our review of these factors, we establish or adjust allowances for specific customers and the accounts receivable portfolio as a whole. This process involves a high degree of judgment and estimation, and frequently involves significant dollar amounts. Accordingly, our results of operations can be affected by adjustments to the allowance due to actual write-offs that differ from estimated amounts. Our estimates of allowances for bad debts have historically been accurate. Over the last five years, our estimates of allowances for bad debts, as a percentage of notes and accounts receivable before the allowance, have ranged from 1.8% to 12.8%. During 2017, we significantly increased our allowance for bad debts related to accounts receivable with our primary customer in Venezuela as a result of delayed payments, deteriorating market conditions in Venezuela and a recent credit downgrade. At December 31, 2017, allowance for bad debts totaled $725 million, or 12.8% of notes and accounts receivable before the allowance. At December 31, 2016, allowance for bad debts totaled $175 million, or 4.3% of notes and accounts receivable before the allowance. A hypothetical 100 basis point change in our estimate of the collectability of our notes and accounts receivable balance as of December 31, 2017 would have resulted in a $57 million adjustment to 2017 total operating costs and expenses. See Note 3 to the consolidated financial statements for further information.

OFF BALANCE SHEET ARRANGEMENTS

At December 31, 2017, we had no material off balance sheet arrangements, except for operating leases. In the normal course of business, we have agreements with financial institutions under which approximately $1.8 billion of letters of credit, bank guarantees or surety bonds were outstanding as of December 31, 2017. Some of the outstanding letters of credit have triggering events that would entitle a bank to require cash collateralization. None of these off balance sheet arrangements either has, or is likely to have, a material effect on our consolidated financial statements. For information on our contractual obligations related to operating leases, see Note 7 to the consolidated financial statements and “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources – Contractual obligations.”

FINANCIAL INSTRUMENT MARKET RISK

We are exposed to market risk from changes in foreign currency exchange rates and interest rates. We selectively manage these exposures through the use of derivative instruments, including forward foreign exchange contracts, foreign exchange options and interest rate swaps. The objective of our risk management strategy is to minimize the volatility from fluctuations in foreign currency and interest rates. We do not use derivative instruments for trading purposes. The counterparties to our forward contracts, options and interest rate swaps are global commercial and investment banks.

We use a sensitivity analysis model to measure the impact of potential adverse movements in foreign currency exchange rates and interest rates. With respect to foreign exchange sensitivity, after consideration of the impact from our foreign exchange hedges, a hypothetical 10% adverse change in the value of all our foreign currency positions relative to the United States dollar as of December 31, 2017 would result in a $55 million, pre-tax, loss for our net monetary assets denominated in currencies other than United States dollars. With respect to interest rates sensitivity, after consideration of the impact from our interest rate swap, a hypothetical 100 basis point increase in the LIBOR rate would result in approximately an additional $1 million of interest charges for the year ended December 31, 2017.

There are certain limitations inherent in the sensitivity analyses presented, primarily due to the assumption that exchange rates and interest rates change instantaneously in an equally adverse fashion. In addition, the analyses are unable to reflect the complex market reactions that normally would arise from the market shifts modeled. While this is our best estimate of the impact of the various scenarios, these estimates should not be viewed as forecasts.

For further information regarding foreign currency exchange risk, interest rate risk and credit risk, see Note 12 to the consolidated financial statements.

ENVIRONMENTAL MATTERS

We are subject to numerous environmental, legal and regulatory requirements related to our operations worldwide. For information related to environmental matters, see Note 7 to the consolidated financial statements and Part I, Item 1(a), “Risk Factors.”

FORWARD-LOOKING INFORMATION

The Private Securities Litigation Reform Act of 1995 provides safe harbor provisions for forward-looking information. Forward-looking information is based on projections and estimates, not historical information. Some statements in this Form 10-K are forward-looking and use words like “may,” “may not,” “believe,” “do not believe,” “plan,” “estimate,” “intend,” “expect,” “do not expect,” “anticipate,” “do not anticipate,” “should,” "would," "could," “likely” and other expressions. We may also provide oral or written forward-looking information in other materials we release to the public. Forward-looking information involves risk and uncertainties and reflects our best judgment based on current information. Our results of operations can be affected by inaccurate assumptions we make or by known or unknown risks and uncertainties. In addition, other factors may affect the accuracy of our forward-looking information. As a result, no forward-looking information can be guaranteed. Actual events and the results of our operations may vary materially.

We do not assume any responsibility to publicly update any of our forward-looking statements regardless of whether factors change as a result of new information, future events or for any other reason. You should review any additional disclosures we make in our press releases and Forms 10-K, 10-Q and 8-K filed with or furnished to the SEC. We also suggest that you listen to our quarterly earnings release conference calls with financial analysts.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of Halliburton Company is responsible for establishing and maintaining adequate internal control over financial reporting as defined in the Securities Exchange Act Rule 13a-15(f).

Internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Further, because of changes in conditions, the effectiveness of internal control over financial reporting may vary over time.

In July 2017, we acquired Summit ESP. For purposes of determining the effectiveness of our internal control over financial reporting, management has excluded Summit ESP from its evaluation. The acquired business represented approximately 2% of our consolidated total assets at December 31, 2017 and less than 1% of our consolidated revenues for the year ended December 31, 2017.

Under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, we conducted an evaluation to assess the effectiveness of our internal control over financial reporting as of December 31, 2017 based upon criteria set forth in the *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our assessment, we believe that, as of December 31, 2017, our internal control over financial reporting is effective.

The effectiveness of Halliburton's internal control over financial reporting as of December 31, 2017 has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report that is included herein.

HALLIBURTON COMPANY

by

/s/ Jeffrey A. Miller	/s/ Christopher T. Weber
Jeffrey A. Miller	Christopher T. Weber
President and	Executive Vice President and
Chief Executive Officer	Chief Financial Officer

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Halliburton Company:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Halliburton Company and subsidiaries (the "Company") as of December 31, 2017 and 2016, and the related consolidated statements of operations, comprehensive income, shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2017, and the related notes (collectively, the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2017, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 9, 2018 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Change in Accounting Principle

As discussed in Note 14 to the consolidated financial statements, the Company changed its method of accounting for deferred income taxes related to intra-entity transfers other than inventory effective January 1, 2017 due to the adoption of FASB ASU 2016-16, *Intra-Entity Transfers of Assets Other Than Inventory.*

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ KPMG LLP

We have served as the Company's auditor since 2002.

Houston, Texas
February 9, 2018

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Halliburton Company:

Opinion on Internal Control Over Financial Reporting

We have audited Halliburton Company's (the "Company") internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated balance sheets of the Company as of December 31, 2017 and 2016, and the related consolidated statements of operations, comprehensive income, shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2017, and related notes (collectively, the "consolidated financial statements"), and our report dated February 9, 2018 expressed an unqualified opinion on those consolidated financial statements.

As described in Management's Report on Internal Control Over Financial Reporting, management excluded from its assessment the internal control over financial reporting of Summit ESP ("Summit"), which was acquired during 2017 and whose total assets constituted 2% of consolidated total assets and total revenues constituted less than 1% of consolidated total revenue as of and for the year ended December 31, 2017. Our audit of internal control over financial reporting of the Company also excluded an evaluation of the internal control over financial reporting of Summit.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

Houston, Texas
February 9, 2018

HALLIBURTON COMPANY
Consolidated Statements of Operations

Millions of dollars and shares except per share data	Year Ended December 31 2017	2016	2015
Revenue:			
Services	$ 15,408	$ 11,140	$ 16,981
Product sales	5,212	4,747	6,652
Total revenue	20,620	15,887	23,633
Operating costs and expenses:			
Cost of services	14,213	11,253	16,014
Cost of sales	4,142	3,770	5,099
Merger-related costs and termination fee	—	4,057	308
Impairments and other charges	647	3,357	2,177
General and administrative	256	228	200
Total operating costs and expenses	19,258	22,665	23,798
Operating income (loss)	1,362	(6,778)	(165)
Interest expense, net of interest income of $112, $59 and $16	(593)	(639)	(447)
Other, net	(87)	(208)	(324)
Income (loss) from continuing operations before income taxes	682	(7,625)	(936)
Income tax benefit (provision)	(1,131)	1,858	274
Loss from continuing operations	(449)	(5,767)	(662)
Loss from discontinued operations, net	(19)	(2)	(5)
Net loss	$ (468)	$ (5,769)	$ (667)
Net (income) loss attributable to noncontrolling interest	5	6	(4)
Net loss attributable to company	$ (463)	$ (5,763)	$ (671)
Amounts attributable to company shareholders:			
Loss from continuing operations	$ (444)	$ (5,761)	$ (666)
Loss from discontinued operations, net	(19)	(2)	(5)
Net loss attributable to company	$ (463)	$ (5,763)	$ (671)
Basic and diluted loss per share attributable to company shareholders:			
Loss from continuing operations	$ (0.51)	$ (6.69)	$ (0.78)
Loss from discontinued operations, net	(0.02)	—	(0.01)
Net loss per share	$ (0.53)	$ (6.69)	$ (0.79)
Basic and diluted weighted average common shares outstanding	870	861	853

See notes to consolidated financial statements.

HALLIBURTON COMPANY
Consolidated Statements of Comprehensive Income

	Year Ended December 31		
Millions of dollars	2017	2016	2015
Net loss	$ (468)	$ (5,769)	$ (667)
Other comprehensive income (loss), net of income taxes:			
Defined benefit and other post retirement plans adjustment	(22)	(92)	105
Unrealized loss on cash flow hedges	—	—	(67)
Other	7	1	(2)
Other comprehensive income (loss), net of income taxes	(15)	(91)	36
Comprehensive loss	$ (483)	$ (5,860)	$ (631)
Comprehensive (income) loss attributable to noncontrolling interest	5	6	(4)
Comprehensive loss attributable to company shareholders	$ (478)	$ (5,854)	$ (635)

See notes to consolidated financial statements.

HALLIBURTON COMPANY
Consolidated Balance Sheets

	December 31	
Millions of dollars and shares except per share data	2017	2016
Assets		
Current assets:		
Cash and equivalents	$ 2,337	$ 4,009
Receivables (net of allowances for bad debts of $725 and $175)	5,036	3,922
Inventories	2,396	2,275
Prepaid income taxes	133	585
Other current assets	875	886
Total current assets	10,777	11,677
Property, plant and equipment (net of accumulated depreciation of $12,249 and $11,198)	8,521	8,532
Goodwill	2,693	2,414
Deferred income taxes	1,230	1,960
Other assets	1,864	2,417
Total assets	$ 25,085	$ 27,000
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 2,554	$ 1,764
Accrued employee compensation and benefits	746	544
Short-term borrowings and current maturities of long-term debt	512	170
Deferred revenue	257	261
Taxes other than income	231	218
Liabilities for Macondo well incident	—	369
Other current liabilities	562	697
Total current liabilities	4,862	4,023
Long-term debt	10,430	12,214
Employee compensation and benefits	609	574
Other liabilities	835	741
Total liabilities	16,736	17,552
Shareholders' equity:		
Common shares, par value $2.50 per share (authorized 2,000 shares, issued 1,069 and 1,070 shares)	2,673	2,674
Paid-in capital in excess of par value	207	201
Accumulated other comprehensive loss	(469)	(454)
Retained earnings	12,668	14,141
Treasury stock, at cost (196 and 204 shares)	(6,757)	(7,153)
Company shareholders' equity	8,322	9,409
Noncontrolling interest in consolidated subsidiaries	27	39
Total shareholders' equity	8,349	9,448
Total liabilities and shareholders' equity	$ 25,085	$ 27,000

See notes to consolidated financial statements.

HALLIBURTON COMPANY
Consolidated Statements of Cash Flows

	Year Ended December 31		
Millions of dollars	2017	2016	2015
Cash flows from operating activities:			
Net loss	$ (468)	$ (5,769)	$ (667)
Adjustments to reconcile net loss to cash flows from operating activities:			
Depreciation, depletion and amortization	1,556	1,503	1,835
Deferred income tax provision (benefit), continuing operations	734	(1,501)	(224)
Impairments and other charges	647	3,357	2,177
U.S. tax refund	478	430	—
Payment related to the Macondo well incident	(368)	(33)	(333)
Cash impact of impairments and other charges - severance payments	—	(273)	(304)
Changes in assets and liabilities:			
Receivables	(1,350)	899	1,468
Accounts payable	753	(219)	(603)
Inventories	(29)	552	153
Other	515	(649)	(596)
Total cash flows provided by (used in) operating activities	2,468	(1,703)	2,906
Cash flows from investing activities:			
Capital expenditures	(1,373)	(798)	(2,184)
Payments to acquire businesses, net of cash acquired	(628)	(31)	(39)
Proceeds from sales of property, plant and equipment	158	222	168
Other investing activities	(84)	(103)	(137)
Total cash flows used in investing activities	(1,927)	(710)	(2,192)
Cash flows from financing activities:			
Payments on long-term borrowings	(1,641)	(3,171)	(8)
Dividends to shareholders	(626)	(620)	(614)
Proceeds from issuance of common stock	158	186	167
Proceeds from issuance of long-term debt, net	10	74	7,440
Other financing activities	(62)	(9)	96
Total cash flows used in financing activities	(2,161)	(3,540)	7,081
Effect of exchange rate changes on cash	(52)	(115)	(9)
Increase (decrease) in cash and equivalents	(1,672)	(6,068)	7,786
Cash and equivalents at beginning of year	4,009	10,077	2,291
Cash and equivalents at end of year	$ 2,337	$ 4,009	$ 10,077
Supplemental disclosure of cash flow information:			
Cash payments (receipts) during the period for:			
Interest	$ 594	$ 659	$ 380
Income taxes	$ (178)	$ (20)	$ 370

See notes to consolidated financial statements.

HALLIBURTON COMPANY
Consolidated Statements of Shareholders' Equity

	Company Shareholders' Equity						
Millions of dollars	Common Shares	Paid-in Capital in Excess of Par Value	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling interest in Consolidated Subsidiaries	Total
Balance at December 31, 2014	$ 2,679	$ 309	$ (8,131)	$ 21,809	$ (399)	$ 31	$ 16,298
Comprehensive income (loss):							
Net income (loss)	—	—	—	(671)	—	4	(667)
Other comprehensive income	—	—	—	—	36	—	36
Stock plans	(2)	(39)	481	—	—	—	440
Cash dividends ($0.72 per share)	—	—	—	(614)	—	—	(614)
Other	—	4	—	—	—	(2)	2
Balance at December 31, 2015	$ 2,677	$ 274	$ (7,650)	$ 20,524	$ (363)	$ 33	$ 15,495
Comprehensive income (loss):							
Net loss	—	—	—	(5,763)	—	(6)	(5,769)
Other comprehensive loss	—	—	—	—	(91)	—	(91)
Stock plans	(3)	(69)	497	—	—	—	425
Cash dividends ($0.72 per share)	—	—	—	(620)	—	—	(620)
Other	—	(4)	—	—	—	12	8
Balance at December 31, 2016	$ 2,674	$ 201	$ (7,153)	$ 14,141	$ (454)	$ 39	$ 9,448
Comprehensive income (loss):							
Net loss	—	—	—	(463)	—	(5)	(468)
Retained earnings adjustment for new accounting standard	—	—	—	(384)	—	—	(384)
Other comprehensive loss	—	—	—	—	(15)	—	(15)
Stock plans	(1)	6	396	—	—	—	401
Cash dividends ($0.72 per share)	—	—	—	(626)	—	—	(626)
Other	—	—	—	—	—	(7)	(7)
Balance at December 31, 2017	$ 2,673	$ 207	$ (6,757)	$ 12,668	$ (469)	$ 27	$ 8,349

See notes to consolidated financial statements.

Note 1. Description of Company and Significant Accounting Policies

Description of Company

Halliburton Company's predecessor was established in 1919 and incorporated under the laws of the State of Delaware in 1924. We help our customers maximize value throughout the lifecycle of the reservoir - from locating hydrocarbons and managing geological data, to drilling and formation evaluation, well construction and completion and optimizing production throughout the life of the asset. We serve major, national and independent oil and natural gas companies throughout the world and operate under two divisions, which form the basis for the two operating segments we report, the Completion and Production segment and the Drilling and Evaluation segment.

Use of estimates

Our financial statements are prepared in conformity with United States generally accepted accounting principles, requiring us to make estimates and assumptions that affect:

- the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements; and
- the reported amounts of revenue and expenses during the reporting period.

We believe the most significant estimates and assumptions are associated with the forecasting of our effective income tax rate and the valuation of deferred taxes, legal and environmental reserves, long-lived asset valuations, purchase price allocations and allowance for bad debts. Ultimate results could differ from our estimates.

Basis of presentation

The consolidated financial statements include the accounts of our company and all of our subsidiaries that we control or variable interest entities for which we have determined that we are the primary beneficiary. All material intercompany accounts and transactions are eliminated. Investments in companies in which we do not have a controlling interest, but over which we do exercise significant influence, are accounted for using the equity method of accounting. If we do not have significant influence, we use the cost method of accounting. In addition, certain reclassifications of prior period balances have been made to conform to the current period presentation.

Revenue recognition

Our services and products are generally sold based upon purchase orders or contracts with our customers that include fixed or determinable prices but do not include right of return provisions or other significant post-delivery obligations. Our products are produced in a standard manufacturing operation, even if produced to our customer's specifications. We recognize revenue from product sales when title passes to the customer, the customer assumes risks and rewards of ownership, collectability is reasonably assured and delivery occurs as directed by our customer. Service revenue, including training and consulting services, is recognized when the services are rendered and collectability is reasonably assured. Rates for services are typically priced on a per day, per meter, per man-hour or similar basis. We will adopt a new revenue recognition standard effective January 1, 2018 that will supersede existing revenue recognition guidance. See Note 14 for additional information.

Research and development

Research and development costs are expensed as incurred. Research and development costs were $360 million in 2017, $329 million in 2016 and $487 million in 2015.

Cash equivalents

We consider all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Inventories

Inventories are stated at the lower of cost and net realizable value. 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. Some domestic manufacturing and field service finished products and parts inventories for drill bits, completion products and bulk materials are recorded using the last-in, first-out method. The remaining inventory is recorded on the average cost method. We regularly review inventory quantities on hand and record provisions for excess or obsolete inventory based primarily on historical usage, estimated product demand and technological developments.

Allowance for bad debts

We establish an allowance for bad debts through a review of several factors, including historical collection experience, current aging status of the customer accounts and financial condition of our customers. Our policy is to write off bad debts when the customer accounts are determined to be uncollectible.

Property, plant and equipment

Other than those assets that have been written down to their fair values due to impairment, property, plant and equipment are reported at cost less accumulated depreciation, which is generally provided on the straight-line method over the estimated useful lives of the assets. Accelerated depreciation methods are used for tax purposes, wherever permitted. 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. Planned major maintenance costs are generally expensed as incurred. Expenditures for additions, modifications and conversions are capitalized when they increase the value or extend the useful life of the asset.

Goodwill and other intangible assets

We record as goodwill the excess purchase price over the fair value of the tangible and identifiable intangible assets acquired in a business acquisition. Changes in the carrying amount of goodwill are detailed below by reportable segment.

Millions of dollars	Completion and Production	Drilling and Evaluation	Total
Balance at December 31, 2015:	$ 1,634	$ 751	$ 2,385
Current year acquisitions	31	—	31
Purchase price adjustments for previous acquisitions	(2)	—	(2)
Other	16	(16)	—
Balance at December 31, 2016:	$ 1,679	$ 735	$ 2,414
Current year acquisitions	249	36	285
Purchase price adjustments for previous acquisitions	(6)	—	(6)
Balance at December 31, 2017:	$ 1,922	$ 771	$ 2,693

During 2017, we acquired three businesses, Summit ESP, Ingrain Inc. and Optimization Petroleum Technology, which resulted in approximately $285 million of additional goodwill based on our preliminary purchase price allocations. The reported amounts of goodwill for each reporting unit are reviewed for impairment on an annual basis, during the third quarter, and more frequently when circumstances indicate an impairment may exist. As a result of our goodwill impairment assessments performed in the years ended December 31, 2017, 2016 and 2015, we determined that the fair value of each reporting unit exceeded its net book value and, therefore, no goodwill impairments were deemed necessary. For further information on our goodwill impairment assessments, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Estimates.”

We amortize other identifiable intangible assets with a finite life on a straight-line basis over the period which the asset is expected to contribute to our future cash flows, ranging from one to fifteen years. The components of these other intangible assets generally consist of patents, license agreements, non-compete agreements, trademarks and customer lists and contracts.

Evaluating impairment of long-lived assets

When events or changes in circumstances indicate that long-lived assets other than goodwill may be impaired, an evaluation is performed. For an asset classified as held for use, the estimated future undiscounted cash flows associated with the asset are compared to the asset’s carrying amount to determine if a write-down to fair value is required. When an asset is classified as held for sale, the asset’s book value is evaluated and adjusted to the lower of its carrying amount or fair value less cost to sell. In addition, depreciation and amortization is ceased while it is classified as held for sale.

Income taxes

We recognize the amount of taxes payable or refundable for the year. In addition, deferred tax assets and liabilities are recognized for the expected future tax consequences of events that have been recognized in the financial statements or tax returns. A valuation allowance is provided for deferred tax assets if it is more likely than not that these items will not be realized.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is more likely than not that we will realize the benefits of these deductible differences, net of the existing valuation allowances.

We recognize interest and penalties related to unrecognized tax benefits within the provision for income taxes on continuing operations in our consolidated statements of operations.

During 2017, the President of the United States signed into law what is informally called the Tax Cuts and Jobs Act of 2017, a comprehensive U.S. tax reform package that, effective January 1, 2018, among other things, lowered the corporate income tax rate from 35% to 21% and moved the country towards a territorial tax system with a one-time mandatory tax on previously deferred foreign earnings of foreign subsidiaries. See Note 8 for further information.

Derivative instruments

At times, we enter into derivative financial transactions to hedge existing or projected exposures to changing foreign currency exchange rates and interest rates. We do not enter into derivative transactions for speculative or trading purposes. We recognize all derivatives on the balance sheet at fair value. Derivatives that are not hedges are adjusted to fair value and reflected through the results of operations. If the derivative is designated as a hedge, depending on the nature of the hedge, changes in the fair value of derivatives are either offset against:

- the change in fair value of the hedged assets, liabilities or firm commitments through earnings; or
- recognized in other comprehensive income until the hedged item is recognized in earnings.

The ineffective portion of a derivative’s change in fair value is recognized in earnings. Recognized gains or losses on derivatives entered into to manage foreign currency exchange risk are included in “Other, net” on the consolidated statements of operations. Gains or losses on interest rate derivatives are included in “Interest expense, net.”

Foreign currency translation

Foreign entities whose functional currency is the United States dollar translate monetary assets and liabilities at year-end exchange rates, and nonmonetary items are translated at historical rates. Revenue and expense transactions are translated at the average rates in effect during the year, except for those expenses associated with nonmonetary balance sheet accounts, which are translated at historical rates. Gains or losses from remeasurement of monetary assets and liabilities due to changes in exchange rates are recognized in our consolidated statements of operations in “Other, net” in the year of occurrence.

Stock-based compensation

Stock-based compensation cost is measured at the date of grant, based on the calculated fair value of the award and is recognized as expense over the employee’s service period, which is generally the vesting period of the equity grant. Additionally, compensation cost is recognized based on awards ultimately expected to vest, therefore, we have reduced the cost for estimated forfeitures based on historical forfeiture rates. Forfeitures are estimated at the time of grant and revised in subsequent periods to reflect actual forfeitures. See Note 10 and Note 14 for additional information related to stock-based compensation.

Note 2. Business Segment and Geographic Information

We operate under two divisions, which form the basis for the two operating segments we report: the Completion and Production segment and the Drilling and Evaluation segment. For more information about the product service lines included in each segment, see Part I, Item 1, "Business.” Corporate and other includes certain expenses not attributable to a particular business segment such as costs related to support functions and corporate executives. Other items include amortization expense associated with intangible assets recorded as a result of our acquisitions in 2017 and merger-related costs in 2016 and 2015. The balance sheet for Corporate is primarily composed of cash and equivalents, deferred tax assets and investment securities. Intersegment revenue and revenue between geographic areas are immaterial. Our equity in earnings and losses of unconsolidated affiliates that are accounted for using the equity method of accounting are included within cost of services and cost of sales on our statements of operations, which is part of operating income of the applicable segment.

The following tables present financial information on our business segments.

Operations by business segment

	Year Ended December 31		
Millions of dollars	2017	2016	2015
Revenue:			
Completion and Production	$ 13,077	$ 8,882	$ 13,682
Drilling and Evaluation	7,543	7,005	9,951
Total revenue	$ 20,620	$ 15,887	$ 23,633
Operating income (loss):			
Completion and Production	$ 1,621	$ 107	$ 1,069
Drilling and Evaluation	718	794	1,519
Total operations	2,339	901	2,588
Corporate and other (a)	(330)	(4,322)	(576)
Impairments and other charges (b)	(647)	(3,357)	(2,177)
Total operating income (loss)	$ 1,362	$ (6,778)	$ (165)
Interest expense, net of interest income	$ (593)	$ (639)	$ (447)
Other, net	(87)	(208)	(324)
Income (loss) from continuing operations before income taxes	$ 682	$ (7,625)	$ (936)
Capital expenditures:			
Completion and Production	$ 1,111	$ 500	$ 1,526
Drilling and Evaluation	261	297	650
Corporate and other	1	1	8
Total	$ 1,373	$ 798	$ 2,184
Depreciation, depletion and amortization:			
Completion and Production	$ 953	$ 900	$ 1,160
Drilling and Evaluation	563	569	638
Corporate and other	40	34	37
Total	$ 1,556	$ 1,503	$ 1,835

(a) Includes merger-related costs for the periods presented, including a $3.5 billion termination fee and an aggregate $464 million of charges for the reversal of assets held for sale accounting during the year ended December 31, 2016.

(b) Impairments and other charges are as follows:

-For the year ended December 31, 2017, the aggregate charge of $647 million represents a fair market value adjustment on our existing promissory note with our primary customer in Venezuela and a full reserve against our other accounts receivable with this customer.

-For the year ended December 31, 2016, includes $2.1 billion attributable to Completion and Production, $1.2 billion attributable to Drilling and Evaluation and $10 million attributable to Corporate and other.

-For the year ended December 31, 2015, includes $1.1 billion attributable to Completion and Production, $1.0 billion attributable to Drilling and Evaluation and $88 million attributable to Corporate and other.

	December 31	
Millions of dollars	2017	2016
Total assets:		
Completion and Production	$ 12,276	$ 10,349
Drilling and Evaluation	7,837	8,473
Shared assets	2,913	3,371
Corporate and other	2,059	4,807
Total	$ 25,085	$ 27,000

Not all assets are associated with specific segments. Those assets specific to segments include receivables, inventories, certain identified property, plant and equipment (including field service equipment), equity in and advances to related companies and goodwill. The remaining assets, such as cash and equivalents, are considered to be shared among the segments.

The following tables present information by geographic area. In 2017, 2016 and 2015, based on the location of services provided and products sold, 53%, 41% and 44% of our consolidated revenue was from the United States. As of December 31, 2017 and December 31, 2016, 56% and 50% of our property, plant and equipment was located in the United States. No other country accounted for more than 10% of our revenue or property, plant and equipment during the periods presented.

Operations by geographic region

	Year Ended December 31		
Millions of dollars	2017	2016	2015
Revenue:			
North America	$ 11,564	$ 6,770	$ 10,856
Latin America	2,116	1,860	3,149
Europe/Africa/CIS	2,781	2,993	4,175
Middle East/Asia	4,159	4,264	5,453
Total	$ 20,620	$ 15,887	$ 23,633

	December 31	
Millions of dollars	2017	2016
Net property, plant and equipment:		
North America	$ 4,922	$ 4,431
Latin America	945	1,068
Europe/Africa/CIS	1,098	1,253
Middle East/Asia	1,556	1,780
Total	$ 8,521	$ 8,532

Note 3. Receivables

As of December 31, 2017, 42% of our net trade receivables were from customers in the United States. As of December 31, 2016, 27% of our net trade receivables were from customers in the United States and 15% were from customers in Venezuela. Other than the United States and Venezuela, no other country or single customer accounted for more than 10% of our trade receivables at these dates.

We routinely monitor the financial stability of our customers, and employ an extensive process to evaluate the collectability of outstanding receivables. This process, which involves a high degree of judgment utilizing significant assumptions, includes analysis of our customers' historical time to pay, financial condition and various financial metrics, debt structure, credit agency ratings and production profile, as well as political and economic factors in countries of operations and other customer-specific factors.

Venezuela. We continue to experience delays in collecting payments on our receivables from our primary customer in Venezuela. These outstanding receivables are not disputed, and we have not historically had material write-offs relating to this customer. We are actively managing our strategic relationship with this customer, with ongoing dialogue between key executives of both companies, including discussions regarding this customer's intention to pay outstanding receivables. We will continue to vigorously pursue collection as we do business going forward in accordance with applicable U.S. sanctions.

During 2016, we exchanged $200 million of accounts receivables with our primary customer in Venezuela for an interest-bearing promissory note with a par value of the same amount. We recognized a pre-tax loss on the exchange of $148 million at that time and had been accreting the carrying amount of the note to its par value from the third quarter of 2016 through the fourth quarter of 2017. We received our first principal payment in November 2017 and received five scheduled interest payments since the note's inception, but have not received the principal and interest payments scheduled in December 2017. In November 2017, several credit rating agencies downgraded this customer's credit rating, some as low as a default level.

As a result of this credit downgrade, delayed payments, and deteriorating market conditions in Venezuela, we changed our accounting for our promissory note from held-to-maturity to available-for-sale, will no longer accrete the value of the note going forward, and will mark the note to its fair market value on a quarterly basis with any unrealized gains and losses included as a component of accumulated other comprehensive loss. Accordingly, we recognized an aggregate charge of $385 million during the fourth quarter of 2017, consisting of $77 million for a fair market value adjustment of the note and $308 million for a full reserve against our other accounts receivable with this customer. During the second quarter of 2017, we recognized a charge of $262 million in anticipation of completing an additional note exchange with this customer. However, based on recent executive management changes at, and recent conversations with, this customer, we no longer expect this transaction to take place. The aggregate charges of $647 million during 2017 relating to Venezuela are included within "Impairments and other charges" in our consolidated statements of operations.

As of December 31, 2017, we had $117 million in total outstanding net trade receivables in Venezuela, compared to $610 million as of December 31, 2016. The majority of these receivables are United States dollar-denominated. Additionally, the carrying amount of our existing promissory note was $32 million as of December 31, 2017 and classified as “Other assets” on our consolidated balance sheets, compared to its par value of $175 million. We still intend to hold this promissory note to maturity and will continue to vigorously pursue collection on this note and other accounts receivable with this customer.

On January 29, 2018, the Venezuelan government announced that it has changed the existing dual-rate foreign exchange system by eliminating the DIPRO foreign exchange rate. All future currency transactions will now be carried out at the DICOM floating rate. We are currently evaluating the impact that this change in foreign exchange system will have on our business, consolidated results of operations and consolidated financial condition. This includes potential further write-downs of our net investment in Venezuela, which was approximately $202 million as of December 31, 2017. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Business Environment and Results of Operations” for additional information about the foreign currency exchange system in Venezuela, Note 12 for additional information about the promissory note and Part I, Item 1(a), “Risk Factors” for additional information on risks associated with our operations in Venezuela, including recent sanctions imposed in the country.

The following table presents a rollforward of our global allowance for bad debts for 2015, 2016 and 2017.

Millions of dollars	Balance at Beginning of Period	Charged to Costs and Expenses	Write-Offs	Balance at End of Period
Year ended December 31, 2015	$ 137	$ 44	$ (36)	$ 145
Year ended December 31, 2016	145	50	(20)	175
Year ended December 31, 2017	175	568	(18)	725

Note 4. Inventories

Inventories are stated at the lower of cost and net realizable value. In the United States, we manufacture certain finished products and parts inventories for drill bits, completion products, bulk materials and other tools that are recorded using the last-in, first-out method, which totaled $177 million at December 31, 2017 and $133 million at December 31, 2016. If the average cost method had been used, total inventories would have been $31 million higher than reported as of December 31, 2017 and $16 million higher as of December 31, 2016. The cost of the remaining inventory was recorded using the average cost method. Inventories consisted of the following:

	December 31	
Millions of dollars	2017	2016
Finished products and parts	$ 1,547	$ 1,388
Raw materials and supplies	703	778
Work in process	146	109
Total	$ 2,396	$ 2,275

All amounts in the table above are reported net of obsolescence reserves of $276 million at December 31, 2017 and $263 million at December 31, 2016.

Note 5. Property, Plant and Equipment

Property, plant and equipment were composed of the following:

Millions of dollars	December 31 2017	December 31 2016
Land	$ 248	$ 228
Buildings and property improvements	3,460	3,399
Machinery, equipment and other	17,062	16,103
Total	20,770	19,730
Less accumulated depreciation	12,249	11,198
Net property, plant and equipment	$ 8,521	$ 8,532

Classes of assets are depreciated over the following useful lives:

	Buildings and Property Improvements 2017	Buildings and Property Improvements 2016
1 - 10 years	11%	11%
11 - 20 years	42%	42%
21 - 30 years	22%	22%
31 - 40 years	25%	25%

	Machinery, Equipment and Other 2017	Machinery, Equipment and Other 2016
1 - 5 years	35%	34%
6 - 10 years	56%	57%
11 - 20 years	9%	9%

Note 6. Debt

Our total debt, including short-term borrowings and current maturities of long-term debt, consisted of the following:

	December 31	
Millions of dollars	2017	2016
5.0% senior notes due November 2045	$ 2,000	$ 2,000
3.8% senior notes due November 2025	2,000	2,000
3.5% senior notes due August 2023	1,100	1,100
4.85% senior notes due November 2035	1,000	1,000
7.45% senior notes due September 2039	1,000	1,000
4.75% senior notes due August 2043	900	900
6.7% senior notes due September 2038	800	800
3.25% senior notes due November 2021	500	500
4.5% senior notes due November 2041	500	500
2.0% senior notes due August 2018	400	400
7.6% senior debentures due August 2096	300	300
8.75% senior debentures due February 2021	185	185
6.75% notes due February 2027	104	104
6.15% senior notes due September 2019	—	1,000
5.9% senior notes due September 2018	—	400
7.53% notes due May 2017	—	45
Other	251	260
Unamortized debt issuance costs and discounts	(98)	(110)
Total	10,942	12,384
Short-term borrowings and current maturities of long-term debt	(512)	(170)
Total long-term debt	$ 10,430	$ 12,214

Senior debt

All of our senior notes and debentures rank equally with our existing and future senior unsecured indebtedness, have semiannual interest payments and have no sinking fund requirements. We may redeem all of our senior notes from time to time or all of the notes of each series at any time at the applicable redemption prices, plus accrued and unpaid interest. Our 7.60% and 8.75% senior debentures may not be redeemed prior to maturity.

In March 2017, we used cash on hand to redeem an aggregate principal amount of $1.4 billion of senior notes, which consisted of $400 million of 5.9% senior notes due September 2018 and $1.0 billion of 6.15% senior notes due September 2019. In conjunction with this redemption, we terminated a series of interest rate swaps associated with these senior notes. As a result, we recorded $104 million in costs related to the early extinguishment of debt, which included the redemption premium and a write-off of the remaining original debt issuance costs and debt discount, partially offset by a gain from the termination of the related interest rate swap agreements. These debt extinguishment costs are included in interest expense on our consolidated statement of operations for the year ended December 31, 2017. We also repaid $45 million of notes that matured in May 2017. Our $400 million of 2.0% senior notes will mature in August 2018, which we intend to repay with cash on hand.

Revolving credit facilities

We have a revolving credit facility with a capacity of $3.0 billion which expires in July 2020. The facility is for working capital or general corporate purposes. The full amount of the revolving credit facility was available as of December 31, 2017.

Debt maturities

Our long-term debt matures as follows: $440 million in 2018, $30 million in 2019, $26 million in 2020, $709 million in 2021, $14 million in 2022 and the remainder in 2023 and thereafter.

Note 7. Commitments and Contingencies

Securities and related litigation

In June 2002, a class action lawsuit was commenced against us in federal court alleging violations of the federal securities laws in connection with our change in accounting for revenue on long-term construction projects and related disclosures. In the weeks that followed, approximately twenty similar class actions were filed against us. The class action cases were later consolidated, and the amended consolidated class action complaint was filed and served upon us in April 2003. In June 2003, the plaintiffs filed a second amended consolidated complaint that included claims arising out of our 1998 acquisition of Dresser Industries, Inc. and our disclosures and reserves relating to our asbestos liability exposure.

In December 2016, we reached an agreement in principle to settle this lawsuit, without any admission of liability and subject to approval by the district court. During the second quarter of 2017, we paid approximately $54 million of the $100 million settlement fund, and our insurer paid the balance. On July 31, 2017, the district court issued final approval of the settlement.

The settlement resolves all pending cases other than *Magruder v. Halliburton Co., et. al.* (the Magruder case). The allegations arise out of the same general events described above, but for a later class period, December 8, 2001 to May 28, 2002. There has been limited activity in the Magruder case. In March 2009, our motion to dismiss was granted, with leave to re-plead. In March 2012, plaintiffs filed an amended complaint and in May 2012, we filed another motion to dismiss, which remains pending. We cannot predict the outcome or consequences of this case, which we intend to vigorously defend.

Environmental

We are subject to numerous environmental, legal and regulatory requirements related to our operations worldwide. In the United States, these laws and regulations include, among others:

- the Comprehensive Environmental Response, Compensation and Liability Act;
- the Resource Conservation and Recovery Act;
- the Clean Air Act;
- the Federal Water Pollution Control Act;
- the Toxic Substances Control Act; and
- the Oil Pollution Act.

In addition to the federal laws and regulations, states and other countries where we do business often have numerous environmental, legal and regulatory requirements by which we must abide. We evaluate and address the environmental impact of our operations by assessing and remediating contaminated properties in order to avoid future liabilities and comply with environmental, legal and regulatory requirements. Our Health, Safety and Environment group has several programs in place to maintain environmental leadership and to help prevent the occurrence of environmental contamination. On occasion we are involved in environmental litigation and claims, including the remediation of properties we own or have operated, as well as efforts to meet or correct compliance-related matters. We do not expect costs related to those claims and remediation requirements to have a material adverse effect on our liquidity, consolidated results of operations, or consolidated financial position. Our accrued liabilities for environmental matters were $48 million as of December 31, 2017 and $50 million as of December 31, 2016. Because our estimated liability is typically within a range and our accrued liability may be the amount on the low end of that range, our actual liability could eventually be well in excess of the amount accrued. Our total liability related to environmental matters covers numerous properties.

Additionally, we have subsidiaries that have been named as potentially responsible parties along with other third parties for eight federal and state Superfund sites for which we have established reserves. As of December 31, 2017, those eight sites accounted for approximately $5 million of our $48 million total environmental reserve. Despite attempts to resolve these Superfund matters, the relevant regulatory agency may at any time bring suit against us for amounts in excess of the amount accrued. With respect to some Superfund sites, we have been named a potentially responsible party by a regulatory agency; however, in each of those cases, we do not believe we have any material liability. We also could be subject to third-party claims with respect to environmental matters for which we have been named as a potentially responsible party.

Guarantee arrangements

In the normal course of business, we have agreements with financial institutions under which approximately $1.8 billion of letters of credit, bank guarantees, or surety bonds were outstanding as of December 31, 2017. Some of the outstanding letters of credit have triggering events that would entitle a bank to require cash collateralization. None of these off balance sheet arrangements either has, or is likely to have, a material effect on our consolidated financial statements.

Leases

We are party to numerous operating leases, primarily related to real estate, transportation and equipment. Total rentals on our operating leases, net of sublease rentals, were $574 million in 2017, $587 million in 2016 and $875 million in 2015.

Future total rentals on our noncancellable operating leases are $720 million in the aggregate, which includes the following: $166 million in 2018; $135 million in 2019; $100 million in 2020; $71 million in 2021; $54 million in 2022; and $194 million thereafter.

Note 8. Income Taxes

The components of the benefit (provision) for income taxes on continuing operations were:

	Year Ended December 31		
Millions of dollars	2017	2016	2015
Current income taxes:			
Federal	$ 40	$ 737	$ 635
Foreign	(423)	(415)	(636)
State	(14)	35	51
Total current	(397)	357	50
Deferred income taxes:			
Federal	(678)	1,343	(18)
Foreign	(31)	77	262
State	(25)	81	(20)
Total deferred	(734)	1,501	224
Income tax benefit (provision)	$ (1,131)	$ 1,858	$ 274

The United States and foreign components of income (loss) from continuing operations before income taxes were as follows:

	Year Ended December 31		
Millions of dollars	2017	2016	2015
United States	$ 694	$ (6,636)	$ (1,560)
Foreign	(12)	(989)	624
Total	$ 682	$ (7,625)	$ (936)

Reconciliations between the actual provision for income taxes on continuing operations and that computed by applying the United States statutory rate to income (loss) from continuing operations before income taxes were as follows:

	Year Ended December 31		
	2017	2016	2015
United States statutory rate	35.0 %	35.0 %	35.0 %
Impact of U.S. tax reform	113.0	—	—
Venezuela receivables adjustment	36.6	—	(7.5)
Impact of foreign income taxed at different rates	(18.3)	(3.2)	17.0
Valuation allowance against tax assets	(6.2)	(2.1)	(8.3)
Undistributed foreign earnings	3.8	(5.1)	—
Adjustments of prior year taxes	(2.3)	0.2	1.3
State income taxes	1.7	1.0	2.0
Domestic manufacturing deduction	—	(1.3)	—
Non-deductible acquisition costs	—	0.6	(4.5)
Other items, net	2.5	(0.7)	(5.7)
Total effective tax rate on continuing operations	165.8 %	24.4 %	29.3 %

Our effective tax rate on continuing operations was 165.8% for 2017, 24.4% for 2016 and 29.3% for 2015. For the year ended December 31, 2017, we had the following significant items impacting our effective tax rate:

- we recorded an aggregate charge of $647 million on Venezuela receivables for which we are not recognizing a corresponding tax benefit. See Note 3 to the consolidated financial statements for further information;
- we recorded $770 million of tax expenses associated with United States tax reform, as described below; and
- we recognized income in our foreign operations in which the corresponding tax expenses are applied at lower statutory rates in certain jurisdictions.

On December 22, 2017, the President of the United States signed into law what is informally called the Tax Cuts and Jobs Act of 2017 (the “Act”), a comprehensive U.S. tax reform package that, effective January 1, 2018, among other things, lowered the corporate income tax rate from 35% to 21% and moved the country towards a territorial tax system with a one-time mandatory tax on previously deferred foreign earnings of foreign subsidiaries. Under the accounting rules, companies are required to recognize the effects of changes in tax laws and tax rates on deferred tax assets and liabilities in the period in which the new legislation is enacted. The effects of the Act on Halliburton include three major categories: (i) recognition of liabilities for taxes on mandatory deemed repatriation, (ii) remeasurement of deferred taxes and (iii) reassessment of the realizability of deferred tax assets. As described further below, we recorded a total provision to income taxes of $770 million in the year ended December 31, 2017. As we do not have all the necessary information to analyze all income tax effects of the Act, this is a provisional amount which we believe represents a reasonable estimate of the accounting implications of this tax reform. We will continue to evaluate the Act and adjust the provisional amounts as additional information is obtained. The ultimate impact of tax reform may differ from our provisional amounts due to changes in our interpretations and assumptions, as well as additional regulatory guidance that may be issued.

We expect to complete our detailed analysis no later than the fourth quarter of 2018. Below is a brief description of each of the three categories of effects from U.S. tax reform and its impact on us:

(i) Liability for taxes due on mandatory deemed repatriation - under the Act, a company’s foreign earnings accumulated under the legacy tax laws are deemed to be repatriated into the United States. We recorded a provisional estimate of federal and state tax related to deemed repatriation in the amount of approximately $305 million. However, we had an existing United States tax liability associated with foreign earnings that were not permanently reinvested outside the United States in the amount of $435 million. It is now expected that these foreign earnings can be repatriated to the United States without any additional United States tax above the amount accrued related to the mandatory deemed repatriation. Accordingly, we released the entire $435 million liability. This $435 million release combined with the provisional amount accrued related to the mandatory deemed repatriation of $305 million resulted in us recognizing a net benefit of approximately $130 million for this item. We are currently analyzing the potential tax liabilities attributable to any additional repatriation, but we have yet to determine whether we plan to change our prior assertion and repatriate any additional earnings. Accordingly, we have not recorded any deferred taxes attributable to other investments in our foreign subsidiaries. We will record the tax effects of any change in our prior assertion in the period that we complete our analysis and are able to make a reasonable estimate, and disclose any unrecognized deferred tax liability for temporary differences related to our foreign investments, if practicable.

(ii) Remeasurement of deferred taxes - under the Act, the U.S. corporate income tax rate was reduced from 35% to 21%. Accordingly, we remeasured our U.S. deferred tax assets as of December 31, 2017 to a 21% rate, resulting in a tax expense of $283 million.

(iii) Reassessment of the realizability of deferred tax assets - under the Act, many of the foreign tax credit utilization rules were changed that required us to reassess the realizability of our foreign tax credit deferred tax asset. After review, it was determined that under the new U.S. foreign tax credit rules we would not ultimately realize the full benefit associated with our foreign tax credits at December 31, 2017. Accordingly, we recognized a provisional estimate of a valuation allowance related to our foreign tax credits in the amount of $575 million. In addition, we had recorded foreign tax credit benefits associated with a liability related to uncertain tax benefits recorded on foreign branches of our U.S. subsidiaries. We determined that these foreign tax credits would also ultimately become unrealizable. Accordingly, a provision of approximately $40 million was recognized.

The primary components of our deferred tax assets and liabilities were as follows:

	December 31	
Millions of dollars	2017	2016
Gross deferred tax assets:		
Net operating loss carryforwards	$ 1,370	$ 1,647
Foreign tax credit carryforwards	828	648
Employee compensation and benefits	263	352
Accrued liabilities	97	325
Other	416	536
Total gross deferred tax assets	2,974	3,508
Gross deferred tax liabilities:		
Depreciation and amortization	315	585
Undistributed foreign earnings	242	406
Other	56	145
Total gross deferred tax liabilities	613	1,136
Valuation allowances	1,173	453
Net deferred income tax asset	$ 1,188	$ 1,919

At December 31, 2017, we had $1.4 billion of domestic and foreign tax-effected net operating loss carryforwards. The ultimate realization of these deferred tax assets depends on the ability to generate sufficient taxable income in the appropriate taxing jurisdiction. $161 million of the net operating loss carryforwards will expire after taxable years ended from 2018 through 2022, $160 million will expire after taxable years ended from 2023 through 2027, and $693 million will expire after taxable years ended from 2028 through 2037. The remaining balance will not expire. Additionally, we had $911 million of foreign tax credit carryforwards that will expire from 2023 through 2027, which are offset by foreign branch deferred activity reflected in the above table, along with $102 million of research and development tax credit carryforwards that will expire from 2028 through 2037.

The following table presents a rollforward of our unrecognized tax benefits and associated interest and penalties.

Millions of dollars	Unrecognized Tax Benefits	Interest and Penalties
Balance at January 1, 2015	$ 314	$ 56
Change in prior year tax positions	(33)	7
Change in current year tax positions	62	1
Cash settlements with taxing authorities	(16)	(15)
Lapse of statute of limitations	(5)	(2)
Balance at December 31, 2015	$ 322	$ 47
Change in prior year tax positions	44	20
Change in current year tax positions	129	3
Cash settlements with taxing authorities	(62)	(8)
Lapse of statute of limitations	(6)	(1)
Balance at December 31, 2016	$ 427 (a)	$ 61
Change in prior year tax positions	(108)	—
Change in current year tax positions	24	2
Cash settlements with taxing authorities	(6)	—
Lapse of statute of limitations	(4)	(3)
Balance at December 31, 2017	$ 333 (a)(b)	$ 60

(a) Includes $9 million as of December 31, 2017 and $84 million as of December 31, 2016 in foreign unrecognized tax benefits that would give rise to a United States tax credit. As of December 31, 2017 and December 31, 2016, approximately $319 million and $257 million, respectively, of unrecognized tax benefits would positively impact the effective tax rate and be recognized as additional tax benefits in our statement of operations if resolved in our favor.

(b) Includes $23 million that could be resolved within the next 12 months.

We file income tax returns in the United States federal jurisdiction and in various states and foreign jurisdictions. In most cases, we are no longer subject to state, local, or non-United States income tax examination by tax authorities for years before 2009. Tax filings of our subsidiaries, unconsolidated affiliates and related entities are routinely examined in the normal course of business by tax authorities. Currently, our United States federal tax filings for the tax years 2012 through 2015 are under review by the Internal Revenue Service, and the appeal process is closed for the tax years 2010 through 2011.

Note 9. Shareholders' Equity

Shares of common stock

The following table summarizes total shares of common stock outstanding:

	December 31	
Millions of shares	2017	2016
Issued	1,069	1,070
In treasury	(196)	(204)
Total shares of common stock outstanding	873	866

Our Board of Directors has authorized a program to repurchase our common stock from time to time. The program does not require a specific number of shares to be purchased and the program may be effected through solicited or unsolicited transactions in the market or in privately negotiated transactions. The program may be terminated or suspended at any time. There were no repurchases made under the program during the years ended December 31, 2017 and 2016. Approximately $5.7 billion remains authorized for repurchases as of December 31, 2017. From the inception of this program in February 2006 through December 31, 2017, we repurchased approximately 201 million shares of our common stock for a total cost of approximately $8.4 billion.

Preferred stock

Our preferred stock consists of five million total authorized shares at December 31, 2017, of which none are issued.

Accumulated other comprehensive loss

Accumulated other comprehensive loss consisted of the following:

	December 31	
Millions of dollars	2017	2016
Defined benefit and other postretirement liability adjustments (a)	$ (334)	$ (313)
Cumulative translation adjustment	(80)	(80)
Other	(55)	(61)
Total accumulated other comprehensive loss	$ (469)	$ (454)

(a) Included net actuarial losses for our international pension plans of $295 million at December 31, 2017 and $290 million at December 31, 2016.

Note 10. Stock-based Compensation

The following table summarizes stock-based compensation costs for the years ended December 31, 2017, 2016 and 2015.

	Year Ended December 31		
Millions of dollars	2017	2016	2015
Stock-based compensation cost	$ 290	$ 262	$ 294
Tax benefit	(64)	(77)	(99)
Stock-based compensation cost, net of tax	$ 226	$ 185	$ 195

Our Stock and Incentive Plan, as amended (Stock Plan), provides for the grant of any or all of the following types of stock-based awards:

- stock options, including incentive stock options and nonqualified stock options;
- restricted stock awards;
- restricted stock unit awards;
- stock appreciation rights; and
- stock value equivalent awards.

There are currently no stock appreciation rights, stock value equivalent awards, or incentive stock options outstanding. Under the terms of the Stock Plan, approximately 206 million shares of common stock have been reserved for issuance to employees and non-employee directors. At December 31, 2017, approximately 19 million shares were available for future grants under the Stock Plan. The stock to be offered pursuant to the grant of an award under the Stock Plan may be authorized but unissued common shares or treasury shares.

In addition to the provisions of the Stock Plan, we also have stock-based compensation provisions under our Restricted Stock Plan for Non-Employee Directors and our Employee Stock Purchase Plan (ESPP).

Each of the active stock-based compensation arrangements is discussed below.

Stock options

The majority of our options are generally issued during the second quarter of the year. All stock options under the Stock Plan are granted at the fair market value of our common stock at the grant date. Employee stock options generally vest ratably over a three-year period and expire 10 years from the grant date. Compensation expense for stock options is generally recognized on a straight line basis over the entire vesting period.

The following table represents our stock options activity during 2017.

	Number of Shares (in millions)	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (in millions)
Outstanding at January 1, 2017	20.6	$ 44.01		
Granted	2.5	48.39		
Exercised	(1.4)	36.60		
Forfeited/expired	(0.7)	47.99		
Outstanding at December 31, 2017	21.0	$ 44.92	6.3	$ 138
Exercisable at December 31, 2017	15.0	$ 45.04	5.4	$ 105

The total intrinsic value of options exercised was $21 million in 2017, $25 million in 2016 and $9 million in 2015. As of December 31, 2017, there was $48 million of unrecognized compensation cost, net of estimated forfeitures, related to nonvested stock options, which is expected to be recognized over a weighted average period of approximately two years.

Cash received from issuance of common stock was $158 million during 2017, $186 million during 2016 and $167 million during 2015, of which $53 million, $80 million and $23 million related to proceeds from exercises of stock options in 2017, 2016 and 2015, respectively. The remainder relates to cash proceeds from the issuance of shares related to our employee stock purchase plan.

The fair value of options at the date of grant was estimated using the Black-Scholes option pricing model. The expected volatility of options granted was a blended rate based upon implied volatility calculated on actively traded options on our common stock and upon the historical volatility of our common stock. The expected term of options granted was based upon historical observation of actual time elapsed between date of grant and exercise of options for all employees. The assumptions and resulting fair values of options granted were as follows:

	Year Ended December 31		
	2017	2016	2015
Expected term (in years)	5.24	5.21	5.16
Expected volatility	32%	37%	39%
Expected dividend yield	1.28 - 1.72%	1.35 - 2.46%	1.51 - 1.85%
Risk-free interest rate	1.79 - 2.14%	1.13 - 1.84%	1.43 - 1.72%
Weighted average grant-date fair value per share	$13.11	$12.33	$13.47

Restricted stock

Restricted shares issued under the Stock Plan are restricted as to sale or disposition. These restrictions lapse periodically generally over a period of five years. Restrictions may also lapse for early retirement and other conditions in accordance with our established policies. Upon termination of employment, shares on which restrictions have not lapsed must be returned to us, resulting in restricted stock forfeitures. The fair market value of the stock on the date of grant is amortized and charged to income on a straight-line basis over the requisite service period for the entire award.

The following table represents our restricted stock awards and restricted stock units granted, vested and forfeited during 2017.

	Number of Shares (in millions)	Weighted Average Grant-Date Fair Value per Share
Nonvested shares at January 1, 2017	15.1	$ 44.96
Granted	5.6	45.99
Vested	(4.5)	44.40
Forfeited	(1.1)	46.25
Nonvested shares at December 31, 2017	15.1	$ 45.42

The weighted average grant-date fair value of shares granted was $45.99 during 2017, $42.87 during 2016 and $43.24 during 2015. The total fair value of shares vested was $204 million during 2017, $223 million during 2016, and $211 million during 2015. As of December 31, 2017, there was $448 million of unrecognized compensation cost, net of estimated forfeitures, related to nonvested restricted stock, which is expected to be recognized over a weighted average period of three years.

Employee Stock Purchase Plan

Under the ESPP, eligible employees may have up to 10% of their earnings withheld, subject to some limitations, to be used to purchase shares of our common stock. The ESPP contains four three-month offering periods commencing on January 1, April 1, July 1 and October 1 of each year. The price at which common stock may be purchased under the ESPP is equal to 85% of the lower of the fair market value of the common stock on the commencement date or last trading day of each offering period. Under this plan, 74 million shares of common stock have been reserved for issuance. The stock to be offered may be authorized but unissued common shares or treasury shares. As of December 31, 2017, 46 million shares have been sold through the ESPP since the inception of the plan and 28 million shares are available for future issuance.

The fair value of ESPP shares was estimated using the Black-Scholes option pricing model. The expected volatility was a one-year historical volatility of our common stock. The assumptions and resulting fair values were as follows:

	Year Ended December 31		
	2017	2016	2015
Expected volatility	29%	36%	35%
Expected dividend yield	1.51%	1.87%	1.82%
Risk-free interest rate	0.86%	0.25%	0.01%
Weighted average grant-date fair value per share	$ 9.95	$ 8.61	$ 8.62

Note 11. Income per Share

Basic income or loss per share is based on the weighted average number of common shares outstanding during the period. Diluted income per share includes additional common shares that would have been outstanding if potential common shares with a dilutive effect had been issued. Antidilutive securities represent potentially dilutive securities which are excluded from the computation of diluted income or loss per share as their impact was antidilutive.

A reconciliation of the number of shares used for the basic and diluted income per share computations is as follows:

	Year Ended December 31		
Millions of shares	2017	2016	2015
Basic weighted average common shares outstanding	870	861	853
Dilutive effect of awards granted under our stock incentive plans	—	—	—
Diluted weighted average common shares outstanding	870	861	853
Antidilutive shares:			
Options with exercise price greater than the average market price	6	11	10
Options which are antidilutive due to net loss position	2	1	2
Total antidilutive shares	8	12	12

Note 12. Financial Instruments and Risk Management

At December 31, 2017, we held $106 million of investments in fixed income securities with maturities ranging from less than one year to November 2020, of which $69 million are classified as “Other current assets” and $37 million are classified as “Other assets” on our consolidated balance sheets. At December 31, 2016, we held $92 million of investments in fixed income securities. These securities consist primarily of corporate bonds and other debt instruments, are accounted for as available-for-sale and are recorded at fair value based on quoted prices for identical assets in less active markets, which are categorized within level 2 on the fair value hierarchy.

We have an interest-bearing promissory note with our primary customer in Venezuela. At December 31, 2017, the carrying amount of this note was $32 million compared to its par value of $175 million. At December 31, 2016, the carrying amount of this note was $70 million compared to its par value of $200 million. Fair market value was measured based on pricing data points for similar assets in an illiquid market and categorized within level 3 on the fair value hierarchy. We had been using an effective interest method to accrete the carrying amount to its par value as it matures with accretion income being recorded through “Interest expense, net of interest income” on our consolidated statements of operations. During the fourth quarter of 2017, we changed our accounting for our promissory note from held-to-maturity to available-for-sale and will no longer accrete the value of the note going forward. Instead, we are required to mark the note to its fair market value on a quarterly basis with any unrealized gains and losses included as a component of accumulated other comprehensive loss. See Note 3 for additional information about our promissory note from our primary customer in Venezuela.

The carrying amount of cash and equivalents, receivables and accounts payable, as reflected in the consolidated balance sheets, approximates fair value due to the short maturities of these instruments.

The carrying amount and fair value of our total debt, including short-term borrowings and current maturities of long term debt, is as follows:

	December 31, 2017				December 31, 2016			
Millions of dollars	Level 1	Level 2	Total fair value	Carrying value	Level 1	Level 2	Total fair value	Carrying value
Total debt	$ 3,285	$ 9,172	$ 12,457	$ 10,942	$ 753	$ 12,812	$ 13,565	$ 12,384

Our debt categorized within level 1 on the fair value hierarchy is calculated using quoted prices in active markets for identical liabilities with transactions occurring on the last two days of period-end. Our debt categorized within level 2 on the fair value hierarchy is calculated using significant observable inputs for similar liabilities where estimated values are determined from observable data points on our other bonds and on other similarly rated corporate debt or from observable data points of transactions occurring prior to two days from period-end and adjusting for changes in market conditions. Our total fair value and carrying value of debt decreased in 2017 compared to 2016 primarily due to the early extinguishment of $1.4 billion of senior notes. Additionally, differences between the periods presented in our level 1 and level 2 classification of our long-term debt relate to the timing of when transactions are executed. We have no debt categorized within level 3 on the fair value hierarchy based on unobservable inputs.

We are exposed to market risk from changes in foreign currency exchange rates and interest rates. We selectively manage these exposures through the use of derivative instruments, including forward foreign exchange contracts, foreign exchange options and interest rate swaps. The objective of our risk management strategy is to minimize the volatility from fluctuations in foreign currency and interest rates. We do not use derivative instruments for trading purposes. The fair value of our forward contracts, options and interest rate swaps was not material as of December 31, 2017 or December 31, 2016. The counterparties to our derivatives are primarily global commercial and investment banks.

Foreign currency exchange risk

We have operations in many international locations and are involved in transactions denominated in currencies other than the United States dollar, our functional currency, which exposes us to foreign currency exchange rate risk. Techniques in managing foreign currency exchange risk include, but are not limited to, foreign currency borrowing and investing and the use of currency exchange instruments. We attempt to selectively manage significant exposures to potential foreign currency exchange losses based on current market conditions, future operating activities and the associated cost in relation to the perceived risk of loss. The purpose of our foreign currency risk management activities is to minimize the risk that our cash flows from the purchase and sale of products and services in foreign currencies will be adversely affected by changes in exchange rates.

We use forward contracts and options to manage our exposure to fluctuations in the currencies of certain countries in which we do business internationally. These instruments are not treated as hedges for accounting purposes, generally have an expiration date of one year or less and are not exchange traded. While these instruments are subject to fluctuations in value, the fluctuations are generally offset by the value of the underlying exposures being managed. The use of some of these instruments may limit our ability to benefit from favorable fluctuations in foreign currency exchange rates.

Derivatives are not utilized to manage exposures in some currencies due primarily to the lack of available markets or cost considerations (non-traded currencies). We attempt to manage our working capital position to minimize foreign currency exposure in non-traded currencies and recognize that pricing for the services and products offered in these countries should account for the cost of exchange rate devaluations. We have historically incurred transaction losses in non-traded currencies.

The notional amounts of open foreign exchange derivatives were $633 million at December 31, 2017 and $603 million at December 31, 2016. The notional amounts of these instruments do not generally represent amounts exchanged by the parties, and thus are not a measure of our exposure or of the cash requirements related to these contracts. As such, cash flows related to these contracts are typically not material. The amounts exchanged are calculated by reference to the notional amounts and by other terms of the contracts, such as exchange rates.

Interest rate risk

We are subject to interest rate risk on our existing long-term debt and some of our long-term investments in fixed income securities. Our short-term borrowings and short-term investments in fixed income securities do not give rise to significant interest rate risk due to their short-term nature. We had fixed rate long-term debt totaling $10.4 billion at December 31, 2017 and $12.2 billion at December 31, 2016. We also had $37 million of long-term investments in fixed income securities at December 31, 2017 with maturities that extend through November 2020.

We maintain an interest rate management strategy that is intended to mitigate the exposure to changes in interest rates in the aggregate for our debt portfolio. We use interest rate swaps to effectively convert a portion of our fixed rate debt to floating LIBOR-based rates. Our interest rate swaps, which expire when the underlying debt matures, are designated as fair value hedges of the underlying debt and are determined to be highly effective. These derivative instruments are marked to market with gains and losses recognized currently in interest expense to offset the respective gains and losses recognized on changes in the fair value of the hedged debt. During the first quarter of 2017, we terminated a series of our interest rate swaps with a notional amount of $1.4 billion in conjunction with our early redemption of senior notes. We included the gain from the swap termination in our calculation of early debt extinguishment costs. See Note 6 for further information. As of December 31, 2017, we had one remaining interest rate swap relating to one of our debt instruments with a total notional amount of $100 million. The fair value of our interest rate swaps as of December 31, 2017 and December 31, 2016 are included in "Other assets" in our consolidated balance sheets and were immaterial. The fair value of our interest rate swaps are categorized within level 2 on the fair value hierarchy and were determined using an income approach model with inputs, such as the notional amount, LIBOR rate spread and settlement terms that are observable in the market or can be derived from or corroborated by observable data.

Credit risk

Financial instruments that potentially subject us to concentrations of credit risk are primarily cash equivalents, investments in fixed income securities, trade receivables and a promissory note we hold with our primary customer in Venezuela. It is our practice to place our cash equivalents and investments in fixed income securities in high quality investments with various institutions. Our revenue is generated from selling products and providing services to the energy industry. Our trade receivables are from a broad and diverse group of customers and are generally not collateralized. As of December 31, 2017, 42% of our net trade receivables were from customers in the United States. As of December 31, 2016, 27% of our net trade receivables were from customers in the United States and 15% were from customers in Venezuela. We maintain an allowance for bad debts based upon several factors, including historical collection experience, current aging status of the customer accounts and financial condition of our customers. See Note 3 for further information.

We do not have any significant concentrations of credit risk with any individual counterparty to our derivative contracts. We select counterparties to those contracts based on our belief that each counterparty's profitability, balance sheet and capacity for timely payment of financial commitments is unlikely to be materially adversely affected by foreseeable events.

Note 13. Retirement Plans

Our company and subsidiaries have various plans that cover a significant number of our employees. These plans include defined contribution plans, defined benefit plans and other postretirement plans:

- our defined contribution plans provide retirement benefits in return for services rendered. These plans 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 pretax income and/or discretionary amounts determined on an annual basis. Our expense for the defined contribution plans for continuing operations totaled $173 million in 2017, $111 million in 2016 and $288 million in 2015. The increase in 2017 resulted from an increase in the domestic workforce and the reinstatement of discretionary contributions in 2017.
- our defined benefit plans, which include both funded and unfunded pension plans, define an amount of pension benefit to be provided, usually as a function of age, years of service and/or compensation. The unfunded obligations and net periodic benefit cost of our United States defined benefit plans were not material for the periods presented; and
- our postretirement plans other than pensions are offered to specific eligible employees. The accumulated benefit obligations and net periodic benefit cost for these plans were not material for the periods presented.

Funded status

For our international pension plans, at December 31, 2017, the projected benefit obligation was $1.2 billion and the fair value of plan assets was $940 million, which resulted in an unfunded obligation of $280 million. At December 31, 2016, the projected benefit obligation was $1.1 billion and the fair value of plan assets was $865 million, which resulted in an unfunded obligation of $241 million. The accumulated benefit obligation was approximately the same as the projected benefit obligation for our international plans in both years presented.

The following table presents additional information about our international pension plans.

	December 31	
Millions of dollars	2017	2016
Amounts recognized on the Consolidated Balance Sheets		
Accrued employee compensation and benefits	$ 15	$ 16
Employee compensation and benefits	267	227
Pension plans in which projected benefit obligation exceeded plan assets		
Projected benefit obligation	$ 1,202	$ 1,083
Fair value of plan assets	920	840
Pension plans in which accumulated benefit obligation exceeded plan assets		
Accumulated benefit obligation	$ 1,139	$ 1,037
Fair value of plan assets	920	840

Fair value measurements of plan assets

The fair value of our plan assets categorized within level 1 on the fair value hierarchy is based on quoted prices in active markets for identical assets. The fair value of our plan assets categorized within level 2 on the fair value hierarchy is based on significant observable inputs for similar assets. The fair value of our plan assets categorized within level 3 on the fair value hierarchy is based on significant unobservable inputs.

The following table sets forth the fair values of assets held by our international pension plans by level within the fair value hierarchy.

Millions of dollars	Level 1	Level 2	Level 3	Total
Cash and equivalents	$ —	$ 11	$ —	$ 11
Common/collective trust funds (a)				
Equity funds (b)	—	204	—	204
Bond funds (c)	—	323	46	369
Alternatives funds (d)	—	184	—	184
Real estate funds (e)	—	98	28	126
Other assets	7	22	17	46
Fair value of plan assets at December 31, 2017	$ 7	$ 842	$ 91	$ 940
Cash and equivalents	$ —	$ 49	$ —	$ 49
Common/collective trust funds (a)				
Equity funds (b)	—	197	—	197
Bond funds (c)	—	232	44	276
Alternatives fund (d)	—	221	—	221
Real estate funds (e)	—	36	35	71
Other assets	5	20	26	51
Fair value of plan assets at December 31, 2016	$ 5	$ 755	$ 105	$ 865

(a) Common/collective trust funds are valued at the net asset value of units held by the plans at year-end.
(b) Strategy is to invest in diversified funds of global common stocks.
(c) Strategy is to invest in diversified funds of fixed income securities of varying geographies and credit quality and whose cash flows approximate the maturities of the benefit obligation.
(d) Strategy is to invest in a fund of diversifying investments, including but not limited to reinsurance, commodities and currencies.
(e) Strategy is to invest in diversified funds of real estate investment trusts and private real estate.

Our investment strategy varies by country depending on the circumstances of the underlying plan. Risk management practices include diversification by issuer, industry and geography, as well as the use of multiple asset classes and investment managers within each asset class. Our investment strategy for our United Kingdom pension plan, which constituted 84% of our international pension plans' projected benefit obligation at December 31, 2017 and is no longer accruing service benefits, aims to achieve full funding of the benefit obligation, with the plan's assets increasingly composed of investments whose cash flows match the maturities of the obligation.

Net periodic benefit cost

Net periodic benefit cost for our international pension plans was $30 million in 2017, $30 million in 2016 and $42 million in 2015. Included in net periodic benefit cost were $13 million in 2017 and $8 million in 2016 of net curtailment and settlement cost arising from reductions in workforce during these years.

Actuarial assumptions

Certain weighted-average actuarial assumptions used to determine benefit obligations of our international pension plans at December 31 were as follows:

	2017	2016
Discount rate	2.8%	2.9%
Rate of compensation increase	5.5%	4.8%

Certain weighted-average actuarial assumptions used to determine net periodic benefit cost of our international pension plans for the years ended December 31 were as follows:

	2017	2016	2015
Discount rate	2.9%	4.2%	4.1%
Expected long-term return on plan assets	4.2%	5.3%	5.9%
Rate of compensation increase	4.8%	5.4%	5.3%

Assumed long-term rates of return on plan assets, discount rates for estimating benefit obligations and rates of compensation increases vary by plan according to local economic conditions. Where possible, discount rates were determined based on the prevailing market rates of a portfolio of high-quality debt instruments with maturities matching the expected timing of the payment of the benefit obligations. Expected long-term rates of return on plan assets were determined based upon an evaluation of our plan assets and historical trends and experience, taking into account current and expected market conditions.

Other information

Contributions. Funding requirements for each plan are determined based on the local laws of the country where such plan resides. In certain countries the funding requirements are mandatory, while in other countries they are discretionary. We currently expect to contribute $17 million to our international pension plans in 2018.

Benefit payments. Expected benefit payments over the next 10 years for our international pension plans are as follows: $68 million in 2018, $61 million in 2019, $63 million in 2020, $67 million in 2021, $72 million in 2022 and $424 million in years 2023 through 2027.

Note 14. New Accounting Pronouncements

Standards adopted in 2017

Stock-Based Compensation

On January 1, 2017, we adopted an accounting standards update issued by the Financial Accounting Standards Board (FASB) which simplifies several aspects of accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities and the classification on the statement of cash flows. In addition, the update allows an entity-wide accounting policy election to either estimate the number of awards that are expected to vest or account for forfeitures when they occur. The element of the update that has the most impact on our financial statements is income tax consequences. Excess tax benefits and tax deficiencies on stock-based compensation awards are now included in our tax provision within our consolidated statement of operations as discrete items in the reporting period in which they occur, rather than previous accounting of recording in additional paid-in capital on our consolidated balance sheets. We have also elected to continue our current policy of estimating forfeitures of stock-based compensation awards at the time of grant and revising in subsequent periods to reflect actual forfeitures. We applied the update prospectively beginning January 1, 2017, and the adoption did not have a material impact on our consolidated financial statements.

Intra-Entity Transfers of Assets

On January 1, 2017, we adopted an accounting standards update issued by the FASB to improve the accounting for the income tax consequences of intra-entity transfers of assets other than inventory. The update requires an entity to recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs, rather than the previous requirement to defer recognition of current and deferred income taxes for an intra-entity asset transfer until the asset had been sold to an outside party. Two common examples of assets included in the scope of this update are intellectual property and property, plant and equipment. The update was applied on a modified retrospective basis resulting in a cumulative-effect adjustment of $384 million recorded directly to retained earnings as of January 1, 2017.

Inventory

On January 1, 2017, we adopted an accounting standards update issued by the FASB which simplifies the measurement of inventory. The update now requires inventory measured using the first in, first out or average cost methods to be subsequently measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable cost of completion, disposal and transportation. The update eliminated the requirement to subsequently measure inventory at the lower of cost or market, which could be replacement cost, net realizable value, or net realizable value less an approximately normal profit margin. The adoption of this update did not impact our consolidated financial statements.

Standards not yet adopted

Revenue Recognition

In May 2014, the FASB issued a comprehensive new revenue recognition standard that will supersede existing revenue recognition guidance under U.S. GAAP. The core principle of the new guidance is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The standard creates a five step model that requires companies to exercise judgment when considering the terms of a contract and all relevant facts and circumstances. The standard allows for several transition methods: (a) a full retrospective adoption in which the standard is applied to all of the periods presented, or (b) a modified retrospective adoption in which the standard is applied only to the most current period presented in the financial statements with a cumulative-effect adjustment reflected in retained earnings. The standard also requires expanded disclosures regarding the qualitative and quantitative information of an entity's nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. This new revenue recognition standard will be effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period.

We performed a detailed review of our contract portfolio representative of our different businesses and compared historical accounting policies and practices to the new standard. Because the standard will impact our business processes, systems and controls, we also developed a comprehensive change management project plan to guide the implementation. Over the course of 2017, we have conducted training sessions for those in our global organization that will be impacted by the new standard and have developed a web-based training course providing a detailed overview of the key changes within the new standard. Our services are primarily short-term in nature, and we do not expect the new revenue recognition standard to have a material impact on our financial statements. We adopted the new standard effective January 1, 2018 utilizing the modified retrospective method. The cumulative-effect adjustment to retained earnings upon adoption is not material.

Leases

In February 2016, the FASB issued an accounting standards update related to accounting for leases, which requires the assets and liabilities that arise from leases to be recognized on the balance sheet. Currently only capital leases are recorded on the balance sheet. This update will require the lessee to recognize a lease liability equal to the present value of the lease payments and a right-of-use asset representing its right to use the underlying asset for the lease term for all leases longer than 12 months. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and liabilities and recognize the lease expense for such leases generally on a straight-line basis over the lease term. The new lease standard will be effective for fiscal periods beginning after December 15, 2018, including interim periods within that reporting period. We are currently evaluating the impact that this update will have on our consolidated financial statements.

HALLIBURTON COMPANY
Selected Financial Data
(Unaudited)

Millions of dollars except per share	Year ended December 31 2017	2016	2015	2014	2013
Revenue	$ 20,620	$ 15,887	$ 23,633	$ 32,870	$ 29,402
Operating income (loss)	1,362	(6,778)	(165)	5,097	3,138
Income (loss) from continuing operations	(449)	(5,767)	(662)	3,437	2,116
Basic income (loss) per share from continuing operations	(0.51)	(6.69)	(0.78)	4.05	2.35
Diluted income (loss) per share from continuing operations	(0.51)	(6.69)	(0.78)	4.03	2.33
Cash dividends per share	0.72	0.72	0.72	0.63	0.525
Net working capital	5,915	7,654	14,733	8,781	8,678
Total assets	25,085	27,000	36,942	32,165	29,223
Long-term debt	10,430	12,214	14,687	7,765	7,816
Total shareholders' equity	8,349	9,448	15,495	16,298	13,615
Capital expenditures	1,373	798	2,184	3,283	2,934

HALLIBURTON COMPANY
Quarterly Data and Market Price Information
(Unaudited)

Millions of dollars except per share data	Quarter First	Quarter Second	Quarter Third	Quarter Fourth	Year
2017					
Revenue	$ 4,279	$ 4,957	$ 5,444	$ 5,940	$ 20,620
Operating income	203	146	634	379	1,362
Net income (loss)	(32)	28	361	(825)	(468)
Amounts attributable to company shareholders:					
Income (loss) from continuing operations	(32)	28	365	(805)	(444)
Loss from discontinued operations	—	—	—	(19)	(19)
Net income (loss) attributable to company	(32)	28	365	(824)	(463)
Basic and diluted per share attributable to company shareholders:					
Income (loss) from continuing operations	(0.04)	0.03	0.42	(0.92)	(0.51)
Loss from discontinued operations	—	—	—	(0.02)	(0.02)
Net income (loss)	(0.04)	0.03	0.42	(0.94)	(0.53)
Cash dividends paid per share	0.18	0.18	0.18	0.18	0.72
Common stock prices (1)					
High	58.78	51.26	46.18	49.29	58.78
Low	47.52	41.36	38.18	40.72	38.18
2016					
Revenue	$ 4,198	$ 3,835	$ 3,833	$ 4,021	$ 15,887
Operating income (loss)	(3,079)	(3,880)	128	53	(6,778)
Net income (loss)	(2,418)	(3,205)	7	(153)	(5,769)
Amounts attributable to company shareholders:					
Income (loss) from continuing operations	(2,410)	(3,208)	6	(149)	(5,761)
Loss from discontinued operations	(2)	—	—	—	(2)
Net income (loss) attributable to company	(2,412)	(3,208)	6	(149)	(5,763)
Basic and diluted net income (loss) per share	(2.81)	(3.73)	0.01	(0.17)	(6.69)
Cash dividends paid per share	0.18	0.18	0.18	0.18	0.72
Common stock prices (1)					
High	36.74	46.69	46.90	56.08	56.08
Low	27.64	33.26	40.12	44.23	27.64

Note: Results for the fourth quarter of 2017 include charges for U.S. tax reform and Venezuela receivables. See Note 8 and Note 3 for further information. Results for 2016 include merger-related costs and termination fee and impairments and other charges.

(1) New York Stock Exchange – composite transactions high and low intraday price.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The information required for the directors of the Registrant is incorporated by reference to the Halliburton Company Proxy Statement for our 2018 Annual Meeting of Stockholders (File No. 001-03492) under the captions “Election of Directors” and “Involvement in Certain Legal Proceedings.” The information required for the executive officers of the Registrant is included under Part I on pages 5 through 6 of this annual report. The information required for a delinquent form required under Section 16(a) of the Securities Exchange Act of 1934 is incorporated by reference to the Halliburton Company Proxy Statement for our 2018 Annual Meeting of Stockholders (File No. 001-03492) under the caption “Section 16(a) Beneficial Ownership Reporting Compliance,” to the extent any disclosure is required. The information for our code of ethics is incorporated by reference to the Halliburton Company Proxy Statement for our 2018 Annual Meeting of Stockholders (File No. 001-03492) under the caption “Corporate Governance.” The information regarding our Audit Committee and the independence of its members, along with information about the audit committee financial expert(s) serving on the Audit Committee, is incorporated by reference to the Halliburton Company Proxy Statement for our 2018 Annual Meeting of Stockholders (File No. 001-03492) under the caption “The Board of Directors and Standing Committees of Directors.”

Item 11. Executive Compensation.

This information is incorporated by reference to the Halliburton Company Proxy Statement for our 2018 Annual Meeting of Stockholders (File No. 001-03492) under the captions “Compensation Discussion and Analysis,” “Compensation Committee Report,” “Summary Compensation Table,” “Grants of Plan-Based Awards in Fiscal 2017,” “Outstanding Equity Awards at Fiscal Year End 2017,” “2017 Option Exercises and Stock Vested,” “2017 Nonqualified Deferred Compensation,” “Employment Contracts and Change-in-Control Arrangements,” “Post-Termination or Change-in-Control Payments,” “Equity Compensation Plan Information” and “Directors’ Compensation.”

Item 12(a). Security Ownership of Certain Beneficial Owners.

This information is incorporated by reference to the Halliburton Company Proxy Statement for our 2018 Annual Meeting of Stockholders (File No. 001-03492) under the caption “Stock Ownership of Certain Beneficial Owners and Management.”

Item 12(b). Security Ownership of Management.

This information is incorporated by reference to the Halliburton Company Proxy Statement for our 2018 Annual Meeting of Stockholders (File No. 001-03492) under the caption “Stock Ownership of Certain Beneficial Owners and Management.”

Item 12(c). Changes in Control.

Not applicable.

Item 12(d). Securities Authorized for Issuance Under Equity Compensation Plans.

This information is incorporated by reference to the Halliburton Company Proxy Statement for our 2018 Annual Meeting of Stockholders (File No. 001-03492) under the caption “Equity Compensation Plan Information.”

Item 13. Certain Relationships and Related Transactions, and Director Independence.

This information is incorporated by reference to the Halliburton Company Proxy Statement for our 2018 Annual Meeting of Stockholders (File No. 001-03492) under the caption “Corporate Governance” to the extent any disclosure is required and under the caption “The Board of Directors and Standing Committees of Directors.”

Item 14. Principal Accounting Fees and Services.

This information is incorporated by reference to the Halliburton Company Proxy Statement for our 2018 Annual Meeting of Stockholders (File No. 001-03492) under the caption “Fees Paid to KPMG LLP.”

PART IV

Item 15. Exhibits.

1. Financial Statements:

The reports of the Independent Registered Public Accounting Firm and the financial statements of Halliburton Company as required by Part II, Item 8, are included on pages 38 through 40 and pages 41 through 66 of this annual report. See index on page (i).

2. Financial Statement Schedules:

The schedules listed in Rule 5-04 of Regulation S-X (17 CFR 210.5-04) have been omitted because they are not applicable or the required information is shown in the consolidated financial statements or notes thereto.

3. Exhibits:

Exhibit Number	Exhibits
3.1	Restated Certificate of Incorporation of Halliburton Company filed with the Secretary of State of Delaware on May 30, 2006 (incorporated by reference to Exhibit 3.1 to Halliburton's Form 8-K filed June 5, 2006, File No. 001-03492).
3.2	By-laws of Halliburton Company revised effective December 7, 2017 (incorporated by reference to Exhibit 3.1 to Halliburton's Form 8-K filed December 12, 2017, File No. 001-03492).
4.1	Form of debt security of 8.75% Debentures due February 12, 2021 (incorporated by reference to Exhibit 4(a) to the Form 8-K of Halliburton Company, now known as Halliburton Energy Services, Inc. (the Predecessor), dated as of February 20, 1991, File No. 001-03492).
4.2	Senior Indenture dated as of January 2, 1991 between the Predecessor and The Bank of New York Trust Company, N.A. (as successor to Texas Commerce Bank National Association), as Trustee (incorporated by reference to Exhibit 4(b) to the Predecessor's Registration Statement on Form S-3 (Registration 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, Halliburton and the Trustee (incorporated by reference to Exhibit 4.1 of Halliburton's Registration Statement on Form 8-B dated December 12, 1996, File No. 001-03492).
4.3	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, File No. 001-03492).
4.4	Second Senior Indenture dated as of December 1, 1996 between the Predecessor and The Bank of New York Trust Company, N.A. (as successor to 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, Halliburton and the Trustee (incorporated by reference to Exhibit 4.2 of Halliburton's Registration Statement on Form 8-B dated December 12, 1996, File No. 001-03492).
4.5	Third Supplemental Indenture dated as of August 1, 1997 between Halliburton and The Bank of New York Trust Company, N.A. (as successor to Texas Commerce Bank National Association), as Trustee, to the Second Senior Indenture dated as of December 1, 1996 (incorporated by reference to Exhibit 4.7 to Halliburton's Form 10-K for the year ended December 31, 1998, File No. 001-03492).

4.6	Fourth Supplemental Indenture dated as of September 29, 1998 between Halliburton and The Bank of New York Trust Company, N.A. (as successor to Texas Commerce Bank National Association), as Trustee, to the Second Senior Indenture dated as of December 1, 1996 (incorporated by reference to Exhibit 4.8 to Halliburton's Form 10-K for the year ended December 31, 1998, File No. 001-03492).
4.7	Resolutions of Halliburton's Board of Directors adopted by unanimous consent dated December 5, 1996 (incorporated by reference to Exhibit 4(g) of Halliburton's Form 10-K for the year ended December 31, 1996, File No. 001-03492).
4.8	Form of debt security of 6.75% Notes due February 1, 2027 (incorporated by reference to Exhibit 4.1 to Halliburton's Form 8-K dated as of February 11, 1997, File No. 001-03492).
4.9	Copies of instruments that define the rights of holders of miscellaneous long-term notes of Halliburton Company and its subsidiaries have not been filed with the Commission. Halliburton Company agrees to furnish copies of these instruments upon request.
4.10	Form of Indenture dated as of April 18, 1996 between Dresser and The Bank of New York Trust Company, N.A. (as successor to Texas Commerce Bank National Association), as Trustee (incorporated by reference to Exhibit 4 to Dresser's Registration Statement on Form S-3/A filed on April 19, 1996, Registration No. 333-01303), as supplemented and amended by Form of First Supplemental Indenture dated as of August 6, 1996 between Dresser and The Bank of New York Trust Company, N.A. (as successor to Texas Commerce Bank National Association), Trustee, for 7.60% Debentures due 2096 (incorporated by reference to Exhibit 4.1 to Dresser's Form 8-K filed on August 9, 1996, File No. 1-4003).
4.11	Second Supplemental Indenture dated as of October 27, 2003 between DII Industries, LLC and The Bank of New York Trust Company, N.A. (as successor to JPMorgan Chase Bank), as Trustee, to the Indenture dated as of April 18, 1996 (incorporated by reference to Exhibit 4.15 to Halliburton's Form 10-K for the year ended December 31, 2003, File No. 001-03492).
4.12	Third Supplemental Indenture dated as of December 12, 2003 among DII Industries, LLC, Halliburton Company and The Bank of New York Trust Company, N.A. (as successor to JPMorgan Chase Bank), as Trustee, to the Indenture dated as of April 18, 1996, (incorporated by reference to Exhibit 4.16 to Halliburton's Form 10-K for the year ended December 31, 2003, File No. 001-03492).
4.13	Indenture dated as of October 17, 2003 between Halliburton Company and The Bank of New York Trust Company, N.A. (as successor to JPMorgan Chase Bank), as Trustee (incorporated by reference to Exhibit 4.1 to Halliburton's Form 10-Q for the quarter ended September 30, 2003, File No. 001-03492).
4.14	Second Supplemental Indenture dated as of December 15, 2003 between Halliburton Company and The Bank of New York Trust Company, N.A. (as successor to JPMorgan Chase Bank), as Trustee, to the Senior Indenture dated as of October 17, 2003 (incorporated by reference to Exhibit 4.27 to Halliburton's Form 10-K for the year ended December 31, 2003, File No. 001-03492).
4.15	Form of note of 7.6% debentures due 2096 (included as Exhibit A to Exhibit 4.14 above).
4.16	Fourth Supplemental Indenture, dated as of September 12, 2008, between Halliburton Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee to JPMorgan Chase Bank, to the Senior Indenture dated as of October 17, 2003 (incorporated by reference to Exhibit 4.2 to Halliburton's Form 8-K filed September 12, 2008, File No. 001-03492).
4.17	Form of Global Note for Halliburton's 6.70% Senior Notes due 2038 (included as part of Exhibit 4.16).
4.18	Fifth Supplemental Indenture, dated as of March 13, 2009, between Halliburton Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee to JPMorgan Chase Bank, to the Senior Indenture dated as of October 17, 2003 (incorporated by reference to Exhibit 4.2 to Halliburton's Form 8-K filed March 13, 2009, File No. 001-03492).

	4.19	Form of Global Note for Halliburton's 7.45% Senior Notes due 2039 (included as part of Exhibit 4.18).
	4.20	Sixth Supplemental Indenture, dated as of November 14, 2011, between Halliburton Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee to JPMorgan Chase Bank, to the Senior Indenture dated as of October 17, 2003 (incorporated by reference to Exhibit 4.2 to Halliburton's Form 8-K filed November 14, 2011, File No. 001-03492).
	4.21	Form of Global Note for Halliburton's 3.25% Senior Notes due 2021 (included as part of Exhibit 4.20).
	4.22	Form of Global Note for Halliburton's 4.50% Senior Notes due 2041 (included as part of Exhibit 4.20).
	4.23	Seventh Supplemental Indenture, dated as of August 5, 2013, between Halliburton Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee to JPMorgan Chase Bank (incorporated by reference to Exhibit 4.2 of Halliburton's Form 8-K filed August 5, 2013, File No. 001-03492).
	4.24	Form of Global Note for Halliburton's 2.00% Senior Notes due 2018 (included as part of Exhibit 4.23).
	4.25	Form of Global Note for Halliburton's 3.50% Senior Notes due 2023 (included as part of Exhibit 4.23).
	4.26	Form of Global Note for Halliburton's 4.75% Senior Notes due 2043 (included as part of Exhibit 4.23).
	4.27	Eighth Supplemental Indenture, dated as of November 13, 2015, between Halliburton Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee to JPMorgan Chase Bank (incorporated by reference to Exhibit 4.2 to Halliburton's Form 8-K filed November 13, 2015, File No. 001-03492).
	4.28	Form of Global Note for Halliburton's 3.800% Senior Notes due 2025 (included as part of Exhibit 4.27).
	4.29	Form of Global Note for Halliburton's 4.850% Senior Notes due 2035 (included as part of Exhibit 4.27).
	4.30	Form of Global Note for Halliburton's 5.000% Senior Notes due 2045 (included as part of Exhibit 4.27).
†	10.1	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, File No. 001-03492).
†	10.2	Dresser Industries, Inc. Deferred Compensation Plan, as amended and restated effective January 1, 2000 (incorporated by reference to Exhibit 10.16 to Halliburton's Form 10-K for the year ended December 31, 2000, File No. 001-03492).
†	10.3	ERISA Excess Benefit Plan for Dresser Industries, Inc., as amended and restated effective June 1, 1995 (incorporated by reference to Exhibit 10.7 to Dresser's Form 10-K for the year ended October 31, 1995, File No. 1-4003).
	10.4	Form of Indemnification Agreement for Officers (incorporated by reference to Exhibit 10.1 to Halliburton's Form 8-K filed August 3, 2007, File No. 001-03492).
	10.5	Form of Indemnification Agreement for Directors (incorporated by reference to Exhibit 10.2 to Halliburton's Form 8-K filed August 3, 2007, File No. 001-03492).

	10.6	Form of Indemnification Agreement for Officers (first elected after January 1, 2013) (incorporated by reference to Exhibit 10.2 to Halliburton's Form 10-Q for the quarter ended March 31, 2013, File No. 001-03492).
	10.7	Form of Indemnification Agreement for Directors (first elected after January 1, 2013) (incorporated by reference to Exhibit 10.1 of Halliburton's Form 8-K filed March 22, 2013, File No. 001-03492).
†	10.8	2008 Halliburton Elective Deferral Plan, as amended and restated effective January 1, 2008 (incorporated by reference to Exhibit 10.3 to Halliburton's Form 10-Q for the quarter ended September 30, 2007, File No. 001-03492).
†	10.9	Halliburton Company Supplemental Executive Retirement Plan, as amended and restated effective January 1, 2008 (incorporated by reference to Exhibit 10.4 to Halliburton's Form 10-Q for the quarter ended September 30, 2007, File No. 001-03492).
†	10.10	Halliburton Company Benefit Restoration Plan, as amended and restated effective January 1, 2008 (incorporated by reference to Exhibit 10.5 to Halliburton's Form 10-Q for the quarter ended September 30, 2007, File No. 001-03492).
†	10.11	Halliburton Company Pension Equalizer Plan, as amended and restated effective March 1, 2007 (incorporated by reference to Exhibit 10.8 to Halliburton's Form 10-Q for the quarter ended September 30, 2007, File No. 001-03492).
†	10.12	Halliburton Company Directors' Deferred Compensation Plan, as amended and restated effective as of May 16, 2012 (incorporated by reference to Exhibit 10.5 to Halliburton's Form 10-Q for the quarter ended June 30, 2012, File No. 001-03492).
†	10.13	Retirement Plan for the Directors of Halliburton Company, as amended and restated effective July 1, 2007 (incorporated by reference to Exhibit 10.10 to Halliburton's Form 10-Q for the quarter ended September 30, 2007, File No. 001-03492).
†	10.14	Halliburton Company Employee Stock Purchase Plan, as amended and restated effective February 24, 2015 (incorporated by reference to Appendix C of Halliburton's proxy statement filed April 7, 2015, File No. 001-03492).
†	10.15	First Amendment to Halliburton Company Supplemental Executive Retirement Plan, as amended and restated effective January 1, 2008 (incorporated by reference to Exhibit 10.1 to Halliburton's Form 8-K filed September 21, 2009, File No. 001-03492).
†	10.16	Amendment No. 1 to Halliburton Company Benefit Restoration Plan, as amended and restated effective January 1, 2008 (incorporated by reference to Exhibit 10.2 to Halliburton's Form 8-K filed September 21, 2009, File No. 001-03492).
†	10.17	Amendment No. 1 to 2008 Halliburton Elective Deferral Plan, as amended and restated effective January 1, 2008 (incorporated by reference to Exhibit 10.41 to Halliburton's Form 10-K for the year ended December 31, 2010, File No. 001-03492).
	10.18	U.S. $3,000,000,000 Five Year Revolving Credit Agreement among Halliburton Company, as Borrower, the Banks party thereto, and Citibank, N.A., as Agent, effective July 21, 2015 (incorporated by reference to Exhibit 10.1 to Halliburton's Form 10-Q for the quarter ended June 30, 2015, File No. 001-03492).
†	10.19	First Amendment to the Retirement Plan for the Directors of Halliburton Company, effective September 1, 2007 (incorporated by reference to Exhibit 10.3 to Halliburton's Form 10-Q for the quarter ended March 31, 2011, File No. 001-03492).

†	10.20	First Amendment to Halliburton Company Restricted Stock Plan for Non-Employee Directors (incorporated by reference to Exhibit 10.41 to Halliburton's Form 10-K for the year ended December 31, 2011, File No. 001-03492).
†	10.21	Second Amendment to Restricted Stock Plan for Non-Employee Directors of Halliburton Company (incorporated by reference to Exhibit 10.4 to Halliburton's Form 10-Q for the quarter ended June 30, 2012, File No. 001-03492).
†	10.22	Third Amendment to Restricted Stock Plan for Non-Employee Directors of Halliburton Company effective December 1, 2012 (incorporated by reference to Exhibit 10.44 to Halliburton's Form 10-K for the year ended December 31, 2012, File No. 001-03492).
†	10.23	First Amendment dated December 1, 2012 to Halliburton Company Directors' Deferred Compensation Plan, as amended and restated effective May 16, 2012 (incorporated by reference to Exhibit 10.45 to Halliburton's Form 10-K for the year ended December 31, 2012, File No. 001-03492).
†	10.24	Executive Agreement (Myrtle L. Jones) (incorporated by reference to Exhibit 10.1 to Halliburton's Form 10-Q for the quarter ended March 31, 2013, File No. 001-03492).
†	10.25	Executive Agreement (Timothy McKeon) (incorporated by reference to Exhibit 10.49 to Halliburton's Form 10-K filed February 7, 2014, File No. 001-03492).
†	10.26	Executive Agreement (Charles E. Geer, Jr.) (incorporated by reference to Exhibit 10.2 to Halliburton's Form 8-K filed December 9, 2014, File No. 001-03492).
	10.27	HESI Punitive Damages and Assigned Claims Settlement Agreement dated September 2, 2014, entered into between Halliburton Company and Halliburton Energy Services, Inc. and counsel for The Plaintiffs Steering Committee in MDL 2179 and the Deepwater Horizon Economic and Property Damages Settlement Class (incorporated by reference to Exhibit 10.1 to Halliburton's Form 10-Q for the quarter ended September 30, 2014, File No. 001-03492).
†	10.28	Form of Non-Employee Director Restricted Stock Agreement (Directors Plan) (incorporated by reference as Exhibit 99.5 of Halliburton's Form S-8 filed May 21, 2009, Registration No. 333-159394).
†	10.29	Form of Non-Employee Director Restricted Stock Agreement (Stock and Incentive Plan) (incorporated by reference to Exhibit 10.43 to Halliburton's Form 10-K for the year ended December 31, 2011, Registration No. 001-03492).
	10.30	Termination Agreement, dated as of April 30, 2016, between the Company and Baker Hughes (incorporated by reference to Exhibit 10.1 to Halliburton's Form 8-K filed May 4, 2016, File No. 001-03492).
†	10.31	Amendment No. 2 to Halliburton Company Benefit Restoration Plan, as amended and restated effective January 1, 2008 (incorporated by reference to Exhibit 10.1 to Halliburton's Form 10-Q for the quarter ended September 30, 2016, File No. 001-03492).
†	10.32	Second Amendment to Halliburton Company Supplemental Executive Retirement Plan, as amended and restated effective January 1, 2008 (incorporated by reference to Exhibit 10.2 to Halliburton's Form 10-Q for the quarter ended September 30, 2016, File No. 001-03492).
†	10.33	Executive Agreement (Joe D. Rainey) (incorporated by reference to Exhibit 10.1 to Halliburton's Form 8-K filed December 12, 2017, File No. 001-03492).
†	10.34	Executive Agreement (Anne Lyn Beaty) (incorporated by reference to Exhibit 10.1 to Halliburton's Form 10-Q filed April 28, 2017, File No. 001-03492).

†	10.35	Executive Agreement (David J. Lesar) (incorporated by reference to Exhibit 10.1 to Halliburton's Form 8-K filed May 23, 2017, File No. 001-03492).
†	10.36	Executive Agreement (James S. Brown) (incorporated by reference to Exhibit 10.2 to Halliburton's Form 8-K filed May 23, 2017, File No. 001-03492).
†	10.37	Executive Agreement (Jeffrey A. Miller) (incorporated by reference to Exhibit 10.1 to Halliburton's Form 8-K filed June 5, 2017, File No. 001-03492).
†	10.38	Halliburton Company Stock and Incentive Plan, as amended and restated effective February 8, 2017 (incorporated by reference to Appendix B of Halliburton's proxy statement filed April 7, 2017, File No. 001-03492).
†	10.39	Form of Nonstatutory Stock Option Agreement (U.S.) (incorporated by reference as Exhibit 99.2 of Halliburton's Form S-8 filed June 7, 2017, Registration No. 333-218568).
†	10.40	Form of Nonstatutory Stock Option Agreement (International) (incorporated by reference as Exhibit 99.3 of Halliburton's Form S-8 filed June 7, 2017, Registration No. 333-218568).
†	10.41	Form of Restricted Stock Agreement (incorporated by reference as Exhibit 99.4 of Halliburton's Form S-8 filed June 7, 2017, Registration No. 333-218568).
†	10.42	Form of Restricted Stock Unit Agreement (International) (incorporated by reference as Exhibit 99.5 of Halliburton's Form S-8 filed June 7, 2017, Registration No. 333-218568).
†	10.43	Form of Restricted Stock Unit Agreement (U.S. Expat) (incorporated by reference as Exhibit 99.6 of Halliburton's Form S-8 filed June 7, 2017, Registration No. 333-218568).
†	10.44	Executive Agreement (Christopher T. Weber) (incorporated by reference to Exhibit 10.1 to Halliburton's Form 8-K filed June 13, 2017, File No. 001-03492).
†	10.45	Form of Non-Management Director Restricted Stock Unit Agreement (Stock and Incentive Plan) (incorporated by reference as Exhibit 10.1 of Halliburton's Form 10-Q filed October 27, 2017, File No. 001-03492).
*†	10.46	Executive Agreement (Eric J. Carre).
*†	10.47	Executive Agreement (Lawrence J. Pope).
*†	10.48	Executive Agreement (Robb L. Voyles).
*	12.1	Statement of Computation of Ratio of Earnings to Fixed Charges.
*	21.1	Subsidiaries of the Registrant.
*	23.1	Consent of KPMG LLP.
*	24.1	Powers of attorney for the following directors signed in January 2018: Abdulaziz F. Al Khayyal William E. Albrecht

Alan M. Bennett
James R. Boyd
Milton Carroll
Nance K. Dicciani
Murry S. Gerber
José C. Grubisich

David J. Lesar
Robert A. Malone
J. Landis Martin
Debra L. Reed

*	31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
*	31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
**	32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
**	32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
*	95	Mine Safety Disclosures.
*	101.INS	XBRL Instance Document
*	101.SCH	XBRL Taxonomy Extension Schema Document
*	101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
*	101.LAB	XBRL Taxonomy Extension Label Linkbase Document
*	101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
*	101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

* Filed with this Form 10-K.
** Furnished with this Form 10-K.
† Management contracts or compensatory plans or arrangements.

Item 16. Form 10-K Summary.
None.

SIGNATURES

As required by Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has authorized this report to be signed on its behalf by the undersigned authorized individuals on this 9th day of February, 2018.

HALLIBURTON COMPANY

By /s/ Jeffrey A. Miller
Jeffrey A. Miller
President and Chief Executive Officer

As required by the Securities Exchange Act of 1934, this report has been signed below by the following persons in the capacities indicated on this 9th day of February, 2018.

Signature	Title
/s/ Jeffrey A. Miller Jeffrey A. Miller	President, Director and Chief Executive Officer
/s/ Christopher T. Weber Christopher T. Weber	Executive Vice President and Chief Financial Officer
/s/ Charles E. Geer, Jr. Charles E. Geer, Jr.	Vice President and Corporate Controller

Signature	Title
* Abdulaziz F. Al Khayyal Abdulaziz F. Al Khayyal	Director
* William E. Albrecht William E. Albrecht	Director
* Alan M. Bennett Alan M. Bennett	Director
* James R. Boyd James R. Boyd	Director
* Milton Carroll Milton Carroll	Director
* Nance K. Dicciani Nance K. Dicciani	Director
* Murry S. Gerber Murry S. Gerber	Director
* José C. Grubisich José C. Grubisich	Director
* David J. Lesar David J. Lesar	Executive Chairman of the Board and Director
* Robert A. Malone Robert A. Malone	Director
* J. Landis Martin J. Landis Martin	Director
* Debra L. Reed Debra L. Reed	Director

/s/ Robb L. Voyles

*By Robb L. Voyles, Attorney-in-fact

EXECUTIVE AGREEMENT

This Executive Agreement ("***Agreement***") is entered into by and between Eric J. Carre ("***Employee***") and Halliburton Company, for and on behalf of itself, its subsidiaries, and its affiliated companies (collectively, "***Employer***" or "***Company***"), as of December 6, 2017 (the "***Effective Date***").

RECITALS

WHEREAS, Employer desires to continue to employ Employee pursuant to the terms and conditions and for the consideration set forth in this Agreement, and Employee desires to be employed by Employer pursuant to such terms and conditions and for such consideration.

NOW THEREFORE, for and in consideration of the mutual promises, covenants, and obligations contained herein, Employer and Employee agree as follows:

ARTICLE 1: EMPLOYMENT AND DUTIES:

1.1 Employer agrees to employ Employee, and Employee agrees to be employed by Employer, as of the Effective Date and continuing until the date of termination of Employee's employment pursuant to the provisions of Article 3, subject to the terms and conditions of this Agreement.

1.2 As of the Effective Date, Employee will be employed as Executive Vice President, Global Business Lines. Employee agrees to serve in the assigned position and to perform diligently and to the best of Employee's abilities the duties and services relating to such position as reasonably determined by Employer, as well as such additional or different duties and services appropriate to such positions which Employee from time to time may be reasonably directed to perform by Employer.

1.3 Employee shall at all times comply with and be subject to such policies and procedures as Employer may establish from time to time, including, without limitation, the Halliburton Company Code of Business Conduct (the "***Code of Business Conduct***"), Company Policy 3-90020, "Director and Executive Compensation Administration" (with respect to the prohibition of discretionary payments in certain situations), Company Policy 3-90040, "Recoupment of Incentive Compensation", and Company Policy 3-90050, "Termination of Officers Who Participate in Violations or Disregard Supervisory Responsibilities", all of which have been made available to Employee and are available under "COBC" or "Policies" as posted on Halworld located at *http://halworld.corp.halliburton.com*, as well as Section 36(a) of the Halliburton Company By-Laws (with respect to the limitations on the advancement of legal expenses), a copy of which has been made available to Employee. By signing this Agreement, Employee hereby represents and warrants that he has read, understood and agrees to the terms and conditions contained in such Code of Business Conduct, policies, and By-Laws.

1.4 Employee shall, during the period of Employee's employment by Employer, devote Employee's full business time, energy, and best efforts to the business and affairs of Employer. Employee may not engage, directly or indirectly, in any other business, investment, or activity that interferes with Employee's performance of Employee's duties hereunder, is contrary to the interest of Employer or any of its affiliated companies (collectively, the "***Halliburton Entities***" or, individually, a "***Halliburton Entity***"), or requires any significant portion of Employee's business time. The foregoing notwithstanding, the parties recognize and agree that Employee may engage in passive personal investments and other business activities which do not conflict with the business and affairs of the Halliburton Entities or interfere with Employee's performance of his duties hereunder. Employee may not serve on the board of directors of any entity other than a Halliburton Entity while employed by Employer without the approval thereof in accordance with Employer's policies and procedures regarding such service. Employee shall be permitted to retain any compensation received for approved service on any unaffiliated corporation's board of directors to the extent permitted under a Halliburton Entity's policies and procedures.

1.5 Employee acknowledges and agrees that Employee owes a fiduciary duty of loyalty, fidelity and allegiance to act at all times in the best interests of the Employer and the other Halliburton Entities and to do no act which would, directly or indirectly, injure any such entity's business, interests, or reputation. It is agreed that any direct or indirect interest in, connection with, or benefit from any outside activities, particularly commercial activities, which interest might in any way adversely affect Employer, or any Halliburton Entity, involves a possible conflict of interest. In keeping with Employee's fiduciary duties to Employer, Employee agrees that Employee shall not knowingly become involved in a conflict of interest with Employer or the Halliburton Entities, or upon discovery thereof, allow such a conflict to continue. Moreover, Employee shall not engage in any activity that might involve a possible conflict of interest without first obtaining approval in accordance with the applicable Halliburton Entity's policies and procedures.

1.6 Nothing contained herein shall be construed to preclude the transfer of Employee's employment to another Halliburton Entity ("***Subsequent Employer***") as of, or at any time after, the Effective Date and no such transfer shall be deemed to be a termination of employment for purposes of Article 3 hereof; provided, however, that, effective with such transfer, all of Employer's obligations hereunder shall be assumed by and be binding upon, and all of Employer's rights hereunder shall be assigned to, such Subsequent Employer and the defined term "Employer" as used herein shall thereafter be deemed amended to mean such Subsequent Employer. Except as otherwise provided above, all of the terms and conditions of this Agreement, including without limitation, Employee's rights and obligations, shall remain in full force and effect following such transfer of employment.

ARTICLE 2: COMPENSATION AND BENEFITS:

2.1 Employee's base salary as of January 1, 2018 will be $750,000 and shall be paid in accordance with the Employer's standard payroll practice for its executives. Employee's base salary may be increased from time to time at the discretion of the Board of Directors, its Compensation Committee (the "***Compensation Committee***"), or its delegate, as applicable. Such increased base salary shall become the minimum base salary under this agreement and may not be decreased thereafter without the written consent of Employee, unless comparable reductions in salary are effective for all similarly situated executives of Employer.

2.2 Employee shall be eligible to participate in the Annual Performance Pay Plan and the Performance Unit Program, or any successor incentive plans approved by the Compensation Committee; provided, however, that all determinations relating to Employee's participation, including, without limitation, those relating to the performance goals applicable to Employee and Employee's level of participation and payout opportunity, shall be made in the sole discretion of the person or committee to whom such authority has been granted pursuant to such plan's terms.

2.3 Employer shall pay or reimburse Employee for all actual, reasonable and customary expenses incurred by Employee in the course of his employment; including, but not limited to, travel, entertainment, subscriptions and dues associated with Employee's membership in professional, business and civic organizations; provided that such expenses are incurred and accounted for in accordance with Employer's applicable policies and procedures. Any reimbursement provided hereunder during one calendar year shall not affect the amount or availability of reimbursements in another calendar year. Any reimbursement provided hereunder shall be paid no later than the earlier of (i) the time prescribed under Employer's applicable policies and procedures, or (ii) the last day of the calendar year following the calendar year in which Employee incurred the reimbursable expense.

2.4 Employee shall be allowed to participate, on the same basis generally as other executive employees of Employer, in all general employee benefit plans and programs, including improvements or modifications of the same, which on the Effective Date or thereafter are made available by Employer to all or substantially all of Employer's similarly situated executive employees. Such benefits, plans, and programs may include, without limitation, medical, health, and dental care, life insurance, disability protection, and qualified and non-qualified retirement plans. Except as specifically provided herein, nothing in this Agreement is to be construed or interpreted to increase or alter in any way the rights, participation, coverage, or benefits under such benefit plans or programs. While employed by Employer, Employee shall be eligible to receive awards under the Halliburton Company Stock and Incentive Plan ("***SIP***") or any successor stock-related plan adopted by the Board of Directors. Employee's participation in and benefits under such plans or programs may not be decreased without the approval of the Board of Directors, its Compensation Committee or its delegate, as applicable.

2.5 As soon as practicable following the Effective Date, subject to the terms and conditions of the SIP and the applicable award agreements, Employee shall be awarded
(i) Halliburton Company restricted stock with a grant date value of $888,651 to vest 20% annually over a five (5) year period, and (ii) nonqualified stock options to purchase shares of Halliburton Company common stock with a grant date value of $380,052 that vest 33 1/3% annually over a three (3) year period, in each case beginning with the grant date of the award. Employee agrees that all awards of Halliburton Company restricted stock, restricted stock units and/or nonqualified stock options shall be subject to the other terms and conditions of the SIP as contained in the applicable award agreement. Employee also agrees that the foregoing shall not be construed as a guarantee with respect to the type, amount or frequency of future awards, if any, such decisions being solely within the discretion of the Compensation Committee, or its delegate, as applicable.

2.6 Employer shall not, by reason of this Article 2, be obligated to institute, maintain, or refrain from changing, amending or discontinuing, any incentive compensation, employee benefit or stock or stock option program or plan, so long as such actions are similarly applicable to covered employees generally.

2.7 Employer may withhold from any compensation, benefits, or amounts payable under this Agreement all federal, state, city, or other taxes as may be required pursuant to any law or governmental regulation or ruling.

ARTICLE 3: TERMINATION OF EMPLOYMENT AND EFFECTS OF SUCH TERMINATION:

3.1 Employee's employment with Employer shall be considered an "at-will" relationship and shall be terminated (i) upon the Death (as defined below) of Employee, (ii) upon Employee's Retirement (as defined below), (iii) upon Employee's Early Retirement (as defined below), (iv) upon Employee's Permanent Disability (as defined below), (v) for Cause (as defined below), (vi) upon Participation in a Significant Violation or Failure to Supervise (as defined below), (vii) upon Employee's termination of employment for Good Reason (as defined below), or (viii) at any time by Employer upon written notice to Employee, or by Employee upon thirty (30) calendar days' written notice to Employer, for any or no reason.

3.2 Employee's entitlement to receive the benefits set forth in Section 3.4 is contingent on the reason or cause of the termination of Employee's employment. Types of termination events and the definitions of those events used in this Agreement are as follows:

(i) Death. "***Death***" shall mean Employee's death.

(ii) Retirement. "***Retirement***" shall mean Employee's retirement at or after normal retirement age (either voluntarily or pursuant to the applicable Halliburton Entity's retirement policy).

(iii) Early Retirement. "***Early Retirement***" shall mean the voluntary termination of Employee's employment by Employee in accordance with Employer's early retirement policy for other than Good Reason (as defined below).

(iv) Permanent Disability. "***Permanent Disability***" shall mean Employee's physical or mental incapacity to perform his usual duties with such condition likely to remain continuously and permanently as reasonably determined by a qualified physician selected by Employer.

(v) Good Reason. "***Good Reason***" shall mean a termination of employment by Employee because of a material breach by Employer of any material provision of this Agreement, provided that (i) Employee provides written notice to Employer, as provided in Section 6.2 hereof, of the circumstances Employee claims constitute "Good Reason" within ninety (90) calendar days of the first to occur of such circumstances, (ii) such breach remains uncorrected for thirty (30) calendar days following written notice, and (iii) Employee's termination occurs within one hundred eighty (180) calendar days after the date that the circumstances Employee claims constitute "Good Reason" first occurred.

(vi) Cause. "***Cause***" shall mean any of the following: (a) Employee's gross negligence or willful misconduct in the performance of the duties and services required of Employee pursuant to this Agreement; (b) Employee's final conviction of a felony; (c) a material violation of the Code of Business Conduct; or (d) Employee's material breach of any material provision of this Agreement which remains uncorrected for thirty (30) calendar days following written notice of such breach to Employee by Employer. Determination as to whether or not Cause exists for termination of Employee's employment will be made by the Compensation Committee, or its delegate, acting in good faith.

(vii) Participation in a Significant Violation or Failure to Supervise. "***Participation in a Significant Violation or Failure to Supervise***" shall mean termination of Employee's employment by Employer following a determination, in accordance with the procedures set out in Company Policy 3-90050, that (a) in connection with the performance of Employee's duties as an officer, Employee Participated in a Significant Violation or both (A) had direct supervisory responsibility over an employee who Participated in such a violation and (B) Recklessly disregarded Employee's own supervisory responsibilities, and (b) Employee's conduct warrants termination.

3.3 Except as provided in Section 3.4, upon Employee's termination, all future compensation to which Employee is otherwise entitled and all future benefits for which Employee is eligible shall cease and terminate as of the date of termination. Employee shall be entitled to pro rata base salary through the date of such termination, payment for any properly documented but unreimbursed business expenses, and, except as may be prohibited by Company policy, any individual annual incentive compensation not yet paid but earned and payable under Employer's plans for the year prior to the year of Employee's termination of employment, but shall not be entitled to any annual incentive compensation for the year in which he terminates employment or any other payments or benefits by or on behalf of Employer, except for those which may be payable pursuant to the terms of Employer's or Halliburton Entity's employee benefit plans (as defined in Section 3.5(b)), stock, stock option or incentive plans, or the applicable agreements underlying such plans.

3.4 (a) (i) If Employee’s employment is terminated (x) by reason of Employee’s Death, Retirement, or Permanent Disability, (y) by Employee for Good Reason, or (z) by Employer for any reason other than for Cause or Participation in a Significant Violation or Failure to Supervise, and (ii) in all cases, Employee is in compliance with Employee’s obligations under this Agreement, Employer shall cause the forfeiture restrictions with respect to any restricted shares of Employer’s common stock or restricted stock units which were granted to Employee under the SIP to lapse and such shares, net of any shares withheld for taxes, shall become fully vested and outstanding restricted stock units shall be settled upon termination of employment, subject to the restrictions of Section 6.9.

(b) If Employee's employment is terminated (i) by Employee for Good Reason or (ii) by Employer for any reason other than for Cause or Participation in a Significant Violation or Failure to Supervise, Employee shall, subject to the provisions of Section 3.5, be entitled to a single lump sum cash payment equal to two (2) years of Employee's base salary as in effect at the date of the termination of Employee’s employment. Such amount shall be paid as soon as administratively practicable, but no later than the sixtieth (60^{th}) calendar day following the termination of Employee’s employment.

(c) Should Employee breach any of the agreements and covenants in this Agreement, any amounts provided for in Section 3.4 remaining unpaid will be forfeited; provided, that forfeiture shall not be the exclusive remedy for any breach, and the Company shall be entitled to seek and obtain any additional remedy at law or equity, including without limitation actual damages, caused by any breach.

(d) Notwithstanding the above, the vesting or settlement of any outstanding equity-based awards and cash payment provided for in this Section 3.4 shall be subject to the provisions of Company Policy 3-90010, “Future Severance Agreements”.

3.5 (a) The benefits paid to Employee pursuant to Section 3.4 shall be in consideration of Employee’s continuing obligations hereunder after such termination, including, without limitation, Employee’s obligations under Articles 4 and 5. Further, as a condition to the receipt of such benefits, Employee shall first execute a release, in the form established by Employer, releasing Employer and all other Halliburton Entities, and their officers, directors, employees, and agents, from any and all claims and from any and all causes of action of any kind or character, including, but not limited to, all claims and causes of action arising out of Employee’s employment with Employer and any other Halliburton Entities or the termination of such employment. The release must be executed by Employee within twenty-one (21) days from Employee’s termination of employment. The performance of Employer’s obligations under Section 3.4 and the receipt of the benefits provided thereunder by Employee shall constitute full settlement of all such claims and causes of action. Such release shall also include the restrictions contained in Sections 3.6, 3.7, and 3.8, and in Article 5. Employee shall not be under any duty or obligation to seek or accept other employment following a termination of employment pursuant to which a benefit payment under Section 3.4 is owing and the amounts due Employee pursuant to Section 3.4 shall not be reduced or suspended if Employee accepts subsequent employment or earns any amounts as a self-employed individual. Employee’s rights under Section 3.4 are Employee’s sole and exclusive rights against the Employer or its affiliates and the Employer’s sole and exclusive liability to Employee under this Agreement, in contract, tort, under statute or otherwise, for the termination of his employment relationship with Employer.

(b) Employee agrees that all disputes relating to Employee’s termination of employment, including, without limitation, any dispute as to the occurrence of the events listed in Section 3.2, and any claims or demands against Employer based upon Employee’s employment for any monies other than those specified in Section 3.4, shall be resolved through the Halliburton Company Dispute Resolution Plan (“***Dispute Resolution Plan***”) as provided in Section 6.6 hereof; provided, however, that decisions as to whether any of the events listed in Section 3.2 have occurred, will be made by the Board of Directors, the Compensation Committee, or its delegate, as required under the applicable Company policy, and in any dispute by Employee with any such determination, the arbitrator's decision shall be limited to whether the Board of Directors, the Compensation Committee, or its delegate, reached such decision in good faith. Nothing contained in this Article 3 shall be construed to be a waiver by Employee of any benefits accrued for or due Employee under any employee benefit plan (as such term is defined in the Employee Retirement Income Security Act of 1974, as amended) maintained by Employer, except that Employee shall not be entitled to any severance benefits pursuant to any severance plan or program of the Employer.

3.6 In consideration of the access to "***Confidential Information***" as defined in Article 4 and the other consideration provided herein, Employee agrees that, for a period of two (2) years following termination of employment, the Employee shall not, anywhere in the world, directly or indirectly, either (a) solicit, encourage, or induce to terminate or reduce its business with Employer, or (b) provide any products and/or services that compete directly with products and/or services provided, marketed, and/or under development by Employer at any time during the two (2) years preceding the termination of Employee's employment, in both cases, to any person or entity who paid or engaged Employer for products and/or services, or who received the benefit of Employer's products and/or services, or with whom the Employee had any substantial dealings while Employee was employed by Employer, during the two (2) years preceding the Employee's termination of employment with Employer.

3.7 In consideration of the access to Confidential Information and the other consideration provided herein, Employee further agrees that Employee will not, during the two (2) years period following termination of employment, solicit, directly or indirectly, or cause or permit others to solicit, directly or indirectly, any person (i) formerly employed by Employer during the six (6) month period immediately preceding or following Employee's termination of employment ("***Former Employee***") or (ii) employed by Employer ("***Current Employee***"). The term "***solicit***" includes, but is not limited to, the following (regardless of whether done directly or indirectly): (a) requesting that a Former or Current Employee change employment; (b) informing a Former or Current Employee that an opening exists elsewhere; (c) assisting a Former or Current Employee in finding employment elsewhere; (d) inquiring if a Former or Current Employee "knows of anyone who might be interested" in a position elsewhere; (e) inquiring if a Former or Current Employee might have an interest in employment elsewhere; (f) informing others of the name or status of, or other information about, a Former or Current Employee; or (g) any other similar conduct, the intended or actual effect of which is that a Former Employee affiliates with another employer or a Current Employee leaves the employment of Employer.

3.8 (a) In consideration of the access to Confidential Information and the other consideration provided herein, and so as to enforce the confidentiality obligations contained in Article 4, the Employee specifically agrees that, for a period of two (2) years following termination of employment, except as permitted by Section 3.8(b) below, Employee will not engage, directly or indirectly, either as proprietor, stockholder, partner, director, officer, member, employee, consultant, or otherwise, (i) in any existing or future business or in any existing or future division or unit of a commercially diverse business enterprise, anywhere in the world that is owned in whole or in part or effectively controlled by any of the following companies: Baker Hughes, a GE company, BJ Services, Black Mountain Oil and Gas, C&J Energy Services, Calfrac Well Services Ltd., Expro International Group, Plc., Externa Holding Inc, FTS International, General Electric, Keane Group, Liberty, Nabors Industries Ltd, National Oilwell Varco, Inc., Noble Corporation, OneStim (the proposed Schlumberger/Weatherford joint venture), Patterson-UTI Energy, Inc., ProPetro Services, Inc., RockPile Energy Services, RPC, Inc (Cudd Energy Services), Schlumberger Ltd, Superior Energy Services, Inc., Tidewater Inc, Trican, Transocean Ltd., U.S. Well Services, Weatherford International Ltd. or any of their respective successors; or (ii) in any existing or future business operating in North America or in any of the ten countries outside of North America that produced the highest revenues for the Employer in the year preceding Employee's termination of employment that offers, sells, or provides equipment, products or services that compete with Employer's equipment, products or services.

(b) The above Section 3.8(a) notwithstanding, nothing in this Section 3.8 shall prohibit Employee and his affiliates from owning, as passive investors, in the aggregate not more than five percent of equity securities of any of the companies listed in such Section 3.8(a).

3.9 Termination of the employment relationship, regardless of reason or circumstances, does not terminate those obligations imposed by this Agreement which are continuing obligations, including, without limitation, Employee's obligations under Sections 3.6, 3.7, and 3.8 and Articles 4 and 5.

ARTICLE 4: OWNERSHIP AND PROTECTION OF INTELLECTUAL PROPERTY AND CONFIDENTIAL INFORMATION:

4.1 All information, ideas, concepts, improvements, discoveries, works of authorship, and inventions, whether patentable or copyrightable or not, which are conceived, reduced to practice, authored, made, developed or acquired by Employee, individually or in conjunction with others, in the scope of Employee's employment by Employer or any of its affiliates, and/or during the term of Employee's employment (whether during business hours or otherwise and whether on Employer's premises or otherwise) which relate to the business, products or services of Employer or its affiliates (including, without limitation, all such information relating to any corporate opportunities, research, financial and sales data, pricing and trading terms, evaluations, opinions, interpretations, acquisition prospects, the identity of customers or their requirements, the identity of key contacts within the customer's organizations or within the organization of acquisition prospects, or marketing and merchandising techniques, prospective names, and marks), and all documents, things, writings and items of any type or in any media embodying any of the foregoing (collectively, "***Developments***"), and any and all proprietary rights of any kind thereto, including without limitation all rights relating to patents, copyrights, trade secrets, and trademarks, shall be the sole and exclusive property of Employer or its affiliates, as the case may be. Employee hereby assigns to Employer any and all rights Employee might otherwise have in and to any such Developments, and any and all proprietary rights of any kind thereto, including without limitation all rights relating to patents, copyrights, trade secrets, and trademarks. Employee acknowledges that the assignment of Employee's entire right, title and interest in and to any and all such Developments to Employer is deemed effective upon the earliest of the conception, development, first reduction to practice, or creation of the Development by Employee. Employee agrees, without further consideration and upon request by Employer, to assist and cooperate with Employer by executing any and all documents, and by performing any and all lawful acts, necessary to document the assignment to Employer (or Employer's designee) of Employee's right, title and interest in and to any and all such Developments and to assist Employer (or Employer's designee) in perfecting such rights.

4.2 In connection with its employment of Employee, Employer shall provide to Employee such Confidential Information of Employer as is reasonably necessary for Employee to perform Employee's obligations hereunder. Employee agrees that "***Confidential Information***" as used herein shall include, without limitation, Employer's trade secrets, confidential and/or proprietary information, and all other information and data that is not generally known to third persons who could derive economic value from its use or disclosure, including, but not limited to, Employer's strategies, methods, products, software, books, records, data and technical information concerning its products, equipment, services, and processes, procurement procedures and pricing techniques, and the names of and other information (such as credit and financial data) concerning its vendors, customers and business affiliates. Employee agrees that such Confidential Information constitutes valuable, special, and unique assets which Employer or its affiliates use in their business to obtain a competitive advantage over their competitors. Employee further agrees that protection of such Confidential Information against unauthorized disclosure and use is of critical importance to Employer and its affiliates in maintaining their competitive position. Employee shall not, at any time during or after the term of employment, use, publish, disclose, claim ownership of, communicate, divulge or send to others, access, or take, any Confidential Information of Employer or its affiliates, including Employer's vendors, consultants, joint ventures, or customers, except to the extent needed to carry out Employee's obligations hereunder, or as otherwise authorized in writing by Employer. Employee also agrees that Employee will not upload or cause to be uploaded to any online electronic data storage site (e.g., "cloud" storage sites) any Confidential Information. Employee acknowledges and agrees that any unauthorized use or disclosure of such Confidential Information would cause irreparable harm to Employer. Confidential Information shall not include information in the public domain (but only if the same becomes part of the public domain through a means other than a use or disclosure prohibited hereunder). The above notwithstanding, a disclosure shall not be unauthorized to the extent (i) it is required by law or by a court of competent jurisdiction or (ii) it is required in connection with any judicial, arbitration, dispute resolution or other legal proceeding in which Employee's legal rights and obligations as an employee or under this Agreement are at issue; provided, however, that Employee shall, to the extent practicable and lawful in any such event, give prior notice to Employer of Employee's intent to disclose any such confidential business information in such context so as to allow Employer or its affiliates an opportunity (which Employee will not oppose) to obtain such protective orders or similar relief with respect thereto as may be deemed appropriate, and that Employee shall limit any such disclosure to that required by the foregoing circumstances.

4.3 All written and electronic materials, records, and other documents and information made by, or coming into the possession of, Employee during the term of Employee's employment that contain or disclose any Confidential Information of Employer or its affiliates, and any and all proprietary rights of any kind thereto, including without limitation all rights relating to patents, copyrights, trade secrets, and trademarks, shall be and remain the sole and exclusive property of Employer, or its affiliates, as the case may be. Upon termination of Employee's employment, Employee promptly shall deliver the same, and all copies thereof, to Employer.

4.4 If, in the performance of Employee's duties for Employer, it is necessary to temporarily remove documents or information from Employer's premises, Employee will remove only such documents or information as necessary to perform such duties and will immediately return such documents or information to Employer's premises upon completion of such duties and at any time upon request. Employee further agrees not to commingle such documents or information with Employee's personal records and documents. Employee agrees to maintain any back-up copies of documents or information at Employer's premises and not to maintain any back-up copies away from Employer's premises. All documents or information (including computer records, facsimile and e-mail) and materials created, received or transmitted in connection with Employee's work or using Employer facilities are presumptively Employer's property and subject to inspection by Employer at any time. Any computer media (e.g., disks, tapes, external thumb drives, flash drives, external hard drives, DVDs or CDs), personally owned computers of Employee (including the contents of such computer's hard drive) and data storage accounts on which any Employer documents or information has been stored may also be reviewed by Employer to determine if they contain any Confidential Information.

4.5 Pursuant to the Defend Trade Secrets Act of 2016, Employee acknowledges that an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

4.6 For purposes of this Article 4, "***affiliates***" shall mean entities in which Employer has a 20% or more direct or indirect equity interest.

ARTICLE 5: POST-EMPLOYMENT COVENANTS

5.1 In consideration of the access to the Confidential Information provided by Employer, the payment made under Sections 2.5 and 3.4 and the other consideration provided herein, and to protect Employer's Confidential Information, and the goodwill, customer and employee base, and contractual relationships of Employer, Employee agrees to the provisions of Sections 5.2, 5.3 and 5.4.

5.2 Employee agrees that, for a period of two (2) years following termination of employment, Employee shall not, anywhere in the world, directly or indirectly, either (a) solicit, encourage, or induce to terminate or reduce its business with Employer, or (b) provide any products and/or services that compete directly with products and/or services provided, marketed, and/or under development by Employer at any time during the two (2) years preceding the termination of Employee's employment, in both cases, to any person or entity who paid or engaged Employer for products and/or services, or who received the benefit of Employer's products and/or services, or with whom the Employee had any substantial dealings while Employee was employed by Employer, during the two (2) years preceding the Employee's termination of employment with Employer.

5.3 Employee further agrees that, for a period of two (2) years following termination of employment, Employee shall not, anywhere in the world, solicit, directly or indirectly, or cause or permit others to solicit, directly or indirectly, any Former or Current Employee. The term "***solicit***" as used in this Section 5.3 shall have the same meaning provided for such term in Section 3.7 above.

5.4 Employee further agrees that, for a period of two (2) years following termination of employment, Employee shall not engage, directly or indirectly, either as proprietor, stockholder, partner, director, officer, member, employee, consultant, or otherwise, (i) in any existing or future business, or in any existing or future division or unit of a commercially diverse business enterprise, anywhere in the world, that is owned in whole or in part or effectively controlled by any of the companies listed or described in Section 3.8(a) above; or (ii) in any existing or future business operating in North America or in any of the ten countries outside of North America that produced the highest revenues for the Employer in the year proceeding Employee's termination of employment that offers, sells, or provides equipment, products or services that compete with Employer's equipment, products or services, except as permitted by Section 3.8(b) above.

5.5 Employee agrees that (a) the covenants contained in this Agreement are necessary for the protection of Employer's business, goodwill, customer and employee relationships and Confidential Information, and (b) the compensation and other consideration received by Employee, including access to Confidential Information, are based on the parties' agreement to such covenants. Employee represents and warrants that the time, scope of activity and geographic area restricted by Sections 3.6, 3.7, 3.8, 5.2, 5.3, and 5.4 are reasonable, especially in view of the worldwide scope of the business operations of Employer, Employee's position and responsibilities with Employer, and the nature of the Confidential Information, that the enforcement of those restrictions contained in Sections 3.6, 3.7, 3.8, 5.2, 5.3, and 5.4 would not be unduly burdensome to or impose any undue hardship on Employee, and that Employee will be able to earn a reasonable living while abiding by such covenants. Employee agrees that the restraints and provisions of Sections 3.6, 3.7, 3.8, 5.2, 5.3, and 5.4 are no greater than necessary, and are as narrowly drafted as reasonably possible, to protect the legitimate interests of Employer, including the Confidential Information and trade secrets of Employer. Employee irrevocably waives all defenses to the strict enforcement of the covenants contained in Sections 3.6, 3.7, 3.8, 5.2, 5.3, and 5.4, and agrees that the breach or violation, or threat thereof, of the obligations and covenants set forth in any of such Sections shall entitle Employer, as a matter of right, to an

injunction without the requirement of a bond, restraining any further or continued breach or violation of said obligations and covenants. The parties agree and acknowledge that the nature of Employer's business, including the locations of its projects, vendors, customers, and potential customers, is global in nature. Accordingly, the parties expressly agree that the foregoing restrictions on Employee need to be global in territorial scope to adequately protect Employer's business, goodwill, customer and employee relationships and Confidential Information, and that such global territorial restriction is reasonable in view of Employer's business, Employee's position and responsibilities with Employer, and Employee's access to the Confidential Information of Employer. If the scope of any restriction contained in Sections 3.6, 3.7, 3.8, 5.2, 5.3, and 5.4 is deemed by a court or arbitrator to be broader than reasonable, which the parties agree should not be the case, then such restriction shall be enforced to the maximum extent permitted by law, and Employee and Employer hereby agree that such scope may be modified accordingly in any proceeding brought to enforce such restriction.

5.6 The provisions of Sections 3.6, 3.7, 3.8, 5.2, 5.3, and 5.4 are, and shall be construed as, independent covenants, and no claimed or actual breach of any contractual or legal duty by Employer shall excuse or terminate Employee's obligations under this Agreement or preclude Employer from obtaining injunctive relief for Employee's violation, or threatened violation, of any of those provisions. The restrictive periods set forth in this Agreement shall not expire, and shall be tolled, during any period in which Employee is in violation of this Agreement.

5.7 Employee agrees that he shall not make, directly or indirectly, whether in writing, orally or electronically, any negative, derogatory or other comment that could reasonably be expected to be detrimental to the Halliburton Entities, their business or operations or any of their current or former employees, officers or directors. Employee consents to Employer showing this Agreement to any third party believed by Employer to be a prospective or actual employer of Employee, and to insisting on Employee's compliance with the terms of this Agreement. Notwithstanding the foregoing, nothing in this Agreement, including the non-disclosure provisions above, limits Employee's ability to communicate with the Securities and Exchange Commission (or any other governmental agency) regarding any possible violations of law, to otherwise participate in any investigation or proceeding that may be conducted by a governmental agency (including providing documents or other information without notice to Employer), or to receive any award for information provided to a governmental agency.

ARTICLE 6: MISCELLANEOUS:

6.1 Except as otherwise provided in Section 4.5 hereof, for purposes of this Agreement, the terms "***affiliate***" or "***affiliated***" means an entity who directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with a Halliburton Entity or in which a Halliburton Entity has a 50% or more equity interest.

6.2 For purposes of this Agreement, notices and all other communications provided for herein shall be in writing and shall be deemed to have been duly given when received by or tendered to Employee or Employer, as applicable, by pre-paid courier or by United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Employer, to Halliburton Company at 3000 North Sam Houston Parkway East, Houston, Texas 77032, to the attention of the General Counsel, or to such other address as Employee shall receive notice thereof.

If to Employee, to his last known personal residence.

6.3 This Agreement shall be governed by and construed and enforced in all respects in accordance with the law of the State of Texas, without regard to principles of conflicts of law, unless preempted by federal law, in which case federal law shall govern; provided, however, that the Dispute Resolution Plan and the Federal Arbitration Act shall govern in all respects with regard to the resolution of disputes hereunder. Employee and Employer further agree that any lawsuit, arbitration, or other proceeding arising out of or related in any way to this Agreement or their relationship shall be commenced and maintained only in the federal or state courts or before an arbitrator in Harris County, Texas, and each party waives any current or future objection to such venue and hereby further agrees to submit to the jurisdiction of any duly authorized court or arbitrator in Harris County, Texas with respect to any such proceeding.

6.4 No failure by either party hereto at any time to give notice of any breach by the other party of, or to require compliance with, any condition or provision of this Agreement shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

6.5 It is a desire and intent of the parties that the terms, provisions, covenants, and remedies contained in this Agreement shall be enforceable to the fullest extent permitted by law. If any such term, provision, covenant, or remedy of this Agreement or the application thereof to any person, association, or entity or circumstances shall, to any extent, be construed to be invalid or unenforceable in whole or in part, then such term, provision, covenant, or remedy shall be construed in a manner so as to permit its enforceability under the applicable law to the fullest extent permitted by law. In any case, the remaining provisions of this Agreement or the application thereof to any person, association, or entity or circumstances other than those to which they have been held invalid or unenforceable, shall remain in full force and effect.

6.6 It is the mutual intention of the parties to have any dispute concerning this Agreement resolved out of court. Accordingly, the parties agree that any such dispute shall, as the sole and exclusive forum, be submitted for resolution through the Dispute Resolution Plan; provided, however, that the Employer, on its own behalf and on behalf of any of the Halliburton Entities, shall be entitled to seek a restraining order or injunction in any court of competent jurisdiction to prevent any breach or the continuation of any breach of the provisions of Sections 3.6, 3.7, and 3.8, and Articles 4 and 5 pending initiation or completion of proceedings under the Dispute Resolution Plan. Employee hereby consents that such restraining order or injunction may be granted without the necessity of the Employer posting any bond. The parties agree that the resolution of any such dispute through such plan shall be final and binding. A copy of the Dispute Resolution Plan, as currently in effect, has been made available to Employee and is available on Halworld under "DRP" located at *http://halworld.corp.halliburton.com*. Halliburton Company reserves the right to amend, or discontinue such plan, in accordance with, and subject to, the plan's provisions regarding same. By signing this Agreement, Employee hereby represents and warrants that he has read, understood and agrees to the terms and conditions contained in such Dispute Resolution Plan. **THE PARTIES ACKNOWLEDGE THAT, BY SIGNING THIS AGREEMENT, THEY ARE KNOWINGLY AND VOLUNTARILY WAIVING ANY RIGHT THAT THEY MAY HAVE TO A JURY TRIAL.**

6.7 This Agreement shall be binding upon and inure to the benefit of Employer, to the extent herein provided, Halliburton Entity and any other person, association, or entity which may hereafter acquire or succeed to all or substantially all of the business or assets of Employer by any means whether direct or indirect, by purchase, merger, consolidation, or otherwise. Employee's rights and obligations under this Agreement are personal and such rights, benefits, and obligations of Employee shall not be voluntarily or involuntarily assigned, alienated, or transferred, whether by operation of law or otherwise, without the prior written consent of Employer, other than in the case of Death or incompetence of Employee.

6.8 This Agreement replaces and merges any previous agreements, understandings and discussions pertaining to the subject matter covered herein and therein, including but not limited to that

certain Employment Agreement by and between Employee and Employer entered into effective as of May 12, 2014. This Agreement constitutes the entire agreement of the parties with regard to the terms of Employee's employment, termination of employment and severance benefits, and contains all of the covenants, promises, representations, warranties, and agreements between the parties with respect to such matters. Each party to this Agreement acknowledges that no representation, inducement, promise, or agreement, oral or written, has been made by either party with respect to the foregoing matters which is not embodied herein, and that no agreement, statement, or promise relating to the employment of Employee by Employer that is not contained in this Agreement shall be valid or binding. Any modification of this Agreement will be effective only if it is in writing and signed by each party whose rights hereunder are affected thereby, provided that any such modification must be authorized or approved by the Compensation Committee or its delegate, as appropriate.

6.9 Notwithstanding any provision of the Agreement to the contrary, the following provisions shall apply for purposes of complying with Section 409A of the Internal Revenue Code and applicable Treasury authorities ("***Section 409A***"):

(i) If Employee is a "***specified employee***," as such term is defined in Section 409A, any payments or benefits that are deferred compensation under Section 409A and are payable or provided as a result of Employee's termination of employment shall be payable on the date that is the earlier of (a) the date that is six months and one day after Employee's termination, (b) the date of Employee's Death, or (c) the date that otherwise complies with the requirements of Section 409A.

(ii) It is intended that the provisions of this Agreement satisfy the requirements of Section 409A and that the Agreement be operated in a manner consistent with such requirements to the extent applicable. Therefore, the Employer and Employee agree to construe the provisions of the Agreement in accordance with the requirements of Section 409A.

[SIGNATURE PAGE FOLLOWS]

Signature Page to Executive Agreement
By and Between Halliburton Company and
Eric J. Carre

IN WITNESS WHEREOF, Employer and Employee have duly executed this Agreement in multiple originals to be effective on the Effective Date.

HALLIBURTON COMPANY

By: /s/ Lawrence Pope

Name: Lawrence Pope

Title: EVP Admin and CHRO

EMPLOYEE

/s/ Eric J. Carre

Name: Eric J. Carre

EXECUTIVE AGREEMENT

This Executive Agreement ("***Agreement***") is entered into by and between Lawrence J. Pope ("***Employee***") and Halliburton Company, for and on behalf of itself, its subsidiaries, and its affiliated companies (collectively, "***Employer***" or "***Company***"), as of December 6, 2017 (the "***Effective Date***").

RECITALS

WHEREAS, Employer desires to continue to employ Employee pursuant to the terms and conditions and for the consideration set forth in this Agreement, and Employee desires to be employed by Employer pursuant to such terms and conditions and for such consideration.

NOW THEREFORE, for and in consideration of the mutual promises, covenants, and obligations contained herein, Employer and Employee agree as follows:

ARTICLE 1: EMPLOYMENT AND DUTIES:

1.1 Employer agrees to employ Employee, and Employee agrees to be employed by Employer, as of the Effective Date and continuing until the date of termination of Employee's employment pursuant to the provisions of Article 3, subject to the terms and conditions of this Agreement.

1.2 As of the Effective Date, Employee will be employed as Executive Vice President, Administration and Chief Human Resources Officer. Employee agrees to serve in the assigned position and to perform diligently and to the best of Employee's abilities the duties and services relating to such position as reasonably determined by Employer, as well as such additional or different duties and services appropriate to such positions which Employee from time to time may be reasonably directed to perform by Employer.

1.3 Employee shall at all times comply with and be subject to such policies and procedures as Employer may establish from time to time, including, without limitation, the Halliburton Company Code of Business Conduct (the "***Code of Business Conduct***"), Company Policy 3-90020, "Director and Executive Compensation Administration" (with respect to the prohibition of discretionary payments in certain situations), Company Policy 3-90040, "Recoupment of Incentive Compensation", and Company Policy 3-90050, "Termination of Officers Who Participate in Violations or Disregard Supervisory Responsibilities", all of which have been made available to Employee and are available under "COBC" or "Policies" as posted on Halworld located at *http://halworld.corp.halliburton.com*, as well as Section 36(a) of the Halliburton Company By-Laws (with respect to the limitations on the advancement of legal expenses), a copy of which has been made available to Employee. By signing this Agreement, Employee hereby represents and warrants that he has read, understood and agrees to the terms and conditions contained in such Code of Business Conduct, policies, and By-Laws.

1.4 Employee shall, during the period of Employee's employment by Employer, devote Employee's full business time, energy, and best efforts to the business and affairs of Employer. Employee may not engage, directly or indirectly, in any other business, investment, or activity that interferes with Employee's performance of Employee's duties hereunder, is contrary to the interest of Employer or any of its affiliated companies (collectively, the "***Halliburton Entities***" or, individually, a "***Halliburton Entity***"), or requires any significant portion of Employee's business time. The foregoing notwithstanding, the parties recognize and agree that Employee may engage in passive personal investments and other business activities which do not conflict with the business and affairs of the Halliburton Entities or interfere with Employee's performance of his duties hereunder. Employee may not serve on the board of directors of any entity other than a Halliburton Entity while employed by Employer without the approval thereof in accordance with

Employer's policies and procedures regarding such service. Employee shall be permitted to retain any compensation received for approved service on any unaffiliated corporation's board of directors to the extent permitted under a Halliburton Entity's policies and procedures.

1.5 Employee acknowledges and agrees that Employee owes a fiduciary duty of loyalty, fidelity and allegiance to act at all times in the best interests of the Employer and the other Halliburton Entities and to do no act which would, directly or indirectly, injure any such entity's business, interests, or reputation. It is agreed that any direct or indirect interest in, connection with, or benefit from any outside activities, particularly commercial activities, which interest might in any way adversely affect Employer, or any Halliburton Entity, involves a possible conflict of interest. In keeping with Employee's fiduciary duties to Employer, Employee agrees that Employee shall not knowingly become involved in a conflict of interest with Employer or the Halliburton Entities, or upon discovery thereof, allow such a conflict to continue. Moreover, Employee shall not engage in any activity that might involve a possible conflict of interest without first obtaining approval in accordance with the applicable Halliburton Entity's policies and procedures.

1.6 Nothing contained herein shall be construed to preclude the transfer of Employee's employment to another Halliburton Entity ("***Subsequent Employer***") as of, or at any time after, the Effective Date and no such transfer shall be deemed to be a termination of employment for purposes of Article 3 hereof; provided, however, that, effective with such transfer, all of Employer's obligations hereunder shall be assumed by and be binding upon, and all of Employer's rights hereunder shall be assigned to, such Subsequent Employer and the defined term "Employer" as used herein shall thereafter be deemed amended to mean such Subsequent Employer. Except as otherwise provided above, all of the terms and conditions of this Agreement, including without limitation, Employee's rights and obligations, shall remain in full force and effect following such transfer of employment.

ARTICLE 2: COMPENSATION AND BENEFITS:

2.1 Employee's base salary as of January 1, 2018 will be $675,000 and shall be paid in accordance with the Employer's standard payroll practice for its executives. Employee's base salary may be increased from time to time at the discretion of the Board of Directors, its Compensation Committee (the "***Compensation Committee***"), or its delegate, as applicable. Such increased base salary shall become the minimum base salary under this agreement and may not be decreased thereafter without the written consent of Employee, unless comparable reductions in salary are effective for all similarly situated executives of Employer.

2.2 Employee shall be eligible to participate in the Annual Performance Pay Plan and the Performance Unit Program, or any successor incentive plans approved by the Compensation Committee; provided, however, that all determinations relating to Employee's participation, including, without limitation, those relating to the performance goals applicable to Employee and Employee's level of participation and payout opportunity, shall be made in the sole discretion of the person or committee to whom such authority has been granted pursuant to such plan's terms.

2.3 Employer shall pay or reimburse Employee for all actual, reasonable and customary expenses incurred by Employee in the course of his employment; including, but not limited to, travel, entertainment, subscriptions and dues associated with Employee's membership in professional, business and civic organizations; provided that such expenses are incurred and accounted for in accordance with Employer's applicable policies and procedures. Any reimbursement provided hereunder during one calendar year shall not affect the amount or availability of reimbursements in another calendar year. Any reimbursement provided hereunder shall be paid no later than the earlier of (i) the time prescribed under Employer's applicable policies and procedures, or (ii) the last day of the calendar year following the calendar year in which Employee incurred the reimbursable expense.

2.4 Employee shall be allowed to participate, on the same basis generally as other executive employees of Employer, in all general employee benefit plans and programs, including improvements or modifications of the same, which on the Effective Date or thereafter are made available by Employer to all or substantially all of Employer's similarly situated executive employees. Such benefits, plans, and programs may include, without limitation, medical, health, and dental care, life insurance, disability protection, and qualified and non-qualified retirement plans. Except as specifically provided herein, nothing in this Agreement is to be construed or interpreted to increase or alter in any way the rights, participation, coverage, or benefits under such benefit plans or programs. While employed by Employer, Employee shall be eligible to receive awards under the Halliburton Company Stock and Incentive Plan ("***SIP***") or any successor stock-related plan adopted by the Board of Directors. Employee's participation in and benefits under such plans or programs may not be decreased without the approval of the Board of Directors, its Compensation Committee or its delegate, as applicable.

2.5 As soon as practicable following the Effective Date, subject to the terms and conditions of the SIP and the applicable award agreements, Employee shall be awarded
(i) Halliburton Company restricted stock with a grant date value of $884,358 to vest 20% annually over a five (5) year period, and (ii) nonqualified stock options to purchase shares of Halliburton Company common stock with a grant date value of $378,672 that vest 33 1/3% annually over a three (3) year period, in each case beginning with the grant date of the award. Employee agrees that all awards of Halliburton Company restricted stock, restricted stock units and/or nonqualified stock options shall be subject to the other terms and conditions of the SIP as contained in the applicable award agreement. Employee also agrees that the foregoing shall not be construed as a guarantee with respect to the type, amount or frequency of future awards, if any, such decisions being solely within the discretion of the Compensation Committee, or its delegate, as applicable.

2.6 Employer shall not, by reason of this Article 2, be obligated to institute, maintain, or refrain from changing, amending or discontinuing, any incentive compensation, employee benefit or stock or stock option program or plan, so long as such actions are similarly applicable to covered employees generally.

2.7 Employer may withhold from any compensation, benefits, or amounts payable under this Agreement all federal, state, city, or other taxes as may be required pursuant to any law or governmental regulation or ruling.

ARTICLE 3: TERMINATION OF EMPLOYMENT AND EFFECTS OF SUCH TERMINATION:

3.1 Employee's employment with Employer shall be considered an "at-will" relationship and shall be terminated (i) upon the Death (as defined below) of Employee, (ii) upon Employee's Retirement (as defined below), (iii) upon Employee's Early Retirement (as defined below), (iv) upon Employee's Permanent Disability (as defined below), (v) for Cause (as defined below), (vi) upon Participation in a Significant Violation or Failure to Supervise (as defined below), (vii) upon Employee's termination of employment for Good Reason (as defined below), or (viii) at any time by Employer upon written notice to Employee, or by Employee upon thirty (30) calendar days' written notice to Employer, for any or no reason.

3.2 Employee's entitlement to receive the benefits set forth in Section 3.4 is contingent on the reason or cause of the termination of Employee's employment. Types of termination events and the definitions of those events used in this Agreement are as follows:

(i) Death. "***Death***" shall mean Employee's death.

(ii) Retirement. "***Retirement***" shall mean Employee's retirement at or after normal retirement age (either voluntarily or pursuant to the applicable Halliburton Entity's retirement policy).

(iii) Early Retirement. "***Early Retirement***" shall mean the voluntary termination of Employee's employment by Employee in accordance with Employer's early retirement policy for other than Good Reason (as defined below).

(iv) Permanent Disability. "***Permanent Disability***" shall mean Employee's physical or mental incapacity to perform his usual duties with such condition likely to remain continuously and permanently as reasonably determined by a qualified physician selected by Employer.

(v) Good Reason. "***Good Reason***" shall mean a termination of employment by Employee because of a material breach by Employer of any material provision of this Agreement, provided that (i) Employee provides written notice to Employer, as provided in Section 6.2 hereof, of the circumstances Employee claims constitute "Good Reason" within ninety (90) calendar days of the first to occur of such circumstances, (ii) such breach remains uncorrected for thirty (30) calendar days following written notice, and (iii) Employee's termination occurs within one hundred eighty (180) calendar days after the date that the circumstances Employee claims constitute "Good Reason" first occurred.

(vi) Cause. "***Cause***" shall mean any of the following: (a) Employee's gross negligence or willful misconduct in the performance of the duties and services required of Employee pursuant to this Agreement; (b) Employee's final conviction of a felony; (c) a material violation of the Code of Business Conduct; or (d) Employee's material breach of any material provision of this Agreement which remains uncorrected for thirty (30) calendar days following written notice of such breach to Employee by Employer. Determination as to whether or not Cause exists for termination of Employee's employment will be made by the Compensation Committee, or its delegate, acting in good faith.

(vii) Participation in a Significant Violation or Failure to Supervise. "***Participation in a Significant Violation or Failure to Supervise***" shall mean termination of Employee's employment by Employer following a determination, in accordance with the procedures set out in Company Policy 3-90050, that (a) in connection with the performance of Employee's duties as an officer, Employee Participated in a Significant Violation or both (A) had direct supervisory responsibility over an employee who Participated in such a violation and (B) Recklessly disregarded Employee's own supervisory responsibilities, and (b) Employee's conduct warrants termination.

3.3 Except as provided in Section 3.4, upon Employee's termination, all future compensation to which Employee is otherwise entitled and all future benefits for which Employee is eligible shall cease and terminate as of the date of termination. Employee shall be entitled to pro rata base salary through the date of such termination, payment for any properly documented but unreimbursed business expenses, and, except as may be prohibited by Company policy, any individual annual incentive compensation not yet paid but earned and payable under Employer's plans for the year prior to the year of Employee's termination of employment, but shall not be entitled to any annual incentive compensation for the year in which he terminates employment or any other payments or benefits by or on behalf of Employer, except for those which may be payable pursuant to the terms of Employer's or Halliburton Entity's employee benefit plans (as defined in Section 3.5(b)), stock, stock option or incentive plans, or the applicable agreements underlying such plans.

3.4 (a) (i) If Employee’s employment is terminated (x) by reason of Employee’s Death, Retirement, or Permanent Disability, (y) by Employee for Good Reason, or (z) by Employer for any reason other than for Cause or Participation in a Significant Violation or Failure to Supervise, and (ii) in all cases, Employee is in compliance with Employee’s obligations under this Agreement, Employer shall cause the forfeiture restrictions with respect to any restricted shares of Employer’s common stock or restricted stock units which were granted to Employee under the SIP to lapse and such shares, net of any shares withheld for taxes, shall become fully vested and outstanding restricted stock units shall be settled upon termination of employment, subject to the restrictions of Section 6.9.

(b) If Employee's employment is terminated (i) by Employee for Good Reason or (ii) by Employer for any reason other than for Cause or Participation in a Significant Violation or Failure to Supervise, Employee shall, subject to the provisions of Section 3.5, be entitled to a single lump sum cash payment equal to two (2) years of Employee's base salary as in effect at the date of the termination of Employee’s employment. Such amount shall be paid as soon as administratively practicable, but no later than the sixtieth (60^{th}) calendar day following the termination of Employee’s employment.

(c) Should Employee breach any of the agreements and covenants in this Agreement, any amounts provided for in Section 3.4 remaining unpaid will be forfeited; provided, that forfeiture shall not be the exclusive remedy for any breach, and the Company shall be entitled to seek and obtain any additional remedy at law or equity, including without limitation actual damages, caused by any breach.

(d) Notwithstanding the above, the vesting or settlement of any outstanding equity-based awards and cash payment provided for in this Section 3.4 shall be subject to the provisions of Company Policy 3-90010, “Future Severance Agreements”.

3.5 (a) The benefits paid to Employee pursuant to Section 3.4 shall be in consideration of Employee’s continuing obligations hereunder after such termination, including, without limitation, Employee’s obligations under Articles 4 and 5. Further, as a condition to the receipt of such benefits, Employee shall first execute a release, in the form established by Employer, releasing Employer and all other Halliburton Entities, and their officers, directors, employees, and agents, from any and all claims and from any and all causes of action of any kind or character, including, but not limited to, all claims and causes of action arising out of Employee’s employment with Employer and any other Halliburton Entities or the termination of such employment. The release must be executed by Employee within twenty-one (21) days from Employee’s termination of employment. The performance of Employer’s obligations under Section 3.4 and the receipt of the benefits provided thereunder by Employee shall constitute full settlement of all such claims and causes of action. Such release shall also include the restrictions contained in Sections 3.6, 3.7, and 3.8, and in Article 5. Employee shall not be under any duty or obligation to seek or accept other employment following a termination of employment pursuant to which a benefit payment under Section 3.4 is owing and the amounts due Employee pursuant to Section 3.4 shall not be reduced or suspended if Employee accepts subsequent employment or earns any amounts as a self-employed individual. Employee’s rights under Section 3.4 are Employee’s sole and exclusive rights against the Employer or its affiliates and the Employer’s sole and exclusive liability to Employee under this Agreement, in contract, tort, under statute or otherwise, for the termination of his employment relationship with Employer.

(b) Employee agrees that all disputes relating to Employee’s termination of employment, including, without limitation, any dispute as to the occurrence of the events listed in Section 3.2, and any claims or demands against Employer based upon Employee’s employment for any monies other than those specified in Section 3.4, shall be resolved through the Halliburton Company Dispute Resolution Plan (“***Dispute Resolution Plan***”) as provided in Section 6.6 hereof; provided, however, that decisions as to whether any of the events listed in Section 3.2 have occurred, will be made by the Board of Directors, the

Compensation Committee, or its delegate, as required under the applicable Company policy, and in any dispute by Employee with any such determination, the arbitrator's decision shall be limited to whether the Board of Directors, the Compensation Committee, or its delegate, reached such decision in good faith. Nothing contained in this Article 3 shall be construed to be a waiver by Employee of any benefits accrued for or due Employee under any employee benefit plan (as such term is defined in the Employee Retirement Income Security Act of 1974, as amended) maintained by Employer, except that Employee shall not be entitled to any severance benefits pursuant to any severance plan or program of the Employer.

3.6 In consideration of the access to "***Confidential Information***" as defined in Article 4 and the other consideration provided herein, Employee agrees that, for a period of two (2) years following termination of employment, the Employee shall not, anywhere in the world, directly or indirectly, either (a) solicit, encourage, or induce to terminate or reduce its business with Employer, or (b) provide any products and/or services that compete directly with products and/or services provided, marketed, and/or under development by Employer at any time during the two (2) years preceding the termination of Employee's employment, in both cases, to any person or entity who paid or engaged Employer for products and/or services, or who received the benefit of Employer's products and/or services, or with whom the Employee had any substantial dealings while Employee was employed by Employer, during the two (2) years preceding the Employee's termination of employment with Employer.

3.7 In consideration of the access to Confidential Information and the other consideration provided herein, Employee further agrees that Employee will not, during the two (2) years period following termination of employment, solicit, directly or indirectly, or cause or permit others to solicit, directly or indirectly, any person (i) formerly employed by Employer during the six (6) month period immediately preceding or following Employee's termination of employment ("***Former Employee***") or (ii) employed by Employer ("***Current Employee***"). The term "***solicit***" includes, but is not limited to, the following (regardless of whether done directly or indirectly): (a) requesting that a Former or Current Employee change employment; (b) informing a Former or Current Employee that an opening exists elsewhere; (c) assisting a Former or Current Employee in finding employment elsewhere; (d) inquiring if a Former or Current Employee "knows of anyone who might be interested" in a position elsewhere; (e) inquiring if a Former or Current Employee might have an interest in employment elsewhere; (f) informing others of the name or status of, or other information about, a Former or Current Employee; or (g) any other similar conduct, the intended or actual effect of which is that a Former Employee affiliates with another employer or a Current Employee leaves the employment of Employer.

3.8 (a) In consideration of the access to Confidential Information and the other consideration provided herein, and so as to enforce the confidentiality obligations contained in Article 4, the Employee specifically agrees that, for a period of two (2) years following termination of employment, except as permitted by Section 3.8(b) below, Employee will not engage, directly or indirectly, either as proprietor, stockholder, partner, director, officer, member, employee, consultant, or otherwise, (i) in any existing or future business or in any existing or future division or unit of a commercially diverse business enterprise, anywhere in the world that is owned in whole or in part or effectively controlled by any of the following companies: Baker Hughes, a GE company, BJ Services, Black Mountain Oil and Gas, C&J Energy Services, Calfrac Well Services Ltd., Expro International Group, Plc., Exterrna Holding Inc, FTS International, General Electric, Keane Group, Liberty, Nabors Industries Ltd, National Oilwell Varco, Inc., Noble Corporation, OneStim (the proposed Schlumberger/Weatherford joint venture), Patterson-UTI Energy, Inc., ProPetro Services, Inc., RockPile Energy Services, RPC, Inc (Cudd Energy Services), Schlumberger Ltd, Superior Energy Services, Inc., Tidewater Inc, Trican, Transocean Ltd., U.S. Well Services, Weatherford International Ltd. or any of their respective successors; or (ii) in any existing or future business operating in North America or in any of the ten countries outside of North America that produced the highest revenues for the Employer in the year preceding Employee's termination of employment that offers, sells, or provides equipment, products or services that compete with Employer's equipment, products or services.

(b) The above Section 3.8(a) notwithstanding, nothing in this Section 3.8 shall prohibit Employee and his affiliates from owning, as passive investors, in the aggregate not more than five percent of equity securities of any of the companies listed in such Section 3.8(a).

3.9 Termination of the employment relationship, regardless of reason or circumstances, does not terminate those obligations imposed by this Agreement which are continuing obligations, including, without limitation, Employee's obligations under Sections 3.6, 3.7, and 3.8 and Articles 4 and 5.

ARTICLE 4: OWNERSHIP AND PROTECTION OF INTELLECTUAL PROPERTY AND CONFIDENTIAL INFORMATION:

4.1 All information, ideas, concepts, improvements, discoveries, works of authorship, and inventions, whether patentable or copyrightable or not, which are conceived, reduced to practice, authored, made, developed or acquired by Employee, individually or in conjunction with others, in the scope of Employee's employment by Employer or any of its affiliates, and/or during the term of Employee's employment (whether during business hours or otherwise and whether on Employer's premises or otherwise) which relate to the business, products or services of Employer or its affiliates (including, without limitation, all such information relating to any corporate opportunities, research, financial and sales data, pricing and trading terms, evaluations, opinions, interpretations, acquisition prospects, the identity of customers or their requirements, the identity of key contacts within the customer's organizations or within the organization of acquisition prospects, or marketing and merchandising techniques, prospective names, and marks), and all documents, things, writings and items of any type or in any media embodying any of the foregoing (collectively, "***Developments***"), and any and all proprietary rights of any kind thereto, including without limitation all rights relating to patents, copyrights, trade secrets, and trademarks, shall be the sole and exclusive property of Employer or its affiliates, as the case may be. Employee hereby assigns to Employer any and all rights Employee might otherwise have in and to any such Developments, and any and all proprietary rights of any kind thereto, including without limitation all rights relating to patents, copyrights, trade secrets, and trademarks. Employee acknowledges that the assignment of Employee's entire right, title and interest in and to any and all such Developments to Employer is deemed effective upon the earliest of the conception, development, first reduction to practice, or creation of the Development by Employee. Employee agrees, without further consideration and upon request by Employer, to assist and cooperate with Employer by executing any and all documents, and by performing any and all lawful acts, necessary to document the assignment to Employer (or Employer's designee) of Employee's right, title and interest in and to any and all such Developments and to assist Employer (or Employer's designee) in perfecting such rights.

4.2 In connection with its employment of Employee, Employer shall provide to Employee such Confidential Information of Employer as is reasonably necessary for Employee to perform Employee's obligations hereunder. Employee agrees that "***Confidential Information***" as used herein shall include, without limitation, Employer's trade secrets, confidential and/or proprietary information, and all other information and data that is not generally known to third persons who could derive economic value from its use or disclosure, including, but not limited to, Employer's strategies, methods, products, software, books, records, data and technical information concerning its products, equipment, services, and processes, procurement procedures and pricing techniques, and the names of and other information (such as credit and financial data) concerning its vendors, customers and business affiliates. Employee agrees that such Confidential Information constitutes valuable, special, and unique assets which Employer or its affiliates use in their business to obtain a competitive advantage over their competitors. Employee further agrees that protection of such Confidential Information against unauthorized disclosure and use is of critical importance to Employer and its affiliates in maintaining their competitive position. Employee shall not, at any time during or after the term of employment, use, publish, disclose, claim ownership of, communicate, divulge or send to others, access, or take, any Confidential Information of Employer or its affiliates, including Employer's vendors, consultants, joint ventures, or customers, except to the extent needed to carry out Employee's obligations hereunder, or as otherwise authorized in writing by Employer. Employee also agrees that Employee will not upload or cause to be uploaded to any online electronic data storage site (e.g., "cloud" storage sites) any Confidential Information. Employee acknowledges and agrees that any unauthorized use or disclosure of such Confidential Information would cause irreparable harm to Employer. Confidential Information shall not include information in the public domain (but only if the same becomes part of the public domain through a means other than a use or disclosure prohibited hereunder). The above notwithstanding, a disclosure shall not be unauthorized to the extent (i) it is required by law or by a court of competent jurisdiction or (ii) it is required in connection with any judicial, arbitration, dispute resolution or other legal proceeding in which Employee's legal rights and obligations as an employee or under this Agreement are at issue; provided, however, that Employee shall, to the extent practicable and lawful in any such event, give prior notice to Employer of Employee's intent to disclose any such confidential business information in such context so as to allow Employer or its affiliates an opportunity (which Employee will not oppose) to obtain such protective orders or similar relief with respect thereto as may be deemed appropriate, and that Employee shall limit any such disclosure to that required by the foregoing circumstances.

4.3 All written and electronic materials, records, and other documents and information made by, or coming into the possession of, Employee during the term of Employee's employment that contain or disclose any Confidential Information of Employer or its affiliates, and any and all proprietary rights of any kind thereto, including without limitation all rights relating to patents, copyrights, trade secrets, and trademarks, shall be and remain the sole and exclusive property of Employer, or its affiliates, as the case may be. Upon termination of Employee's employment, Employee promptly shall deliver the same, and all copies thereof, to Employer.

4.4 If, in the performance of Employee's duties for Employer, it is necessary to temporarily remove documents or information from Employer's premises, Employee will remove only such documents or information as necessary to perform such duties and will immediately return such documents or information to Employer's premises upon completion of such duties and at any time upon request. Employee further agrees not to commingle such documents or information with Employee's personal records and documents. Employee agrees to maintain any back-up copies of documents or information at Employer's premises and not to maintain any back-up copies away from Employer's premises. All documents or information (including computer records, facsimile and e-mail) and materials created, received or transmitted in connection with Employee's work or using Employer facilities are presumptively Employer's property and subject to inspection by Employer at any time. Any computer media (e.g., disks, tapes, external thumb drives, flash drives, external hard drives, DVDs or CDs), personally owned computers of Employee (including the contents of such computer's hard drive) and data storage accounts on which any Employer documents or information has been stored may also be reviewed by Employer to determine if they contain any Confidential Information.

4.5 Pursuant to the Defend Trade Secrets Act of 2016, Employee acknowledges that an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

4.6 For purposes of this Article 4, "***affiliates***" shall mean entities in which Employer has a 20% or more direct or indirect equity interest.

ARTICLE 5: POST-EMPLOYMENT COVENANTS

5.1 In consideration of the access to the Confidential Information provided by Employer, the payment made under Sections 2.5 and 3.4 and the other consideration provided herein, and to protect Employer's Confidential Information, and the goodwill, customer and employee base, and contractual relationships of Employer, Employee agrees to the provisions of Sections 5.2, 5.3 and 5.4.

5.2 Employee agrees that, for a period of two (2) years following termination of employment, Employee shall not, anywhere in the world, directly or indirectly, either (a) solicit, encourage, or induce to terminate or reduce its business with Employer, or (b) provide any products and/or services that compete directly with products and/or services provided, marketed, and/or under development by Employer at any time during the two (2) years preceding the termination of Employee's employment, in both cases, to any person or entity who paid or engaged Employer for products and/or services, or who received the benefit of Employer's products and/or services, or with whom the Employee had any substantial dealings while Employee was employed by Employer, during the two (2) years preceding the Employee's termination of employment with Employer.

5.3 Employee further agrees that, for a period of two (2) years following termination of employment, Employee shall not, anywhere in the world, solicit, directly or indirectly, or cause or permit others to solicit, directly or indirectly, any Former or Current Employee. The term "***solicit***" as used in this Section 5.3 shall have the same meaning provided for such term in Section 3.7 above.

5.4 Employee further agrees that, for a period of two (2) years following termination of employment, Employee shall not engage, directly or indirectly, either as proprietor, stockholder, partner, director, officer, member, employee, consultant, or otherwise, (i) in any existing or future business, or in any existing or future division or unit of a commercially diverse business enterprise, anywhere in the world, that is owned in whole or in part or effectively controlled by any of the companies listed or described in Section 3.8(a) above; or (ii) in any existing or future business operating in North America or in any of the ten countries outside of North America that produced the highest revenues for the Employer in the year proceeding Employee's termination of employment that offers, sells, or provides equipment, products or services that compete with Employer's equipment, products or services, except as permitted by Section 3.8(b) above.

5.5 Employee agrees that (a) the covenants contained in this Agreement are necessary for the protection of Employer's business, goodwill, customer and employee relationships and Confidential Information, and (b) the compensation and other consideration received by Employee, including access to Confidential Information, are based on the parties' agreement to such covenants. Employee represents and warrants that the time, scope of activity and geographic area restricted by Sections 3.6, 3.7, 3.8, 5.2, 5.3, and 5.4 are reasonable, especially in view of the worldwide scope of the business operations of Employer, Employee's position and responsibilities with Employer, and the nature of the Confidential Information, that the enforcement of those restrictions contained in Sections 3.6, 3.7, 3.8, 5.2, 5.3, and 5.4 would not be unduly burdensome to or impose any undue hardship on Employee, and that Employee will be able to earn a reasonable living while abiding by such covenants. Employee agrees that the restraints and provisions of Sections 3.6, 3.7, 3.8, 5.2, 5.3, and 5.4 are no greater than necessary, and are as narrowly drafted as reasonably possible, to protect the legitimate interests of Employer, including the Confidential Information and trade secrets of Employer. Employee irrevocably waives all defenses to the strict enforcement of the covenants contained in Sections 3.6, 3.7, 3.8, 5.2, 5.3, and 5.4, and agrees that the breach or violation, or threat thereof, of the obligations and covenants set forth in any of such Sections shall entitle Employer, as a matter of right, to an

injunction without the requirement of a bond, restraining any further or continued breach or violation of said obligations and covenants. The parties agree and acknowledge that the nature of Employer's business, including the locations of its projects, vendors, customers, and potential customers, is global in nature. Accordingly, the parties expressly agree that the foregoing restrictions on Employee need to be global in territorial scope to adequately protect Employer's business, goodwill, customer and employee relationships and Confidential Information, and that such global territorial restriction is reasonable in view of Employer's business, Employee's position and responsibilities with Employer, and Employee's access to the Confidential Information of Employer. If the scope of any restriction contained in Sections 3.6, 3.7, 3.8, 5.2, 5.3, and 5.4 is deemed by a court or arbitrator to be broader than reasonable, which the parties agree should not be the case, then such restriction shall be enforced to the maximum extent permitted by law, and Employee and Employer hereby agree that such scope may be modified accordingly in any proceeding brought to enforce such restriction.

5.6 The provisions of Sections 3.6, 3.7, 3.8, 5.2, 5.3, and 5.4 are, and shall be construed as, independent covenants, and no claimed or actual breach of any contractual or legal duty by Employer shall excuse or terminate Employee's obligations under this Agreement or preclude Employer from obtaining injunctive relief for Employee's violation, or threatened violation, of any of those provisions. The restrictive periods set forth in this Agreement shall not expire, and shall be tolled, during any period in which Employee is in violation of this Agreement.

5.7 Employee agrees that he shall not make, directly or indirectly, whether in writing, orally or electronically, any negative, derogatory or other comment that could reasonably be expected to be detrimental to the Halliburton Entities, their business or operations or any of their current or former employees, officers or directors. Employee consents to Employer showing this Agreement to any third party believed by Employer to be a prospective or actual employer of Employee, and to insisting on Employee's compliance with the terms of this Agreement. Notwithstanding the foregoing, nothing in this Agreement, including the non-disclosure provisions above, limits Employee's ability to communicate with the Securities and Exchange Commission (or any other governmental agency) regarding any possible violations of law, to otherwise participate in any investigation or proceeding that may be conducted by a governmental agency (including providing documents or other information without notice to Employer), or to receive any award for information provided to a governmental agency.

ARTICLE 6: MISCELLANEOUS:

6.1 Except as otherwise provided in Section 4.5 hereof, for purposes of this Agreement, the terms "***affiliate***" or "***affiliated***" means an entity who directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with a Halliburton Entity or in which a Halliburton Entity has a 50% or more equity interest.

6.2 For purposes of this Agreement, notices and all other communications provided for herein shall be in writing and shall be deemed to have been duly given when received by or tendered to Employee or Employer, as applicable, by pre-paid courier or by United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Employer, to Halliburton Company at 3000 North Sam Houston Parkway East, Houston, Texas 77032, to the attention of the General Counsel, or to such other address as Employee shall receive notice thereof.

If to Employee, to his last known personal residence.

6.3 This Agreement shall be governed by and construed and enforced in all respects in accordance with the law of the State of Texas, without regard to principles of conflicts of law, unless preempted by federal law, in which case federal law shall govern; provided, however, that the Dispute Resolution Plan and the Federal Arbitration Act shall govern in all respects with regard to the resolution of disputes hereunder. Employee and Employer further agree that any lawsuit, arbitration, or other proceeding arising out of or related in any way to this Agreement or their relationship shall be commenced and maintained only in the federal or state courts or before an arbitrator in Harris County, Texas, and each party waives any current or future objection to such venue and hereby further agrees to submit to the jurisdiction of any duly authorized court or arbitrator in Harris County, Texas with respect to any such proceeding.

6.4 No failure by either party hereto at any time to give notice of any breach by the other party of, or to require compliance with, any condition or provision of this Agreement shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

6.5 It is a desire and intent of the parties that the terms, provisions, covenants, and remedies contained in this Agreement shall be enforceable to the fullest extent permitted by law. If any such term, provision, covenant, or remedy of this Agreement or the application thereof to any person, association, or entity or circumstances shall, to any extent, be construed to be invalid or unenforceable in whole or in part, then such term, provision, covenant, or remedy shall be construed in a manner so as to permit its enforceability under the applicable law to the fullest extent permitted by law. In any case, the remaining provisions of this Agreement or the application thereof to any person, association, or entity or circumstances other than those to which they have been held invalid or unenforceable, shall remain in full force and effect.

6.6 It is the mutual intention of the parties to have any dispute concerning this Agreement resolved out of court. Accordingly, the parties agree that any such dispute shall, as the sole and exclusive forum, be submitted for resolution through the Dispute Resolution Plan; provided, however, that the Employer, on its own behalf and on behalf of any of the Halliburton Entities, shall be entitled to seek a restraining order or injunction in any court of competent jurisdiction to prevent any breach or the continuation of any breach of the provisions of Sections 3.6, 3.7, and 3.8, and Articles 4 and 5 pending initiation or completion of proceedings under the Dispute Resolution Plan. Employee hereby consents that such restraining order or injunction may be granted without the necessity of the Employer posting any bond. The parties agree that the resolution of any such dispute through such plan shall be final and binding. A copy of the Dispute Resolution Plan, as currently in effect, has been made available to Employee and is available on Halworld under "DRP" located at *http://halworld.corp.halliburton.com*. Halliburton Company reserves the right to amend, or discontinue such plan, in accordance with, and subject to, the plan's provisions regarding same. By signing this Agreement, Employee hereby represents and warrants that he has read, understood and agrees to the terms and conditions contained in such Dispute Resolution Plan. **THE PARTIES ACKNOWLEDGE THAT, BY SIGNING THIS AGREEMENT, THEY ARE KNOWINGLY AND VOLUNTARILY WAIVING ANY RIGHT THAT THEY MAY HAVE TO A JURY TRIAL.**

6.7 This Agreement shall be binding upon and inure to the benefit of Employer, to the extent herein provided, Halliburton Entity and any other person, association, or entity which may hereafter acquire or succeed to all or substantially all of the business or assets of Employer by any means whether direct or indirect, by purchase, merger, consolidation, or otherwise. Employee's rights and obligations under this Agreement are personal and such rights, benefits, and obligations of Employee shall not be voluntarily or involuntarily assigned, alienated, or transferred, whether by operation of law or otherwise, without the prior written consent of Employer, other than in the case of Death or incompetence of Employee.

6.8 This Agreement replaces and merges any previous agreements, understandings and discussions pertaining to the subject matter covered herein and therein, including but not limited to that

certain Employment Agreement by and between Employee and Employer entered into effective as of December 8, 2008. This Agreement constitutes the entire agreement of the parties with regard to the terms of Employee's employment, termination of employment and severance benefits, and contains all of the covenants, promises, representations, warranties, and agreements between the parties with respect to such matters. Each party to this Agreement acknowledges that no representation, inducement, promise, or agreement, oral or written, has been made by either party with respect to the foregoing matters which is not embodied herein, and that no agreement, statement, or promise relating to the employment of Employee by Employer that is not contained in this Agreement shall be valid or binding. Any modification of this Agreement will be effective only if it is in writing and signed by each party whose rights hereunder are affected thereby, provided that any such modification must be authorized or approved by the Compensation Committee or its delegate, as appropriate.

6.9 Notwithstanding any provision of the Agreement to the contrary, the following provisions shall apply for purposes of complying with Section 409A of the Internal Revenue Code and applicable Treasury authorities ("***Section 409A***"):

(i) If Employee is a "***specified employee***," as such term is defined in Section 409A, any payments or benefits that are deferred compensation under Section 409A and are payable or provided as a result of Employee's termination of employment shall be payable on the date that is the earlier of (a) the date that is six months and one day after Employee's termination, (b) the date of Employee's Death, or (c) the date that otherwise complies with the requirements of Section 409A.

(ii) It is intended that the provisions of this Agreement satisfy the requirements of Section 409A and that the Agreement be operated in a manner consistent with such requirements to the extent applicable. Therefore, the Employer and Employee agree to construe the provisions of the Agreement in accordance with the requirements of Section 409A.

[SIGNATURE PAGE FOLLOWS]

Signature Page to Executive Agreement
By and Between Halliburton Company and
Lawrence J. Pope

IN WITNESS WHEREOF, Employer and Employee have duly executed this Agreement in multiple originals to be effective on the Effective Date.

HALLIBURTON COMPANY

By: /s/ Jeffrey A. Miller

Name: Jeffrey A. Miller

Title: President and CEO

EMPLOYEE

/s/ Lawrence J. Pope

Name: Lawrence J. Pope

EXECUTIVE AGREEMENT

This Executive Agreement ("***Agreement***") is entered into by and between Robb L. Voyles ("***Employee***") and Halliburton Company, for and on behalf of itself, its subsidiaries, and its affiliated companies (collectively, "***Employer***" or "***Company***"), as of December 6, 2017 (the "***Effective Date***").

RECITALS

WHEREAS, Employer desires to continue to employ Employee pursuant to the terms and conditions and for the consideration set forth in this Agreement, and Employee desires to be employed by Employer pursuant to such terms and conditions and for such consideration.

NOW THEREFORE, for and in consideration of the mutual promises, covenants, and obligations contained herein, Employer and Employee agree as follows:

ARTICLE 1: EMPLOYMENT AND DUTIES:

1.1 Employer agrees to employ Employee, and Employee agrees to be employed by Employer, as of the Effective Date and continuing until the date of termination of Employee's employment pursuant to the provisions of Article 3, subject to the terms and conditions of this Agreement.

1.2 As of the Effective Date, Employee will be employed as Executive Vice President, Secretary and General Counsel. Employee agrees to serve in the assigned position and to perform diligently and to the best of Employee's abilities the duties and services relating to such position as reasonably determined by Employer, as well as such additional or different duties and services appropriate to such positions which Employee from time to time may be reasonably directed to perform by Employer.

1.3 Employee shall at all times comply with and be subject to such policies and procedures as Employer may establish from time to time, including, without limitation, the Halliburton Company Code of Business Conduct (the "***Code of Business Conduct***"), Company Policy 3-90020, "Director and Executive Compensation Administration" (with respect to the prohibition of discretionary payments in certain situations), Company Policy 3-90040, "Recoupment of Incentive Compensation", and Company Policy 3-90050, "Termination of Officers Who Participate in Violations or Disregard Supervisory Responsibilities", all of which have been made available to Employee and are available under "COBC" or "Policies" as posted on Halworld located at *http://halworld.corp.halliburton.com*, as well as Section 36(a) of the Halliburton Company By-Laws (with respect to the limitations on the advancement of legal expenses), a copy of which has been made available to Employee. By signing this Agreement, Employee hereby represents and warrants that he has read, understood and agrees to the terms and conditions contained in such Code of Business Conduct, policies, and By-Laws.

1.4 Employee shall, during the period of Employee's employment by Employer, devote Employee's full business time, energy, and best efforts to the business and affairs of Employer. Employee may not engage, directly or indirectly, in any other business, investment, or activity that interferes with Employee's performance of Employee's duties hereunder, is contrary to the interest of Employer or any of its affiliated companies (collectively, the "***Halliburton Entities***" or, individually, a "***Halliburton Entity***"), or requires any significant portion of Employee's business time. The foregoing notwithstanding, the parties recognize and agree that Employee may engage in passive personal investments and other business activities which do not conflict with the business and affairs of the Halliburton Entities or interfere with Employee's performance of his duties hereunder. Employee may not serve on the board of directors of any entity other than a Halliburton Entity while employed by Employer without the approval thereof in accordance with

Employer’s policies and procedures regarding such service. Employee shall be permitted to retain any compensation received for approved service on any unaffiliated corporation’s board of directors to the extent permitted under a Halliburton Entity’s policies and procedures.

1.5 Employee acknowledges and agrees that Employee owes a fiduciary duty of loyalty, fidelity and allegiance to act at all times in the best interests of the Employer and the other Halliburton Entities and to do no act which would, directly or indirectly, injure any such entity’s business, interests, or reputation. It is agreed that any direct or indirect interest in, connection with, or benefit from any outside activities, particularly commercial activities, which interest might in any way adversely affect Employer, or any Halliburton Entity, involves a possible conflict of interest. In keeping with Employee’s fiduciary duties to Employer, Employee agrees that Employee shall not knowingly become involved in a conflict of interest with Employer or the Halliburton Entities, or upon discovery thereof, allow such a conflict to continue. Moreover, Employee shall not engage in any activity that might involve a possible conflict of interest without first obtaining approval in accordance with the applicable Halliburton Entity’s policies and procedures.

1.6 Nothing contained herein shall be construed to preclude the transfer of Employee’s employment to another Halliburton Entity (“***Subsequent Employer***”) as of, or at any time after, the Effective Date and no such transfer shall be deemed to be a termination of employment for purposes of Article 3 hereof; provided, however, that, effective with such transfer, all of Employer’s obligations hereunder shall be assumed by and be binding upon, and all of Employer’s rights hereunder shall be assigned to, such Subsequent Employer and the defined term "Employer" as used herein shall thereafter be deemed amended to mean such Subsequent Employer. Except as otherwise provided above, all of the terms and conditions of this Agreement, including without limitation, Employee’s rights and obligations, shall remain in full force and effect following such transfer of employment.

ARTICLE 2: COMPENSATION AND BENEFITS:

2.1 Employee’s base salary as of January 1, 2018 will be $825,000 and shall be paid in accordance with the Employer’s standard payroll practice for its executives. Employee’s base salary may be increased from time to time at the discretion of the Board of Directors, its Compensation Committee (the “***Compensation Committee***”), or its delegate, as applicable. Such increased base salary shall become the minimum base salary under this agreement and may not be decreased thereafter without the written consent of Employee, unless comparable reductions in salary are effective for all similarly situated executives of Employer.

2.2 Employee shall be eligible to participate in the Annual Performance Pay Plan and the Performance Unit Program, or any successor incentive plans approved by the Compensation Committee; provided, however, that all determinations relating to Employee’s participation, including, without limitation, those relating to the performance goals applicable to Employee and Employee’s level of participation and payout opportunity, shall be made in the sole discretion of the person or committee to whom such authority has been granted pursuant to such plan’s terms.

2.3 Employer shall pay or reimburse Employee for all actual, reasonable and customary expenses incurred by Employee in the course of his employment; including, but not limited to, travel, entertainment, subscriptions and dues associated with Employee’s membership in professional, business and civic organizations; provided that such expenses are incurred and accounted for in accordance with Employer’s applicable policies and procedures. Any reimbursement provided hereunder during one calendar year shall not affect the amount or availability of reimbursements in another calendar year. Any reimbursement provided hereunder shall be paid no later than the earlier of (i) the time prescribed under Employer’s applicable policies and procedures, or (ii) the last day of the calendar year following the calendar year in which Employee incurred the reimbursable expense.

2.4 Employee shall be allowed to participate, on the same basis generally as other executive employees of Employer, in all general employee benefit plans and programs, including improvements or modifications of the same, which on the Effective Date or thereafter are made available by Employer to all or substantially all of Employer's similarly situated executive employees. Such benefits, plans, and programs may include, without limitation, medical, health, and dental care, life insurance, disability protection, and qualified and non-qualified retirement plans. Except as specifically provided herein, nothing in this Agreement is to be construed or interpreted to increase or alter in any way the rights, participation, coverage, or benefits under such benefit plans or programs. While employed by Employer, Employee shall be eligible to receive awards under the Halliburton Company Stock and Incentive Plan ("***SIP***") or any successor stock-related plan adopted by the Board of Directors. Employee's participation in and benefits under such plans or programs may not be decreased without the approval of the Board of Directors, its Compensation Committee or its delegate, as applicable.

2.5 As soon as practicable following the Effective Date, subject to the terms and conditions of the SIP and the applicable award agreements, Employee shall be awarded
(i) Halliburton Company restricted stock with a grant date value of $884,358 to vest 20% annually over a five (5) year period, and (ii) nonqualified stock options to purchase shares of Halliburton Company common stock with a grant date value of $378,672 that vest 33 1/3% annually over a three (3) year period, in each case beginning with the grant date of the award. Employee agrees that all awards of Halliburton Company restricted stock, restricted stock units and/or nonqualified stock options shall be subject to the other terms and conditions of the SIP as contained in the applicable award agreement. Employee also agrees that the foregoing shall not be construed as a guarantee with respect to the type, amount or frequency of future awards, if any, such decisions being solely within the discretion of the Compensation Committee, or its delegate, as applicable.

2.6 Employer shall not, by reason of this Article 2, be obligated to institute, maintain, or refrain from changing, amending or discontinuing, any incentive compensation, employee benefit or stock or stock option program or plan, so long as such actions are similarly applicable to covered employees generally.

2.7 Employer may withhold from any compensation, benefits, or amounts payable under this Agreement all federal, state, city, or other taxes as may be required pursuant to any law or governmental regulation or ruling.

ARTICLE 3: TERMINATION OF EMPLOYMENT AND EFFECTS OF SUCH TERMINATION:

3.1 Employee's employment with Employer shall be considered an "at-will" relationship and shall be terminated (i) upon the Death (as defined below) of Employee, (ii) upon Employee's Retirement (as defined below), (iii) upon Employee's Early Retirement (as defined below), (iv) upon Employee's Permanent Disability (as defined below), (v) for Cause (as defined below), (vi) upon Participation in a Significant Violation or Failure to Supervise (as defined below), (vii) upon Employee's termination of employment for Good Reason (as defined below), or (viii) at any time by Employer upon written notice to Employee, or by Employee upon thirty (30) calendar days' written notice to Employer, for any or no reason.

3.2 Employee's entitlement to receive the benefits set forth in Section 3.4 is contingent on the reason or cause of the termination of Employee's employment. Types of termination events and the definitions of those events used in this Agreement are as follows:

(i) Death. "***Death***" shall mean Employee's death.

(ii) Retirement. "***Retirement***" shall mean Employee's retirement at or after normal retirement age (either voluntarily or pursuant to the applicable Halliburton Entity's retirement policy).

(iii) Early Retirement. "***Early Retirement***" shall mean the voluntary termination of Employee's employment by Employee in accordance with Employer's early retirement policy for other than Good Reason (as defined below).

(iv) Permanent Disability. "***Permanent Disability***" shall mean Employee's physical or mental incapacity to perform his usual duties with such condition likely to remain continuously and permanently as reasonably determined by a qualified physician selected by Employer.

(v) Good Reason. "***Good Reason***" shall mean a termination of employment by Employee because of a material breach by Employer of any material provision of this Agreement, provided that (i) Employee provides written notice to Employer, as provided in Section 6.2 hereof, of the circumstances Employee claims constitute "Good Reason" within ninety (90) calendar days of the first to occur of such circumstances, (ii) such breach remains uncorrected for thirty (30) calendar days following written notice, and (iii) Employee's termination occurs within one hundred eighty (180) calendar days after the date that the circumstances Employee claims constitute "Good Reason" first occurred.

(vi) Cause. "***Cause***" shall mean any of the following: (a) Employee's gross negligence or willful misconduct in the performance of the duties and services required of Employee pursuant to this Agreement; (b) Employee's final conviction of a felony; (c) a material violation of the Code of Business Conduct; or (d) Employee's material breach of any material provision of this Agreement which remains uncorrected for thirty (30) calendar days following written notice of such breach to Employee by Employer. Determination as to whether or not Cause exists for termination of Employee's employment will be made by the Compensation Committee, or its delegate, acting in good faith.

(vii) Participation in a Significant Violation or Failure to Supervise. "***Participation in a Significant Violation or Failure to Supervise***" shall mean termination of Employee's employment by Employer following a determination, in accordance with the procedures set out in Company Policy 3-90050, that (a) in connection with the performance of Employee's duties as an officer, Employee Participated in a Significant Violation or both (A) had direct supervisory responsibility over an employee who Participated in such a violation and (B) Recklessly disregarded Employee's own supervisory responsibilities, and (b) Employee's conduct warrants termination.

3.3 Except as provided in Section 3.4, upon Employee's termination, all future compensation to which Employee is otherwise entitled and all future benefits for which Employee is eligible shall cease and terminate as of the date of termination. Employee shall be entitled to pro rata base salary through the date of such termination, payment for any properly documented but unreimbursed business expenses, and, except as may be prohibited by Company policy, any individual annual incentive compensation not yet paid but earned and payable under Employer's plans for the year prior to the year of Employee's termination of employment, but shall not be entitled to any annual incentive compensation for the year in which he terminates employment or any other payments or benefits by or on behalf of Employer, except for those which may be payable pursuant to the terms of Employer's or Halliburton Entity's employee benefit plans (as defined in Section 3.5(b)), stock, stock option or incentive plans, or the applicable agreements underlying such plans.

3.4 (a) (i) If Employee’s employment is terminated (x) by reason of Employee’s Death, Retirement, or Permanent Disability, (y) by Employee for Good Reason, or (z) by Employer for any reason other than for Cause or Participation in a Significant Violation or Failure to Supervise, and (ii) in all cases, Employee is in compliance with Employee’s obligations under this Agreement, Employer shall cause the forfeiture restrictions with respect to any restricted shares of Employer’s common stock or restricted stock units which were granted to Employee under the SIP to lapse and such shares, net of any shares withheld for taxes, shall become fully vested and outstanding restricted stock units shall be settled upon termination of employment, subject to the restrictions of Section 6.9.

(b) If Employee's employment is terminated (i) by Employee for Good Reason or (ii) by Employer for any reason other than for Cause or Participation in a Significant Violation or Failure to Supervise, Employee shall, subject to the provisions of Section 3.5, be entitled to a single lump sum cash payment equal to two (2) years of Employee's base salary as in effect at the date of the termination of Employee’s employment. Such amount shall be paid as soon as administratively practicable, but no later than the sixtieth (60^{th}) calendar day following the termination of Employee’s employment.

(c) Should Employee breach any of the agreements and covenants in this Agreement, any amounts provided for in Section 3.4 remaining unpaid will be forfeited; provided, that forfeiture shall not be the exclusive remedy for any breach, and the Company shall be entitled to seek and obtain any additional remedy at law or equity, including without limitation actual damages, caused by any breach.

(d) Notwithstanding the above, the vesting or settlement of any outstanding equity-based awards and cash payment provided for in this Section 3.4 shall be subject to the provisions of Company Policy 3-90010, “Future Severance Agreements”.

3.5 (a) The benefits paid to Employee pursuant to Section 3.4 shall be in consideration of Employee’s continuing obligations hereunder after such termination, including, without limitation, Employee’s obligations under Articles 4 and 5. Further, as a condition to the receipt of such benefits, Employee shall first execute a release, in the form established by Employer, releasing Employer and all other Halliburton Entities, and their officers, directors, employees, and agents, from any and all claims and from any and all causes of action of any kind or character, including, but not limited to, all claims and causes of action arising out of Employee’s employment with Employer and any other Halliburton Entities or the termination of such employment. The release must be executed by Employee within twenty-one (21) days from Employee’s termination of employment. The performance of Employer’s obligations under Section 3.4 and the receipt of the benefits provided thereunder by Employee shall constitute full settlement of all such claims and causes of action. Such release shall also include the restrictions contained in Sections 3.6, 3.7, and 3.8, and in Article 5. Employee shall not be under any duty or obligation to seek or accept other employment following a termination of employment pursuant to which a benefit payment under Section 3.4 is owing and the amounts due Employee pursuant to Section 3.4 shall not be reduced or suspended if Employee accepts subsequent employment or earns any amounts as a self-employed individual. Employee’s rights under Section 3.4 are Employee’s sole and exclusive rights against the Employer or its affiliates and the Employer’s sole and exclusive liability to Employee under this Agreement, in contract, tort, under statute or otherwise, for the termination of his employment relationship with Employer.

(b) Employee agrees that all disputes relating to Employee’s termination of employment, including, without limitation, any dispute as to the occurrence of the events listed in Section 3.2, and any claims or demands against Employer based upon Employee’s employment for any monies other than those specified in Section 3.4, shall be resolved through the Halliburton Company Dispute Resolution Plan (“***Dispute Resolution Plan***”) as provided in Section 6.6 hereof; provided, however, that decisions as to whether any of the events listed in Section 3.2 have occurred, will be made by the Board of Directors, the

Compensation Committee, or its delegate, as required under the applicable Company policy, and in any dispute by Employee with any such determination, the arbitrator's decision shall be limited to whether the Board of Directors, the Compensation Committee, or its delegate, reached such decision in good faith. Nothing contained in this Article 3 shall be construed to be a waiver by Employee of any benefits accrued for or due Employee under any employee benefit plan (as such term is defined in the Employee Retirement Income Security Act of 1974, as amended) maintained by Employer, except that Employee shall not be entitled to any severance benefits pursuant to any severance plan or program of the Employer.

3.6 In consideration of the access to "***Confidential Information***" as defined in Article 4 and the other consideration provided herein, Employee agrees that, for a period of two (2) years following termination of employment, the Employee shall not, anywhere in the world, directly or indirectly, either (a) solicit, encourage, or induce to terminate or reduce its business with Employer, or (b) provide any products and/or services that compete directly with products and/or services provided, marketed, and/or under development by Employer at any time during the two (2) years preceding the termination of Employee's employment, in both cases, to any person or entity who paid or engaged Employer for products and/or services, or who received the benefit of Employer's products and/or services, or with whom the Employee had any substantial dealings while Employee was employed by Employer, during the two (2) years preceding the Employee's termination of employment with Employer.

3.7 In consideration of the access to Confidential Information and the other consideration provided herein, Employee further agrees that Employee will not, during the two (2) years period following termination of employment, solicit, directly or indirectly, or cause or permit others to solicit, directly or indirectly, any person (i) formerly employed by Employer during the six (6) month period immediately preceding or following Employee's termination of employment ("***Former Employee***") or (ii) employed by Employer ("***Current Employee***"). The term "***solicit***" includes, but is not limited to, the following (regardless of whether done directly or indirectly): (a) requesting that a Former or Current Employee change employment; (b) informing a Former or Current Employee that an opening exists elsewhere; (c) assisting a Former or Current Employee in finding employment elsewhere; (d) inquiring if a Former or Current Employee "knows of anyone who might be interested" in a position elsewhere; (e) inquiring if a Former or Current Employee might have an interest in employment elsewhere; (f) informing others of the name or status of, or other information about, a Former or Current Employee; or (g) any other similar conduct, the intended or actual effect of which is that a Former Employee affiliates with another employer or a Current Employee leaves the employment of Employer.

3.8 (a) In consideration of the access to Confidential Information and the other consideration provided herein, and so as to enforce the confidentiality obligations contained in Article 4, the Employee specifically agrees that, for a period of two (2) years following termination of employment, except as permitted by Section 3.8(b) below, Employee will not engage, directly or indirectly, either as proprietor, stockholder, partner, director, officer, member, employee, consultant, or otherwise, (i) in any existing or future business or in any existing or future division or unit of a commercially diverse business enterprise, anywhere in the world that is owned in whole or in part or effectively controlled by any of the following companies: Baker Hughes, a GE company, BJ Services, Black Mountain Oil and Gas, C&J Energy Services, Calfrac Well Services Ltd., Expro International Group, Plc., Exterrna Holding Inc, FTS International, General Electric, Keane Group, Liberty, Nabors Industries Ltd, National Oilwell Varco, Inc., Noble Corporation, OneStim (the proposed Schlumberger/Weatherford joint venture), Patterson-UTI Energy, Inc., ProPetro Services, Inc., RockPile Energy Services, RPC, Inc (Cudd Energy Services), Schlumberger Ltd, Superior Energy Services, Inc., Tidewater Inc, Trican, Transocean Ltd., U.S. Well Services, Weatherford International Ltd. or any of their respective successors; or (ii) in any existing or future business operating in North America or in any of the ten countries outside of North America that produced the highest revenues for the Employer in the year preceding Employee's termination of employment that offers, sells, or provides equipment, products or services that compete with Employer's equipment, products or services.

(b) The above Section 3.8(a) notwithstanding, nothing in this Section 3.8 shall prohibit Employee and his affiliates from owning, as passive investors, in the aggregate not more than five percent of equity securities of any of the companies listed in such Section 3.8(a).

3.9 Termination of the employment relationship, regardless of reason or circumstances, does not terminate those obligations imposed by this Agreement which are continuing obligations, including, without limitation, Employee's obligations under Sections 3.6, 3.7, and 3.8 and Articles 4 and 5.

ARTICLE 4: OWNERSHIP AND PROTECTION OF INTELLECTUAL PROPERTY AND CONFIDENTIAL INFORMATION:

4.1 All information, ideas, concepts, improvements, discoveries, works of authorship, and inventions, whether patentable or copyrightable or not, which are conceived, reduced to practice, authored, made, developed or acquired by Employee, individually or in conjunction with others, in the scope of Employee's employment by Employer or any of its affiliates, and/or during the term of Employee's employment (whether during business hours or otherwise and whether on Employer's premises or otherwise) which relate to the business, products or services of Employer or its affiliates (including, without limitation, all such information relating to any corporate opportunities, research, financial and sales data, pricing and trading terms, evaluations, opinions, interpretations, acquisition prospects, the identity of customers or their requirements, the identity of key contacts within the customer's organizations or within the organization of acquisition prospects, or marketing and merchandising techniques, prospective names, and marks), and all documents, things, writings and items of any type or in any media embodying any of the foregoing (collectively, "***Developments***"), and any and all proprietary rights of any kind thereto, including without limitation all rights relating to patents, copyrights, trade secrets, and trademarks, shall be the sole and exclusive property of Employer or its affiliates, as the case may be. Employee hereby assigns to Employer any and all rights Employee might otherwise have in and to any such Developments, and any and all proprietary rights of any kind thereto, including without limitation all rights relating to patents, copyrights, trade secrets, and trademarks. Employee acknowledges that the assignment of Employee's entire right, title and interest in and to any and all such Developments to Employer is deemed effective upon the earliest of the conception, development, first reduction to practice, or creation of the Development by Employee. Employee agrees, without further consideration and upon request by Employer, to assist and cooperate with Employer by executing any and all documents, and by performing any and all lawful acts, necessary to document the assignment to Employer (or Employer's designee) of Employee's right, title and interest in and to any and all such Developments and to assist Employer (or Employer's designee) in perfecting such rights.

4.2 In connection with its employment of Employee, Employer shall provide to Employee such Confidential Information of Employer as is reasonably necessary for Employee to perform Employee's obligations hereunder. Employee agrees that "***Confidential Information***" as used herein shall include, without limitation, Employer's trade secrets, confidential and/or proprietary information, and all other information and data that is not generally known to third persons who could derive economic value from its use or disclosure, including, but not limited to, Employer's strategies, methods, products, software, books, records, data and technical information concerning its products, equipment, services, and processes, procurement procedures and pricing techniques, and the names of and other information (such as credit and financial data) concerning its vendors, customers and business affiliates. Employee agrees that such Confidential Information constitutes valuable, special, and unique assets which Employer or its affiliates use in their business to obtain a competitive advantage over their competitors. Employee further agrees that protection of such Confidential Information against unauthorized disclosure and use is of critical importance to Employer and its affiliates in maintaining their competitive position. Employee shall not, at any time during or after the term of employment, use, publish, disclose, claim ownership of, communicate, divulge or send to others, access, or take, any Confidential Information of Employer or its affiliates, including Employer's vendors, consultants, joint ventures, or customers, except to the extent needed to carry out Employee's obligations hereunder, or as otherwise authorized in writing by Employer. Employee also agrees that Employee will not upload or cause to be uploaded to any online electronic data storage site (e.g., "cloud" storage sites) any Confidential Information. Employee acknowledges and agrees that any unauthorized use or disclosure of such Confidential Information would cause irreparable harm to Employer. Confidential Information shall not include information in the public domain (but only if the same becomes part of the public domain through a means other than a use or disclosure prohibited hereunder). The above notwithstanding, a disclosure shall not be unauthorized to the extent (i) it is required by law or by a court of competent jurisdiction or (ii) it is required in connection with any judicial, arbitration, dispute resolution or other legal proceeding in which Employee's legal rights and obligations as an employee or under this Agreement are at issue; provided, however, that Employee shall, to the extent practicable and lawful in any such event, give prior notice to Employer of Employee's intent to disclose any such confidential business information in such context so as to allow Employer or its affiliates an opportunity (which Employee will not oppose) to obtain such protective orders or similar relief with respect thereto as may be deemed appropriate, and that Employee shall limit any such disclosure to that required by the foregoing circumstances.

4.3 All written and electronic materials, records, and other documents and information made by, or coming into the possession of, Employee during the term of Employee's employment that contain or disclose any Confidential Information of Employer or its affiliates, and any and all proprietary rights of any kind thereto, including without limitation all rights relating to patents, copyrights, trade secrets, and trademarks, shall be and remain the sole and exclusive property of Employer, or its affiliates, as the case may be. Upon termination of Employee's employment, Employee promptly shall deliver the same, and all copies thereof, to Employer.

4.4 If, in the performance of Employee's duties for Employer, it is necessary to temporarily remove documents or information from Employer's premises, Employee will remove only such documents or information as necessary to perform such duties and will immediately return such documents or information to Employer's premises upon completion of such duties and at any time upon request. Employee further agrees not to commingle such documents or information with Employee's personal records and documents. Employee agrees to maintain any back-up copies of documents or information at Employer's premises and not to maintain any back-up copies away from Employer's premises. All documents or information (including computer records, facsimile and e-mail) and materials created, received or transmitted in connection with Employee's work or using Employer facilities are presumptively Employer's property and subject to inspection by Employer at any time. Any computer media (e.g., disks, tapes, external thumb drives, flash drives, external hard drives, DVDs or CDs), personally owned computers of Employee (including the contents of such computer's hard drive) and data storage accounts on which any Employer documents or information has been stored may also be reviewed by Employer to determine if they contain any Confidential Information.

4.5 Pursuant to the Defend Trade Secrets Act of 2016, Employee acknowledges that an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

4.6 For purposes of this Article 4, "***affiliates***" shall mean entities in which Employer has a 20% or more direct or indirect equity interest.

ARTICLE 5: POST-EMPLOYMENT COVENANTS

5.1 In consideration of the access to the Confidential Information provided by Employer, the payment made under Sections 2.5 and 3.4 and the other consideration provided herein, and to protect Employer's Confidential Information, and the goodwill, customer and employee base, and contractual relationships of Employer, Employee agrees to the provisions of Sections 5.2, 5.3 and 5.4.

5.2 Employee agrees that, for a period of two (2) years following termination of employment, Employee shall not, anywhere in the world, directly or indirectly, either (a) solicit, encourage, or induce to terminate or reduce its business with Employer, or (b) provide any products and/or services that compete directly with products and/or services provided, marketed, and/or under development by Employer at any time during the two (2) years preceding the termination of Employee's employment, in both cases, to any person or entity who paid or engaged Employer for products and/or services, or who received the benefit of Employer's products and/or services, or with whom the Employee had any substantial dealings while Employee was employed by Employer, during the two (2) years preceding the Employee's termination of employment with Employer.

5.3 Employee further agrees that, for a period of two (2) years following termination of employment, Employee shall not, anywhere in the world, solicit, directly or indirectly, or cause or permit others to solicit, directly or indirectly, any Former or Current Employee. The term "***solicit***" as used in this Section 5.3 shall have the same meaning provided for such term in Section 3.7 above.

5.4 Employee further agrees that, for a period of two (2) years following termination of employment, Employee shall not engage, directly or indirectly, either as proprietor, stockholder, partner, director, officer, member, employee, consultant, or otherwise, (i) in any existing or future business, or in any existing or future division or unit of a commercially diverse business enterprise, anywhere in the world, that is owned in whole or in part or effectively controlled by any of the companies listed or described in Section 3.8(a) above; or (ii) in any existing or future business operating in North America or in any of the ten countries outside of North America that produced the highest revenues for the Employer in the year proceeding Employee's termination of employment that offers, sells, or provides equipment, products or services that compete with Employer's equipment, products or services, except as permitted by Section 3.8(b) above.

5.5 Employee agrees that (a) the covenants contained in this Agreement are necessary for the protection of Employer's business, goodwill, customer and employee relationships and Confidential Information, and (b) the compensation and other consideration received by Employee, including access to Confidential Information, are based on the parties' agreement to such covenants. Employee represents and warrants that the time, scope of activity and geographic area restricted by Sections 3.6, 3.7, 3.8, 5.2, 5.3, and 5.4 are reasonable, especially in view of the worldwide scope of the business operations of Employer, Employee's position and responsibilities with Employer, and the nature of the Confidential Information, that the enforcement of those restrictions contained in Sections 3.6, 3.7, 3.8, 5.2, 5.3, and 5.4 would not be unduly burdensome to or impose any undue hardship on Employee, and that Employee will be able to earn a reasonable living while abiding by such covenants. Employee agrees that the restraints and provisions of Sections 3.6, 3.7, 3.8, 5.2, 5.3, and 5.4 are no greater than necessary, and are as narrowly drafted as reasonably possible, to protect the legitimate interests of Employer, including the Confidential Information and trade secrets of Employer. Employee irrevocably waives all defenses to the strict enforcement of the covenants contained in Sections 3.6, 3.7, 3.8, 5.2, 5.3, and 5.4, and agrees that the breach or violation, or threat thereof, of the obligations and covenants set forth in any of such Sections shall entitle Employer, as a matter of right, to an

injunction without the requirement of a bond, restraining any further or continued breach or violation of said obligations and covenants. The parties agree and acknowledge that the nature of Employer's business, including the locations of its projects, vendors, customers, and potential customers, is global in nature. Accordingly, the parties expressly agree that the foregoing restrictions on Employee need to be global in territorial scope to adequately protect Employer's business, goodwill, customer and employee relationships and Confidential Information, and that such global territorial restriction is reasonable in view of Employer's business, Employee's position and responsibilities with Employer, and Employee's access to the Confidential Information of Employer. If the scope of any restriction contained in Sections 3.6, 3.7, 3.8, 5.2, 5.3, and 5.4 is deemed by a court or arbitrator to be broader than reasonable, which the parties agree should not be the case, then such restriction shall be enforced to the maximum extent permitted by law, and Employee and Employer hereby agree that such scope may be modified accordingly in any proceeding brought to enforce such restriction.

5.6 The provisions of Sections 3.6, 3.7, 3.8, 5.2, 5.3, and 5.4 are, and shall be construed as, independent covenants, and no claimed or actual breach of any contractual or legal duty by Employer shall excuse or terminate Employee's obligations under this Agreement or preclude Employer from obtaining injunctive relief for Employee's violation, or threatened violation, of any of those provisions. The restrictive periods set forth in this Agreement shall not expire, and shall be tolled, during any period in which Employee is in violation of this Agreement.

5.7 Employee agrees that he shall not make, directly or indirectly, whether in writing, orally or electronically, any negative, derogatory or other comment that could reasonably be expected to be detrimental to the Halliburton Entities, their business or operations or any of their current or former employees, officers or directors. Employee consents to Employer showing this Agreement to any third party believed by Employer to be a prospective or actual employer of Employee, and to insisting on Employee's compliance with the terms of this Agreement. Notwithstanding the foregoing, nothing in this Agreement, including the non-disclosure provisions above, limits Employee's ability to communicate with the Securities and Exchange Commission (or any other governmental agency) regarding any possible violations of law, to otherwise participate in any investigation or proceeding that may be conducted by a governmental agency (including providing documents or other information without notice to Employer), or to receive any award for information provided to a governmental agency.

ARTICLE 6: MISCELLANEOUS:

6.1 Except as otherwise provided in Section 4.5 hereof, for purposes of this Agreement, the terms "***affiliate***" or "***affiliated***" means an entity who directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with a Halliburton Entity or in which a Halliburton Entity has a 50% or more equity interest.

6.2 For purposes of this Agreement, notices and all other communications provided for herein shall be in writing and shall be deemed to have been duly given when received by or tendered to Employee or Employer, as applicable, by pre-paid courier or by United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Employer, to Halliburton Company at 3000 North Sam Houston Parkway East, Houston, Texas 77032, to the attention of the General Counsel, or to such other address as Employee shall receive notice thereof.

If to Employee, to his last known personal residence.

6.3 This Agreement shall be governed by and construed and enforced in all respects in accordance with the law of the State of Texas, without regard to principles of conflicts of law, unless preempted by federal law, in which case federal law shall govern; provided, however, that the Dispute Resolution Plan and the Federal Arbitration Act shall govern in all respects with regard to the resolution of disputes hereunder. Employee and Employer further agree that any lawsuit, arbitration, or other proceeding arising out of or related in any way to this Agreement or their relationship shall be commenced and maintained only in the federal or state courts or before an arbitrator in Harris County, Texas, and each party waives any current or future objection to such venue and hereby further agrees to submit to the jurisdiction of any duly authorized court or arbitrator in Harris County, Texas with respect to any such proceeding.

6.4 No failure by either party hereto at any time to give notice of any breach by the other party of, or to require compliance with, any condition or provision of this Agreement shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

6.5 It is a desire and intent of the parties that the terms, provisions, covenants, and remedies contained in this Agreement shall be enforceable to the fullest extent permitted by law. If any such term, provision, covenant, or remedy of this Agreement or the application thereof to any person, association, or entity or circumstances shall, to any extent, be construed to be invalid or unenforceable in whole or in part, then such term, provision, covenant, or remedy shall be construed in a manner so as to permit its enforceability under the applicable law to the fullest extent permitted by law. In any case, the remaining provisions of this Agreement or the application thereof to any person, association, or entity or circumstances other than those to which they have been held invalid or unenforceable, shall remain in full force and effect.

6.6 It is the mutual intention of the parties to have any dispute concerning this Agreement resolved out of court. Accordingly, the parties agree that any such dispute shall, as the sole and exclusive forum, be submitted for resolution through the Dispute Resolution Plan; provided, however, that the Employer, on its own behalf and on behalf of any of the Halliburton Entities, shall be entitled to seek a restraining order or injunction in any court of competent jurisdiction to prevent any breach or the continuation of any breach of the provisions of Sections 3.6, 3.7, and 3.8, and Articles 4 and 5 pending initiation or completion of proceedings under the Dispute Resolution Plan. Employee hereby consents that such restraining order or injunction may be granted without the necessity of the Employer posting any bond. The parties agree that the resolution of any such dispute through such plan shall be final and binding. A copy of the Dispute Resolution Plan, as currently in effect, has been made available to Employee and is available on Halworld under "DRP" located at *http://halworld.corp.halliburton.com*. Halliburton Company reserves the right to amend, or discontinue such plan, in accordance with, and subject to, the plan's provisions regarding same. By signing this Agreement, Employee hereby represents and warrants that he has read, understood and agrees to the terms and conditions contained in such Dispute Resolution Plan. **THE PARTIES ACKNOWLEDGE THAT, BY SIGNING THIS AGREEMENT, THEY ARE KNOWINGLY AND VOLUNTARILY WAIVING ANY RIGHT THAT THEY MAY HAVE TO A JURY TRIAL.**

6.7 This Agreement shall be binding upon and inure to the benefit of Employer, to the extent herein provided, Halliburton Entity and any other person, association, or entity which may hereafter acquire or succeed to all or substantially all of the business or assets of Employer by any means whether direct or indirect, by purchase, merger, consolidation, or otherwise. Employee's rights and obligations under this Agreement are personal and such rights, benefits, and obligations of Employee shall not be voluntarily or involuntarily assigned, alienated, or transferred, whether by operation of law or otherwise, without the prior written consent of Employer, other than in the case of Death or incompetence of Employee.

6.8 This Agreement replaces and merges any previous agreements, understandings and discussions pertaining to the subject matter covered herein and therein, including but not limited to that

certain Employment Agreement by and between Employee and Employer entered into effective as of September 1, 2013. This Agreement constitutes the entire agreement of the parties with regard to the terms of Employee's employment, termination of employment and severance benefits, and contains all of the covenants, promises, representations, warranties, and agreements between the parties with respect to such matters. Each party to this Agreement acknowledges that no representation, inducement, promise, or agreement, oral or written, has been made by either party with respect to the foregoing matters which is not embodied herein, and that no agreement, statement, or promise relating to the employment of Employee by Employer that is not contained in this Agreement shall be valid or binding. Any modification of this Agreement will be effective only if it is in writing and signed by each party whose rights hereunder are affected thereby, provided that any such modification must be authorized or approved by the Compensation Committee or its delegate, as appropriate.

6.9 Notwithstanding any provision of the Agreement to the contrary, the following provisions shall apply for purposes of complying with Section 409A of the Internal Revenue Code and applicable Treasury authorities ("***Section 409A***"):

(i) If Employee is a "***specified employee***," as such term is defined in Section 409A, any payments or benefits that are deferred compensation under Section 409A and are payable or provided as a result of Employee's termination of employment shall be payable on the date that is the earlier of (a) the date that is six months and one day after Employee's termination, (b) the date of Employee's Death, or (c) the date that otherwise complies with the requirements of Section 409A.

(ii) It is intended that the provisions of this Agreement satisfy the requirements of Section 409A and that the Agreement be operated in a manner consistent with such requirements to the extent applicable. Therefore, the Employer and Employee agree to construe the provisions of the Agreement in accordance with the requirements of Section 409A.

[SIGNATURE PAGE FOLLOWS]

Signature Page to Executive Agreement
By and Between Halliburton Company and
Robb L. Voyles

IN WITNESS WHEREOF, Employer and Employee have duly executed this Agreement in multiple originals to be effective on the Effective Date.

HALLIBURTON COMPANY

By: /s/ Lawrence Pope

Name: Lawrence Pope

Title: EVP Admin and CHRO

EMPLOYEE

/s/ Robb L. Voyles

Name: Robb L. Voyles

Exhibit 12.1

HALLIBURTON COMPANY
Computation of Ratio of Earnings to Fixed Charges
(Unaudited)
(Millions of dollars, except ratios)

	Year Ended December 31				
	2017	2016	2015	2014	2013
Earnings available for fixed charges:					
Income (loss) from continuing operations before income taxes	$ 682	$ (7,625)	$ (936)	$ 4,712	$ 2,764
Add:					
Distributed earnings from equity in unconsolidated affiliates	15	29	11	16	19
Fixed charges	776	791	634	554	511
Subtotal	1,473	(6,805)	(291)	5,282	3,294
Less:					
Equity in earnings of unconsolidated affiliates	10	31	28	15	9
Total earnings (loss) available for fixed charges	$ 1,463	$ (6,836)	$ (319)	$ 5,267	$ 3,285
Fixed charges:					
Interest expense	$ 705	$ 698	$ 463	$ 396	$ 339
Rental expense representative of interest	71	93	171	158	172
Total fixed charges	$ 776	$ 791	$ 634	$ 554	$ 511
Ratio of earnings to fixed charges	1.9	(a)	(a)	9.5	6.4

(a) Total earnings (loss) available for fixed charges for the years ended December 31, 2016 and December 31, 2015 were inadequate to cover fixed charges by $7.6 billion and $953 million, respectively. Reported losses during these periods were primarily due to merger-related costs and termination fee of $4.1 billion and impairments and other charges of $3.4 billion for the year ended December 31, 2016, and impairments and other charges of $2.2 billion for the year ended December 31, 2015.

Exhibit 21.1

HALLIBURTON COMPANY
Subsidiaries of the Registrant
December 31, 2017

NAME OF COMPANY	STATE OR COUNTRY OF INCORPORATION
Halliburton (Barbados) Investments SRL	Barbados
Halliburton Affiliates, LLC	United States, Delaware
Halliburton Affiliates Services, LLC	United States, Texas
Halliburton Canada Holdings B.V.	Netherlands
Halliburton Canada ULC	Canada, Alberta
Halliburton de Mexico, S. de R.L. de C.V.	Mexico
Halliburton Energy Cayman Islands Limited II	Cayman Islands
Halliburton Energy Services, Inc.	United States, Delaware
Halliburton Far East Pte Ltd	Singapore
Halliburton Global Affiliates Holdings B.V.	Netherlands
Halliburton Group Canada	Canada
Halliburton Holdings (No.3)	United Kingdom, Scotland
Halliburton Holdings, LLC	United States, Delaware
Halliburton International B.V.	Netherlands
Halliburton International Holdings	Bermuda
Halliburton Manufacturing and Services Limited	United Kingdom, England & Wales
Halliburton Mediterranean Limited	Cyprus
Halliburton Netherlands Holdings B.V.	Netherlands
Halliburton Netherlands Operations Coöperatief U.A.	Netherlands
Halliburton Overseas Limited	Cayman Islands
Halliburton Partners Canada ULC	Canada, Alberta
Halliburton Produtos Ltda.	Brazil
Halliburton U.S. International Holdings, Inc.	United States, Delaware
Halliburton Worldwide GmbH	Switzerland
Halliburton Worldwide Holdings Limited	Cayman Islands
Halliburton Worldwide Limited	Cayman Islands
HES Corporation	United States, Nevada
HESI Holdings B.V.	Netherlands
Landmark Graphics Corporation	United States, Delaware
Oilfield Telecommunications, LLC.	United States, Delaware

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Halliburton Company:

We consent to the incorporation by reference in the registration statement (No. 333-215933) on Form S-3ASR, and (No. 333-166656) on Form S-4, and (Nos. 333-76496, 333-162648, 333-205842, and 333-218568) on Form S-8 of Halliburton Company of our reports dated February 9, 2018 with respect to the consolidated balance sheets of Halliburton Company and subsidiaries (the Company) as of December 31, 2017 and 2016, and the related consolidated statements of operations, comprehensive income, shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2017, and the related notes (collectively, the "consolidated financial statements"), and the effectiveness of internal control over financial reporting as of December 31, 2017, which reports appear in the Company's December 31, 2017 annual report on Form 10-K. Our report dated February 9, 2018 refers to a change in accounting for deferred income taxes related to intra-entity transfers other than inventory.

/s/ KPMG LLP

Houston, Texas
February 9, 2018

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that I, the undersigned, a Director of Halliburton Company, do hereby constitute and appoint Jeffrey A Miller and Robb L. Voyles, or any of them acting alone, my true and lawful attorneys or attorney, to do any and all acts and things and execute any and all instruments which said attorneys or attor-ney may deem necessary or advisable to enable Halliburton Company to comply with the Securities Exchange Act of 1934, as amended, and all rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the filing of the Annual Report on Form 10-K for the year ended December 31, 2017 (the “Form 10-K”), including specifically, but without limitation thereof, power and authority to sign my name as Director of Halliburton Company to the Form 10-K and any and all amendments thereto, and to any instruments or documents filed as a part of or in connection therewith; and I hereby ratify and confirm all that said attorneys or attorney shall do or cause to be done by virtue hereof.

IN TESTIMONY WHEREOF, witness my hand this 3 day of January, 2018.

/s/ Abdulaziz F. Al Khayyal
Abdulaziz F. Al Khayyal

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that I, the undersigned, a Director of Halliburton Company, do hereby constitute and appoint Jeffrey A Miller and Robb L. Voyles, or any of them acting alone, my true and lawful attorneys or attorney, to do any and all acts and things and execute any and all instruments which said attorneys or attor-ney may deem necessary or advisable to enable Halliburton Company to comply with the Securities Exchange Act of 1934, as amended, and all rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the filing of the Annual Report on Form 10-K for the year ended December 31, 2017 (the "Form 10-K"), including specifically, but without limitation thereof, power and authority to sign my name as Director of Halliburton Company to the Form 10-K and any and all amendments thereto, and to any instruments or documents filed as a part of or in connection therewith; and I hereby ratify and confirm all that said attorneys or attorney shall do or cause to be done by virtue hereof.

IN TESTIMONY WHEREOF, witness my hand this 3 day of January, 2018.

/s/ William E. Albrecht
William E. Albrecht

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that I, the undersigned, a Director of Halliburton Company, do hereby constitute and appoint Jeffrey A Miller and Robb L. Voyles, or any of them acting alone, my true and lawful attorneys or attorney, to do any and all acts and things and execute any and all instruments which said attorneys or attor-ney may deem necessary or advisable to enable Halliburton Company to comply with the Securities Exchange Act of 1934, as amended, and all rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the filing of the Annual Report on Form 10-K for the year ended December 31, 2017 (the "Form 10-K"), including specifically, but without limitation thereof, power and authority to sign my name as Director of Halliburton Company to the Form 10-K and any and all amendments thereto, and to any instruments or documents filed as a part of or in connection therewith; and I hereby ratify and confirm all that said attorneys or attorney shall do or cause to be done by virtue hereof.

IN TESTIMONY WHEREOF, witness my hand this 3 day of January, 2018.

/s/ Alan M. Bennett
Alan M. Bennett

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that I, the undersigned, a Director of Halliburton Company, do hereby constitute and appoint Jeffrey A Miller and Robb L. Voyles, or any of them acting alone, my true and lawful attorneys or attorney, to do any and all acts and things and execute any and all instruments which said attorneys or attor-ney may deem necessary or advisable to enable Halliburton Company to comply with the Securities Exchange Act of 1934, as amended, and all rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the filing of the Annual Report on Form 10-K for the year ended December 31, 2017 (the "Form 10-K"), including specifically, but without limitation thereof, power and authority to sign my name as Director of Halliburton Company to the Form 10-K and any and all amendments thereto, and to any instruments or documents filed as a part of or in connection therewith; and I hereby ratify and confirm all that said attorneys or attorney shall do or cause to be done by virtue hereof.

IN TESTIMONY WHEREOF, witness my hand this 3 day of January, 2018.

/s/ James R. Boyd
James R. Boyd

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that I, the undersigned, a Director of Halliburton Company, do hereby constitute and appoint Jeffrey A Miller and Robb L. Voyles, or any of them acting alone, my true and lawful attorneys or attorney, to do any and all acts and things and execute any and all instruments which said attorneys or attor-ney may deem necessary or advisable to enable Halliburton Company to comply with the Securities Exchange Act of 1934, as amended, and all rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the filing of the Annual Report on Form 10-K for the year ended December 31, 2017 (the "Form 10-K"), including specifically, but without limitation thereof, power and authority to sign my name as Director of Halliburton Company to the Form 10-K and any and all amendments thereto, and to any instruments or documents filed as a part of or in connection therewith; and I hereby ratify and confirm all that said attorneys or attorney shall do or cause to be done by virtue hereof.

IN TESTIMONY WHEREOF, witness my hand this 3 day of January, 2018.

/s/ Milton Carroll
Milton Carroll

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that I, the undersigned, a Director of Halliburton Company, do hereby constitute and appoint Jeffrey A Miller and Robb L. Voyles, or any of them acting alone, my true and lawful attorneys or attorney, to do any and all acts and things and execute any and all instruments which said attorneys or attor-ney may deem necessary or advisable to enable Halliburton Company to comply with the Securities Exchange Act of 1934, as amended, and all rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the filing of the Annual Report on Form 10-K for the year ended December 31, 2017 (the "Form 10-K"), including specifically, but without limitation thereof, power and authority to sign my name as Director of Halliburton Company to the Form 10-K and any and all amendments thereto, and to any instruments or documents filed as a part of or in connection therewith; and I hereby ratify and confirm all that said attorneys or attorney shall do or cause to be done by virtue hereof.

IN TESTIMONY WHEREOF, witness my hand this 3 day of January, 2018.

/s/ Nance K. Dicciani
Nance K. Dicciani

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that I, the undersigned, a Director of Halliburton Company, do hereby constitute and appoint Jeffrey A Miller and Robb L. Voyles, or any of them acting alone, my true and lawful attorneys or attorney, to do any and all acts and things and execute any and all instruments which said attorneys or attor-ney may deem necessary or advisable to enable Halliburton Company to comply with the Securities Exchange Act of 1934, as amended, and all rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the filing of the Annual Report on Form 10-K for the year ended December 31, 2017 (the "Form 10-K"), including specifically, but without limitation thereof, power and authority to sign my name as Director of Halliburton Company to the Form 10-K and any and all amendments thereto, and to any instruments or documents filed as a part of or in connection therewith; and I hereby ratify and confirm all that said attorneys or attorney shall do or cause to be done by virtue hereof.

IN TESTIMONY WHEREOF, witness my hand this 3 day of January, 2018.

/s/ Murry S. Gerber
Murry S. Gerber

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that I, the undersigned, a Director of Halliburton Company, do hereby constitute and appoint Jeffrey A Miller and Robb L. Voyles, or any of them acting alone, my true and lawful attorneys or attorney, to do any and all acts and things and execute any and all instruments which said attorneys or attor-ney may deem necessary or advisable to enable Halliburton Company to comply with the Securities Exchange Act of 1934, as amended, and all rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the filing of the Annual Report on Form 10-K for the year ended December 31, 2017 (the "Form 10-K"), including specifically, but without limitation thereof, power and authority to sign my name as Director of Halliburton Company to the Form 10-K and any and all amendments thereto, and to any instruments or documents filed as a part of or in connection therewith; and I hereby ratify and confirm all that said attorneys or attorney shall do or cause to be done by virtue hereof.

IN TESTIMONY WHEREOF, witness my hand this 3 day of January, 2018.

/s/ José C. Grubisich
José C. Grubisich

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that I, the undersigned, a Director of Halliburton Company, do hereby constitute and appoint Jeffrey A Miller and Robb L. Voyles, or any of them acting alone, my true and lawful attorneys or attorney, to do any and all acts and things and execute any and all instruments which said attorneys or attor-ney may deem necessary or advisable to enable Halliburton Company to comply with the Securities Exchange Act of 1934, as amended, and all rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the filing of the Annual Report on Form 10-K for the year ended December 31, 2017 (the "Form 10-K"), including specifically, but without limitation thereof, power and authority to sign my name as Director of Halliburton Company to the Form 10-K and any and all amendments thereto, and to any instruments or documents filed as a part of or in connection therewith; and I hereby ratify and confirm all that said attorneys or attorney shall do or cause to be done by virtue hereof.

IN TESTIMONY WHEREOF, witness my hand this 3 day of January, 2018.

/s/ David J. Lesar
David J. Lesar

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that I, the undersigned, a Director of Halliburton Company, do hereby constitute and appoint Jeffrey A Miller and Robb L. Voyles, or any of them acting alone, my true and lawful attorneys or attorney, to do any and all acts and things and execute any and all instruments which said attorneys or attor-ney may deem necessary or advisable to enable Halliburton Company to comply with the Securities Exchange Act of 1934, as amended, and all rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the filing of the Annual Report on Form 10-K for the year ended December 31, 2017 (the "Form 10-K"), including specifically, but without limitation thereof, power and authority to sign my name as Director of Halliburton Company to the Form 10-K and any and all amendments thereto, and to any instruments or documents filed as a part of or in connection therewith; and I hereby ratify and confirm all that said attorneys or attorney shall do or cause to be done by virtue hereof.

IN TESTIMONY WHEREOF, witness my hand this 3 day of January, 2018.

/s/ Robert A. Malone
Robert A. Malone

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that I, the undersigned, a Director of Halliburton Company, do hereby constitute and appoint Jeffrey A Miller and Robb L. Voyles, or any of them acting alone, my true and lawful attorneys or attorney, to do any and all acts and things and execute any and all instruments which said attorneys or attor-ney may deem necessary or advisable to enable Halliburton Company to comply with the Securities Exchange Act of 1934, as amended, and all rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the filing of the Annual Report on Form 10-K for the year ended December 31, 2017 (the "Form 10-K"), including specifically, but without limitation thereof, power and authority to sign my name as Director of Halliburton Company to the Form 10-K and any and all amendments thereto, and to any instruments or documents filed as a part of or in connection therewith; and I hereby ratify and confirm all that said attorneys or attorney shall do or cause to be done by virtue hereof.

IN TESTIMONY WHEREOF, witness my hand this 3 day of January, 2018.

/s/ J. Landis Martin
J. Landis Martin

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that I, the undersigned, a Director of Halliburton Company, do hereby constitute and appoint Jeffrey A Miller and Robb L. Voyles, or any of them acting alone, my true and lawful attorneys or attorney, to do any and all acts and things and execute any and all instruments which said attorneys or attor-ney may deem necessary or advisable to enable Halliburton Company to comply with the Securities Exchange Act of 1934, as amended, and all rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the filing of the Annual Report on Form 10-K for the year ended December 31, 2017 (the "Form 10-K"), including specifically, but without limitation thereof, power and authority to sign my name as Director of Halliburton Company to the Form 10-K and any and all amendments thereto, and to any instruments or documents filed as a part of or in connection therewith; and I hereby ratify and confirm all that said attorneys or attorney shall do or cause to be done by virtue hereof.

IN TESTIMONY WHEREOF, witness my hand this 3 day of January, 2018.

/s/ Debra L. Reed
Debra L. Reed

Exhibit 31.1

Section 302 Certification

I, Jeffrey A. Miller, certify that:

1. I have reviewed this annual report on Form 10-K for the year ended December 31, 2017 of Halliburton Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 9, 2018

/s/ Jeffrey A. Miller
Jeffrey A. Miller
President and Chief Executive Officer
Halliburton Company

Exhibit 31.2

Section 302 Certification

I, Christopher T. Weber, certify that:

1. I have reviewed this annual report on Form 10-K for the year ended December 31, 2017 of Halliburton Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 9, 2018

/s/ Christopher T. Weber
Christopher T. Weber
Executive Vice President and Chief Financial Officer
Halliburton Company

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

This certification is provided pursuant to § 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. § 1350, and accompanies the Annual Report on Form 10-K for the period ended December 31, 2017 of Halliburton Company (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report").

I, Jeffrey A. Miller, President and Chief Executive Officer of the Company, certify that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jeffrey A. Miller
Jeffrey A. Miller
President and Chief Executive Officer

Date: February 9, 2018

Exhibit 32.2

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

This certification is provided pursuant to § 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. § 1350, and accompanies the Annual Report on Form 10-K for the period ended December 31, 2017 of Halliburton Company (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report").

I, Christopher T. Weber, Executive Vice President and Chief Financial Officer of the Company, certify that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Christopher T. Weber
Christopher T. Weber
Executive Vice President and Chief Financial Officer

Date: February 9, 2018

Exhibit 95

Mine Safety Disclosures

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act, each operator of a mine is required to include certain mine safety results in its periodic reports filed with the SEC. The operation of our mines is subject to regulation by the federal Mine Safety and Health Administration (MSHA) under the Federal Mine Safety and Health Act of 1977 (Mine Act). Below, we present the following items regarding certain mining safety and health matters for the year ended December 31, 2017:

- total number of violations of mandatory health or safety standards that could significantly and substantially contribute to the cause and effect of a mine safety or health hazard under section 104 of the Mine Act for which we have received a citation from MSHA;
- total number of orders issued under section 104(b) of the Mine Act, which covers violations that had previously been cited under section 104(a) that, upon follow-up inspection by MSHA, are found not to have been totally abated within the prescribed time period, which results in the issuance of an order requiring the mine operator to immediately withdraw all persons (except certain authorized persons) from the mine;
- total number of citations and orders for unwarrantable failure of the mine operator to comply with mandatory health or safety standards under Section 104(d) of the Mine Act;
- total number of flagrant violations (i.e., reckless or repeated failure to make reasonable efforts to eliminate a known violation of a mandatory health or safety standard that substantially and proximately caused, or reasonably could have been expected to cause, death or serious bodily injury) under section 110(b)(2) of the Mine Act;
- total number of imminent danger orders (i.e., the existence of any condition or practice in a mine which could reasonably be expected to cause death or serious physical harm before such condition or practice can be abated) issued under section 107(a) of the Mine Act;
- total dollar value of proposed assessments from MSHA under the Mine Act;
- total number of mining-related fatalities; and
- total number of pending legal actions before the Federal Mine Safety and Health Review Commission involving such mine.

HALLIBURTON COMPANY
Mine Safety Disclosures
Year Ended December 31, 2017
(Unaudited)
(Whole dollars)

Operation/ MSHA Identification Number(1)	Section 104 Citations	Section 104(b) Orders	104(d) Citations and Orders	Section 110(b)(2) Violations	Section 107(a) Orders	Proposed MSHA Assessments(2)	Fatalities	Pending Legal Actions
BPM Colony Mill/4800070	4	—	—	—	—	$ 7,959	—	—
BPM Colony Mine/4800889	—	—	—	—	—	—	—	—
BPM Lovell Mill/4801405	—	—	—	—	—	—	—	—
BPM Lovell Mine/4801016	—	—	—	—	—	—	—	—
Corpus Christi Grinding Plant/4104010	—	—	—	—	—	—	—	—
Dunphy Mill/2600412	—	—	—	—	—	—	—	—
Lake Charles Plant/1601032	—	—	—	—	—	—	—	—
Larose Grinding Plant/1601504	—	—	—	—	—	—	—	—
Rossi Jig Plant/2602239	—	—	—	—	—	—	—	—
Total	4	—	—	—	—	$ 7,959	—	—

(1) The definition of a mine under section 3 of the Mine Act includes the mine, as well as other items used in, or to be used in, or resulting from, the work of extracting minerals, such as land, structures, facilities, equipment, machines, tools and preparation facilities. Unless otherwise indicated, any of these other items associated with a single mine have been aggregated in the totals for that mine.

(2) Amounts included are the total dollar value of proposed or outstanding assessments received from MSHA on or before January 5, 2018 regardless of whether the assessment has been challenged or appealed, for citations and orders occurring during the year ended December 31, 2017.

In addition, as required by the reporting requirements regarding mine safety included in §1503(a)(2) of the Dodd-Frank Act, the following is a list for the year ended December 31, 2017, of each mine of which we or a subsidiary of ours is an operator, that has received written notice from MSHA of:

(a) a pattern of violations of mandatory health or safety standards that are of such nature as could have significantly and substantially contributed to the cause and effect of mine health or safety hazards under §104(e) of the Mine Act:
None; or
(b) the potential to have such a pattern:
None.

Citations and orders can be contested and appealed, and as part of that process, are sometimes reduced in severity and amount, and are sometimes dismissed. The number of citations, orders and proposed assessments vary by inspector and also vary depending on the size and type of the operation.

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

(Mark One)
[X] Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the fiscal year ended December 31, 2016

OR

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from ______ to ______

Commission File Number 001-03492

HALLIBURTON COMPANY

(Exact name of registrant as specified in its charter)

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

3000 North Sam Houston Parkway East
Houston, Texas 77032
(Address of principal executive offices)
Telephone Number – Area code (281) 871-2699

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 if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes [X] No [ ]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Yes [ ] No [X]

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 whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) 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. [X]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer [X] Accelerated filer [ ]
Non-accelerated filer [ ] Smaller reporting company [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

The aggregate market value of Halliburton Company Common Stock held by nonaffiliates on June 30, 2016, determined using the per share closing price on the New York Stock Exchange Composite tape of $45.29 on that date, was approximately $38.8 billion.

As of January 31, 2017, there were 866,933,212 shares of Halliburton Company Common Stock, $2.50 par value per share, outstanding.

Portions of the Halliburton Company Proxy Statement for our 2017 Annual Meeting of Stockholders (File No. 001-03492) are incorporated by reference into Part III of this report.

HALLIBURTON COMPANY
Index to Form 10-K
For the Year Ended December 31, 2016

PART I

Item 1. Business.

General description of business

Halliburton Company's predecessor was established in 1919 and incorporated under the laws of the State of Delaware in 1924. We are a leading provider of services and products to the upstream oil and natural gas industry throughout the lifecycle of the reservoir, from locating hydrocarbons and managing geological data, to drilling and formation evaluation, well construction and completion, and optimizing production throughout the life of the field. We serve major, national and independent oil and natural gas companies throughout the world and operate under two divisions, which form the basis for the two operating segments we report, the Completion and Production segment and the Drilling and Evaluation segment.

Completion and Production delivers cementing, stimulation, intervention, pressure control, specialty chemicals, artificial lift and completion services. The segment consists of the following product service lines:

- Production Enhancement: includes stimulation services and sand control services. Stimulation services optimize oil and natural gas reservoir production through a variety of pressure pumping services, nitrogen services and chemical processes, commonly known as hydraulic fracturing and acidizing. Sand control services include fluid and chemical systems and pumping services for the prevention of formation sand production.
- Cementing: involves bonding the well and well casing while isolating fluid zones and maximizing wellbore stability. Our cementing service line also provides casing equipment.
- Completion Tools: provides downhole solutions and services to our customers to complete their wells, including well completion products and services, intelligent well completions, liner hanger systems, sand control systems and service tools.
- Production Solutions: includes pressure control services such as coiled tubing, hydraulic workover units and downhole tools.
- Pipeline & Process Services: includes pre-commissioning and maintenance services, subsea pipeline services, conventional pipeline services and process services.
- Multi-Chem: includes oilfield production and completion chemicals and services that address production, processing and transportation challenges.
- Artificial Lift: offers electrical submersible pumps and progressive cavity pumps, including the associated surface package for power, control and monitoring of the entire lift system, and provides installation, maintenance, repair and testing services. The objective of these services is to maximize reservoir and wellbore recovery by applying lifting technology and intelligent field management solutions throughout the life of the well.

Drilling and Evaluation provides field and reservoir modeling, drilling, evaluation and precise wellbore placement solutions that enable customers to model, measure, drill and optimize their well construction activities. The segment consists of the following product service lines

- Baroid: provides drilling fluid systems, performance additives, completion fluids, solids control, specialized testing equipment and waste management services for oil and natural gas drilling, completion and workover operations.
- Sperry Drilling: provides drilling systems and services that offer directional control for precise wellbore placement while providing important measurements about the characteristics of the drill string and geological formations while drilling wells. These services include directional and horizontal drilling, measurement-while-drilling, logging-while-drilling, surface data logging, multilateral systems, underbalanced applications and rig site information systems.
- Wireline and Perforating: includes open-hole logging services that provide information on formation evaluation and reservoir fluid analysis, including formation lithology, rock properties and reservoir fluid properties. Also offered are cased-hole and slickline services, which provide perforating, pipe recovery services, through-casing formation evaluation and reservoir monitoring, casing and cement integrity measurements and well intervention services.
- Drill Bits and Services: provides roller cone rock bits, fixed cutter bits, hole enlargement and related downhole tools and services used in drilling oil and natural gas wells. In addition, coring equipment and services are provided to acquire cores of the formation drilled for evaluation.
- Landmark Software and Services: supplies integrated exploration, drilling and production software, and related professional and data management services for the upstream oil and natural gas industry.

- Testing and Subsea: provides acquisition and analysis of dynamic reservoir information and reservoir optimization solutions to the oil and natural gas industry through a broad portfolio of test tools, data acquisition services, fluid sampling, surface well testing and subsea safety systems.
- Consulting and Project Management: provides oilfield project management and integrated solutions to independent, integrated and national oil companies. These offerings make use of all of our oilfield services, products, technologies and project management capabilities to assist our customers in optimizing the value of their oil and natural gas assets. In addition, well control and prevention services are included.

See Note 4 to the consolidated financial statements for further financial information related to each of our business segments. We have manufacturing operations in various locations, the most significant of which are located in the United States, Canada, Malaysia, Singapore and the United Kingdom.

Business strategy

Our value proposition is to collaborate and engineer solutions to maximize asset value for our customers. We strive to achieve superior growth and returns for our shareholders by delivering technology and services that improve efficiency, increase recovery and maximize production for our customers. Our objectives are to:

- create a balanced portfolio of services and products supported by global infrastructure and anchored by technological innovation to further differentiate our company;
- reach a distinguished level of operational excellence that reduces costs and creates real value;
- preserve a dynamic workforce by being a preferred employer to attract, develop and retain the best global talent; and
- uphold our strong ethical and business standards, and maintain the highest standards of health, safety and environmental performance.

For further discussion on our business strategies we plan to continue to execute, see "Management's Discussion and Analysis of Financial Condition and Results of Operations – Executive Overview."

Markets and competition

We are one of the world's largest diversified energy services companies. Our services and products are sold in highly competitive markets throughout the world. Competitive factors impacting sales of our services and products include:

- price;
- service delivery (including the ability to deliver services and products on an "as needed, where needed" basis);
- health, safety and environmental standards and practices;
- service quality;
- global talent retention;
- understanding the geological characteristics of the hydrocarbon reservoir;
- product quality;
- warranty; and
- technical proficiency.

We conduct business worldwide in approximately 70 countries. The business operations of our divisions are organized around four primary geographic regions: North America, Latin America, Europe/Africa/CIS and Middle East/Asia. In 2016, 2015 and 2014, based on the location of services provided and products sold, 41%, 44% and 51% of our consolidated revenue was from the United States. No other country accounted for more than 10% of our consolidated revenue during these periods. See "Management's Discussion and Analysis of Financial Condition and Results of Operations – Business Environment and Results of Operations" and Note 4 to the consolidated financial statements for additional financial information about our geographic operations in the last three years. Because the markets for our services and products are vast and cross numerous geographic lines, it is not practicable to provide a meaningful estimate of the total number of our competitors. The industries we serve are highly competitive, and we have many substantial competitors. Most of our services and products are marketed through our servicing and sales organizations.

Operations in some countries may be adversely affected by unsettled political conditions, acts of terrorism, civil unrest, expropriation or other governmental actions, changes in foreign currency exchange rates, foreign currency exchange restrictions and highly inflationary currencies, as well as other geopolitical factors. We believe the geographic diversification of our business activities reduces the risk that loss of operations in any one country, other than the United States, would significantly impact the conduct of our operations taken as a whole.

Information regarding our exposure 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 – Financial Instrument Market Risk" and in Note 14 to the consolidated financial statements.

Customers

Our revenue from continuing operations during the past three years was derived from the sale of services and products to the energy industry. No customer represented more than 10% of our consolidated revenue in any period presented.

Raw materials

Raw materials essential to our business are normally readily available. Market conditions can trigger constraints in the supply of certain raw materials, such as proppants, hydrochloric acid and gels, including guar gum (a blending additive used in our hydraulic fracturing process). We are always seeking ways to ensure the availability of resources, as well as manage costs of raw materials. Our procurement department uses our size and buying power to enhance our access to key materials at competitive prices.

Research and development costs

We maintain an active research and development program. The program improves products, processes and engineering standards and practices that serve the changing needs of our customers, such as those related to high pressure and high temperature environments, and also develops new products and processes. Our expenditures for research and development activities were $329 million in 2016, $487 million in 2015 and $601 million in 2014. We sponsored over 95% of these expenditures in each year.

Patents

We own a large number of patents and have pending a substantial number of patent applications covering various products and processes. We are also licensed to utilize technology covered by patents owned by others, and we license others to utilize technology covered by our patents. We do not consider any particular patent to be material to our business operations.

Seasonality

Weather and natural phenomena can temporarily affect the performance of our services, but the widespread geographical locations of our operations mitigate those effects. Examples of how weather can impact our business include:

- the severity and duration of the winter in North America can have a significant impact on natural gas storage levels and drilling activity;
- the timing and duration of the spring thaw in Canada directly affects activity levels due to road restrictions;
- typhoons and hurricanes can disrupt coastal and offshore operations; and
- severe weather during the winter months normally results in reduced activity levels in the North Sea and Russia.

Additionally, customer spending patterns for software and various other oilfield services and products can typically result in higher activity in the fourth quarter of the year.

Employees

At December 31, 2016, we employed approximately 50,000 people worldwide compared to approximately 65,000 at December 31, 2015. At December 31, 2016, approximately 15% of our employees were subject to collective bargaining agreements. Based upon the geographic diversification of these employees, we do not believe any risk of loss from employee strikes or other collective actions would be material to the conduct of our operations taken as a whole.

Environmental regulation

We are subject to numerous environmental, legal and regulatory requirements related to our operations worldwide. For further information related to environmental matters and regulation, see Note 9 to the consolidated financial statements and Item 1(a), "Risk Factors."

Hydraulic fracturing process

Hydraulic fracturing is a process that creates fractures extending from the well bore into the rock formation to enable natural gas or oil to move more easily from the rock pores to a production conduit. A significant portion of our Completion and Production segment provides hydraulic fracturing services to customers developing shale natural gas and shale oil. From time to time, questions arise about the scope of our operations in the shale natural gas and shale oil sectors, and the extent to which these operations may affect human health and the environment.

We sometimes design and generally implement a hydraulic fracturing operation to 'stimulate' the well's production, at the direction of our customer, once the well has been drilled, cased and cemented. Our customer is generally responsible for providing the base fluid (usually water) used in the hydraulic fracturing of a well. We generally supply the proppant (often sand) and at least a portion of the additives used in the overall fracturing fluid mixture. In addition, we mix the additives and proppant with the base fluid and pump the mixture down the wellbore to create the desired fractures in the target formation. The customer is responsible for disposing of any materials that are subsequently produced or pumped out of the well, including flowback fluids and produced water.

As part of the process of constructing the well, the customer will take a number of steps designed to protect drinking water resources. In particular, the casing and cementing of the well are designed to provide 'zonal isolation' so that the fluids pumped down the wellbore and the oil and natural gas and other materials that are subsequently pumped out of the well will not come into contact with shallow aquifers or other shallow formations through which those materials could potentially migrate to freshwater aquifers or the surface.

The potential environmental impacts of hydraulic fracturing have been studied by numerous government entities and others. In 2004, the United States Environmental Protection Agency (EPA) conducted an extensive study of hydraulic fracturing practices, focusing on coalbed methane wells, and their potential effect on underground sources of drinking water. The EPA’s study concluded that hydraulic fracturing of coalbed methane wells poses little or no threat to underground sources of drinking water. On December 13, 2016, the EPA released a final report, “*Hydraulic Fracturing for Oil and Gas: Impacts from the Hydraulic Fracturing Water Cycle on Drinking Water Resources in the United States*” representing the culmination of a six-year study requested by Congress. While the EPA report noted a potential for some impact to drinking water sources caused by hydraulic fracturing, the agency confirmed the overall incidence of impacts is low. Moreover, a number of the areas of potential impact identified in the report involve activities for which we are not generally responsible, such as potential impacts associated with withdrawals of surface water for use as a base fluid and management of wastewater.

We have made detailed information regarding our fracturing fluid composition and breakdown available on our internet web site at www.halliburton.com. We also have proactively developed processes to provide our customers with the chemical constituents of our hydraulic fracturing fluids to enable our customers to comply with state laws as well as voluntary standards established by the Chemical Disclosure Registry, www.fracfocus.org.

At the same time, we have invested considerable resources in developing hydraulic fracturing technologies, which offer our customers a variety of especially environment-friendly alternatives related to the use of hydraulic fracturing fluid additives and other aspects of our hydraulic fracturing operations. We created a hydraulic fracturing fluid system comprised of materials sourced entirely from the food industry. In addition, we have engineered a process that uses ultraviolet light to control the growth of bacteria in hydraulic fracturing fluids, allowing customers to minimize the use of chemical biocides. We are committed to the continued development of innovative chemical and mechanical technologies that allow for more economical and environmentally friendly development of the world’s oil and natural gas reserves.

In evaluating any environmental risks that may be associated with our hydraulic fracturing services, it is helpful to understand the role that we play in the development of shale natural gas and shale oil. Our principal task generally is to manage the process of injecting fracturing fluids into the borehole to 'stimulate' the well. Thus, based on the provisions in our contracts and applicable law, the primary environmental risks we face are potential pre-injection spills or releases of stored fracturing fluids and potential spills or releases of fuel or other fluids associated with pumps, blenders, conveyors, or other above-ground equipment used in the hydraulic fracturing process.

Although possible concerns have been raised about hydraulic fracturing operations, the circumstances described above have helped to mitigate those concerns. To date, we have not been obligated to compensate any indemnified party for any environmental liability arising directly from hydraulic fracturing, although there can be no assurance that such obligations or liabilities will not arise in the future.

Working capital

We fund our business operations through a combination of available cash and equivalents, short-term investments and cash flow generated from operations. In addition, our revolving credit facility is available for additional working capital needs.

Web site access

Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act of 1934 are made available free of charge on our internet web site at www.halliburton.com as soon as reasonably practicable after we have electronically filed the material with, or furnished it to, the Securities and Exchange Commission (SEC). The public may read and copy any materials we have filed with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. The SEC maintains an internet site that contains our reports, proxy and information statements, and our other SEC filings. The address of that web site is www.sec.gov. We have posted on our web site our Code of Business Conduct, which applies to all of our employees and Directors and serves as a code of ethics for our principal executive officer, principal financial officer, principal accounting officer and other persons performing similar functions. Any amendments to our Code of Business Conduct or any waivers from provisions of our Code of Business Conduct granted to the specified officers above are disclosed on our web site within four business days after the date of any amendment or waiver pertaining to these officers. There have been no waivers from provisions of our Code of Business Conduct for the years 2016, 2015, or 2014. Except to the extent expressly stated otherwise, information contained on or accessible from our web site or any other web site is not incorporated by reference into this annual report on Form 10-K and should not be considered part of this report.

Executive Officers of the Registrant

The following table indicates the names and ages of the executive officers of Halliburton Company as of February 7, 2017, including all offices and positions held by each in the past five years:

	Name and Age	Offices Held and Term of Office
	James S. Brown (Age 62)	President, Western Hemisphere of Halliburton Company, since January 2008
*	Eric J. Carre (Age 50)	Executive Vice President, Global Business Lines of Halliburton Company, since May 2016
		Senior Vice President, Drilling and Evaluation Division of Halliburton Company, June 2011 to April 2016
	Charles E. Geer, Jr. (Age 46)	Vice President and Corporate Controller of Halliburton Company, since January 2015
		Vice President, Finance of Halliburton Company, December 2013 to December 2014
		Vice President and Chief Accounting Officer of Select Energy Services, April 2011 to November 2013
	Myrtle L. Jones (Age 57)	Senior Vice President, Tax of Halliburton Company, since March 2013
		Senior Managing Director of Tax and Internal Audit, Service Corporation International, February 2008 to February 2013
*	David J. Lesar (Age 63)	Chairman of the Board and Chief Executive Officer of Halliburton Company, since August 2014
		Chairman of the Board, President and Chief Executive Officer of Halliburton Company, August 2000 to July 2014
*	Mark A. McCollum (Age 57)	Executive Vice President and Chief Financial Officer of Halliburton Company, since July 2016
		Executive Vice President and Chief Integration Officer of Halliburton Company, January 2015 to June 2016
		Executive Vice President and Chief Financial Officer of Halliburton Company, January 2008 to December 2014

	Timothy M. McKeon (Age 44)	Vice President and Treasurer of Halliburton Company, since January 2014
		Assistant Treasurer of Halliburton Company, September 2011 to December 2013
*	Jeffrey A. Miller (Age 53)	Member of the Board of Directors and President of Halliburton Company, since August 2014
		Executive Vice President and Chief Operating Officer of Halliburton Company, September 2012 to July 2014
		Senior Vice President, Global Business Development and Marketing of Halliburton Company, January 2011 to August 2012
*	Lawrence J. Pope (Age 48)	Executive Vice President of Administration and Chief Human Resources Officer of Halliburton Company, since January 2008
	Joe D. Rainey (Age 60)	President, Eastern Hemisphere of Halliburton Company, since January 2011
*	Robb L. Voyles (Age 59)	Executive Vice President, Secretary and General Counsel of Halliburton Company, since May 2015
		Executive Vice President and General Counsel of Halliburton Company, January 2014 to April 2015
		Senior Vice President, Law of Halliburton Company, September 2013 to December 2013
		Partner, Baker Botts L.L.P., January 1989 to August 2013

* Members of the Policy Committee of the registrant.

There are no family relationships between the executive officers of the registrant or between any director and any executive officer of the registrant.

Item 1(a). Risk Factors.

The statements in this section describe the known material risks to our business and should be considered carefully.

Trends in oil and natural gas prices affect the level of exploration, development, and production activity of our customers and the demand for our services and products, which could have a material adverse effect on our business, consolidated results of operations, and consolidated financial condition.

Demand for our services and products is particularly sensitive to the level of exploration, development, and production activity of, and the corresponding capital spending by, oil and natural gas companies. The level of exploration, development, and production activity is directly affected by trends in oil and natural gas prices, which historically have been volatile and are likely to continue to be volatile.

Prices for oil and natural gas are subject to large fluctuations in response to relatively minor changes in the supply of and demand for oil and natural gas, market uncertainty, and a variety of other economic factors that are beyond our control. Crude oil prices have fluctuated significantly since 2014, with West Texas Intermediate (WTI) oil spot prices declining from a high of $108 per barrel in June 2014 to a low of $26 per barrel in February 2016, a level which has not been experienced since 2003. Although crude oil prices increased during the second half of 2016 to a high of $54 per barrel in December 2016, market reports indicate prices are not expected to increase materially in 2017. For more information, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Business Environment and Results of Operations.”

The prolonged reduction in oil and natural gas prices depressed levels of exploration, development, and production activity in 2015 and 2016, and prolonged further reductions could have a material adverse effect on our business, consolidated results of operations, and consolidated financial condition. Should current market conditions worsen or persist for an extended period of time, we may be required to record additional asset impairments. Such a potential impairment charge could have a material adverse impact on our operating results. Even the perception of longer-term lower oil and natural gas prices by oil and natural gas companies can similarly reduce or defer major expenditures given the long-term nature of many large-scale development projects. We also have a small number of integrated projects that have remuneration tied to hydrocarbon production. Reduction in oil and gas prices can affect the overall returns for these projects, either lengthening the time until the expected returns are realized or by impairing the value of the asset.

Factors affecting the prices of oil and natural gas include:

- the level of supply and demand for oil and natural gas;
- governmental regulations, including the policies of governments regarding the exploration for and production and development of their oil and natural gas reserves;
- weather conditions and natural disasters;
- worldwide political, military, and economic conditions;
- the ability or willingness of the Organization of Petroleum Exporting Countries (OPEC) to set and maintain oil production levels;
- the level of oil production by non-OPEC countries;
- oil refining capacity and shifts in end-customer preferences toward fuel efficiency and the use of natural gas;
- the cost of producing and delivering oil and natural gas; and
- potential acceleration of the development of alternative fuels.

Our business is dependent on capital spending by our customers, and reductions in capital spending could have a material adverse effect on our business, consolidated results of operations, and consolidated financial condition.

Our business is directly affected by changes in capital expenditures by our customers, and further reductions in their capital spending could reduce demand for our services and products and have a material adverse effect on our business, consolidated results of operations, and consolidated financial condition. Some of the items that may impact our customer's capital spending include:

- oil and natural gas prices, including volatility of oil and natural gas prices and expectations regarding future prices;
- the inability of our customers to access capital on economically advantageous terms;
- the consolidation of our customers;
- customer personnel changes; and
- adverse developments in the business or operations of our customers, including write-downs of reserves and borrowing base reductions under customer credit facilities.

As a result of the decreases in commodity prices, many of our customers reduced capital spending in 2015 and 2016. While customer budgets are slowly increasing in response to improved market conditions, any prolonged further reduction in commodity prices may result in further capital budget reductions in the future.

Our operations are subject to political and economic instability and risk of government actions that could have a material adverse effect on our business, consolidated results of operations, and consolidated financial condition.

We are exposed to risks inherent in doing business in each of the countries in which we operate. Our operations are subject to various risks unique to each country that could have a material adverse effect on our business, consolidated results of operations, and consolidated financial condition. With respect to any particular country, these risks may include:

- political and economic instability, including:
  - civil unrest, acts of terrorism, force majeure, war, other armed conflict, and sanctions;
  - inflation; and
  - currency fluctuations, devaluations, and conversion restrictions; and
- governmental actions that may:
  - result in expropriation and nationalization of our assets in that country;
  - result in confiscatory taxation or other adverse tax policies;
  - limit or disrupt markets or our operations, restrict payments, or limit the movement of funds;
  - result in the deprivation of contract rights; and
  - result in the inability to obtain or retain licenses required for operation.

For example, due to the unsettled political conditions in many oil-producing countries, our operations, revenue, and profits are subject to the adverse consequences of war, the effects of terrorism, civil unrest, strikes, currency controls, and governmental actions. These and other risks described above could result in the loss of our personnel or assets, cause us to evacuate our personnel from certain countries, cause us to increase spending on security worldwide, cause us to cease operating in certain countries, disrupt financial and commercial markets, including the supply of and pricing for oil and natural gas, and generate greater political and economic instability in some of the geographic areas in which we operate. Areas where we operate that have significant risk include, but are not limited to: the Middle East, North Africa, Angola, Azerbaijan, Colombia, Indonesia, Kazakhstan, Mexico, Nigeria, Russia, and Venezuela. In addition, any possible reprisals as a consequence of military or other action, such as acts of terrorism in the United States or elsewhere, could have a material adverse effect on our business, consolidated results of operations, and consolidated financial condition.

Our operations are subject to cyber-attacks that could have a material adverse effect on our business, consolidated results of operations, and consolidated financial condition.

Our operations are becoming increasingly dependent on digital technologies and services. We use these technologies for internal purposes, including data storage, processing, and transmissions, as well as in our interactions with customers and suppliers. Digital technologies are subject to the risk of cyber-attacks. If our systems for protecting against cybersecurity risks prove not to be sufficient, we could be adversely affected by, among other things: loss of or damage to intellectual property, proprietary or confidential information, or customer, supplier, or employee data; interruption of our business operations; and increased costs required to prevent, respond to, or mitigate cybersecurity attacks. These risks could harm our reputation and our relationships with customers, suppliers, employees, and other third parties, and may result in claims against us. In addition, these risks could have a material adverse effect on our business, consolidated results of operations, and consolidated financial condition.

Our operations outside the United States require us to comply with a number of United States and international regulations, violations of which could have a material adverse effect on our business, consolidated results of operations, and consolidated financial condition.

Our operations outside the United States require us to comply with a number of United States and international regulations. For example, our operations in countries outside the United States are subject to the United States Foreign Corrupt Practices Act (FCPA), which prohibits United States companies and their agents and employees from providing anything of value to a foreign official for the purposes of influencing any act or decision of these individuals in their official capacity to help obtain or retain business, direct business to any person or corporate entity, or obtain any unfair advantage. Our activities create the risk of unauthorized payments or offers of payments by our employees, agents, or joint venture partners that could be in violation of anti-corruption laws, even though some of these parties are not subject to our control. We have internal control policies and procedures and have implemented training and compliance programs for our employees and agents with respect to the FCPA. However, we cannot assure that our policies, procedures, and programs always will protect us from reckless or criminal acts committed by our employees or agents. Allegations of violations of applicable anti-corruption laws have resulted and may in the future result in internal, independent, or government investigations. Violations of anti-corruption laws may result in severe criminal or civil sanctions, and we may be subject to other liabilities, which could have a material adverse effect on our business, consolidated results of operations, and consolidated financial condition.

In addition, the shipment of goods, services, and technology across international borders subjects us to extensive trade laws and regulations. Our import activities are governed by the unique customs laws and regulations in each of the countries where we operate. Moreover, many countries, including the United States, control the export and re-export of certain goods, services and technology and impose related export recordkeeping and reporting obligations. Governments may also impose economic sanctions against certain countries, persons, and entities that may restrict or prohibit transactions involving such countries, persons and entities, which may limit or prevent our conduct of business in certain jurisdictions. During 2014, the United States and European Union imposed sectoral sanctions directed at Russia's oil and gas industry. Among other things, these sanctions restrict the provision of U.S. and EU goods, services, and technology in support of exploration or production for deep water, Arctic offshore, or shale projects that have the potential to produce oil in Russia. These sanctions resulted in our winding down and ending work on two projects in Russia in 2014, and have prevented us from pursuing certain other projects in Russia. Our ability to engage in certain future projects in Russia is dependent upon whether or not our involvement in such projects is restricted under U.S. or EU sanctions laws and the extent to which any of our Russian operations may be subject to those laws. Those laws may change from time to time, and any expansion of sanctions against Russia's oil and gas industry could further hinder our ability to do business in Russia, which could have a material adverse effect on our consolidated results of operations.

The laws and regulations concerning import activity, export recordkeeping and reporting, export control, and economic sanctions are complex and constantly changing. These laws and regulations can cause delays in shipments and unscheduled operational downtime. Moreover, any failure to comply with applicable legal and regulatory trading obligations could result in criminal and civil penalties and sanctions, such as fines, imprisonment, debarment from governmental contracts, seizure of shipments and loss of import and export privileges. In addition, investigations by governmental authorities as well as legal, social, economic, and political issues in these countries could have a material adverse effect on our business, consolidated results of operations, and consolidated financial condition. We are also subject to the risks that our employees, joint venture partners, and agents outside of the United States may fail to comply with other applicable laws.

Changes in, compliance with, or our failure to comply with laws in the countries in which we conduct business may negatively impact our ability to provide services in, make sales of equipment to, and transfer personnel or equipment among some of those countries and could have a material adverse effect on our business and consolidated results of operations.

In the countries in which we conduct business, we are subject to multiple and, at times, inconsistent regulatory regimes, including those that govern our use of radioactive materials, explosives, and chemicals in the course of our operations. Various national and international regulatory regimes govern the shipment of these items. Many countries, but not all, impose special controls upon the export and import of radioactive materials, explosives, and chemicals. Our ability to do business is subject to maintaining required licenses and complying with these multiple regulatory requirements applicable to these special products. In addition, the various laws governing import and export of both products and technology apply to a wide range of services and products we offer. In turn, this can affect our employment practices of hiring people of different nationalities because these laws may prohibit or limit access to some products or technology by employees of various nationalities. Changes in, compliance with, or our failure to comply with these laws may negatively impact our ability to provide services in, make sales of equipment to, and transfer personnel or equipment among some of the countries in which we operate and could have a material adverse effect on our business and consolidated results of operations.

The adoption of any future federal, state, or local laws or implementing regulations imposing reporting obligations on, or limiting or banning, the hydraulic fracturing process could make it more difficult to complete natural gas and oil wells and could have a material adverse effect on our liquidity, consolidated results of operations, and consolidated financial condition.

Various federal legislative and regulatory initiatives have been undertaken which could result in additional requirements or restrictions being imposed on hydraulic fracturing operations. For example, the Department of Interior has issued regulations that apply to hydraulic fracturing operations on wells that are subject to federal oil and gas leases and that impose requirements regarding the disclosure of chemicals used in the hydraulic fracturing process as well as requirements to obtain certain federal approvals before proceeding with hydraulic fracturing at a well site. The Department of Interior has been enjoined from enforcing these regulations by a federal court; however, this decision is being appealed. If they become effective, these regulations would establish additional levels of regulation at the federal level that could lead to operational delays and increased operating costs. The EPA released the final results of its comprehensive research study on the potential adverse impacts that hydraulic fracturing may have on drinking water resources in December 2016. The EPA concluded that hydraulic fracturing activities can impact drinking water resources under some circumstances, including large volume spills and inadequate mechanical integrity of wells. The results of the EPA's study could spur action towards federal or state legislation and regulation of hydraulic fracturing or similar production operations.

At the same time, legislation and/or regulations have been adopted in many states that require additional disclosure regarding chemicals used in the hydraulic fracturing process but that generally include protections for proprietary information. Legislation and/or regulations are being considered at the state and local level that could impose further chemical disclosure or other regulatory requirements (such as restrictions on the use of certain types of chemicals or prohibitions on hydraulic fracturing operations in certain areas) that could affect our operations. Two states (New York and Vermont) have banned the use of high volume hydraulic fracturing. Moreover, in light of concerns about seismic activity being triggered by the injection of produced waters into underground wells and hydraulic fracturing, certain regulators are also considering additional requirements related to seismic safety for hydraulic fracturing activities. Local jurisdictions in some states have adopted ordinances that restrict or in certain cases prohibit the use of hydraulic fracturing for oil and gas development. In addition, governmental authorities in various foreign countries where we have provided or may provide hydraulic fracturing services have imposed or are considering imposing various restrictions or conditions that may affect hydraulic fracturing operations.

The adoption of any future federal, state, local, or foreign laws or implementing regulations imposing reporting obligations on, or limiting or banning, the hydraulic fracturing process could make it more difficult to complete natural gas and oil wells and could have a material adverse effect on our liquidity, consolidated results of operations, and consolidated financial condition.

Liabilities arising out of the Macondo well incident could have a material adverse effect on our liquidity, consolidated results of operations, and consolidated financial condition.

The semisubmersible drilling rig, Deepwater Horizon, sank on April 22, 2010 after an explosion and fire onboard the rig that began on April 20, 2010. The Deepwater Horizon was owned by Transocean Ltd. and had been drilling the Macondo exploration well in the Gulf of Mexico for the lease operator, BP Exploration and Production, Inc. (BP). We performed a variety of services on that well for BP. There were eleven fatalities and a number of injuries as a result of the Macondo well incident.

Numerous lawsuits relating to the Macondo well incident and alleging damages arising from the blowout were filed against various parties, including BP, Transocean and us, most of which were consolidated in a Multi-District Litigation (MDL) proceeding. In addition, the Bureau of Safety and Environmental Enforcement has issued a notification of Incidents of Noncompliance (INCs) to us relating to the Macondo well incident. We understand that regulations in effect at the time of the alleged violations provide for fines of up to $35,000 per day per violation.

Although the MDL proceeding has concluded and we, BP, Transocean and the plaintiff's steering committee in the MDL proceeding have settled all claims against each other, our settlement is subject to court approval and other conditions before it becomes effective. In addition, we have appealed the INCs, but the appeal has been suspended pending final resolution, including appeals, of the MDL. If the MDL court does not approve our settlement, and the MDL liability finding is overturned on appeal, liabilities resulting from the Macondo well incident could have a material adverse effect on our liquidity, consolidated results of operations and consolidated financial condition. We are unable to predict whether or when the court will approve our MDL settlement or whether or when the conditions of our MDL Settlement will be satisfied.

For additional information relating to the Macondo well incident, our MDL Settlement, the status of the MDL and the INCs, see Note 9 to the consolidated financial statements.

Liability for cleanup costs, natural resource damages, and other damages arising as a result of environmental laws could be substantial and could have a material adverse effect on our liquidity, consolidated results of operations, and consolidated financial condition.

We are exposed to claims under environmental requirements and, from time to time, such claims have been made against us. In the United States, environmental requirements and regulations typically impose strict liability. Strict liability means that in some situations we could be exposed to liability for cleanup costs, natural resource damages, and other damages as a result of our conduct that was lawful at the time it occurred or the conduct of prior operators or other third parties. Liability for damages arising as a result of environmental laws could be substantial and could have a material adverse effect on our liquidity, consolidated results of operations, and consolidated financial condition.

We are periodically notified of potential liabilities at federal and state superfund sites. These potential liabilities may arise from both historical Halliburton operations and the historical operations of companies that we have acquired. Our exposure at these sites may be materially impacted by unforeseen adverse developments both in the final remediation costs and with respect to the final allocation among the various parties involved at the sites. The relevant regulatory agency may bring suit against us for amounts in excess of what we have accrued and what we believe is our proportionate share of remediation costs at any superfund site. We also could be subject to third-party claims, including punitive damages, with respect to environmental matters for which we have been named as a potentially responsible party.

Failure on our part to comply with, and the costs of compliance with, applicable health, safety, and environmental requirements could have a material adverse effect on our liquidity, consolidated results of operations, and consolidated financial condition.

Our business is subject to a variety of health, safety, and environmental laws, rules, and regulations in the United States and other countries, including those covering hazardous materials and requiring emission performance standards for facilities. For example, our well service operations routinely involve the handling of significant amounts of waste materials, some of which are classified as hazardous substances. We also store, transport, and use radioactive and explosive materials in certain of our operations. Applicable regulatory requirements include, for example, those concerning:

- the containment and disposal of hazardous substances, oilfield waste, and other waste materials;
- the importation and use of radioactive materials;
- the use of underground storage tanks;
- the use of underground injection wells; and
- the protection of worker safety both onshore and offshore.

These and other requirements generally are becoming increasingly strict. Sanctions for failure to comply with the requirements, many of which may be applied retroactively, may include:

- administrative, civil, and criminal penalties;
- revocation of permits to conduct business; and
- corrective action orders, including orders to investigate and/or clean up contamination.

Failure on our part to comply with applicable environmental requirements could have a material adverse effect on our liquidity, consolidated results of operations, and consolidated financial condition. We are also exposed to costs arising from regulatory compliance, including compliance with changes in or expansion of applicable regulatory requirements, which could have a material adverse effect on our liquidity, consolidated results of operations, and consolidated financial condition.

Existing or future laws, regulations, treaties or international agreements related to greenhouse gases and climate change could have a negative impact on our business and may result in additional compliance obligations with respect to the release, capture, and use of carbon dioxide that could have a material adverse effect on our liquidity, consolidated results of operations, and consolidated financial condition.

Changes in environmental requirements related to greenhouse gases and climate change may negatively impact demand for our services. For example, oil and natural gas exploration and production may decline as a result of environmental requirements, including land use policies responsive to environmental concerns. State, national, and international governments and agencies have been evaluating climate-related legislation and other regulatory initiatives that would restrict emissions of greenhouse gases in areas in which we conduct business. Because our business depends on the level of activity in the oil and natural gas industry, existing or future laws, regulations, treaties, or international agreements related to greenhouse gases and climate change, including incentives to conserve energy or use alternative energy sources, could have a negative impact on our business if such laws, regulations, treaties, or international agreements reduce demand for oil and natural gas. Likewise, such restrictions may result in additional compliance obligations with respect to the release, capture, sequestration, and use of carbon dioxide that could have a material adverse effect on our liquidity, consolidated results of operations, and consolidated financial condition.

Our business could be materially and adversely affected by severe or unseasonable weather where we have operations.

Our business could be materially and adversely affected by severe weather, particularly in the Gulf of Mexico, Russia, and the North Sea. Some experts believe global climate change could increase the frequency and severity of extreme weather conditions. Repercussions of severe or unseasonable weather conditions may include:

- evacuation of personnel and curtailment of services;
- weather-related damage to offshore drilling rigs resulting in suspension of operations;
- weather-related damage to our facilities and project work sites;
- inability to deliver materials to jobsites in accordance with contract schedules;
- decreases in demand for natural gas during unseasonably warm winters; and
- loss of productivity.

Changes in or interpretation of tax law and currency/repatriation control could impact the determination of our income tax liabilities for a tax year.

We have operations in approximately 70 countries. Consequently, we are subject to the jurisdiction of a significant number of taxing authorities. The income earned in these various jurisdictions is taxed on differing bases, including net income actually earned, net income deemed earned, and revenue-based tax withholding. The final determination of our income tax liabilities involves the interpretation of local tax laws, tax treaties, and related authorities in each jurisdiction, as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. Changes in the operating environment, including changes in or interpretation of tax law and currency/repatriation controls, could impact the determination of our income tax liabilities for the year. For example, potential United States tax reform could significantly impact our tax expense and the value of our United States deferred tax assets.

We are subject to foreign exchange risks and limitations on our ability to reinvest earnings from operations in one country to fund the capital needs of our operations in other countries or to repatriate assets from some countries.

A sizable portion of our consolidated revenue and consolidated operating expenses is in foreign currencies. As a result, we are subject to significant risks, including:

- foreign currency exchange risks resulting from changes in foreign currency exchange rates and the implementation of exchange controls; and
- limitations on our ability to reinvest earnings from operations in one country to fund the capital needs of our operations in other countries.

As an example, we conduct business in countries that have restricted or limited trading markets for their local currencies. We may accumulate cash in those geographies, but we may be limited in our ability to convert our profits into United States dollars or to repatriate the profits from those countries. In addition, although we have made a provision to income taxes for a portion of our cumulative undistributed foreign earnings, the balance of such foreign earnings and cash we may accumulate in foreign jurisdictions in the future may be subject to taxation if repatriated to the United States. For further information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Business Environment and Results of Operations" and Note 10 to the consolidated financial statements.

Our failure to protect our proprietary information and any successful intellectual property challenges or infringement proceedings against us could materially and adversely affect our competitive position.

We rely on a variety of intellectual property rights that we use in our services and products. We may not be able to successfully preserve these intellectual property rights in the future, and these rights could be invalidated, circumvented, or challenged. In addition, the laws of some foreign countries in which our services and products may be sold do not protect intellectual property rights to the same extent as the laws of the United States. Our failure to protect our proprietary information and any successful intellectual property challenges or infringement proceedings against us could materially and adversely affect our competitive position.

If we are not able to design, develop, and produce commercially competitive products and to implement commercially competitive services in a timely manner in response to changes in the market, customer requirements, competitive pressures, and technology trends, our business and consolidated results of operations could be materially and adversely affected, and the value of our intellectual property may be reduced.

The market for our services and products is characterized by continual technological developments to provide better and more reliable performance and services. If we are not able to design, develop, and produce commercially competitive products and to implement commercially competitive services in a timely manner in response to changes in the market, customer requirements, competitive pressures, and technology trends, our business and consolidated results of operations could be materially and adversely affected, and the value of our intellectual property may be reduced. Likewise, if our proprietary technologies, equipment, facilities, or work processes become obsolete, we may no longer be competitive, and our business and consolidated results of operations could be materially and adversely affected.

If our customers delay paying or fail to pay a significant amount of our outstanding receivables, it could have a material adverse effect on our liquidity, consolidated results of operations, and consolidated financial condition.

We depend on a limited number of significant customers. While none of these customers represented more than 10% of consolidated revenue in any period presented, the loss of one or more significant customers could have a material adverse effect on our business and our consolidated results of operations.

In most cases, we bill our customers for our services in arrears and are, therefore, subject to our customers delaying or failing to pay our invoices. In weak economic or commodity price environments, we may experience increased delays and failures due to, among other reasons, a reduction in our customers' cash flow from operations and their access to the credit markets. If our customers delay paying or fail to pay us a significant amount of our outstanding receivables, it could have a material adverse effect on our liquidity, consolidated results of operations, and consolidated financial condition.

Our business in Venezuela subjects us to actions by the Venezuelan government, the risk of delayed payments, and currency risks, which could have a material adverse effect on our liquidity, consolidated results of operations, and consolidated financial condition.

We believe there are risks associated with our operations in Venezuela, which continues to experience significant political and economic turmoil, including the possibility that the Venezuelan government could assume control over our operations and assets. Any delays in receiving payment on our receivables from our primary customer in Venezuela or failure to pay us a significant amount of our outstanding receivables could have a material adverse effect on our liquidity, consolidated results of operations, and consolidated financial condition.

The future results of our Venezuelan operations will be affected by many factors, including the foreign currency exchange rate, actions of the Venezuelan government, and general economic conditions such as continued inflation and future customer payments and spending. For further information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Business Environment and Results of Operations - International operations - Venezuela."

Some of our customers require bids for contracts in the form of long-term, fixed pricing contracts that may require us to assume additional risks associated with cost over-runs, operating cost inflation, labor availability and productivity, supplier and contractor pricing and performance, and potential claims for liquidated damages.

Some of our customers, primarily NOCs, may require bids for contracts in the form of long-term, fixed pricing contracts that may require us to provide integrated project management services outside our normal discrete business to act as project managers as well as service providers, and may require us to assume additional risks associated with cost over-runs. These customers may provide us with inaccurate information in relation to their reserves, which is a subjective process that involves location and volume estimation, that may result in cost over-runs, delays, and project losses. In addition, NOCs often operate in countries with unsettled political conditions, war, civil unrest, or other types of community issues. These issues may also result in cost over-runs, delays, and project losses.

Providing services on an integrated basis may also require us to assume additional risks associated with operating cost inflation, labor availability and productivity, supplier pricing and performance, and potential claims for liquidated damages. We rely on third-party subcontractors and equipment providers to assist us with the completion of these types of contracts. To the extent that we cannot engage subcontractors or acquire equipment or materials in a timely manner and on reasonable terms, our ability to complete a project in accordance with stated deadlines or at a profit may be impaired. If the amount we are required to pay for these goods and services exceeds the amount we have estimated in bidding for fixed-price work, we could experience losses in the performance of these contracts. These delays and additional costs may be substantial, and we may be required to compensate our customers for these delays. This may reduce the profit to be realized or result in a loss on a project.

Constraints in the supply of, prices for, and availability of transportation of raw materials can have a material adverse effect on our business and consolidated results of operations.

Raw materials essential to our business, such as proppants, hydrochloric acid, and gels, including guar gum, are normally readily available. Shortage of raw materials as a result of high levels of demand or loss of suppliers during market challenges can trigger constraints in the supply chain of those raw materials, particularly where we have a relationship with a single supplier for a particular resource. Many of the raw materials essential to our business require the use of rail, storage, and trucking services to transport the materials to our jobsites. These services, particularly during times of high demand, may cause delays in the arrival of or otherwise constrain our supply of raw materials. These constraints could have a material adverse effect on our business and consolidated results of operations. In addition, price increases imposed by our vendors for raw materials used in our business and the inability to pass these increases through to our customers could have a material adverse effect on our business and consolidated results of operations.

Our acquisitions, dispositions, and investments may not result in anticipated benefits and may present risks not originally contemplated, which may have a material adverse effect on our liquidity, consolidated results of operations, and consolidated financial condition.

We continually seek opportunities to maximize efficiency and value through various transactions, including purchases or sales of assets, businesses, investments, or joint venture interests. These transactions are intended to (but may not) result in the realization of savings, the creation of efficiencies, the offering of new products or services, the generation of cash or income, or the reduction of risk. Acquisition transactions may be financed by additional borrowings or by the issuance of our common stock or we may use cash on hand. These transactions may also affect our liquidity, consolidated results of operations, and consolidated financial condition.

These transactions also involve risks, and we cannot ensure that:

- any acquisitions we attempt will be completed on the terms announced, or at all;
- any acquisitions would result in an increase in income or provide an adequate return of capital or other anticipated benefits;
- any acquisitions would be successfully integrated into our operations and internal controls;
- the due diligence conducted prior to an acquisition would uncover situations that could result in financial or legal exposure, including under the FCPA, or that we will appropriately quantify the exposure from known risks;
- any disposition would not result in decreased earnings, revenue, or cash flow;
- use of cash for acquisitions would not adversely affect our cash available for capital expenditures and other uses;
- any dispositions, investments, or acquisitions, including integration efforts, would not divert management resources; or
- any dispositions, investments, or acquisitions would not have a material adverse effect on our liquidity, consolidated results of operations, or consolidated financial condition.

Actions of and disputes with our joint venture partners could have a material adverse effect on the business and results of operations of our joint ventures and, in turn, our business and consolidated results of operations.

We conduct some operations through joint ventures, where control may be shared with unaffiliated third parties. As with any joint venture arrangement, differences in views among the joint venture participants may result in delayed decisions or in failures to agree on major issues. We also cannot control the actions of our joint venture partners, including any nonperformance, default, or bankruptcy of our joint venture partners. These factors could have a material adverse effect on the business and results of operations of our joint ventures and, in turn, our business and consolidated results of operations.

Our ability to operate and our growth potential could be materially and adversely affected if we cannot attract, employ, and retain technical personnel at a competitive cost.

Many of the services that we provide and the products that we sell are complex and highly engineered and often must perform or be performed in harsh conditions. We believe that our success depends upon our ability to attract, employ, and retain technical personnel with the ability to design, utilize, and enhance these services and products. A significant increase in the wages paid by competing employers could result in a reduction of our skilled labor force, increases in the wage rates that we must pay, or both. If either of these events were to occur, our cost structure could increase, our margins could decrease, and any growth potential could be impaired.

The loss or unavailability of any of our executive officers or other key employees could have a material adverse effect on our business.

We depend greatly on the efforts of our executive officers and other key employees to manage our operations. The loss or unavailability of any of our executive officers or other key employees could have a material adverse effect on our business.

Item 1(b). Unresolved Staff Comments.

None.

Item 2. Properties.

We own or lease numerous properties in domestic and foreign locations. Our principal properties include manufacturing facilities, research and development laboratories, technology centers and corporate offices. We also have numerous small facilities that include sales, project, and support offices and bulk storage facilities throughout the world. All of our owned properties are unencumbered.

The following locations represent our major facilities by segment:

Completion and Production:	Arbroath, United Kingdom; Johor Bahru, Malaysia; and Lafayette, Louisiana
Drilling and Evaluation:	Alvarado, Texas; Nisku, Canada; and The Woodlands, Texas
Shared/corporate facilities:	Carrollton, Texas; Denver, Colorado; Dhahran, Saudi Arabia; Dubai, United Arab Emirates (corporate executive offices); Duncan, Oklahoma; Houston, Texas (corporate executive offices); Kuala Lumpur, Malaysia; London, England; Moscow, Russia; Panama City, Panama; Pune, India; Rio de Janeiro, Brazil; Singapore; and Stavanger, Norway

We believe all properties that we currently occupy are suitable for their intended use.

Item 3. Legal Proceedings.

Information related to Item 3. Legal Proceedings is included in Note 9 to the consolidated financial statements.

Item 4. Mine Safety Disclosures.

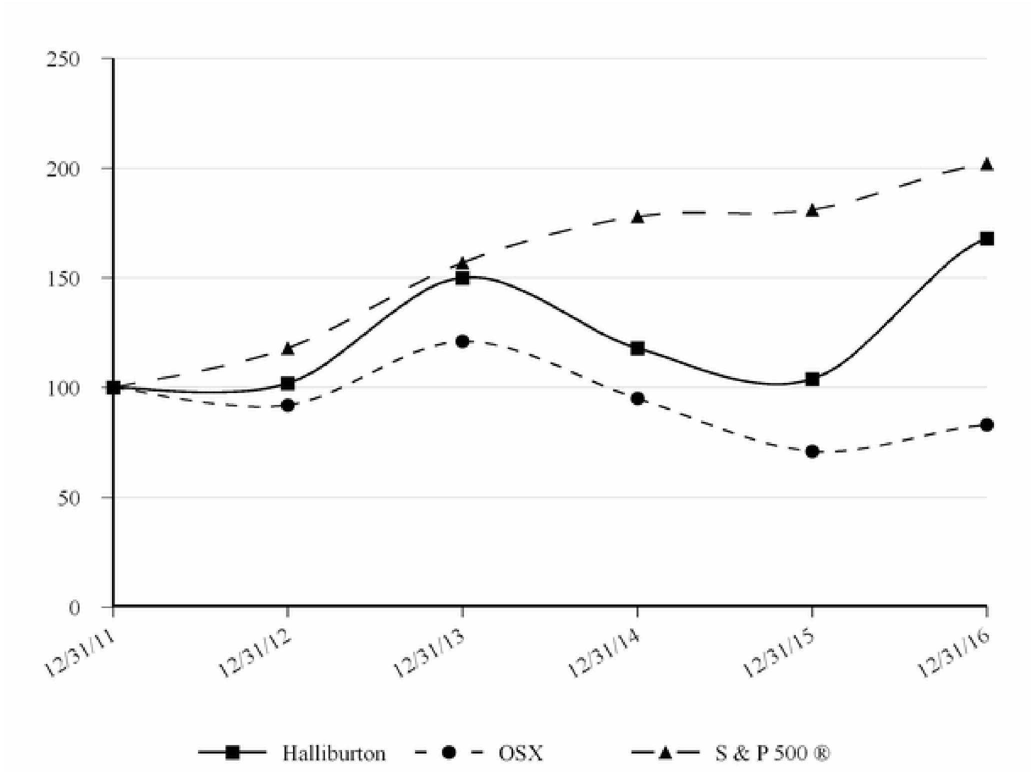
Our barite and bentonite mining operations, in support of our fluid services business, are subject to regulation by the federal Mine Safety and Health Administration under the Federal Mine Safety and Health Act of 1977. Information concerning mine safety violations or other regulatory matters required by section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K (17 CFR 229.104) is included in Exhibit 95 to this annual report.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Halliburton Company's common stock is traded on the New York Stock Exchange. Information related to the high and low market prices of our common stock and quarterly dividend payments is included under the caption "Quarterly Data and Market Price Information" on page 74 of this annual report. Quarterly cash dividends on our common stock, which were paid in March, June, September and December of each year, were $0.18 per share for all four quarters of 2015 and 2016. The declaration and payment of future dividends will be at the discretion of the Board of Directors and will depend on, among other things, future earnings, general financial condition and liquidity, success in business activities, capital requirements and general business conditions. Subject to Board of Directors approval, our intention is to continue paying dividends at our current rate during 2017.

The following graph and table compare total shareholder return on our common stock for the five-year period ended December 31, 2016, with the Philadelphia Oil Service Index (OSX) and the Standard & Poor's 500 ® Index over the same period. This comparison assumes the investment of $100 on December 31, 2011 and the reinvestment of all dividends. The shareholder return set forth is not necessarily indicative of future performance.



	December 31					
	2011	2012	2013	2014	2015	2016
Halliburton	$ 100.00	$ 101.67	$ 150.46	$ 117.96	$ 103.96	$ 167.97
Philadelphia Oil Service Index (OSX)	100.00	92.26	121.15	95.32	71.30	83.08
Standard & Poor's 500 ® Index	100.00	118.45	156.82	178.28	180.75	202.37

At January 31, 2017, we had 12,992 shareholders of record. In calculating the number of shareholders, we consider clearing agencies and security position listings as one shareholder for each agency or listing.

The following table is a summary of repurchases of our common stock during the three-month period ended December 31, 2016.

Period	Total Number of Shares Purchased (a)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (b)	Maximum Number (or Approximate Dollar Value) of Shares that may yet be Purchased Under the Program (b)
October 1 - 31	21,639	$46.45	—	$5,700,004,373
November 1 - 30	38,246	$47.36	—	$5,700,004,373
December 1 - 31	239,807	$54.00	—	$5,700,004,373
Total	299,692	$52.60	—	

(a) All of the 299,692 shares purchased during the three-month period ended December 31, 2016 were acquired from employees in connection with the settlement of income tax and related benefit withholding obligations arising from vesting in restricted stock grants. These shares were not part of a publicly announced program to purchase common stock.

(b) Our Board of Directors has authorized a plan to repurchase our common stock from time to time. During the fourth quarter of 2016, we did not repurchase shares of our common stock pursuant to that plan. We have authorization remaining to repurchase up to a total of approximately $5.7 billion of our common stock.

Item 6. Selected Financial Data.

Information related to selected financial data is included on page 73 of this annual report.

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

Information related to Management's Discussion and Analysis of Financial Condition and Results of Operations is included on pages 19 through 38 of this annual report.

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

Information related to market risk is included in "Management's Discussion and Analysis of Financial Condition and Results of Operations – Financial Instrument Market Risk" on page 37 of this annual report and Note 14 to the consolidated financial statements on page 66 of this annual report.

Item 8. Financial Statements and Supplementary Data.

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

None.

Item 9(a). Controls and Procedures.

In accordance with the Securities Exchange Act of 1934 Rules 13a-15 and 15d-15, we carried out an evaluation, under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2016 to provide reasonable assurance that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. Our disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

There has been no change in our internal control over financial reporting that occurred during the three months ended December 31, 2016 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

See page 39 for Management's Report on Internal Control Over Financial Reporting and page 41 for Report of Independent Registered Public Accounting Firm on its assessment of our internal control over financial reporting.

Item 9(b). Other Information.

None.

EXECUTIVE OVERVIEW

Termination of Baker Hughes acquisition

In November 2014, we entered into a merger agreement with Baker Hughes to acquire all outstanding shares of Baker Hughes in a stock and cash transaction. On April 30, 2016, primarily because of the challenges in obtaining remaining regulatory approvals and general industry conditions that severely damaged deal economics, we and Baker Hughes mutually terminated our merger agreement. As a result, we paid Baker Hughes a termination fee of $3.5 billion and recognized the tax-deductible expense during 2016. In addition, we mandatorily redeemed $2.5 billion of senior notes during 2016. See Note 2 to the consolidated financial statements for further information.

Financial results

The past several years have continued to be extremely challenging for us, as the impact of reduced commodity prices created widespread pricing pressure and activity reductions on a global basis. 2016 represented the sharpest and deepest industry decline in history. More specifically, the North America market continued to face activity and pricing challenges, with the average United States rig count for the year ended December 31, 2016 having declined nearly 75% from the peak in November 2014. As a result, we recognized significant operating losses in the region during 2016. However, crude prices and the North American rig count have increased significantly since the low points in February 2016 and May 2016, respectively, signaling that we may have hit the bottom of the industry downturn and can begin to look ahead for a market recovery. In the fourth quarter of 2016, the average United States rig count increased 23% compared to the third quarter, and we returned to operating profitability in North America in the fourth quarter after recording operating losses in the first three quarters of the year.

We generated $15.9 billion of revenue during 2016, a 33% decline from the $23.6 billion of revenue generated in 2015. Additionally, we recognized $6.8 billion of operating losses in 2016 compared to $165 million of operating losses in 2015. Our results reflected the negative impact of global activity and pricing reductions, combined with $3.4 billion and $2.2 billion of impairments and other charges recorded in 2016 and 2015, respectively. Additionally, operating results were negatively impacted by Baker Hughes related costs, which were $4.1 billion during 2016 and included a $3.5 billion merger termination fee along with charges resulting from our reversal of assets held for sale accounting, compared to $308 million of Baker Hughes related costs during 2015.

Our operating results towards the latter part of 2016 began to benefit from the impact of the structural global cost savings initiatives we initiated in 2015. We successfully completed our structural cost savings goal of stripping out approximately $1 billion of annualized costs from our business through consolidations of facilities, asset write-offs and headcount reductions. We reduced our global workforce in an effort to address deteriorating market conditions and better align our workforce with anticipated activity levels in the near-term. Personnel expense is one of the largest cost categories for us, and therefore, we implemented cost containment measures as they related to employees and their work locations by reducing our global headcount by approximately 14,000 in 2016 and by approximately 40% since the beginning of 2015.

Business outlook

While 2015 and 2016 were challenging as we navigated through this historic industry downturn, we believe our 2016 results reflect successful execution in a difficult environment and position us for the challenges and opportunities ahead. With improvements in commodity prices and the North America rig count from first half 2016 lows, there are signs of optimism in the industry for a market recovery, which we believe we are well positioned to benefit from given our delivery platform and cost containment strategies.

In North America, low commodity prices and rig counts during 2016 resulted in substantial pricing pressure across all of our product service lines. Our customers remain focused on cost and producing more barrels of oil equivalent. We are continuing to collaborate and engineer solutions to maximize asset value for our customers and will continue to take advantage of the recent rig count growth by focusing on increasing equipment utilization, managing costs and expanding our surface efficiency model. Additionally, we gained significant North America market share through the downturn by demonstrating to our customers the benefits of our efficiency and technology, coming out of the downturn with our highest North America market share in history. We have been utilizing this increased market share to drive margin improvement. The historically high level of market share we built in the downturn gives us the ability to focus our work with the most efficient customers and, as such, we continued to execute our strategy of high grading the profitability of our portfolio with customers that value our services. While our market share has been improving, pricing challenges continue as the industry recovers and equipment availability tightens. We will continue to maintain our focus on execution and service quality.

While the North America market appears to have begun to recover, the international downswing continues to persist. The international markets have been more resilient than North America through most of the downturn, particularly in the Eastern Hemisphere, but pricing and activity levels remain under pressure as the industry nears what we believe is the bottom of the international cycle. Low commodity prices have stressed customer budgets and have impacted economics across deepwater and mature field markets, which led to decreased activity and pricing throughout 2016, leading to revenue declines and stressed margins in all three of our international regions. These headwinds still persist, and we do not expect to see an inflection of revenue and margin improvements in the international markets until the latter part of 2017. In the meantime, our international customers remain focused on cash flow, and traditional contracting cycles will likely hinder any substantial rebound coming off the bottom of the cycle. We expect to see a bottoming of the Eastern Hemisphere rig count in the first half of 2017, driven by both cyclical and traditional seasonal impacts, and therefore we expect revenue and margins to continue to be under pressure during 2017 until the market stabilizes. In Latin America, rig activity remains low across the region, while Venezuela continues to experience significant political and economic turmoil. However, we are committed to the Latin America region and believe that oil and gas is a critical element to the region's broader economic recovery. We continue to work with our global customers during this downturn to improve project economics through technology and improved operating efficiency.

We maintained capital discipline during 2016 and adjusted to market conditions, reducing our capital expenditures to $798 million during the year, representing a 63% reduction over 2015. We plan to increase capital spending to approximately $1.0 billion in 2017, which includes reactivating some of our cold stacked pressure pumping equipment and continuing to convert our hydraulic fracturing fleet to Q10 pumps to support our surface efficiency strategy.

As a result of the actions we have taken over the past few years, we believe we are well positioned for the impending market recovery and will scale up our delivery platform by addressing our product service lines one step at a time through a combination of organic growth, investment and selective acquisitions. We plan to continue executing the following strategies in 2017:

- directing capital and resources into strategic growth markets, primarily unconventional plays and mature fields;
- leveraging our broad technology offerings to provide value to our customers and enabling them to more efficiently drill and complete their wells;
- exploring additional opportunities for acquisitions that will enhance or augment our current portfolio of services and products, including those with unique technologies or distribution networks in areas where we do not already have significant operations;
- investing in technology that will help our customers reduce reservoir uncertainty and increase operational efficiency;
- improving working capital and managing our balance sheet to maximize our financial flexibility;
- continuing to seek ways to be one of the most cost efficient service providers in the industry by maintaining capital discipline and leveraging our scale and breadth of operations; and
- collaborating and engineering solutions to maximize asset value for our customers.

Our operating performance and business outlook are described in more detail in "Business Environment and Results of Operations."

Financial markets, liquidity and capital resources

During 2016, in conjunction with the termination of the Baker Hughes transaction, we paid a $3.5 billion termination fee and mandatorily redeemed $2.5 billion of debt. We also paid off an additional $600 million of senior notes that matured during 2016, closing out the year at $4.0 billion of cash and cash equivalents. This represents a $6.1 billion reduction in our cash position since December 31, 2015. However, we focused on cash flows and generated almost $1 billion of cash during the second half of 2016. This was driven by improved working capital metrics, including a significant reduction of days sales outstanding, disciplined capital spending and tax refunds collected from our carry back of net operating losses we recognized in previous periods.

We believe we have invested our cash balances conservatively and secured sufficient financing to help mitigate any near-term negative impact on our operations from adverse market conditions. We will continue to execute capital discipline over the next year during this challenged market environment. Given the size of our cash position and the potential impact of U.S. tax reform, we are actively evaluating our options and opportunities around uses of cash, which could include paying off debt, funding acquisitions and organic growth projects or shareholder return opportunities. We also have $3.0 billion available under our revolving credit facility which, with our cash balance, we believe provides us with sufficient liquidity to address the challenges and opportunities of the current market. If determined appropriate, we may seek to raise additional capital in the future through sales of equity or additional indebtedness. For additional information on market conditions, see “Liquidity and Capital Resources” and “Business Environment and Results of Operations.”

LIQUIDITY AND CAPITAL RESOURCES

As of December 31, 2016, we had $4.0 billion of cash and equivalents, compared to $10.1 billion at December 31, 2015. Additionally, we held $92 million of investments in fixed income securities at December 31, 2016, compared to $96 million at December 31, 2015. These securities are reflected in "Other current assets" and "Other assets" in our consolidated balance sheets. Approximately $1.8 billion of our total cash position as of December 31, 2016 was held by our foreign subsidiaries, a substantial portion of which is available to be repatriated into the United States to fund our U.S. operations or for general corporate purposes, with a portion subject to certain country-specific restrictions. See Note 10 for further discussion on U.S. federal income taxes we recorded during 2016 relating to cumulative undistributed foreign earnings.

Significant sources and uses of cash in 2016

Sources of cash:

- We improved working capital (receivables, inventories and accounts payable) by a net $1.2 billion during the year, driven by efficient working capital management during the year.
- We received a series of United States tax refunds aggregating $513 million during the second half of 2016, primarily related to the carryback of our net operating losses recognized in 2015. This was partially offset by tax payments for normal business operations in various foreign jurisdictions.

Uses of cash:

- Cash flows from operating activities were a negative $1.7 billion in 2016, driven primarily by the $3.5 billion termination fee paid to Baker Hughes during the second quarter.
- Capital expenditures were $798 million in 2016. The capital expenditures in 2016 were predominantly made in our Production Enhancement, Sperry Drilling, Production Solutions, Cementing and Baroid product service lines.
- We mandatorily redeemed $2.5 billion of senior notes in the second quarter and repaid $600 million of senior notes that matured during the third quarter.
- We paid $620 million of dividends to our shareholders in 2016.

Future sources and uses of cash

We manufacture most of our own equipment, which allows us flexibility to increase or decrease our capital expenditures based on market conditions. Capital spending for 2017 is currently expected to be approximately $1.0 billion, an increase of over 20% from 2016. The capital expenditures plan for 2017 is primarily directed towards our Production Enhancement, Sperry Drilling, Production Solutions, Wireline and Perforating and Baroid Drilling product service lines. This includes reactivating some of our cold stacked pressure pumping equipment and continuing to convert our hydraulic fracturing fleet to Q10 pumps to support our surface efficiency strategy.

Currently, our quarterly dividend rate is $0.18 per share, or approximately $156 million per quarter. Subject to Board of Directors approval, our intention is to continue paying dividends at our current rate during 2017. Our Board of Directors has authorized a program to repurchase our common stock from time to time. Approximately $5.7 billion remains authorized for repurchases as of December 31, 2016, and may be used for open market and other share purchases. There were no repurchases made under the program during the year ended December 31, 2016.

We expect to receive a United States tax refund in the amount of approximately $475 million during the second half of 2017, primarily related to the carryback of our net operating losses recognized in 2016. Additionally, we had $427 million of gross unrecognized tax benefits at December 31, 2016, of which we estimate $257 million may require a cash payment by us. We estimate that $253 million of the cash payment will not be settled within the next 12 months. We are not able to reasonably estimate in which future periods this amount will ultimately be settled and paid.

During 2014, we reached an agreement, subject to court approval, to settle a substantial portion of the plaintiffs' claims asserted against us relating to the Macondo well incident. During 2016, we made a $33 million payment in accordance with our MDL Settlement. Our total Macondo-related loss contingency liability as of December 31, 2016 was $413 million, of which $369 million is expected to be paid in the first quarter of 2017. In December 2016, we reached an agreement in principle to settle a class action lawsuit and incurred a charge of $54 million. We expect to make the related payment in 2017 when the settlement is finalized and approved by the court. See Note 9 to the consolidated financial statements for further information.

Given the size of our cash position and the potential impact of U.S. tax reform, we are actively evaluating our options and opportunities around uses of cash, which could include paying off debt, funding acquisitions and organic growth projects or shareholder return opportunities.

Contractual obligations

The following table summarizes our significant contractual obligations and other long-term liabilities as of December 31, 2016:

	Payments Due						
Millions of dollars	2017	2018	2019	2020	2021	Thereafter	Total
Long-term debt (a)	$ 163	$ 841	$ 1,028	$ 24	$ 702	$ 9,729	$ 12,487
Interest on debt (b)	611	609	584	526	516	8,856	11,702
Operating leases	164	135	100	68	52	185	704
Purchase obligations (c)	468	54	34	26	18	39	639
Other long-term liabilities (d)	31	—	—	—	—	—	31
Total	$ 1,437	$ 1,639	$ 1,746	$ 644	$ 1,288	$ 18,809	$ 25,563

(a) Represents principal amounts of long-term debt, including capital lease obligations and current maturities of debt, which excludes any unamortized debt issuance costs and discounts. See Note 8 to the consolidated financial statements.

(b) Interest on debt includes 80 years of interest on $300 million of debentures at 7.6% interest that become due in 2096.

(c) Amount in 2017 primarily represents certain purchase orders for goods and services utilized in the ordinary course of our business.

(d) Includes pension funding obligations. Amounts for pension funding obligations, which include international plans and are based on assumptions that are subject to change, are only included for 2017 as we are currently not able to reasonably estimate our contributions for years after 2017.

Other factors affecting liquidity

Financial position in current market. As of December 31, 2016, we had $4.0 billion of cash and equivalents, $92 million in fixed income investments and a total of $3.0 billion of available committed bank credit under our revolving credit facility. Furthermore, we have no financial covenants or material adverse change provisions in our bank agreements, and our debt maturities extend over a long period of time. We currently believe that cash on hand, cash flows generated from operations and our available credit facility will provide sufficient liquidity to manage our global cash needs in 2017, including capital expenditures, working capital investments, dividends, if any, and contingent liabilities.

Guarantee agreements. In the normal course of business, we have agreements with financial institutions under which approximately $2.0 billion of letters of credit, bank guarantees, or surety bonds were outstanding as of December 31, 2016. Some of the outstanding letters of credit have triggering events that would entitle a bank to require cash collateralization.

Credit ratings. During 2016, in conjunction with the termination of our merger agreement with Baker Hughes and as a result of general market conditions, Standard & Poor's changed our credit ratings for our long-term debt from A to BBB+ and changed our credit ratings on our short-term debt from A-1 to A-2, with all of our ratings on stable outlook. Moody's Investors Service changed our credit ratings for our long-term debt from A2 to Baa1 and changed our credit ratings on our short-term debt from P-1 to P-2, with all of our ratings on negative outlook.

Customer receivables. In line with industry practice, we bill our customers for our services in arrears and are, therefore, subject to our customers delaying or failing to pay our invoices. In weak economic environments, we may experience increased delays and failures to pay our invoices due to, among other reasons, a reduction in our customers' cash flow from operations and their access to the credit markets as well as unsettled political conditions. If our customers delay paying or fail to pay us a significant amount of our outstanding receivables, it could have a material adverse effect on our liquidity, consolidated results of operations and consolidated financial condition. See "Business Environment and Results of Operations – International operations – Venezuela" for further discussion related to receivables from our primary customer in Venezuela.

BUSINESS ENVIRONMENT AND RESULTS OF OPERATIONS

We operate in approximately 70 countries throughout the world to provide a comprehensive range of services and products to the upstream oil and natural gas industry. A significant amount of our consolidated revenue is derived from the sale of services and products to major, national and independent oil and natural gas companies worldwide. The industry we serve is highly competitive with many substantial competitors in each segment of our business. In 2016, 2015 and 2014, based on the location of services provided and products sold, 41%, 44% and 51%, respectively, of our consolidated revenue was from the United States. No other country accounted for more than 10% of our revenue during these periods.

Operations in some countries may be adversely affected by unsettled political conditions, acts of terrorism, civil unrest, force majeure, war or other armed conflict, sanctions, expropriation or other governmental actions, inflation, changes in foreign currency exchange rates, foreign currency exchange restrictions and highly inflationary currencies, as well as other geopolitical factors. We believe the geographic diversification of our business activities reduces the risk that loss of operations in any one country, other than the United States, would be materially adverse to our consolidated results of operations.

Activity within our business segments is significantly impacted by spending on upstream exploration, development and production programs by our customers. Also impacting our activity is the status of the global economy, which impacts oil and natural gas consumption.

Some of the more significant determinants of current and future spending levels of our customers are oil and natural gas prices, global oil supply, the world economy, the availability of credit, government regulation and global stability, which together drive worldwide drilling activity. Due to improved drilling and completion efficiencies as more of our customers move to multi-well pad drilling, our financial performance in North America is impacted by well count in the North America market. Additionally, our financial performance is significantly affected by oil and natural gas prices and worldwide rig activity, which are summarized in the following tables.

The following table shows the average oil and natural gas prices for West Texas Intermediate (WTI), United Kingdom Brent crude oil and Henry Hub natural gas:

	2016	2015	2014
Oil price - WTI (1)	$ 43.14	$ 48.69	$ 93.37
Oil price - Brent (1)	43.55	52.36	99.04
Natural gas price - Henry Hub (2)	2.52	2.63	4.39

(1) Oil price measured in dollars per barrel

(2) Natural gas price measured in dollars per million British thermal units (Btu), or MMBtu

The historical average rig counts based on the weekly Baker Hughes Incorporated rig count information were as follows:

Land vs. Offshore	2016	2015	2014
United States:			
Land	486	943	1,804
Offshore (incl. Gulf of Mexico)	23	35	57
Total	509	978	1,861
Canada:			
Land	128	189	378
Offshore	2	2	2
Total	130	191	380
International (excluding Canada):			
Land	734	884	1,011
Offshore	221	283	326
Total	955	1,167	1,337
Worldwide total	1,594	2,336	3,578
Land total	1,348	2,016	3,193
Offshore total	246	320	385

Oil vs. Natural Gas	2016	2015	2014
United States (incl. Gulf of Mexico):			
Oil	409	751	1,528
Natural gas	100	227	333
Total	509	978	1,861
Canada:			
Oil	63	84	218
Natural gas	67	107	162
Total	130	191	380
International (excluding Canada):			
Oil	726	916	1,070
Natural gas	229	251	267
Total	955	1,167	1,337
Worldwide total	1,594	2,336	3,578
Oil total	1,198	1,751	2,816
Natural gas total	396	585	762

Drilling Type	2016	2015	2014
United States (incl. Gulf of Mexico):			
Horizontal	400	744	1,274
Vertical	60	139	376
Directional	49	95	211
Total	509	978	1,861

Crude oil prices have been extremely volatile during the past few years. WTI oil spot prices declined significantly towards the second half of 2014 with a peak price of $108 per barrel in June 2014, and continued to decline throughout 2015, ranging from a high of $61 per barrel to a low of $35 per barrel. WTI oil spot prices declined further into February 2016 to a low of $26 per barrel, a level which had not been experienced since 2003. Brent crude oil spot prices declined from a high of $115 per barrel in June 2014, and continued to decline throughout 2015, ranging from a high of $66 per barrel to a low of $35 per barrel, and declined further to $26 per barrel in January 2016. Commodity prices have increased from the low point experienced in early 2016 to highs of $54 per barrel in December 2016 for WTI and $55 per barrel in December 2016 for Brent.

While prices continue to fluctuate, we believe this price improvement signals the turning point in the North American market and believe that the international market should begin to improve in the latter half of 2017.

WTI and Brent crude oil spot prices had a monthly average in December 2016 of $52 per barrel and $53 per barrel, respectively. The market reactions to the OPEC plan to cut production by 1.2 million barrels per day beginning in January 2017, as well as growing domestic and global consumption, have contributed to rising oil prices. However, prices are expected to remain relatively unchanged for the beginning of 2017 as significant economic and geopolitical events are expected to affect market participants' expectations and demand growth and as global oil inventory builds at a slower rate. Crude oil production in the United States is projected to average 9.0 million barrels per day in 2017, largely due to increases in offshore Gulf of Mexico production and rising tight oil production.

In the United States Energy Information Administration (EIA) January 2017 "Short Term Energy Outlook," the EIA projects that Brent prices will average $53 per barrel in 2017, while WTI prices will average about $1 less per barrel. The EIA also notes that price projections are highly uncertain due to the current values of futures and options contracts. The International Energy Agency's (IEA) January 2017 "Oil Market Report" forecasts the 2017 global demand to average approximately 97.8 million barrels per day, which is up 1% from 2016, driven by an increase in the Asia Pacific region, while all other regions remain approximately the same.

The average full year 2016 Henry Hub natural gas price in the United States decreased approximately 4% from 2015. However, the Henry Hub natural gas spot price averaged $3.59 per MMBtu in December 2016, an increase of $0.60 per MMBtu, or 20%, from September 2016. Production decline, increased demand for natural gas to fuel electricity generation and inventories falling below the five-year average contributed to the highest natural gas prices since December 2014. The EIA January 2017 “Short Term Energy Outlook” projects Henry Hub natural gas prices to average $3.55 per MMBtu in 2017. The EIA also expects natural gas consumption to increase in 2017, primarily because of higher residential and commercial consumption based on a forecast of colder winter temperatures and, to a lesser extent, due to new fertilizer and chemical projects in the industrial sector.

North America operations

The average North America oil-directed rig count declined 363 rigs, or 43%, for the full year 2016 as compared to 2015, while the average North America natural gas-directed rig count decreased 167 rigs, or 50%, during the same period. In the United States land market during 2016, there was a decline of 48% in the average rig count compared to 2015.

The United States average rig count for December 2016 reflected a drop of 67% since its peak in November 2014. Price erosion for our services continued during the majority of 2016. However, the rig count has begun to show improvement with a 23% increase in the average fourth quarter United States rig count when compared to the third quarter, and is expected to continue improving in the first half of 2017. As a result of the recent uptick in activity and the structural changes to our delivery platform we made during this down cycle, we returned to operating profitability in North America in the fourth quarter of 2016 after recording operating losses in the first three quarters of the year. We anticipate our North America revenue for the first quarter of 2017 will perform in-line with changes in the rig count. In the long run, we believe the continuing shifts to unconventional oil and liquids-rich basins in the United States land market will continue to drive increased service intensity and will create higher demand in fluid chemistry and other technologies required for these complex reservoirs, which will have positive implications for our operations as the energy market recovers.

In the Gulf of Mexico, the average offshore rig count for 2016 was down 34% compared to 2015. Low commodity prices have stressed budgets and have impacted economics across the deepwater market, which has led to decreased activity and pricing throughout 2016. These headwinds still persist today. We believe there will continue to be challenges in 2017 on deepwater project economics. Additionally, activity in the Gulf of Mexico is dependent on, among the factors described above, governmental approvals for permits, our customers' actions, and the entry and exit of deepwater rigs in the market.

International operations

The average international rig count for 2016 decreased by 18% compared to 2015, as the international markets remain stressed as they near the bottom of the cycle. Depressed crude oil prices have caused many of our customers to reduce their budgets and defer several new projects; however, we have continued to work with our customers to improve project economics through technology and improved operating efficiency. In Latin America, the rig count hit a 15-year low across the region during 2016, and Venezuela continues to experience significant political and economic turmoil. While our fourth quarter results in the region were solid, headwinds persist in the larger Latin American markets and until these are alleviated, we do not believe we will see improvement. However, we are committed to the region and believe that oil and gas is a critical element to the region’s broader economic recovery. For our Eastern Hemisphere business, we expect to see an inflection in the rig count in the latter half of 2017, supported by strengthening activity in the land-based mature field markets but decreased activity in the deepwater markets.

Venezuela. In February 2015, the Venezuelan government created a three-tier foreign exchange rate system, which included the National Center of Foreign Commerce official rate of 6.3 Bolívares per United States dollar, the SICAD and the SIMADI. During the first quarter of 2015, we began utilizing the SIMADI floating rate mechanism to remeasure our net monetary assets denominated in Bolívares, with an initial market rate of 192 Bolívares per United States dollar, resulting in a foreign currency loss of $199 million recorded during the first quarter of 2015.

In February 2016, the Venezuelan government revised the three-tier exchange rate system to a new dual-rate system designed to streamline access to dollars for production and essential imports as well as to combat inflation. The dual-rate exchange mechanisms are as follows: (i) the DIPRO, which replaced and devalued the official rate from 6.3 to 10.0 Bolívares per United States dollar, and represents a protected rate made available for vital imports such as food, medicine and raw materials for production; and (ii) the DICOM, which replaces the SIMADI and which is intended to be a free floating system that will fluctuate according to market supply and demand. The DICOM had a market rate of 674 Bolívares per United States dollar at December 31, 2016. We are utilizing the DICOM to remeasure our net monetary assets denominated in Bolívares, and the revised system and continued devaluation did not materially affect our financial statements for the year ended December 31, 2016.

As of December 31, 2016, our total net investment in Venezuela was approximately $820 million, with only $1 million of net monetary liabilities denominated in Bolívares, and we had an additional $38 million of surety bond guarantees outstanding relating to our Venezuelan operations.

We have continued to experience delays in collecting payments on our receivables from our primary customer in Venezuela. These receivables are not disputed, and we have not historically had material write-offs relating to this customer. Additionally, we routinely monitor the financial stability of our customers. During the second quarter of 2016, we executed a financing agreement with our primary customer in Venezuela in an effort to actively manage these customer receivables, resulting in an exchange of $200 million of outstanding trade receivables for an interest-bearing promissory note. We recorded the note at its fair market value at the date of exchange, which resulted in a $148 million pre-tax loss on exchange in the second quarter. This instrument provides a more defined schedule around the timing of payments, while we generate a return awaiting payment. We are using an effective interest method to accrete the carrying amount to its par value as it matures. We received interest payments on this promissory note during the third and fourth quarters, and the carrying amount of the note was $70 million as of December 31, 2016. In the fourth quarter of 2016, we agreed to exchange this promissory note for a new note with the same maturity and coupon, but which is expected to be tradeable in a more liquid market. We intend to hold the new note to maturity.

Our total outstanding net trade receivables in Venezuela were $610 million as of December 31, 2016, excluding the $200 million promissory note receivable discussed above, compared to $704 million as of December 31, 2015, which represents 15% and 14% of total company trade receivables at the respective balance sheet dates. The majority of our Venezuela receivables are United States dollar-denominated receivables. Of the $610 million receivables in Venezuela as of December 31, 2016, $409 million has been classified as long-term and included within “Other assets” on our consolidated balance sheets. As a result of current conditions in Venezuela and the continued delays in collecting payments on our receivables in the country, we began curtailing activity in Venezuela during the first quarter of 2016.

For additional information, see Part I, Item 1(a), “Risk Factors.”

RESULTS OF OPERATIONS IN 2016 COMPARED TO 2015

REVENUE: *Millions of dollars*	2016	2015	Favorable (Unfavorable)	Percentage Change
Completion and Production	$ 8,882	$ 13,682	$ (4,800)	(35)%
Drilling and Evaluation	7,005	9,951	(2,946)	(30)
Total revenue	$ 15,887	$ 23,633	$ (7,746)	(33)%
By geographic region:				
North America	$ 6,770	$ 10,856	$ (4,086)	(38)%
Latin America	1,860	3,149	(1,289)	(41)
Europe/Africa/CIS	2,993	4,175	(1,182)	(28)
Middle East/Asia	4,264	5,453	(1,189)	(22)
Total	$ 15,887	$ 23,633	$ (7,746)	(33)%

OPERATING INCOME: *Millions of dollars*	2016	2015	Favorable (Unfavorable)	Percentage Change
Completion and Production	$ 107	$ 1,069	$ (962)	(90)%
Drilling and Evaluation	794	1,519	(725)	(48)
Total	901	2,588	(1,687)	(65)
Corporate and other	(4,322)	(576)	(3,746)	650
Impairments and other charges	(3,357)	(2,177)	(1,180)	54
Total operating loss	$ (6,778)	$ (165)	$ (6,613)	4,008 %
By geographic region:				
North America	$ (201)	$ 458	$ (659)	(144)%
Latin America	111	440	(329)	(75)
Europe/Africa/CIS	269	523	(254)	(49)
Middle East/Asia	722	1,167	(445)	(38)
Total	$ 901	$ 2,588	$ (1,687)	(65)%

Consolidated revenue in 2016 decreased 33% compared to 2015, associated with widespread pricing pressure and activity reductions on a global basis, primarily attributable to stimulation activity, well completion services and pricing declines in North America. Revenue outside of North America was 57% of consolidated revenue in 2016 and 54% of consolidated revenue in 2015.

We reported a consolidated operating loss of $6.8 billion in 2016, as compared to an operating loss of $165 million in 2015. Operating results were negatively impacted by $3.4 billion and $2.2 billion of impairments and other charges recorded during 2016 and 2015, respectively. Additionally, we incurred $4.1 billion of Baker Hughes related costs during 2016, primarily due to the $3.5 billion termination fee and $464 million of charges resulting from our reversal of assets held for sale accounting, compared to $308 million of Baker Hughes related costs during 2015. Also impacting consolidated operating results was a significant decline in stimulation activity and pricing declines in North America and reduced well completion services across all regions as a result of the global downturn in the energy market. See Note 2 to the consolidated financial statements for further discussion of the Baker Hughes transaction and financial statement impact of terminating our merger agreement and Note 3 to the consolidated financial statements for further information about impairments and other charges.

OPERATING SEGMENTS

Completion and Production

Completion and Production (C&P) revenue was $8.9 billion in 2016, a decrease of $4.8 billion, or 35%, compared to 2015, due to a decline in activity and pricing in the majority of our product services lines, particularly North America pressure pumping services which drove the majority of the C&P revenue decline. International revenue declined as a result of reductions in well completion services and stimulation activity in all regions.

C&P operating income was $107 million in 2016, compared to $1.1 billion of operating income in 2015, with decreased profitability across all regions as a result of global activity and pricing reductions, primarily in North America stimulation activity and completion of well services across all regions.

Drilling and Evaluation

Drilling and Evaluation (D&E) revenue was $7.0 billion in 2016, a decrease of $2.9 billion, or 30%, from 2015. Reductions were seen across all product service lines due to the low rig count, lower pricing and customer budget constraints worldwide.

D&E operating income was $794 million in 2016, a decrease of $725 million, or 48%, compared to 2015, driven by a decline in activity and pricing across all regions, particularly drilling and logging activity in Middle East/Asia region and reduced fluid services in Latin America.

GEOGRAPHIC REGIONS

North America

North America revenue was $6.8 billion in 2016, a 38% decline compared to 2015, relative to a 45% decline in average North America rig count. We had an operating loss of $201 million in 2016, compared to $458 million of operating income in 2015. These declines were driven by reduced activity and pricing pressure throughout the United States land market, specifically relating to stimulation and drilling activity.

Latin America

Latin America revenue was $1.9 billion in 2016, a 41% reduction compared to 2015, with operating income of $111 million in 2016, a 75% decline from 2015. These reductions were primarily related to our decision to curtail activity in Venezuela and currency weakness in the country, reduced activity across all product service lines in Mexico and lower drilling activity in Brazil and Colombia.

Europe/Africa/CIS

Europe/Africa/CIS revenue was $3.0 billion in 2016, a decline of 28% compared to 2015, with operating income of $269 million in 2016, a 49% decrease compared to 2015. These decreases were driven by a reduction of activity in the North Sea, Angola, Nigeria and Congo, along with lower drilling activity, completion tools sales and pressure pumping services throughout the region.

Middle East/Asia

Middle East/Asia revenue was $4.3 billion in 2016, a reduction of 22% compared 2015, with operating income of $722 million in 2016, a 38% decrease from 2015. This was the result of pricing concessions across the region, along with reduced activity for pressure pumping services in the Middle East, Indonesia and Australia, and a decline in drilling and logging activity in Indonesia, Malaysia and the Middle East.

OTHER OPERATING ITEMS

Corporate and other expenses were $4.3 billion in 2016, as compared to $576 million in 2015, primarily driven by Baker Hughes related costs. During 2016, we incurred a $3.5 billion termination fee and $464 million of charges resulting from our reversal of assets held for sale accounting, as compared to $308 million of Baker Hughes related costs during 2015. See Note 2 to the consolidated financial statements for further discussion of the Baker Hughes transaction and the financial statement impact of terminating our merger agreement.

Impairments and other charges. Primarily as a result of the downturn in the energy market and its corresponding impact on the company's business outlook, we recorded a total of approximately $3.4 billion in company-wide charges during 2016, which consisted of fixed asset impairments and write-offs, inventory write-downs, impairments of intangible assets, severance costs, country and facility closures, a loss on exchange for a promissory note from our primary customer in Venezuela and other charges. This compares to $2.2 billion of impairments and other charges recorded in 2015 which consisted of fixed asset impairments and write-offs, inventory write-downs, impairments of intangible assets, severance costs, country and facility closures and other charges. See Note 3 to the consolidated financial statements for further information.

NONOPERATING ITEMS

Interest expense, net increased $192 million in 2016, as compared to 2015. This was primarily due to additional interest resulting from the $7.5 billion of senior notes issued in November 2015, coupled with $41 million of redemption fees and associated costs, which were recorded through interest expense, related to the $2.5 billion of senior notes mandatorily redeemed during the second quarter of 2016. Additionally, we recognized $25 million of interest income in 2016 related to interest receipts and accretion on the promissory note from our primary customer in Venezuela, as we continue to accrete the carrying amount of the promissory note to its par value as it matures. See Note 14 to the consolidated financial statements for further information on our promissory note in Venezuela.

Other, net was a $208 million loss in 2016, as compared to a $324 million loss in 2015, driven by foreign currency exchange losses in various countries primarily due to the strengthening U.S. dollar. These losses included a $53 million loss in 2016 for the devaluation of the Egyptian pound and a $199 million loss in 2015 as a result of utilizing the new currency exchange mechanism in Venezuela. Also impacting both periods were foreign currency exchange losses in Brazil and Argentina. See "Business Environment and Results of Operations" for further information regarding Venezuela.

Effective tax rate. During 2016, we recorded a total income tax benefit of $1.9 billion on pre-tax losses of $7.6 billion, resulting in an effective tax rate of 24.4%. During 2015, we recorded a total income tax benefit $274 million on pre-tax losses of $936 million, resulting in an effective tax rate of 29.3%. See Note 10 to the consolidated financial statements for significant drivers of these effective tax rates.

RESULTS OF OPERATIONS IN 2015 COMPARED TO 2014

REVENUE: *Millions of dollars*	2015	2014	Favorable (Unfavorable)	Percentage Change
Completion and Production	$ 13,682	$ 20,253	$ (6,571)	(32)%
Drilling and Evaluation	9,951	12,617	(2,666)	(21)
Total revenue	$ 23,633	$ 32,870	$ (9,237)	(28)%
By geographic region:				
North America	$ 10,856	$ 17,698	$ (6,842)	(39)%
Latin America	3,149	3,875	(726)	(19)
Europe/Africa/CIS	4,175	5,490	(1,315)	(24)
Middle East/Asia	5,453	5,807	(354)	(6)
Total	$ 23,633	$ 32,870	$ (9,237)	(28)%

OPERATING INCOME: *Millions of dollars*	2015	2014	Favorable (Unfavorable)	Percentage Change
Completion and Production	$ 1,069	$ 3,670	$ (2,601)	(71)%
Drilling and Evaluation	1,519	1,740	(221)	(13)
Total	2,588	5,410	(2,822)	(52)
Corporate and other	(576)	(184)	(392)	213
Impairments and other charges	(2,177)	(129)	(2,048)	1,588
Total operating income (loss)	$ (165)	$ 5,097	$ (5,262)	(103)%
By geographic region:				
North America	$ 458	$ 3,216	$ (2,758)	(86)%
Latin America	440	431	9	2
Europe/Africa/CIS	523	689	(166)	(24)
Middle East/Asia	1,167	1,074	93	9
Total	$ 2,588	$ 5,410	$ (2,822)	(52)%

Consolidated revenue in 2015 decreased 28% compared to 2014, associated with widespread pricing pressure and activity reductions on a global basis, primarily attributable to pressure pumping in North America and Europe/Africa/CIS. Revenue outside of North America was 54% of consolidated revenue in 2015 and 46% of consolidated revenue in 2014.

We reported a consolidated operating loss of $165 million in 2015, as compared to operating income of $5.1 billion in 2014. This $5.3 billion decrease was primarily driven by a significant decline in pressure pumping activity and pricing declines in North America as a result of the global downturn in the energy market. Also impacting consolidated operating income was $2.2 billion of impairments and other charges recorded in 2015 and $308 million of Baker Hughes related costs. See Note 3 to the consolidated financial statements for further information about impairments and other charges.

OPERATING SEGMENTS

Completion and Production

Completion and Production (C&P) revenue declined $6.6 billion in 2015, or 32%, compared to 2014, due to activity decreases across all regions, mainly North America pressure pumping services which drove the majority of the C&P revenue decline. International revenue fell as a result of reductions in well completion services and pressure pumping activity across all regions.

C&P operating income was $1.1 billion in 2015, a decrease of $2.6 billion, or 71% compared to 2014, driven predominantly by the decline in North America pressure pumping services and decreased profitability across all regions as a result of global activity and pricing reductions.

Drilling and Evaluation

Drilling and Evaluation (D&E) revenue decreased $2.7 billion in 2015, or 21%, compared to 2014, primarily due to reduced drilling and logging activity in all regions due to the low rig count, lower pricing and customer budget constraints worldwide. Revenue declines were partially offset by increased project management services throughout Middle East/Asia.

D&E operating income was $1.5 billion in 2015, a decrease of 13% compared to 2014, partly due to decreased drilling and logging activity primarily in North America, partially offset by increased project management services and fluid activity in Middle East/Asia.

GEOGRAPHIC REGIONS

North America

North America revenue was $10.9 billion in 2015, a 39% decline compared to 2014, relative to a 48% decline in average North America rig count. Operating income was $458 million in 2015, a substantial reduction from the $3.2 billion of operating income reported in 2014. These reductions were driven by a decline in activity across a majority of product service lines, predominately in the United States land market as a result of steep rig count declines, pricing concessions and reduced stimulation activity.

Latin America

Latin America revenue was $3.1 billion in 2015, a 19% reduction compared to 2014, with operating income of $440 million in 2015, a 2% increase from 2014. These results were impacted by reduced activity and pricing in Mexico, primarily associated with pressure pumping and production solution services, along with reduced offshore activity in Brazil. Operating income benefited from depreciation cessation related to assets held for sale during 2015 along with improved pipeline and fluid services in Venezuela and well completions activity in Brazil.

Europe/Africa/CIS

Europe/Africa/CIS revenue was $4.2 billion in 2015, a decline of 24% compared to 2014, with operating income of $523 million in 2015, a 24% decrease compared to 2014. These decreases were driven by reduced fluid services and currency weakness in Norway, lower pressure pumping services and currency weakness in Russia and decreased drilling and fluid activity throughout the entire region.

Middle East/Asia

Middle East/Asia revenue was $5.5 billion in 2015, a reduction of 6% compared to 2014, with operating income of $1.2 billion in 2015, a 9% increase from 2014. These results were impacted by decreased pressure pumping activity in Australia and reduced drilling activity across the region. Operating income benefited from depreciation cessation related to assets held for sale during 2015 along with increased project management and fluid services activity in the Middle East.

OTHER OPERATING ITEMS

Corporate and other expenses increased to $576 million in 2015 compared to $184 million in 2014, primarily due to $308 million of Baker Hughes related costs recorded in 2015, as compared to $17 million in 2014. Additionally, in 2014, we recorded a reduction of our Macondo-related loss contingency liability and an expected insurance recovery totaling $195 million.

Impairments and other charges. As a result of the downturn in the energy market and its corresponding impact on our business outlook, we recorded a total of approximately $2.2 billion in company-wide charges during 2015, which consisted of fixed asset impairments, inventory write-downs, impairments of intangible assets, severance costs, country and facility closures and other charges. During 2014, $129 million was recorded for impairments and other charges. See Note 3 to the consolidated financial statements for further information.

NONOPERATING ITEMS

Interest expense, net increased $64 million in 2015, compared to 2014, primarily due to fees associated with the bridge facility commitment related to the Baker Hughes transaction and additional interest expense associated with the $7.5 billion of senior notes issued in November 2015. See Note 8 to the consolidated financial statements for further information.

Other, net was a $324 million loss in 2015, as compared to a $2 million loss in 2014, primarily due to a $199 million foreign exchange loss we incurred in Venezuela in the first quarter of 2015 as a result of utilizing the new currency exchange mechanism, coupled with foreign currency exchange losses in Brazil and Argentina. See Note 3 to the consolidated financial statements and "Business Environment and Results of Operations" for further information about Venezuela.

Effective tax rate. Our effective tax rate was 29.3% for 2015 and 27.1% for 2014. The effective tax rates in both periods were positively impacted by lower tax rates in certain foreign jurisdictions. The effective tax rate for 2015 was also impacted by the tax effects of the $2.2 billion of impairments and other charges, a change in mix of geographic earnings in which we experienced low levels of United States income during the year, additional valuation allowances booked on foreign deferred tax assets, a $199 million foreign currency exchange loss in Venezuela and non-deductible Baker Hughes related costs. The effective tax rate for 2014 was positively impacted by a $201 million net operating loss valuation allowance released as a result of a reorganization of our legal entity structure in Brazil. See Note 10 to the consolidated financial statements for further information regarding income taxes.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements requires the use of judgments and estimates. Our critical accounting policies are described below to provide a better understanding of how we develop our assumptions and judgments about future events and related estimations and how they can impact our financial statements. A critical accounting estimate is one that requires our most difficult, subjective or complex judgments and assessments and is fundamental to our results of operations. We identified our most critical accounting estimates to be:

- forecasting our effective income tax rate, including our future ability to utilize foreign tax credits and the realizability of deferred tax assets, and providing for uncertain tax positions;
- legal, environmental and investigation matters;
- valuations of long-lived assets, including intangible assets and goodwill;
- purchase price allocation for acquired businesses;
- pensions;
- allowance for bad debts; and
- percentage-of-completion accounting for long-term, integrated project management contracts.

We base our estimates on historical experience and on various other assumptions we believe to be reasonable according to the current facts and circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. We believe the following are the critical accounting policies used in the preparation of our consolidated financial statements, as well as the significant estimates and judgments affecting the application of these policies. This discussion and analysis should be read in conjunction with our consolidated financial statements and related notes included in this report.

Income tax accounting

We recognize the amount of taxes payable or refundable for the current year and use an asset and liability approach in recognizing the amount of deferred tax liabilities and assets for the future tax consequences of events that have been recognized in our financial statements or tax returns. We apply the following basic principles in accounting for our income taxes:

- a current tax liability or asset is recognized for the estimated taxes payable or refundable on tax returns for the current year;
- a deferred tax liability or asset is recognized for the estimated future tax effects attributable to temporary differences and carryforwards;
- the measurement of current and deferred tax liabilities and assets is based on provisions of the enacted tax law, and the effects of potential future changes in tax laws or rates are not considered; and
- the value of deferred tax assets is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realized.

We determine deferred taxes separately for each tax-paying component (an entity or a group of entities that is consolidated for tax purposes) in each tax jurisdiction. That determination includes the following procedures:

- identifying the types and amounts of existing temporary differences;
- measuring the total deferred tax liability for taxable temporary differences using the applicable tax rate;
- measuring the total deferred tax asset for deductible temporary differences and operating loss carryforwards using the applicable tax rate;
- measuring the deferred tax assets for each type of tax credit carryforward; and
- reducing the deferred tax assets by a valuation allowance if, based on available evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Our methodology for recording income taxes requires a significant amount of judgment in the use of assumptions and estimates. Additionally, we use forecasts of certain tax elements, such as taxable income and foreign tax credit utilization, as well as evaluate the feasibility of implementing tax planning strategies. Given the inherent uncertainty involved with the use of such variables, there can be significant variation between anticipated and actual results. Unforeseen events may significantly impact these variables, and changes to these variables could have a material impact on our income tax accounts related to both continuing and discontinued operations.

We have operations in approximately 70 countries. Consequently, we are subject to the jurisdiction of a significant number of taxing authorities. The income earned in these various jurisdictions is taxed on differing bases, including income actually earned, income deemed earned and revenue-based tax withholding. The final determination of our income tax liabilities involves the interpretation of local tax laws, tax treaties and related authorities in each jurisdiction. Changes in the operating environment, including changes in tax law and currency/repatriation controls, could impact the determination of our income tax liabilities for a tax year.

Tax filings of our subsidiaries, unconsolidated affiliates and related entities are routinely examined in the normal course of business by tax authorities. These examinations may result in assessments of additional taxes, which we work to resolve with the tax authorities and through the judicial process. Predicting the outcome of disputed assessments involves some uncertainty. Factors such as the availability of settlement procedures, willingness of tax authorities to negotiate and the operation and impartiality of judicial systems vary across the different tax jurisdictions and may significantly influence the ultimate outcome. We review the facts for each assessment, and then utilize assumptions and estimates to determine the most likely outcome and provide taxes, interest and penalties as needed based on this outcome. We provide for uncertain tax positions pursuant to current accounting standards, which prescribe a minimum recognition threshold and measurement methodology that a tax position taken or expected to be taken in a tax return is required to meet before being recognized in the financial statements. The standards also provide guidance for derecognition classification, interest and penalties, accounting in interim periods, disclosure and transition.

Legal, environmental and investigation matters

As discussed in Note 9 of our consolidated financial statements, as of December 31, 2016, we have accrued an estimate of the probable and estimable costs for the resolution of some of our legal, environmental and investigation matters. For other matters for which the liability is not probable and reasonably estimable, we have not accrued any amounts. Attorneys in our legal department monitor and manage all claims filed against us and review all pending investigations. Generally, the estimate of probable costs related to these matters is developed in consultation with internal and outside legal counsel representing us. Our estimates are based upon an analysis of potential results, assuming a combination of litigation and settlement strategies. The accuracy of these estimates is impacted by, among other things, the complexity of the issues and the amount of due diligence we have been able to perform. We attempt to resolve these matters through settlements, mediation and arbitration proceedings when possible. If the actual settlement costs, final judgments or fines, after appeals, differ from our estimates, our future financial results may be adversely affected. We have in the past recorded significant adjustments to our initial estimates of these types of contingencies.

Value of long-lived assets, including intangible assets and goodwill

We carry a variety of long-lived assets on our balance sheet including property, plant and equipment, goodwill and other intangibles. We conduct impairment tests on long-lived assets whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Impairment is the condition that exists when the carrying amount of a long-lived asset exceeds its fair value, and any impairment charge that we record reduces our earnings. We review the carrying value of these assets based upon estimated future cash flows while taking into consideration assumptions and estimates including the future use of the asset, remaining useful life of the asset and service potential of the asset. See Note 3 for further discussion on the significant impairment charges we recorded on our long-lived assets during the years ended December 31, 2016, 2015 and 2014 as a result of the downturn in the energy market.

Goodwill is the excess of the cost of an acquired entity over the net of the amounts assigned to assets acquired and liabilities assumed. We test goodwill for impairment annually, during the third quarter, or if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. For purposes of performing the goodwill impairment test our reporting units are the same as our reportable segments, the Completion and Production division and the Drilling and Evaluation division. See Note 1 to the consolidated financial statements for our accounting policies related to long-lived assets and intangible assets, as well as the results of our goodwill impairment assessment.

The quantitative impairment test we perform for goodwill utilizes certain assumptions, including forecasted revenue and costs assumptions. If the crude oil market remains at low levels for a sustained period of time, we could record an impairment of the carrying value of our goodwill in the future. If crude oil prices decline further or remain at low levels, to the extent appropriate we expect to perform our goodwill impairment assessment on a more frequent basis to determine whether an impairment is required.

Acquisitions-purchase price allocation

We allocate the purchase price of an acquired business to its identifiable assets and liabilities based on estimated fair values. The excess of the purchase price over the amount allocated to the assets and liabilities, if any, is recorded as goodwill. We use all available information to estimate fair values, including quoted market prices, the carrying value of acquired assets and widely accepted valuation techniques such as discounted cash flows. We engage third-party appraisal firms to assist in fair value determination of inventories, identifiable intangible assets and any other significant assets or liabilities when appropriate. The judgments made in determining the estimated fair value assigned to each class of assets acquired and liabilities assumed, as well as asset lives, can materially impact our results of operations. Our acquisitions may also include contingent consideration, or earn-out provisions, which provide for additional consideration to be paid to the seller if certain future conditions are met. These earn-out provisions are estimated and recognized at fair value at the acquisition date based on projected earnings or other financial metrics over specified periods after the acquisition date. These estimates are reviewed during the specified period and adjusted based on actual results.

Pensions

Our pension benefit obligations and expenses are calculated using actuarial models and methods. Two of the more critical assumptions and estimates used in the actuarial calculations are the discount rate for determining the current value of benefit obligations and the expected long-term rate of return on plan assets used in determining net periodic benefit cost. Other critical assumptions and estimates used in determining benefit obligations and cost, including demographic factors such as retirement age, mortality and turnover, are evaluated periodically and updated accordingly to reflect our actual experience.

Discount rates are determined annually and are based on the prevailing market rate of a portfolio of high-quality debt instruments with maturities matching the expected timing of the payment of the benefit obligations. Expected long-term rates of return on plan assets are determined annually and are based on an evaluation of our plan assets and historical trends and experience, taking into account current and expected market conditions. These assumptions differ based on varying factors specific to each particular country or economic environment.

The discount rate utilized in 2016 to determine the projected benefit obligation at the measurement date for our United Kingdom pension plan, which constituted 84% of our international plans' pension obligations, was 2.55%, compared to a discount rate of 3.90% utilized in 2015. The expected long-term rate of return assumption used for our United Kingdom pension plan expense was 5.4% in 2016 and 6.0% in 2015.

The following table illustrates the sensitivity to changes in certain assumptions, holding all other assumptions constant, for our United Kingdom pension plan.

	Increase (Decrease) on	
Millions of dollars	Pretax Pension Expense in 2016	Pension Benefit Obligation at December 31, 2016
50-basis-point decrease in discount rate	$ 2	$ 104
50-basis-point increase in discount rate	(2)	(96)
50-basis-point decrease in expected long-term rate of return	4	NA
50-basis-point increase in expected long-term rate of return	(4)	NA

Our international defined benefit plans reduced pretax income by $30 million in 2016, $42 million in 2015 and $36 million in 2014. Included in these amounts was income from expected return on plan assets of $40 million in 2016, $48 million in 2015 and $52 million in 2014. Actual returns on international plan assets totaled $132 million in 2016, compared to $34 million in 2015. Our net actuarial loss, net of tax, related to international pension plans was $290 million at December 31, 2016 and $205 million at December 31, 2015. In our international plans where employees earn additional benefits for continued service, actuarial gains and losses will be recognized in operating income over a period of five to 16 years, which represents the estimated average remaining service of the participant group expected to receive benefits. In our international plans where benefits are not accrued for continued service, actuarial gains and losses will be recognized in operating income over a period of 17 to 30 years, which represents the estimated average remaining lifetime of the benefit obligations. These ranges reflect varying maturity levels among the plans.

During 2016, we made contributions of $19 million to our international defined benefit plans. We expect to make contributions of approximately $15 million to our international defined benefit plans in 2017.

The actuarial assumptions used in determining our pension benefit obligations may differ materially from actual results due to changing market and economic conditions, higher or lower withdrawal rates, and longer or shorter life spans of participants. While we believe that the assumptions used are appropriate, differences in actual experience or changes in assumptions may materially affect our financial position or results of operations. See Note 15 to the consolidated financial statements for further information related to defined benefit and other postretirement benefit plans.

Allowance for bad debts

We evaluate our accounts receivable through a continuous process of assessing our portfolio on an individual customer and overall basis. This process consists of a thorough review of historical collection experience, current aging status of the customer accounts, financial condition of our customers and whether the receivables involve retainages. We also consider the economic environment of our customers, both from a marketplace and geographic perspective, in evaluating the need for an allowance. Based on our review of these factors, we establish or adjust allowances for specific customers and the accounts receivable portfolio as a whole. This process involves a high degree of judgment and estimation, and frequently involves significant dollar amounts. Accordingly, our results of operations can be affected by adjustments to the allowance due to actual write-offs that differ from estimated amounts. Our estimates of allowances for bad debts have historically been accurate. Over the last five years, our estimates of allowances for bad debts, as a percentage of notes and accounts receivable before the allowance, have ranged from 1.6% to 4.3%. At December 31, 2016, allowance for bad debts totaled $175 million, or 4.3% of notes and accounts receivable before the allowance. At December 31, 2015, allowance for bad debts totaled $145 million, or 2.7% of notes and accounts receivable before the allowance. A hypothetical 100 basis point change in our estimate of the collectability of our notes and accounts receivable balance as of December 31, 2016 would have resulted in a $41 million adjustment to 2016 total operating costs and expenses. See Note 5 to the consolidated financial statements for further information.

Percentage of completion

Revenue from certain long-term, integrated project management contracts to provide well construction and completion services is reported on the percentage-of-completion method of accounting. Progress is generally based upon physical progress related to contractually defined units of work. At the outset of each contract, we prepare a detailed analysis of our estimated cost to complete the project. Risks related to service delivery, usage, productivity and other factors are considered in the estimation process. The recording of profits and losses on long-term contracts requires an estimate of the total profit or loss over the life of each contract. This estimate requires consideration of total contract value, change orders and claims, less costs incurred and estimated costs to complete. Anticipated losses on contracts are recorded in full in the period in which they become evident. Profits are recorded based upon the total estimated contract profit times the current percentage complete for the contract.

At least quarterly, significant projects are reviewed in detail by senior management. There are many factors that impact future costs, including weather, inflation, labor and community disruptions, timely availability of materials, productivity and other factors as outlined in Part I, Item 1(a), "Risk Factors." These factors can affect the accuracy of our estimates and materially impact our future reported earnings. See Note 1 to the consolidated financial statements for further information.

OFF BALANCE SHEET ARRANGEMENTS

At December 31, 2016, we had no material off balance sheet arrangements, except for operating leases. In the normal course of business, we have agreements with financial institutions under which approximately $2.0 billion of letters of credit, bank guarantees or surety bonds were outstanding as of December 31, 2016. Some of the outstanding letters of credit have triggering events that would entitle a bank to require cash collateralization. None of these off balance sheet arrangements either has, or is likely to have, a material effect on our consolidated financial statements. For information on our contractual obligations related to operating leases, see Note 9 to the consolidated financial statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources – Contractual obligations."

FINANCIAL INSTRUMENT MARKET RISK

We are exposed to market risk from changes in foreign currency exchange rates and interest rates. We selectively manage these exposures through the use of derivative instruments, including forward foreign exchange contracts, foreign exchange options and interest rate swaps. The objective of our risk management strategy is to minimize the volatility from fluctuations in foreign currency and interest rates. We do not use derivative instruments for trading purposes. The counterparties to our forward contracts, options and interest rate swaps are global commercial and investment banks.

We use a sensitivity analysis model to measure the impact of a 10% adverse movement of foreign currency exchange rates against the United States dollar. A hypothetical 10% adverse change in the value of all our foreign currency positions relative to the United States dollar as of December 31, 2016 would result in a $47 million, pre-tax, loss for our net monetary assets denominated in currencies other than United States dollars.

With respect to interest rates sensitivity, after consideration of the impact from the interest rate swaps, a hypothetical 100 basis point increase in the LIBOR rate would result in approximately an additional $15 million of interest charges for the year ended December 31, 2016.

There are certain limitations inherent in the sensitivity analyses presented, primarily due to the assumption that interest rates and exchange rates change instantaneously in an equally adverse fashion. In addition, the analyses are unable to reflect the complex market reactions that normally would arise from the market shifts modeled. While this is our best estimate of the impact of the various scenarios, these estimates should not be viewed as forecasts.

For further information regarding foreign currency exchange risk, interest rate risk and credit risk, see Note 14 to the consolidated financial statements.

ENVIRONMENTAL MATTERS

We are subject to numerous environmental, legal and regulatory requirements related to our operations worldwide. For information related to environmental matters, see Note 9 to the consolidated financial statements and Part I, Item 1(a), “Risk Factors.”

FORWARD-LOOKING INFORMATION

The Private Securities Litigation Reform Act of 1995 provides safe harbor provisions for forward-looking information. Forward-looking information is based on projections and estimates, not historical information. Some statements in this Form 10-K are forward-looking and use words like “may,” “may not,” “believe,” “do not believe,” “plan,” “estimate,” “intend,” “expect,” “do not expect,” “anticipate,” “do not anticipate,” “should,” “likely” and other expressions. We may also provide oral or written forward-looking information in other materials we release to the public. Forward-looking information involves risk and uncertainties and reflects our best judgment based on current information. Our results of operations can be affected by inaccurate assumptions we make or by known or unknown risks and uncertainties. In addition, other factors may affect the accuracy of our forward-looking information. As a result, no forward-looking information can be guaranteed. Actual events and results of operations may vary materially.

We do not assume any responsibility to publicly update any of our forward-looking statements regardless of whether factors change as a result of new information, future events, or for any other reason. You should review any additional disclosures we make in our press releases and Forms 10-K, 10-Q and 8-K filed with or furnished to the SEC. We also suggest that you listen to our quarterly earnings release conference calls with financial analysts.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of Halliburton Company is responsible for establishing and maintaining adequate internal control over financial reporting as defined in the Securities Exchange Act Rule 13a-15(f).

Internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Further, because of changes in conditions, the effectiveness of internal control over financial reporting may vary over time.

Under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, we conducted an evaluation to assess the effectiveness of our internal control over financial reporting as of December 31, 2016 based upon criteria set forth in the Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our assessment, we believe that, as of December 31, 2016, our internal control over financial reporting is effective.

The effectiveness of Halliburton's internal control over financial reporting as of December 31, 2016 has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report that is included herein.

HALLIBURTON COMPANY

by

/s/ David J. Lesar	/s/ Mark A. McCollum
David J. Lesar	Mark A. McCollum
Chairman of the Board and	Executive Vice President and
Chief Executive Officer	Chief Financial Officer

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Halliburton Company:

We have audited the accompanying consolidated balance sheets of Halliburton Company and subsidiaries as of December 31, 2016 and 2015, and the related consolidated statements of operations, comprehensive income, shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2016. These consolidated financial statements are the responsibility of Halliburton Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). 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 subsidiaries as of December 31, 2016 and 2015, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2016, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Halliburton Company's internal control over financial reporting as of December 31, 2016, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated February 7, 2017 expressed an unqualified opinion on the effectiveness of Halliburton Company's internal control over financial reporting.

/s/ KPMG LLP
Houston, Texas
February 7, 2017

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Halliburton Company:

We have audited Halliburton Company's internal control over financial reporting as of December 31, 2016, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Halliburton Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Halliburton Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Halliburton Company and subsidiaries as of December 31, 2016 and 2015, and the related consolidated statements of operations, comprehensive income, shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2016, and our report dated February 7, 2017 expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG LLP
Houston, Texas
February 7, 2017

HALLIBURTON COMPANY
Consolidated Statements of Operations

	Year Ended December 31		
Millions of dollars and shares except per share data	2016	2015	2014
Revenue:			
Services	$ 11,140	$ 16,981	$ 24,535
Product sales	4,747	6,652	8,335
Total revenue	15,887	23,633	32,870
Operating costs and expenses:			
Cost of services	11,253	16,014	20,855
Cost of sales	3,770	5,099	6,479
Baker Hughes related costs and termination fee	4,057	308	17
Impairments and other charges	3,357	2,177	129
General and administrative	228	200	293
Total operating costs and expenses	22,665	23,798	27,773
Operating income (loss)	(6,778)	(165)	5,097
Interest expense, net of interest income of $59, $16, and $13	(639)	(447)	(383)
Other, net	(208)	(324)	(2)
Income (loss) from continuing operations before income taxes	(7,625)	(936)	4,712
Income tax benefit (provision)	1,858	274	(1,275)
Income (loss) from continuing operations	(5,767)	(662)	3,437
Income (loss) from discontinued operations, net	(2)	(5)	64
Net income (loss)	$ (5,769)	$ (667)	$ 3,501
Net (income) loss attributable to noncontrolling interest	6	(4)	(1)
Net income (loss) attributable to company	$ (5,763)	$ (671)	$ 3,500
Amounts attributable to company shareholders:			
Income (loss) from continuing operations	$ (5,761)	$ (666)	$ 3,436
Income (loss) from discontinued operations, net	(2)	(5)	64
Net income (loss) attributable to company	$ (5,763)	$ (671)	$ 3,500
Basic income per share attributable to company shareholders:			
Income (loss) from continuing operations	$ (6.69)	$ (0.78)	$ 4.05
Income (loss) from discontinued operations, net	—	(0.01)	0.08
Net income (loss) per share	$ (6.69)	$ (0.79)	$ 4.13
Diluted income per share attributable to company shareholders:			
Income (loss) from continuing operations	$ (6.69)	$ (0.78)	$ 4.03
Income (loss) from discontinued operations, net	—	(0.01)	0.08
Net income (loss) per share	$ (6.69)	$ (0.79)	$ 4.11
Basic weighted average common shares outstanding	861	853	848
Diluted weighted average common shares outstanding	861	853	852

See notes to consolidated financial statements.

HALLIBURTON COMPANY
Consolidated Statements of Comprehensive Income

	Year Ended December 31		
Millions of dollars	2016	2015	2014
Net income (loss)	$ (5,769)	$ (667)	$ 3,501
Other comprehensive income, net of income taxes:			
Defined benefit and other post retirement plans adjustment	(92)	105	(84)
Unrealized loss on cash flow hedges	—	(67)	—
Other	1	(2)	(7)
Other comprehensive income (loss), net of income taxes	(91)	36	(91)
Comprehensive income (loss)	$ (5,860)	$ (631)	$ 3,410
Comprehensive (income) loss attributable to noncontrolling interest	6	(4)	(1)
Comprehensive income (loss) attributable to company shareholders	$ (5,854)	$ (635)	$ 3,409

See notes to consolidated financial statements.

HALLIBURTON COMPANY
Consolidated Balance Sheets

Millions of dollars and shares except per share data	December 31 2016		December 31 2015	
Assets				
Current assets:				
Cash and equivalents	$	4,009	$	10,077
Receivables (net of allowances for bad debts of $175 and $145)		3,922		5,317
Inventories		2,275		2,993
Prepaid income taxes		585		527
Other current assets		886		1,156
Total current assets		11,677		20,070
Property, plant and equipment (net of accumulated depreciation of $11,198 and $11,576)		8,532		12,117
Goodwill		2,414		2,385
Deferred income taxes		1,960		552
Other assets		2,417		1,818
Total assets	$	27,000	$	36,942
Liabilities and Shareholders' Equity				
Current liabilities:				
Accounts payable	$	1,764	$	2,019
Accrued employee compensation and benefits		544		862
Liabilities for Macondo well incident		369		400
Deferred revenue		261		298
Taxes other than income		218		293
Current maturities of long-term debt		163		659
Other current liabilities		704		806
Total current liabilities		4,023		5,337
Long-term debt		12,214		14,687
Employee compensation and benefits		574		479
Other liabilities		741		944
Total liabilities		17,552		21,447
Shareholders' equity:				
Common shares, par value $2.50 per share (authorized 2,000 shares, issued 1,070 and 1,071 shares)		2,674		2,677
Paid-in capital in excess of par value		201		274
Accumulated other comprehensive loss		(454)		(363)
Retained earnings		14,141		20,524
Treasury stock, at cost (204 and 215 shares)		(7,153)		(7,650)
Company shareholders' equity		9,409		15,462
Noncontrolling interest in consolidated subsidiaries		39		33
Total shareholders' equity		9,448		15,495
Total liabilities and shareholders' equity	$	27,000	$	36,942

See notes to consolidated financial statements.

HALLIBURTON COMPANY
Consolidated Statements of Cash Flows

	Year Ended December 31		
Millions of dollars	2016	2015	2014
Cash flows from operating activities:			
Net income (loss)	$ (5,769)	$ (667)	$ 3,501
Adjustments to reconcile net income (loss) to cash flows from operating activities:			
Impairments and other charges	3,357	2,177	129
Depreciation, depletion and amortization	1,503	1,835	2,126
Deferred income tax benefit, continuing operations	(1,501)	(224)	(454)
Cash impact of impairments and other charges - severance payments	(273)	(304)	(28)
Payment related to the Macondo well incident	(33)	(333)	(569)
Changes in assets and liabilities:			
Receivables	899	1,468	(1,381)
Inventories	552	153	(271)
Accounts payable	(219)	(603)	489
Other	(219)	(596)	520
Total cash flows provided by (used in) operating activities	(1,703)	2,906	4,062
Cash flows from investing activities:			
Capital expenditures	(798)	(2,184)	(3,283)
Proceeds from sales of property, plant and equipment	222	168	338
Payments to acquire businesses, net of cash acquired	(31)	(39)	(231)
Other investing activities	(103)	(137)	38
Total cash flows used in investing activities	(710)	(2,192)	(3,138)
Cash flows from financing activities:			
Payments on long-term borrowings	(3,171)	(8)	(4)
Dividends to shareholders	(620)	(614)	(533)
Proceeds from issuance of common stock	186	167	332
Proceeds from issuance of long-term debt, net	74	7,440	—
Payments to reacquire common stock	—	—	(800)
Other financing activities	(9)	96	(25)
Total cash flows provided by (used in) financing activities	(3,540)	7,081	(1,030)
Effect of exchange rate changes on cash	(115)	(9)	41
Increase (decrease) in cash and equivalents	(6,068)	7,786	(65)
Cash and equivalents at beginning of year	10,077	2,291	2,356
Cash and equivalents at end of year	$ 4,009	$ 10,077	$ 2,291
Supplemental disclosure of cash flow information:			
Cash payments (receipts) during the period for:			
Interest	$ 659	$ 380	$ 384
Income taxes	$ (20)	$ 370	$ 1,269

See notes to consolidated financial statements.

HALLIBURTON COMPANY
Consolidated Statements of Shareholders' Equity

	Company Shareholders' Equity						
Millions of dollars	Common Shares	Paid-in Capital in Excess of Par Value	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling interest in Consolidated Subsidiaries	Total
Balance at December 31, 2013	$ 2,680	$ 415	$ (8,049)	$ 18,842	$ (307)	$ 34	$ 13,615
Comprehensive income (loss):							
Net income	—	—	—	3,500	—	1	3,501
Other comprehensive loss	—	—	—	—	(92)	—	(92)
Common shares repurchased	—	—	(800)	—	—	—	(800)
Stock plans	(1)	(161)	718	—	—	—	556
Cash dividends ($0.63 per share)	—	—	—	(533)	—	—	(533)
Other	—	55	—	—	—	(4)	51
Balance at December 31, 2014	$ 2,679	$ 309	$ (8,131)	$ 21,809	$ (399)	$ 31	$ 16,298
Comprehensive income (loss):							
Net income (loss)	—	—	—	(671)	—	4	(667)
Other comprehensive income	—	—	—	—	36	—	36
Stock plans	(2)	(39)	481	—	—	—	440
Cash dividends ($0.72 per share)	—	—	—	(614)	—	—	(614)
Other	—	4	—	—	—	(2)	2
Balance at December 31, 2015	$ 2,677	$ 274	$ (7,650)	$ 20,524	$ (363)	$ 33	$ 15,495
Comprehensive income (loss):							
Net loss	—	—	—	(5,763)	—	(6)	(5,769)
Other comprehensive loss	—	—	—	—	(91)	—	(91)
Stock plans	(3)	(69)	497	—	—	—	425
Cash dividends ($0.72 per share)	—	—	—	(620)	—	—	(620)
Other	—	(4)	—	—	—	12	8
Balance at December 31, 2016	$ 2,674	$ 201	$ (7,153)	$ 14,141	$ (454)	$ 39	$ 9,448

See notes to consolidated financial statements.

HALLIBURTON COMPANY
Notes to Consolidated Financial Statements

Note 1. Description of Company and Significant Accounting Policies

Description of Company

Halliburton Company's predecessor was established in 1919 and incorporated under the laws of the State of Delaware in 1924. We are a leading provider of services and products to the upstream oil and natural gas industry throughout the lifecycle of the reservoir, from locating hydrocarbons and managing geological data, to drilling and formation evaluation, well construction and completion and optimizing production throughout the life of the field. We serve major, national and independent oil and natural gas companies throughout the world and operate under two divisions, which form the basis for the two operating segments we report, the Completion and Production segment and the Drilling and Evaluation segment.

Use of estimates

Our financial statements are prepared in conformity with United States generally accepted accounting principles, requiring us to make estimates and assumptions that affect:

- the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements; and
- the reported amounts of revenue and expenses during the reporting period.

We believe the most significant estimates and assumptions are associated with the forecasting of our effective income tax rate and the valuation of deferred taxes, legal and environmental reserves, long-lived asset valuations, purchase price allocations, pensions, allowance for bad debts and percentage-of-completion accounting for long-term contracts. Ultimate results could differ from our estimates.

Basis of presentation

The consolidated financial statements include the accounts of our company and all of our subsidiaries that we control or variable interest entities for which we have determined that we are the primary beneficiary. All material intercompany accounts and transactions are eliminated. Investments in companies in which we do not have a controlling interest, but over which we do exercise significant influence, are accounted for using the equity method of accounting. If we do not have significant influence, we use the cost method of accounting. In addition, certain reclassifications of prior period balances have been made to conform to the current period presentation.

Revenue recognition

Overall. Our services and products are generally sold based upon purchase orders or contracts with our customers that include fixed or determinable prices but do not include right of return provisions or other significant post-delivery obligations. Our products are produced in a standard manufacturing operation, even if produced to our customer's specifications. We recognize revenue from product sales when title passes to the customer, the customer assumes risks and rewards of ownership, collectability is reasonably assured and delivery occurs as directed by our customer. Service revenue, including training and consulting services, is recognized when the services are rendered and collectability is reasonably assured. Rates for services are typically priced on a per day, per meter, per man-hour or similar basis.

Software sales. Sales of perpetual software licenses, net of any deferred maintenance and support fees, are recognized as revenue upon shipment. Sales of time-based licenses are recognized as revenue over the license period. Maintenance and support fees are recognized as revenue ratably over the contract period, usually a one-year duration.

Percentage of completion. Revenue from certain long-term, integrated project management contracts to provide well construction and completion services is reported on the percentage-of-completion method of accounting. Progress is generally based upon physical progress related to contractually defined units of work. Physical percent complete is determined as a combination of input and output measures as deemed appropriate by the circumstances. All known or anticipated losses on contracts are provided for when they become evident. Cost adjustments that are in the process of being negotiated with customers for extra work or changes in the scope of work are included in revenue when collection is deemed probable.

New Accounting Pronouncement. In May 2014, a new revenue recognition standard was issued that will supersede existing revenue recognition guidance. See Note 16 for additional information.

Research and development

Research and development costs are expensed as incurred. Research and development costs were $329 million in 2016, $487 million in 2015 and $601 million in 2014.

Cash equivalents

We consider all highly liquid investments with an original maturity of three months or less to be cash equivalents.

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. Some domestic manufacturing and field service finished products and parts inventories for drill bits, completion products and bulk materials are recorded using the last-in, first-out method. The remaining inventory is recorded on the average cost method. We regularly review inventory quantities on hand and record provisions for excess or obsolete inventory based primarily on historical usage, estimated product demand and technological developments.

Allowance for bad debts

We establish an allowance for bad debts through a review of several factors, including historical collection experience, current aging status of the customer accounts and financial condition of our customers. Our policy is to write off bad debts when the customer accounts are determined to be uncollectible.

Property, plant and equipment

Other than those assets that have been written down to their fair values due to impairment, property, plant and equipment are reported at cost less accumulated depreciation, which is generally provided on the straight-line method over the estimated useful lives of the assets. Accelerated depreciation methods are used for tax purposes, wherever permitted. 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. Planned major maintenance costs are generally expensed as incurred. Expenditures for additions, modifications and conversions are capitalized when they increase the value or extend the useful life of the asset.

Goodwill and other intangible assets

We record as goodwill the excess purchase price over the fair value of the tangible and identifiable intangible assets acquired. Changes in the carrying amount of goodwill are detailed below by reportable segment.

Millions of dollars	Completion and Production	Drilling and Evaluation	Total
Balance at December 31, 2014:	$ 1,606	$ 724	$ 2,330
Current year acquisitions	27	26	53
Purchase price adjustments for previous acquisitions	1	1	2
Balance at December 31, 2015:	$ 1,634	$ 751	$ 2,385
Current year acquisitions	31	—	31
Purchase price adjustments for previous acquisitions	(2)	—	(2)
Other	16	(16)	—
Balance at December 31, 2016:	$ 1,679	$ 735	$ 2,414

The reported amounts of goodwill for each reporting unit are reviewed for impairment on an annual basis, during the third quarter and more frequently should negative conditions exist such as significant current or projected operating losses. In 2016, 2015 and 2014 we performed a quantitative impairment test. This two-step quantitative process compares the estimated fair value of each reporting unit to the reporting unit's carrying value, including goodwill. If the fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is not considered impaired, and the second step of the impairment test is unnecessary. If the carrying amount of a reporting unit exceeds its fair value, the second step of the goodwill impairment test is performed to measure the amount of impairment loss to be recorded, if any.

In performing our quantitative impairment tests, we estimated the fair value for each reporting unit using a discounted cash flow analysis based on management's short-term and long-term forecast of operating performance. Our discounted cash flow analysis for each reporting unit includes significant assumptions regarding discount rates, revenue growth rates, expected profitability margins, forecasted capital expenditures, the timing of an anticipated market recovery and the timing of expected future cash flows. As such, these analyses incorporate inherent uncertainties that are difficult to predict in volatile economic environments and could result in impairment charges in future periods if actual results materially differ from the estimated assumptions utilized in our forecasts. As a result of our annual goodwill impairment assessments performed in 2016, 2015 and 2014, we determined that the fair value of each reporting unit exceeded its net book value and, therefore, no goodwill impairments were deemed necessary.

We amortize other identifiable intangible assets with a finite life on a straight-line basis over the period which the asset is expected to contribute to our future cash flows, ranging from two to fifteen years. The components of these other intangible assets generally consist of patents, license agreements, non-compete agreements, trademarks and customer lists and contracts.

Evaluating impairment of long-lived assets

When events or changes in circumstances indicate that long-lived assets other than goodwill may be impaired, an evaluation is performed. For an asset classified as held for use, the estimated future undiscounted cash flows associated with the asset are compared to the asset's carrying amount to determine if a write-down to fair value is required. When an asset is classified as held for sale, the asset's book value is evaluated and adjusted to the lower of its carrying amount or fair value less cost to sell. In addition, depreciation and amortization is ceased while it is classified as held for sale.

Income taxes

We recognize the amount of taxes payable or refundable for the year. In addition, deferred tax assets and liabilities are recognized for the expected future tax consequences of events that have been recognized in the financial statements or tax returns. A valuation allowance is provided for deferred tax assets if it is more likely than not that these items will not be realized.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is more likely than not that we will realize the benefits of these deductible differences, net of the existing valuation allowances.

We recognize interest and penalties related to unrecognized tax benefits within the provision for income taxes on continuing operations in our consolidated statements of operations.

Taxes are provided as necessary with respect to foreign earnings that are not permanently reinvested. During 2016, we concluded that we no longer intend to permanently reinvest a portion of our cumulative undistributed foreign earnings outside of the United States and recorded corresponding U.S. federal income tax expenses. See Note 10 for further information. We have not provided income taxes on a portion of our cumulative undistributed earnings of non-United States subsidiaries because such earnings are intended to be reinvested indefinitely to finance foreign activities. These additional foreign earnings could be subject to additional tax if remitted, or deemed remitted, as a dividend; however, it is not practicable to estimate the additional amount, if any, of taxes payable.

Derivative instruments

At times, we enter into derivative financial transactions to hedge existing or projected exposures to changing foreign currency exchange rates and interest rates. We do not enter into derivative transactions for speculative or trading purposes. We recognize all derivatives on the balance sheet at fair value. Derivatives that are not hedges are adjusted to fair value and reflected through the results of operations. If the derivative is designated as a hedge, depending on the nature of the hedge, changes in the fair value of derivatives are either offset against:

- the change in fair value of the hedged assets, liabilities or firm commitments through earnings; or
- recognized in other comprehensive income until the hedged item is recognized in earnings.

The ineffective portion of a derivative's change in fair value is recognized in earnings. Recognized gains or losses on derivatives entered into to manage foreign currency exchange risk are included in "Other, net" on the consolidated statements of operations. Gains or losses on interest rate derivatives are included in "Interest expense, net."

Foreign currency translation

Foreign entities whose functional currency is the United States dollar translate monetary assets and liabilities at year-end exchange rates, and nonmonetary items are translated at historical rates. Revenue and expense transactions are translated at the average rates in effect during the year, except for those expenses associated with nonmonetary balance sheet accounts, which are translated at historical rates. Gains or losses from remeasurement of monetary assets and liabilities due to changes in exchange rates are recognized in our consolidated statements of operations in “Other, net” in the year of occurrence.

Stock-based compensation

Stock-based compensation cost is measured at the date of grant, based on the calculated fair value of the award and is recognized as expense over the employee’s service period, which is generally the vesting period of the equity grant. Additionally, compensation cost is recognized based on awards ultimately expected to vest, therefore, we have reduced the cost for estimated forfeitures based on historical forfeiture rates. Forfeitures are estimated at the time of grant and revised in subsequent periods to reflect actual forfeitures. See Note 12 and Note 16 for additional information related to stock-based compensation.

Note 2. Acquisitions and Dispositions

Termination of Baker Hughes acquisition

In November 2014, we entered into a merger agreement with Baker Hughes to acquire all outstanding shares of Baker Hughes in a stock and cash transaction. On April 30, 2016, we and Baker Hughes mutually terminated our merger agreement primarily because of the challenges in obtaining remaining regulatory approvals and general industry conditions that severely damaged deal economics.

In April 2015, we had announced our decision to market for sale our Fixed Cutter and Roller Cone Drill Bits, our Directional Drilling, and our Logging-While-Drilling/Measurement-While-Drilling businesses in connection with the anticipated Baker Hughes transaction. Accordingly, beginning in April 2015, the assets and liabilities for these businesses, which are included within our Drilling and Evaluation operating segment, were classified as held for sale and the corresponding depreciation and amortization expense ceased at that time. Since our proposed divestitures no longer met the assets held for sale accounting criteria at March 31, 2016, we reclassified these businesses to assets held and used in the consolidated balance sheets for both periods presented. We recorded corresponding charges during 2016 totaling $464 million within "Baker Hughes related costs and termination fee" in our consolidated statements of operations, which included $329 million of accumulated unrecognized depreciation and amortization expense for these businesses during the period the associated assets were classified as held for sale, along with $135 million of capitalized and other divestiture-related costs. Beginning April 1, 2016, all depreciation and amortization expense associated with these businesses were included in operating costs and expenses on our consolidated statements of operations.

The reclassification of assets held for sale to assets held and used resulted in the following changes from amounts previously reported on our consolidated balance sheets as of December 31, 2015: $2.1 billion decrease in "Assets held for sale;" $576 million increase in "Inventories;" $1.2 billion increase in "Property, plant and equipment;" $276 million increase in "Goodwill;" $57 million increase in "Other assets;" $24 million increase in "Accrued employee compensation and benefits;" $46 million decrease in "Other current liabilities;" and $22 million increase in "Employee compensation and benefits."

In conjunction with the termination of our merger agreement, we paid Baker Hughes a termination fee of $3.5 billion in May 2016 and recognized this expense during the second quarter. The termination also triggered a mandatory redemption of $2.5 billion of the senior notes we had issued in November 2015 in contemplation of the transaction. We redeemed those notes in May 2016 using cash on hand at a price of 101% of their principal amount, plus accrued and unpaid interest. The notes redeemed included the $1.25 billion of 2.7% senior notes due in 2020 and $1.25 billion of 3.375% senior notes due in 2022. The redemption resulted in $41 million of fees and associated expenses included in interest expense on our consolidated statements of operations for the year ended December 31, 2016.

Note 3. Impairments and Other Charges

We carry a variety of long-lived assets on our balance sheet including property, plant and equipment, goodwill and other intangibles. We conduct impairment tests on long-lived assets whenever events or changes in circumstances indicate that the carrying value may not be recoverable, and we conduct impairment tests on goodwill annually. We review the recoverability of the carrying value of our assets based upon estimated future cash flows while taking into consideration assumptions and estimates including the future use of the asset, remaining useful life of the asset and service potential of the asset. Additionally, inventories are valued at the lower of cost or market.

Market conditions have negatively impacted our business during 2016 with continued depressed commodity prices and widespread pricing pressure and activity reductions for our products and services on a global basis. As a result of these conditions and their corresponding impact on our business outlook, we determined the carrying amount of a number of our long-lived assets exceeded their respective fair values due to projected declines in asset utilization. We assessed the fair value of our long-lived assets based on a discounted cash flow analysis, which required the use of significant unobservable inputs such as management's short-term and long-term forecast of operating performance, including revenue growth rates and expected profitability margins, and a discount rate based on our weighted average cost of capital.

Over the last four years, we have been systematically converting our pressure pumping fleet in North America over to a new pump and blender design. As such, we impaired or wrote off a large portion of our older equipment, primarily during the first quarter of 2016. Additionally, market conditions during 2016 required us to take other actions to reduce some of our infrastructure and further reduce our global workforce in an effort to mitigate the impact of the industry downturn and better align our workforce with anticipated activity levels in the near-term. This resulted in a headcount reduction of approximately 14,000 for the year ended December 31, 2016 and corresponding severance charges recognized during the period. We also determined that the cost of some of our inventory exceeded its market value, resulting in associated write-downs of its carrying value during the year ended December 31, 2016.

We executed a financing agreement with our primary customer in Venezuela during the second quarter of 2016 in an effort to actively manage outstanding receivables in the country, resulting in an exchange of $200 million of outstanding trade receivables for an interest-bearing promissory note. We recorded the note at its fair market value at the date of exchange based on available pricing data points for similar assets in an illiquid market, which resulted in a $148 million pre-tax loss on exchange during the second quarter. For additional information, see Note 14 and "Management's Discussion and Analysis of Financial Condition and Results of Operations – Business Environment and Results of Operations."

As a result of the events described above, we recorded impairments and other charges of approximately $3.4 billion, $2.2 billion and $129 million during the years ended December 31, 2016, 2015 and 2014, respectively. Total impairments and other charges consisted of fixed asset impairments and write-offs, severance costs, impairments of intangible assets, inventory write-downs, country and facility closures, a loss on exchange for the Venezuela promissory note and other items.

The following table presents various charges we recorded during the years ended December 31, 2016, 2015 and 2014 as a result of the downturn in the energy industry and other matters, all of which were recorded within "Impairments and other charges" on our consolidated statements of operations:

	Year Ended December 31		
Millions of dollars	2016	2015	2014
Industry downturn:			
Fixed asset impairments	$ 2,550	$ 760	$ 47
Severance costs	315	352	28
Inventory write-downs	166	484	24
Intangible asset impairments	88	212	10
Other	67	201	20
Other matters:			
Venezuela promissory note loss	148	—	—
Country closures	39	80	—
Other	(16)	88	—
Total impairments and other charges	$ 3,357	$ 2,177	$ 129

Note 4. Business Segment and Geographic Information

We operate under two divisions, which form the basis for the two operating segments we report: the Completion and Production segment and the Drilling and Evaluation segment. For more information about the product service lines included in each segment, see Part I, Item 1, "Business.” Corporate and other includes expenses related to support functions and corporate executives and is primarily composed of cash and equivalents, deferred tax assets and investment securities. Also included are certain gains, losses and costs not attributable to a particular business segment. Intersegment revenue and revenue between geographic areas are immaterial. Our equity in earnings and losses of unconsolidated affiliates that are accounted for using the equity method of accounting are included within cost of services on our statements of operations, which is part of operating income of the applicable segment.

The following tables present financial information on our business segments.

Operations by business segment

	Year Ended December 31		
Millions of dollars	2016	2015	2014
Revenue:			
Completion and Production	$ 8,882	$ 13,682	$ 20,253
Drilling and Evaluation	7,005	9,951	12,617
Total revenue	$ 15,887	$ 23,633	$ 32,870
Operating income (loss):			
Completion and Production	$ 107	$ 1,069	$ 3,670
Drilling and Evaluation	794	1,519	1,740
Total operations	901	2,588	5,410
Corporate and other (a)	(4,322)	(576)	(184)
Impairments and other charges (b)	(3,357)	(2,177)	(129)
Total operating income (loss)	$ (6,778)	$ (165)	$ 5,097
Interest expense, net of interest income (c)	$ (639)	$ (447)	$ (383)
Other, net	(208)	(324)	(2)
Income (loss) from continuing operations before income taxes	$ (7,625)	$ (936)	$ 4,712
Capital expenditures:			
Completion and Production	$ 500	$ 1,526	$ 1,953
Drilling and Evaluation	297	650	1,297
Corporate and other	1	8	33
Total	$ 798	$ 2,184	$ 3,283
Depreciation, depletion and amortization:			
Completion and Production	$ 900	$ 1,160	$ 1,162
Drilling and Evaluation	569	638	934
Corporate and other	34	37	30
Total	$ 1,503	$ 1,835	$ 2,126

(a) Includes Baker Hughes related costs for the periods presented, including a $3.5 billion termination fee and an aggregate $464 million of charges for the reversal of assets held for sale accounting during the year ended December 31, 2016.
(b) Impairments and other charges are as follows:
-For the year ended December 31, 2016, includes $2.1 billion attributable to Completion and Production, $1.2 billion attributable to Drilling and Evaluation and $10 million attributable to Corporate and other.
-For the year ended December 31, 2015, includes $1.1 billion attributable to Completion and Production, $1.0 billion attributable to Drilling and Evaluation and $88 million attributable to Corporate and other.
-For the year ended December 31, 2014, includes $60 million attributable to Completion and Production and $69 million attributable to Drilling and Evaluation.
(c) For the year ended December 31, 2016, includes $41 million of debt redemption fees and associated expenses related to the $2.5 billion of debt mandatorily redeemed and additional interest resulting from the senior notes issued in late 2015.

	December 31	
Millions of dollars	2016	2015
Total assets:		
Completion and Production	$ 10,349	$ 13,628
Drilling and Evaluation	8,473	10,531
Shared assets	3,371	1,785
Corporate and other	4,807	10,998
Total	$ 27,000	$ 36,942

Not all assets are associated with specific segments. Those assets specific to segments include receivables, inventories, certain identified property, plant and equipment (including field service equipment), equity in and advances to related companies, and goodwill. The remaining assets, such as cash and equivalents, are considered to be shared among the segments.

The following tables present information by geographic area. In 2016, 2015 and 2014, based on the location of services provided and products sold, 41%, 44% and 51% of our consolidated revenue was from the United States. As of December 31, 2016 and December 31, 2015, 50% and 48% of our property, plant and equipment was located in the United States. No other country accounted for more than 10% of our revenue or property, plant and equipment during the periods presented.

Operations by geographic region

	Year Ended December 31		
Millions of dollars	2016	2015	2014
Revenue:			
North America	$ 6,770	$ 10,856	$ 17,698
Latin America	1,860	3,149	3,875
Europe/Africa/CIS	2,993	4,175	5,490
Middle East/Asia	4,264	5,453	5,807
Total	$ 15,887	$ 23,633	$ 32,870

	December 31	
Millions of dollars	2016	2015
Net property, plant and equipment:		
North America	$ 4,431	$ 6,091
Latin America	1,068	1,463
Europe/Africa/CIS	1,253	1,620
Middle East/Asia	1,780	2,943
Total	$ 8,532	$ 12,117

Note 5. Receivables

As of December 31, 2016, 28% of our gross trade receivables were from customers in the United States and 15% were from customers in Venezuela. As of December 31, 2015, 26% of our gross trade receivables were from customers in the United States and 14% were from customers in Venezuela. Other than the United States and Venezuela, no other country or single customer accounted for more than 10% of our gross trade receivables at these dates.

Venezuela. We have continued to experience delays in collecting payments on our receivables from our primary customer in Venezuela. These receivables are not disputed, and we have not historically had material write-offs relating to this customer. Additionally, we routinely monitor the financial stability of our customers. During the second quarter of 2016, we executed a financing agreement with our primary customer in Venezuela in an effort to actively manage these customer receivables, resulting in an exchange of $200 million of outstanding trade receivables for an interest-bearing promissory note.

Our total outstanding net trade receivables in Venezuela were $610 million as of December 31, 2016, excluding the promissory note receivable discussed above, compared to $704 million as of December 31, 2015, which represents 15% and 14% of total company trade receivables for the respective periods. The majority of our Venezuela receivables are United States dollar-denominated receivables. Of the $610 million receivables in Venezuela as of December 31, 2016, $409 million has been classified as long-term and included within "Other assets" on our consolidated balance sheets.

As a result of market conditions in Venezuela and the continued delays in collecting payments on our receivables in the country, we began curtailing activity in Venezuela during the first quarter of 2016. See Note 14 and "Management's Discussion and Analysis of Financial Condition and Results of Operations – Business Environment and Results of Operations" for additional information about the promissory note exchange.

The following table presents a rollforward of our allowance for bad debts for 2014, 2015 and 2016.

Millions of dollars	Balance at Beginning of Period	Charged to Costs and Expenses	Write-Offs	Balance at End of Period
Year ended December 31, 2014	$ 117	$ 26	$ (6)	$ 137
Year ended December 31, 2015	137	44	(36)	145
Year ended December 31, 2016	145	50	(20)	175

Note 6. Inventories

Inventories are stated at the lower of cost or market. In the United States, we manufacture certain finished products and parts inventories for drill bits, completion products, bulk materials and other tools that are recorded using the last-in, first-out method and totaled $133 million at December 31, 2016 and $138 million at December 31, 2015. If the average cost method had been used, total inventories would have been $16 million higher than reported at December 31, 2016 and $18 million higher than reported at December 31, 2015. The cost of the remaining inventory was recorded on the average cost method. Inventories consisted of the following:

	December 31	
Millions of dollars	2016	2015
Finished products and parts	$ 1,388	$ 1,992
Raw materials and supplies	778	879
Work in process	109	122
Total	$ 2,275	$ 2,993

All amounts in the table above are reported net of obsolescence reserves of $263 million at December 31, 2016 and $251 million at December 31, 2015.

Note 7. Property, Plant and Equipment

Property, plant and equipment were composed of the following:

	December 31	
Millions of dollars	2016	2015
Land	$ 228	$ 240
Buildings and property improvements	3,399	3,486
Machinery, equipment and other	16,103	19,967
Total	19,730	23,693
Less accumulated depreciation	11,198	11,576
Net property, plant and equipment	$ 8,532	$ 12,117

Classes of assets, excluding oil and natural gas investments, are depreciated over the following useful lives:

	Buildings and Property Improvements	
	2016	2015
1 - 10 years	11%	12%
11 - 20 years	42%	41%
21 - 30 years	22%	22%
31 - 40 years	25%	25%

	Machinery, Equipment and Other	
	2016	2015
1 - 5 years	34%	23%
6 - 10 years	57%	69%
11 - 20 years	9%	8%

Note 8. Debt

Our long-term debt, including current maturities, consisted of the following:

	December 31	
Millions of dollars	2016	2015
5.0% senior notes due November 2045	$ 2,000	$ 2,000
3.8% senior notes due November 2025	2,000	2,000
3.5% senior notes due August 2023	1,100	1,100
4.85% senior notes due November 2035	1,000	1,000
6.15% senior notes due September 2019	1,000	1,000
7.45% senior notes due September 2039	1,000	1,000
4.75% senior notes due August 2043	900	900
6.7% senior notes due September 2038	800	800
3.25% senior notes due November 2021	500	500
4.5% senior notes due November 2041	500	500
2.0% senior notes due August 2018	400	400
5.9% senior notes due September 2018	400	400
7.6% senior debentures due August 2096	300	300
8.75% senior debentures due February 2021	185	185
6.75% notes due February 2027	104	104
7.53% notes due May 2017	45	45
3.375% senior notes due November 2022	—	1,250
2.7% senior notes due November 2020	—	1,250
1.0% senior notes due August 2016	—	600
Other	253	144
Unamortized debt issuance costs and discounts	(110)	(132)
Total	12,377	15,346
Current maturities	(163)	(659)
Total long-term debt	$ 12,214	$ 14,687

Senior debt

All of our senior notes and debentures rank equally with our existing and future senior unsecured indebtedness, have semiannual interest payments and have no sinking fund requirements. We may redeem all of our senior notes from time to time or all of the notes of each series at any time at the applicable redemption prices, plus accrued and unpaid interest. Our 7.6% and 8.75% senior debentures may not be redeemed prior to maturity.

In conjunction with the termination of our merger agreement with Baker Hughes, we mandatorily redeemed $2.5 billion of the senior notes we had issued in November 2015 in contemplation of the transaction. We redeemed those notes in May 2016 using cash on hand at a price of 101% of their principal amount, plus accrued and unpaid interest. The notes redeemed included the $1.25 billion of 2.7% senior notes due in 2020 and $1.25 billion of 3.375% senior notes due in 2022. We also repaid $600 million of senior notes that matured in August 2016.

Revolving credit facilities

In July 2015, we entered into a new five-year revolving credit agreement with a capacity of $3.0 billion. The credit agreement is for working capital or general corporate purposes and expires on July 21, 2020. The full amount of the revolving credit facility was available as of December 31, 2016.

Debt maturities

Our long-term debt matures as follows: $163 million in 2017, $841 million in 2018, $1.0 billion in 2019, $24 million in 2020, $702 million in 2021 and the remainder in 2022 and thereafter.

Note 9. Commitments and Contingencies

Macondo well incident

The semisubmersible drilling rig, Deepwater Horizon, sank on April 22, 2010 after an explosion and fire onboard the rig that began on April 20, 2010. The Deepwater Horizon was owned by an affiliate of Transocean Ltd. and had been drilling the Macondo exploration well in the Gulf of Mexico for the lease operator, BP Exploration & Production, Inc. (BP). We performed a variety of services on that well for BP. There were eleven fatalities and a number of injuries as a result of the Macondo well incident.

Litigation and settlements. Numerous lawsuits relating to the Macondo well incident and alleging damages arising from the blowout were filed against various parties, including BP, Transocean and us, in federal and state courts throughout the United States, most of which were consolidated in a Multi District Litigation proceeding (MDL) in the United States Eastern District of Louisiana. The defendants in the MDL proceeding filed a variety of cross claims against each other.

In 2012, BP reached a settlement to resolve the substantial majority of eligible private economic loss and medical claims stemming from the Macondo well incident (BP MDL Settlements). The MDL court has since certified the classes and granted final approval for the BP MDL Settlements, which also provided for the release by participating plaintiffs of compensatory damage claims against us.

The trial for the first phase of the MDL proceeding occurred in February 2013 through April 2013 and covered issues arising out of the conduct and degree of culpability of various parties. In September 2014, the MDL court ruled (Phase One Ruling) that, among other things, (1) in relation to the Macondo well incident, BP’s conduct was reckless, Transocean’s conduct was negligent, and our conduct was negligent, (2) fault for the Macondo well incident was apportioned 67% to BP, 30% to Transocean and 3% to us, and (3) the indemnity and release clauses in our contract with BP are valid and enforceable against BP. The MDL court did not find that our conduct was grossly negligent, thereby eliminating our exposure in the MDL for punitive damages.

In September 2014, prior to the Phase One Ruling, we reached an agreement, subject to court approval, to settle a substantial portion of the plaintiffs’ claims asserted against us relating to the Macondo well incident (our MDL Settlement). Pursuant to our MDL Settlement, we agreed to pay an aggregate of $1.1 billion, which includes legal fees and costs, into a settlement fund in three installments over two years, except that one installment of legal fees will not be paid until all of the conditions to the settlement have been satisfied or waived. Certain conditions must be satisfied before our MDL Settlement becomes effective and the funds are released from the settlement fund. These conditions include, among others, the issuance of a final order of the MDL court, including the resolution of certain appeals. In addition, we have the right to terminate our MDL Settlement if more than an agreed number of plaintiffs elect to opt out of the settlement prior to the expiration of the opt out deadline to be established by the MDL court. Before approving our MDL Settlement, the MDL court must certify the settlement class, the numerous class members must be notified of the proposed settlement, and the court must hold a fairness hearing. The Court has issued preliminary approval of our MDL Settlement, and the hearing for the final approval was held on November 10, 2016. We are unable to predict when our MDL Settlement will receive final approval.

Our MDL Settlement does not cover claims against us by the state governments of Alabama, Florida, Mississippi, Louisiana, or Texas, claims by our own employees, compensatory damages claims by plaintiffs in the MDL that opted out of or were excluded from the settlement class in the BP MDL Settlements, or claims by other defendants in the MDL or their respective employees. However, these claims have either been dismissed, are subject to dismissal, are subject to indemnification by BP, or are not believed to be material.

On May 20, 2015, we and BP entered into an agreement to resolve all remaining claims against each other, and pursuant to which BP will defend and indemnify us in future trials for compensatory damages. On July 2, 2015, BP announced that it had reached agreements in principle to settle all remaining federal, state and local government claims arising from the Macondo well incident. We have also entered into an agreement with Transocean to dismiss all claims made against each other.

Regulatory action. In October 2011, the Bureau of Safety and Environmental Enforcement (BSEE) issued a notification of Incidents of Noncompliance (INCs) to us for allegedly violating federal regulations relating to the failure to take measures to prevent the unauthorized release of hydrocarbons, the failure to take precautions to keep the Macondo well under control, the failure to cement the well in a manner that would, among other things, prevent the release of fluids into the Gulf of Mexico, and the failure to protect health, safety, property and the environment as a result of a failure to perform operations in a safe and workmanlike manner. We have appealed the INCs, but the appeal has been suspended pending certain proceedings in the MDL and potential appeals. The BSEE has announced that the INCs will be reviewed for possible imposition of civil penalties once the appeal has ended. We understand that the regulations in effect at the time of the alleged violations provide for fines of up to $35,000 per day per violation.

Loss contingency. During 2016, we made a legal fees payment of $33 million in accordance with our MDL Settlement and we reduced our non-current Macondo liability by $28 million. Accordingly, as of December 31, 2016, our remaining loss contingency liability related to the Macondo well incident was $413 million, consisting of a current portion of $369 million related to our MDL Settlement and a non-current portion of $44 million unrelated to that settlement. Our loss contingency liability has not been reduced for potential recoveries from our insurers. See below for information regarding amounts that we could potentially recover from insurance.

Subject to the satisfaction of the conditions of our MDL Settlement, we believe that the BP MDL Settlement, our MDL Settlement, the Phase One Ruling and our settlement with BP have eliminated any additional material financial exposure to us in relation to the Macondo well incident.

Insurance coverage. We had a general liability insurance program of $600 million at the time of the Macondo well incident. Our insurance was designed to cover claims by businesses and individuals made against us in the event of property damage, injury, or death and, among other things, claims relating to environmental damage, as well as legal fees incurred in defending against those claims. Through December 31, 2016, we have incurred approximately $1.5 billion of expenses related to the MDL Settlement, legal fees, and other settlement-related costs, of which $409 million has been reimbursed or is expected to be reimbursed under our insurance program. Some of the insurance carriers that issued policies covering the final layer of insurance coverage relating to the Macondo well incident notified us that they would not reimburse us with respect to our MDL Settlement; however, we have settled with several of them and those settlement recoveries are included in the $409 million discussed above. We have initiated arbitration proceedings to pursue recovery of the remaining balance of approximately $100 million. Due to the uncertainty surrounding such recovery, no related amounts have been recognized in the consolidated financial statements as of December 31, 2016.

Securities and related litigation

In June 2002, a class action lawsuit was filed against us in federal court alleging violations of the federal securities laws after the Securities and Exchange Commission (SEC) initiated an investigation in connection with our change in accounting for revenue on long-term construction projects and related disclosures. In the weeks that followed, approximately twenty similar class actions were filed against us. Several of those lawsuits also named as defendants several of our present or former officers and directors. The class action cases were later consolidated, and the amended consolidated class action complaint, styled *Richard Moore, et al. v. Halliburton Company, et al.*, was filed and served upon us in April 2003. As a result of a substitution of lead plaintiffs, the case was styled *Archdiocese of Milwaukee Supporting Fund (AMSF) v. Halliburton Company, et al*. AMSF has changed its name to Erica P. John Fund, Inc. (the Fund). We settled with the SEC in the second quarter of 2004.

In June 2003, the lead plaintiffs filed a motion for leave to file a second amended consolidated complaint, which was granted by the court. In addition to restating the original accounting and disclosure claims, the second amended consolidated complaint included claims arising out of our 1998 acquisition of Dresser Industries, Inc. and our disclosures and reserves relating to our asbestos liability exposure.

In April 2005, the court appointed new co-lead counsel and named the Fund the new lead plaintiff, directing that it file a third consolidated amended complaint and that we file our motion to dismiss. The court held oral arguments on that motion in August 2005. In March 2006, the court entered an order in which it granted the motion to dismiss with respect to claims arising prior to June 1999 and granted the motion with respect to certain other claims while permitting the Fund to re-plead some of those claims to correct deficiencies in its earlier complaint. In April 2006, the Fund filed its fourth amended consolidated complaint. We filed a motion to dismiss those portions of the complaint that had been re-pled, and in March 2007 the court ordered dismissal of the claims against all individual defendants other than our Chief Executive Officer (CEO). The court ordered that the case proceed against our CEO and us.

In September 2007, the Fund filed a motion for class certification, and our response was filed in November 2007. The district court issued an order in November 2008 denying the motion for class certification. The Fifth Circuit Court of Appeals affirmed the district court's order denying class certification. In June 2011, the United States Supreme Court reversed the Fifth Circuit ruling and the case was returned to the lower courts for further consideration.

In January 2012, the district court issued an order certifying the class. In April 2013, the Fifth Circuit affirmed the district court's order. In June 2014, the Supreme Court reversed the Fifth Circuit and held that we are entitled to rebut that presumption of class member reliance by presenting evidence that there was no impact on our stock price from the alleged misrepresentations. The Supreme Court vacated the Fifth Circuit's decision and remanded for further proceedings consistent with the Supreme Court decision.

In July 2015, the district court denied certification for the plaintiff class with respect to five of the six dates upon which the plaintiff claimed that disclosures correcting previously misleading statements had been made that resulted in an impact to the stock price. However, the district court certified the class with respect to a disclosure made on December 7, 2001 regarding an adverse jury verdict in an asbestos case that plaintiffs alleged was corrective. We appealed the ruling to the Fifth Circuit. The Fifth Circuit heard oral argument on the appeal in August 2016 and its consideration of the appeal is suspended pending finalization of the settlement discussed below. In October 2016, the district court issued an order continuing the December 2016 trial date.

In December 2016, we reached an agreement in principle to settle this lawsuit, without any admission of liability and subject to approval by the district court. We will fund approximately $54 million of the $100 million settlement fund, and our insurer will fund the balance. As such, we recorded a $54 million charge on our consolidated statement of operations for the year ended December 31, 2016. Plaintiff's counsel fees and costs will be awarded from the settlement fund. The settlement remains subject to final documentation and the approval of the district court following notice to class members.

Investigations

We have conducted internal investigations of certain areas of our operations in Angola and Iraq, focusing on compliance with certain company policies, including our Code of Business Conduct (COBC), and the Foreign Corrupt Practices Act (FCPA) and other applicable laws. We have engaged outside counsel and independent forensic accountants to assist us with these investigations.

In December 2010, we received an anonymous e-mail alleging that certain current and former personnel violated our COBC and the FCPA, principally through the use of an Angolan vendor to satisfy local content requirements. The e-mail also alleged conflicts of interest, self-dealing, and the failure to act on alleged violations of our COBC and the FCPA. We contacted the Department of Justice (DOJ) to advise them that we were initiating an internal investigation.

During the second quarter of 2012, in connection with a meeting with the DOJ and the SEC regarding the above investigation, we advised the DOJ and the SEC that we were initiating unrelated, internal investigations into payments made to a third-party agent relating to certain customs matters in Angola and to third-party agents relating to certain customs and visa matters in Iraq.

Since the initiation of the investigations described above, we have participated in meetings with the DOJ and the SEC to brief them on the status of the investigations and produced documents to them both voluntarily and as a result of SEC subpoenas to us and certain of our current and former officers and employees.

Our counsel has engaged in discussions with the SEC staff concerning a potential resolution of the investigations. Any potential resolution will be subject not only to an agreement with the SEC staff on specific terms and specific language in the settlement documentation, but also to approval of the Commissioners of the SEC and agreement with the DOJ. Accordingly, there can be no assurance that the discussions with the SEC will result in a final resolution of the investigations or, if a resolution is achieved, the timing of such resolution. In the event a resolution is not agreed to and approved, we cannot predict the ultimate outcome of the investigations or the consequences thereof.

Environmental

We are subject to numerous environmental, legal, and regulatory requirements related to our operations worldwide. In the United States, these laws and regulations include, among others:

- the Comprehensive Environmental Response, Compensation and Liability Act;
- the Resource Conservation and Recovery Act;
- the Clean Air Act;
- the Federal Water Pollution Control Act;
- the Toxic Substances Control Act; and
- the Oil Pollution Act.

In addition to the federal laws and regulations, states and other countries where we do business often have numerous environmental, legal, and regulatory requirements by which we must abide. We evaluate and address the environmental impact of our operations by assessing and remediating contaminated properties in order to avoid future liabilities and comply with environmental, legal and regulatory requirements. Our Health, Safety and Environment group has several programs in place to maintain environmental leadership and to help prevent the occurrence of environmental contamination. On occasion, in addition to the matters relating to the Macondo well incident described above, we are involved in other environmental litigation and claims, including the remediation of properties we own or have operated, as well as efforts to meet or correct compliance-related matters. We do not expect costs related to those claims and remediation requirements to have a material adverse effect on our liquidity, consolidated results of operations, or consolidated financial position. Our accrued liabilities for environmental matters were $50 million as of December 31, 2016 and December 31, 2015. Because our estimated liability is typically within a range and our accrued liability may be the amount on the low end of that range, our actual liability could eventually be well in excess of the amount accrued. Our total liability related to environmental matters covers numerous properties.

Additionally, we have subsidiaries that have been named as potentially responsible parties along with other third parties for eight federal and state Superfund sites for which we have established reserves. As of December 31, 2016, those eight sites accounted for approximately $5 million of our $50 million total environmental reserve. Despite attempts to resolve these Superfund matters, the relevant regulatory agency may at any time bring suit against us for amounts in excess of the amount accrued. With respect to some Superfund sites, we have been named a potentially responsible party by a regulatory agency; however, in each of those cases, we do not believe we have any material liability. We also could be subject to third-party claims with respect to environmental matters for which we have been named as a potentially responsible party.

Guarantee arrangements

In the normal course of business, we have agreements with financial institutions under which approximately $2.0 billion of letters of credit, bank guarantees, or surety bonds were outstanding as of December 31, 2016. Some of the outstanding letters of credit have triggering events that would entitle a bank to require cash collateralization. None of these off balance sheet arrangements either has, or is likely to have, a material effect on our consolidated financial statements.

Leases

We are party to numerous operating leases, principally for the use of land, offices, equipment, manufacturing and field facilities, and warehouses. Total rentals on our operating leases, net of sublease rentals, were $587 million in 2016, $875 million in 2015, and $1.0 billion in 2014.

Future total rentals on our noncancellable operating leases are $704 million in the aggregate, which includes the following: $164 million in 2017; $135 million in 2018; $100 million in 2019; $68 million in 2020; $52 million in 2021; and $185 million thereafter.

Note 10. Income Taxes

The components of the benefit (provision) for income taxes on continuing operations were:

	Year Ended December 31		
Millions of dollars	2016	2015	2014
Current income taxes:			
Federal	$ 737	$ 635	$ (959)
Foreign	(415)	(636)	(734)
State	35	51	(36)
Total current	357	50	(1,729)
Deferred income taxes:			
Federal	1,343	(18)	83
Foreign	77	262	357
State	81	(20)	14
Total deferred	1,501	224	454
Income tax benefit (provision)	$ 1,858	$ 274	$ (1,275)

The United States and foreign components of income (loss) from continuing operations before income taxes were as follows:

	Year Ended December 31		
Millions of dollars	2016	2015	2014
United States	$ (6,636)	$ (1,560)	$ 3,020
Foreign	(989)	624	1,692
Total	$ (7,625)	$ (936)	$ 4,712

Reconciliations between the actual provision for income taxes on continuing operations and that computed by applying the United States statutory rate to income (loss) from continuing operations before income taxes were as follows:

	Year Ended December 31		
	2016	2015	2014
United States statutory rate	35.0 %	35.0 %	35.0 %
Undistributed foreign earnings	(5.1)	—	—
Impact of foreign income taxed at different rates (a)	(3.2)	17.0	(5.7)
Valuation allowance against tax assets	(2.1)	(8.3)	(3.6)
Domestic manufacturing deduction	(1.3)	—	(1.9)
State income taxes	1.0	2.0	0.8
Non-deductible acquisition costs	0.6	(4.5)	—
Adjustments of prior year taxes	0.2	1.3	0.3
Venezuela devaluation	—	(7.5)	—
Other items, net	(0.7)	(5.7)	2.2
Total effective tax rate on continuing operations	24.4 %	29.3 %	27.1 %

(a) For the year ended December 31, 2015, we recognized taxable losses in our United States operations, partially offset by taxable income in our foreign operations in which the corresponding tax expenses are applied at lower statutory rates in certain jurisdictions, which had a significant effect on our effective tax rate during the year.

Our effective tax rate on continuing operations was 24.4% for 2016, 29.3% for 2015 and 27.1% for 2014. For the year ended December 31, 2016, we had the following significant items impacting our effective tax rate:

- we recognized taxable losses in our United States operations in which we recorded tax benefits at the U.S. statutory rate and taxable losses in our foreign operations in which the corresponding tax benefits are applied at lower statutory rates in certain jurisdictions;
- we recorded $393 million of deferred tax expenses during the year on approximately $3.4 billion of cumulative undistributed foreign earnings. See further discussion below;
- we established valuation allowances on certain deferred tax assets aggregating $163 million as a result of market conditions and their corresponding impact on our business outlook;
- we recorded $96 million of tax expenses associated with our inability to utilize certain domestic manufacturing deductions as a result of the carryback of net operating losses to prior tax periods; and
- we recorded tax benefits on the $3.4 billion of impairments and other charges recorded during the year, some of which are taxed at lower income tax rates in certain foreign jurisdictions.

During 2016, as a result of the payment of the Baker Hughes termination fee and the general market conditions, we reviewed the financial requirements of our United States companies and our foreign subsidiaries, together with the overall capital structure of the global organization. As a result of this review, we concluded that we no longer intend to permanently reinvest a portion of our cumulative undistributed foreign earnings outside of the United States and recorded corresponding United States federal income tax expenses. We have not provided United States income taxes and foreign withholding taxes on the remaining undistributed earnings of foreign subsidiaries as of December 31, 2016 because we intend to permanently reinvest such earnings outside the United States. If these foreign earnings were to be repatriated in the future, the related United States tax liability may be reduced by any foreign income taxes previously paid on these earnings. As of December 31, 2016, the cumulative amount of earnings upon which United States income taxes have not been provided is approximately $4.0 billion. It is not practicable to estimate the additional amount of unrecognized deferred tax liability related to these earnings at this time.

The primary components of our deferred tax assets and liabilities were as follows:

	December 31	
Millions of dollars	2016	2015
Gross deferred tax assets:		
Net operating loss carryforwards	$ 1,647	$ 540
Foreign tax credit carryforwards	648	365
Employee compensation and benefits	352	403
Accrued liabilities	325	392
Other	536	359
Total gross deferred tax assets	3,508	2,059
Gross deferred tax liabilities:		
Depreciation and amortization	585	1,334
Undistributed foreign earnings	406	5
Other	145	109
Total gross deferred tax liabilities	1,136	1,448
Valuation allowances	453	213
Net deferred income tax asset	$ 1,919	$ 398

At December 31, 2016, we had $1.6 billion of domestic and foreign tax-effected net operating loss carryforwards. The ultimate realization of these deferred tax assets depends on the ability to generate sufficient taxable income in the appropriate taxing jurisdiction. $174 million of the net operating loss carryforwards will expire after taxable years ended from 2017 through 2021, $142 million will expire after taxable years ended from 2022 through 2026, and $77 million will expire after taxable years ended from 2027 through 2036. In addition, $943 million of United States net operating loss carryforwards will expire after the 2036 taxable year. The remaining balance will not expire. Additionally, we had $758 million of foreign tax credit carryforwards that will expire from 2022 through 2026, which are offset by foreign branch deferred activity reflected in the above table, along with $84 million of research and development tax credit carryforwards that will expire from 2027 through 2036.

The following table presents a rollforward of our unrecognized tax benefits and associated interest and penalties.

Millions of dollars	Unrecognized Tax Benefits	Interest and Penalties
Balance at January 1, 2014	$ 175	$ 34
Change in prior year tax positions	83	24
Change in current year tax positions	84	—
Cash settlements with taxing authorities	(27)	(1)
Lapse of statute of limitations	(1)	(1)
Balance at December 31, 2014	$ 314	$ 56
Change in prior year tax positions	(33)	7
Change in current year tax positions	62	1
Cash settlements with taxing authorities	(16)	(15)
Lapse of statute of limitations	(5)	(2)
Balance at December 31, 2015	$ 322 (a)	$ 47
Change in prior year tax positions	44	20
Change in current year tax positions	129	3
Cash settlements with taxing authorities	(62)	(8)
Lapse of statute of limitations	(6)	(1)
Balance at December 31, 2016	$ 427 (a)(b)	$ 61

(a) Includes $84 million as of December 31, 2016 and $67 million as of December 31, 2015 in foreign unrecognized tax benefits that would give rise to a United States tax credit. Approximately $257 million, which excludes $5 million of unrecognized tax benefits covered by an indemnification asset, as of December 31, 2016 and $176 million, which excludes $10 million of unrecognized tax benefits covered by an indemnification asset, as of December 31, 2015, if resolved in our favor, would positively impact the effective tax rate and, therefore, be recognized as additional tax benefits in our statement of operations.

(b) Includes $15 million that could be resolved within the next 12 months.

We file income tax returns in the United States federal jurisdiction and in various states and foreign jurisdictions. In most cases, we are no longer subject to state, local, or non-United States income tax examination by tax authorities for years before 2009. Tax filings of our subsidiaries, unconsolidated affiliates and related entities are routinely examined in the normal course of business by tax authorities. Currently, our United States federal tax filings for the tax years 2012 through 2015 are under review by the Internal Revenue Service, and we are awaiting final review by the Joint Committee on Taxation of the appeals resolution for the tax years 2010 through 2011.

Note 11. Shareholders' Equity

Shares of common stock

The following table summarizes total shares of common stock outstanding:

	December 31	
Millions of shares	2016	2015
Issued	1,070	1,071
In treasury	(204)	(215)
Total shares of common stock outstanding	866	856

Our Board of Directors has authorized a program to repurchase our common stock from time to time. The program does not require a specific number of shares to be purchased and the program may be effected through solicited or unsolicited transactions in the market or in privately negotiated transactions. The program may be terminated or suspended at any time. There were no repurchases made under the program during the years ended December 31, 2016 and 2015. Approximately $5.7 billion remains authorized for repurchases as of December 31, 2016. From the inception of this program in February 2006 through December 31, 2016, we repurchased approximately 201 million shares of our common stock for a total cost of approximately $8.4 billion.

Preferred stock

Our preferred stock consists of five million total authorized shares at December 31, 2016, of which none are issued.

Accumulated other comprehensive loss

Accumulated other comprehensive loss consisted of the following:

		December 31	
Millions of dollars		2016	2015
Defined benefit and other postretirement liability adjustments (a)	$	(313) $	(221)
Cumulative translation adjustment		(80)	(78)
Other		(61)	(64)
Total accumulated other comprehensive loss	$	(454) $	(363)

(a) Included net actuarial losses for our international pension plans of $290 million at December 31, 2016 and $205 million at December 31, 2015.

Note 12. Stock-based Compensation

The following table summarizes stock-based compensation costs for the years ended December 31, 2016, 2015 and 2014.

		Year Ended December 31				
Millions of dollars		2016		2015		2014
Stock-based compensation cost	$	262	$	294	$	298
Tax benefit		(77)		(99)		(90)
Stock-based compensation cost, net of tax	$	185	$	195	$	208

Our Stock and Incentive Plan, as amended (Stock Plan), provides for the grant of any or all of the following types of stock-based awards:

- stock options, including incentive stock options and nonqualified stock options;
- restricted stock awards;
- restricted stock unit awards;
- stock appreciation rights; and
- stock value equivalent awards.

There are currently no stock appreciation rights, stock value equivalent awards, or incentive stock options outstanding. Under the terms of the Stock Plan, approximately 187 million shares of common stock have been reserved for issuance to employees and non-employee directors. At December 31, 2016, approximately 10 million shares were available for future grants under the Stock Plan. The stock to be offered pursuant to the grant of an award under the Stock Plan may be authorized but unissued common shares or treasury shares.

In addition to the provisions of the Stock Plan, we also have stock-based compensation provisions under our Restricted Stock Plan for Non-Employee Directors and our Employee Stock Purchase Plan (ESPP).

Each of the active stock-based compensation arrangements is discussed below.

Stock options

The majority of our options are generally issued during the second quarter of the year. All stock options under the Stock Plan are granted at the fair market value of our common stock at the grant date. Employee stock options vest ratably over a three-year period and generally expire 10 years from the grant date. Compensation expense for stock options is generally recognized on a straight line basis over the entire vesting period.

The following table represents our stock options activity during 2016.

	Number of Shares (in millions)	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (in millions)
Outstanding at January 1, 2016	20.0	$ 43.90		
Granted	3.8	41.18		
Exercised	(2.2)	35.93		
Forfeited/expired	(1.0)	49.06		
Outstanding at December 31, 2016	20.6	$ 44.01	6.8	$ 239
Exercisable at December 31, 2016	13.0	$ 43.26	5.7	$ 161

The total intrinsic value of options exercised was $25 million in 2016, $9 million in 2015 and $151 million in 2014. As of December 31, 2016, there was $64 million of unrecognized compensation cost, net of estimated forfeitures, related to nonvested stock options, which is expected to be recognized over a weighted average period of approximately two years.

Cash received from issuance of common stock was $186 million during 2016, $167 million during 2015 and $332 million during 2014, of which $80 million, $23 million and $186 million related to proceeds from exercises of stock options in 2016, 2015 and 2014, respectively. The remainder relates to cash proceeds from the issuance of shares related to our employee stock purchase plan.

The fair value of options at the date of grant was estimated using the Black-Scholes option pricing model. The expected volatility of options granted was a blended rate based upon implied volatility calculated on actively traded options on our common stock and upon the historical volatility of our common stock. The expected term of options granted was based upon historical observation of actual time elapsed between date of grant and exercise of options for all employees. The assumptions and resulting fair values of options granted were as follows:

	Year Ended December 31		
	2016	2015	2014
Expected term (in years)	5.21	5.16	5.23
Expected volatility	37%	39%	37%
Expected dividend yield	1.35 - 2.46%	1.51 - 1.85%	0.94 - 1.77%
Risk-free interest rate	1.13 - 1.84%	1.43 - 1.72%	1.57 - 1.86%
Weighted average grant-date fair value per share	$12.33	$13.47	$19.26

Restricted stock

Restricted shares issued under the Stock Plan are restricted as to sale or disposition. These restrictions lapse periodically generally over a period of five years. Restrictions may also lapse for early retirement and other conditions in accordance with our established policies. Upon termination of employment, shares on which restrictions have not lapsed must be returned to us, resulting in restricted stock forfeitures. The fair market value of the stock on the date of grant is amortized and charged to income on a straight-line basis over the requisite service period for the entire award.

The following table represents our restricted stock awards and restricted stock units granted, vested and forfeited during 2016.

	Number of Shares (in millions)	Weighted Average Grant-Date Fair Value per Share
Nonvested shares at January 1, 2016	16.5	$ 45.59
Granted	5.5	42.87
Vested	(5.3)	44.43
Forfeited	(1.6)	46.05
Nonvested shares at December 31, 2016	15.1	$ 44.96

The weighted average grant-date fair value of shares granted during 2015 was $43.24 and during 2014 was $58.21. The total fair value of shares vested during 2016 was $223 million, during 2015 was $211 million and during 2014 was $278 million. As of December 31, 2016, there was $468 million of unrecognized compensation cost, net of estimated forfeitures, related to nonvested restricted stock, which is expected to be recognized over a weighted average period of three years.

Employee Stock Purchase Plan

Under the ESPP, eligible employees may have up to 10% of their earnings withheld, subject to some limitations, to be used to purchase shares of our common stock. The ESPP contains four three-month offering periods commencing on January 1, April 1, July 1 and October 1 of each year. The price at which common stock may be purchased under the ESPP is equal to 85% of the lower of the fair market value of the common stock on the commencement date or last trading day of each offering period. Under this plan, 74 million shares of common stock have been reserved for issuance. The stock to be offered may be authorized but unissued common shares or treasury shares. As of December 31, 2016, 43 million shares have been sold through the ESPP since the inception of the plan and 31 million shares are available for future issuance.

The fair value of ESPP shares was estimated using the Black-Scholes option pricing model. The expected volatility was a one-year historical volatility of our common stock. The assumptions and resulting fair values were as follows:

	Year Ended December 31		
	2016	2015	2014
Expected volatility	36%	35%	23%
Expected dividend yield	1.87%	1.82%	1.07%
Risk-free interest rate	0.25%	0.01%	0.04%
Weighted average grant-date fair value per share	$ 8.61	$ 8.62	$ 11.80

Note 13. Income per Share

Basic income or loss per share is based on the weighted average number of common shares outstanding during the period. Diluted income per share includes additional common shares that would have been outstanding if potential common shares with a dilutive effect had been issued. Antidilutive securities represent potentially dilutive securities which are excluded from the computation of diluted income or loss per share as their impact was antidilutive.

A reconciliation of the number of shares used for the basic and diluted income per share computations is as follows:

	Year Ended December 31		
Millions of shares	2016	2015	2014
Basic weighted average common shares outstanding	861	853	848
Dilutive effect of awards granted under our stock incentive plans	—	—	4
Diluted weighted average common shares outstanding	861	853	852
Antidilutive shares:			
Options with exercise price greater than the average market price	11	10	2
Options which are antidilutive due to net loss position	1	2	—
Total antidilutive shares	12	12	2

Note 14. Financial Instruments and Risk Management

At December 31, 2016, we held $92 million of investments in fixed income securities with maturities ranging from less than one year to May 2019, of which $56 million are classified as “Other current assets” and $36 million are classified as “Other assets” on our consolidated balance sheets. At December 31, 2015, we held $96 million of investments in fixed income securities, of which $63 million are classified as "Other current assets" and $33 million are classified as "Other assets" on our consolidated balance sheets. These securities consist primarily of corporate bonds and other debt instruments, are accounted for as available-for-sale and are recorded at fair value based on quoted prices for identical assets in less active markets, which are categorized within level 2 on the fair value hierarchy.

During the second quarter of 2016, we executed a financing agreement with our primary customer in Venezuela, resulting in an exchange of $200 million of outstanding trade receivables for an interest-bearing promissory note. We recorded the note at its fair market value at the date of exchange, resulting in a $148 million pre-tax loss on exchange. Fair value was based on pricing data points for similar assets in an illiquid market and is categorized within level 3 on the fair value hierarchy. We are using an effective interest method to accrete the carrying amount to its par value as it matures. This accretion income is being recorded through “Interest expense, net of interest income” on our consolidated statements of operations. As of December 31, 2016, the carrying amount of this promissory note was $70 million and approximates its fair value. This amount consists of a current portion of $29 million and non-current portion of $41 million, which are classified as “Receivables” and “Other assets,” respectively, on our consolidated balance sheets. In the fourth quarter of 2016, we agreed to exchange this promissory note for a new note with the same maturity and coupon, but which is expected to be tradeable in a more liquid market. We intend to hold the new note to maturity.

We have no financial instruments categorized within level 1 on the fair value hierarchy based on quoted prices in active markets. The carrying amount of cash and equivalents, receivables and accounts payable, as reflected in the consolidated balance sheets, approximates fair value due to the short maturities of these instruments.

The carrying amount and fair value of our long-term debt, including current maturities, is as follows:

	December 31, 2016				December 31, 2015			
Millions of dollars	Level 1	Level 2	Total fair value	Carrying value	Level 1	Level 2	Total fair value	Carrying value
Long-term debt	$ 753	$ 12,812	$ 13,565	$ 12,377	$ 1,009	$ 14,947	$ 15,956	$ 15,346

Our debt categorized within level 1 on the fair value hierarchy is calculated using quoted prices in active markets for identical liabilities with transactions occurring on the last two days of year-end. Our debt categorized within level 2 on the fair value hierarchy is calculated using significant observable inputs for similar liabilities where estimated values are determined from observable data points on our other bonds and on other similarly rated corporate debt or from observable data points of transactions occurring prior to two days from year-end and adjusting for changes in market conditions. Our total fair value and carrying value of debt decreased in 2016 compared to 2015 associated with the $2.5 billion of senior notes mandatorily redeemed and $600 million of senior notes repaid during the year. Additionally, differences between the periods presented in our level 1 and level 2 classification of our long-term debt relate to the timing of when transactions are executed. We have no debt categorized within level 3 on the fair value hierarchy based on unobservable inputs.

We are exposed to market risk from changes in foreign currency exchange rates and interest rates. We selectively manage these exposures through the use of derivative instruments, including forward foreign exchange contracts, foreign exchange options and interest rate swaps. The objective of our risk management strategy is to minimize the volatility from fluctuations in foreign currency and interest rates. We do not use derivative instruments for trading purposes. The fair value of our forward contracts, options and interest rate swaps was not material as of December 31, 2016 or December 31, 2015. The counterparties to our derivatives are primarily global commercial and investment banks.

Foreign currency exchange risk

We have operations in many international locations and are involved in transactions denominated in currencies other than the United States dollar, our functional currency, which exposes us to foreign currency exchange rate risk. Techniques in managing foreign currency exchange risk include, but are not limited to, foreign currency borrowing and investing and the use of currency exchange instruments. We attempt to selectively manage significant exposures to potential foreign currency exchange losses based on current market conditions, future operating activities and the associated cost in relation to the perceived risk of loss. The purpose of our foreign currency risk management activities is to minimize the risk that our cash flows from the sale and purchase of services and products in foreign currencies will be adversely affected by changes in exchange rates.

We use forward contracts and options to manage our exposure to fluctuations in the currencies of certain countries in which we do business internationally. These instruments are not treated as hedges for accounting purposes, generally have an expiration date of one year or less and are not exchange traded. While these instruments are subject to fluctuations in value, the fluctuations are generally offset by the value of the underlying exposures being managed. The use of some of these instruments may limit our ability to benefit from favorable fluctuations in foreign currency exchange rates.

Derivatives are not utilized to manage exposures in some currencies due primarily to the lack of available markets or cost considerations (non-traded currencies). We attempt to manage our working capital position to minimize foreign currency exposure in non-traded currencies and recognize that pricing for the services and products offered in these countries should account for the cost of exchange rate devaluations. We have historically incurred transaction losses in non-traded currencies.

The notional amounts of open foreign exchange derivatives were $603 million at December 31, 2016 and $619 million at December 31, 2015. The notional amounts of these instruments do not generally represent amounts exchanged by the parties, and thus are not a measure of our exposure or of the cash requirements related to these contracts. As such, cash flows related to these contracts are typically not material. The amounts exchanged are calculated by reference to the notional amounts and by other terms of the contracts, such as exchange rates.

Interest rate risk

We are subject to interest rate risk on our existing long-term debt and some of our long-term investments in fixed income securities. Our short-term borrowings and short-term investments in fixed income securities do not give rise to significant interest rate risk due to their short-term nature. We had fixed rate long-term debt totaling $12.4 billion at December 31, 2016 and $15.3 billion at December 31, 2015, with $163 million maturing in 2017. We also had $36 million of long-term investments in fixed income securities at December 31, 2016 with maturities that extend through May 2019.

We maintain an interest rate management strategy that is intended to mitigate the exposure to changes in interest rates in the aggregate for our debt portfolio. We hold a series of interest rate swaps relating to three of our debt instruments with a total notional amount of $1.5 billion at a weighted-average, LIBOR-based, floating rate of 4.5% as of December 31, 2016. We utilize interest rate swaps to effectively convert a portion of our fixed rate debt to floating rates. These interest rate swaps, which expire when the underlying debt matures, are designated as fair value hedges of the underlying debt and are determined to be highly effective. The fair value of our interest rate swaps is included in “Other assets” in our consolidated balance sheets as of December 31, 2016 and December 31, 2015. The fair value of our interest rate swaps is categorized within level 2 on the fair value hierarchy and was determined using an income approach model with inputs, such as the notional amount, LIBOR rate spread and settlement terms that are observable in the market or can be derived from or corroborated by observable data. These derivative instruments are marked to market with gains and losses recognized currently in interest expense to offset the respective gains and losses recognized on changes in the fair value of the hedged debt. At December 31, 2016, we had fixed rate debt aggregating $10.9 billion and variable rate debt aggregating $1.5 billion, after taking into account the effects of the interest rate swaps.

Credit risk

Financial instruments that potentially subject us to concentrations of credit risk are primarily cash equivalents, investments in fixed income securities and trade receivables. It is our practice to place our cash equivalents and investments in fixed income securities in high quality investments with various institutions. Our revenue is generated from selling products and providing services to the energy industry. Our trade receivables are from a broad and diverse group of customers and are generally not collateralized. As of December 31, 2016, 28% of our gross trade receivables were in the United States and 15% were in Venezuela, compared to 26% in the United States and 14% in Venezuela at December 31, 2015. We maintain an allowance for losses based upon the expected collectability of all trade accounts receivable. See Note 5 for further information.

We do not have any significant concentrations of credit risk with any individual counterparty to our derivative contracts. We select counterparties to those contracts based on our belief that each counterparty’s profitability, balance sheet and capacity for timely payment of financial commitments is unlikely to be materially adversely affected by foreseeable events.

Note 15. Retirement Plans

Our company and subsidiaries have various plans that cover a significant number of our employees. These plans include defined contribution plans, defined benefit plans and other postretirement plans:

- our defined contribution plans provide retirement benefits in return for services rendered. These plans 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 pretax income and/or discretionary amounts determined on an annual basis. Our expense for the defined contribution plans for continuing operations totaled $111 million in 2016, $288 million in 2015 and $347 million in 2014. The decreases resulted from suspension of discretionary contributions in 2016 and company-wide reductions in workforce during 2016 and 2015;
- our defined benefit plans, which include both funded and unfunded pension plans, define an amount of pension benefit to be provided, usually as a function of age, years of service and/or compensation. The unfunded obligations and net periodic benefit cost of our United States defined benefit plans were not material for the periods presented; and
- our postretirement plans other than pensions are offered to specific eligible employees. The accumulated benefit obligations and net periodic benefit cost for these plans were not material for the periods presented.

Funded status

For our international pension plans, at December 31, 2016, the projected benefit obligation was $1.1 billion and the fair value of plan assets was $865 million, which resulted in an unfunded obligation of $241 million. At December 31, 2015, the projected benefit obligation was $1.0 billion and the fair value of plan assets was $872 million, which resulted in an unfunded obligation of $174 million. The accumulated benefit obligation for our international plans was $1.1 billion at December 31, 2016 and $990 million at December 31, 2015.

The following table presents additional information about our international pension plans.

	December 31	
Millions of dollars	2016	2015
Amounts recognized on the Consolidated Balance Sheets		
Accrued employee compensation and benefits	$ 16	$ 20
Employee compensation and benefits	227	155
Pension plans in which projected benefit obligation exceeded plan assets		
Projected benefit obligation	$ 1,083	$ 1,042
Fair value of plan assets	840	867
Pension plans in which accumulated benefit obligation exceeded plan assets		
Accumulated benefit obligation	$ 1,037	$ 964
Fair value of plan assets	840	846

Fair value measurements of plan assets

The fair value of our plan assets categorized within level 1 on the fair value hierarchy is based on quoted prices in active markets for identical assets. The fair value of our plan assets categorized within level 2 on the fair value hierarchy is based on significant observable inputs for similar assets. The fair value of our plan assets categorized within level 3 on the fair value hierarchy is based on significant unobservable inputs.

The following table sets forth the fair values of assets held by our international pension plans by level within the fair value hierarchy.

Millions of dollars	Level 1	Level 2	Level 3	Total
Cash and equivalents	$ —	$ 49	$ —	$ 49
Common/collective trust funds (a)				
Equity funds (b)	—	197	—	197
Bond funds (c)	—	232	44	276
Alternatives funds (d)	—	221	—	221
Real estate funds (e)	—	36	35	71
Other assets	5	20	26	51
Fair value of plan assets at December 31, 2016	$ 5	$ 755	$ 105	$ 865
Cash and equivalents	$ —	$ 46	$ —	$ 46
Common/collective trust funds (a)				
Equity funds (b)	—	209	—	209
Bond funds (c)	—	212	38	250
Alternatives fund (d)	—	231	—	231
Real estate funds (e)	—	42	46	88
Other assets	2	19	27	48
Fair value of plan assets at December 31, 2015	$ 2	$ 759	$ 111	$ 872

(a) Common/collective trust funds are valued at the net asset value of units held by the plans at year-end.
(b) Strategy is to invest in diversified funds of global common stocks.
(c) Strategy is to invest in diversified funds of fixed income securities of varying geographies and credit quality and whose cash flows approximate the maturities of the benefit obligation.
(d) Strategy is to invest in a fund of diversifying investments, including but not limited to reinsurance, commodities and currencies.
(e) Strategy is to invest in diversified funds of real estate investment trusts and private real estate.

Our investment strategy varies by country depending on the circumstances of the underlying plan. Risk management practices include diversification by issuer, industry and geography, as well as the use of multiple asset classes and investment managers within each asset class. Our investment strategy for our United Kingdom pension plan, which constituted 84% of our international pension plans' projected benefit obligation at December 31, 2016 and is no longer accruing service benefits, aims to achieve full funding of the benefit obligation, with the plan's assets increasingly composed of investments whose cash flows match the maturities of the obligation.

Net periodic benefit cost

Net periodic benefit cost for our international pension plans was $30 million in 2016, $42 million in 2015 and $36 million in 2014. Included in net periodic benefit cost were $8 million in 2016 and $9 million in 2015 of net curtailment and settlement cost arising from reductions in workforce during these years.

Actuarial assumptions

Certain weighted-average actuarial assumptions used to determine benefit obligations of our international pension plans at December 31 were as follows:

	2016	2015
Discount rate	2.9%	4.2%
Rate of compensation increase	4.8%	5.4%

Certain weighted-average actuarial assumptions used to determine net periodic benefit cost of our international pension plans for the years ended December 31 were as follows:

	2016	2015	2014
Discount rate	4.2%	4.1%	4.8%
Expected long-term return on plan assets	5.3%	5.9%	6.4%
Rate of compensation increase	5.4%	5.3%	5.4%

Assumed long-term rates of return on plan assets, discount rates for estimating benefit obligations and rates of compensation increases vary by plan according to local economic conditions. Where possible, discount rates were determined based on the prevailing market rates of a portfolio of high-quality debt instruments with maturities matching the expected timing of the payment of the benefit obligations. Expected long-term rates of return on plan assets were determined based upon an evaluation of our plan assets and historical trends and experience, taking into account current and expected market conditions.

Other information

Contributions. Funding requirements for each plan are determined based on the local laws of the country where such plan resides. In certain countries the funding requirements are mandatory, while in other countries they are discretionary. We currently expect to contribute $15 million to our international pension plans in 2017.

Benefit payments. The following table presents expected benefit payments over the next 10 years for our international pension plans.

Millions of dollars		
2017	$	55
2018		46
2019		49
2020		50
2021		54
Years 2022 - 2026		317

Note 16. New Accounting Pronouncements

Standards adopted in 2016

Consolidation

On January 1, 2016, we adopted an accounting standards update issued by the Financial Accounting Standards Board (FASB) related to the consolidation analysis, which amended the guidelines for determining whether certain legal entities should be consolidated. This update eliminated the presumption that a general partner should consolidate a limited partnership and modified the evaluation of whether limited partnerships are variable interest entities or voting interest entities. The adoption of this update did not materially impact our consolidated financial statements.

Business Combinations

On January 1, 2016, we adopted an accounting standards update issued by the FASB which simplifies the accounting for measurement-period adjustments for an acquirer in a business combination. The update requires an acquirer to recognize any adjustments to provisional amounts of the initial accounting for a business combination with a corresponding adjustment to goodwill in the reporting period in which the adjustments are determined in the measurement period, as opposed to revising prior periods presented in financial statements. Thus, an acquirer shall adjust its financial statements as needed, including recognizing in its current-period earnings the full effect of changes in depreciation, amortization, or other income effects, by line item, if any, as a result of the change to the provisional amounts calculated as if the accounting had been completed at the acquisition date. The adoption of this update did not impact our consolidated financial statements.

Standards not yet adopted

Revenue Recognition

In May 2014, the FASB and the International Accounting Standards Board (IASB) issued a comprehensive new revenue recognition standard that will supersede existing revenue recognition guidance under United States Generally Accepted Accounting Principles (U.S. GAAP) and International Financial Reporting Standards (IFRS). The issuance of this guidance completes the joint effort by the FASB and the IASB to improve financial reporting by creating common revenue recognition guidance for U.S. GAAP and IFRS. In August 2015, the FASB issued an accounting standards update for a one-year deferral of the revenue recognition standard's effective date for all entities, which changed the effectiveness to annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period.

The core principle of the new guidance is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The standard creates a five step model that requires companies to exercise judgment when considering the terms of a contract and all relevant facts and circumstances. The standard allows for several transition methods: (a) a full retrospective adoption in which the standard is applied to all of the periods presented, or (b) a modified retrospective adoption in which the standard is applied only to the most current period presented in the financial statements, including additional disclosures of the standard’s application impact to individual financial statement line items.

We are currently determining the impacts of the new standard on our contract portfolio. Our approach includes performing a detailed review of key contracts representative of our different businesses and comparing historical accounting policies and practices to the new standard. Because the standard will impact our business processes, systems and controls, we are also developing a comprehensive change management project plan to guide the implementation. Our services are primarily short-term in nature, and our assessment at this stage is that we do not expect the new revenue recognition standard will have a material impact on our financial statements upon adoption. We are still evaluating software contracts within our Landmark Software and Services product service line and long-term, fixed pricing contracts requiring integrated project management services within our Consulting and Project Management product service line for potential impact from the new accounting guidance. We currently intend on adopting the new standard utilizing the modified retrospective method that will result in a cumulative effect adjustment as of January 1, 2018.

Inventory

In July 2015, the FASB issued an accounting standards update to simplify the measurement of inventory, which requires inventory measured using the first in, first out (FIFO) or average cost methods to be subsequently measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable cost of completion, disposal and transportation. Currently, these inventory methods are required to be subsequently measured at the lower of cost or market. "Market" could be replacement cost, net realizable value, or net realizable value less an approximately normal profit margin. This update will be effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years, and will be applied prospectively. We evaluated this new accounting standard and determined it will not have an impact on our consolidated financial statements.

Leases

In February 2016, the FASB issued an accounting standards update related to accounting for leases, which requires the assets and liabilities that arise from leases to be recognized on the balance sheet. Currently only capital leases are recorded on the balance sheet. This update will require the lessee to recognize a lease liability equal to the present value of the lease payments and a right-of-use asset representing its right to use the underlying asset for the lease term for all leases longer than 12 months. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and liabilities and recognize the lease expense for such leases generally on a straight-line basis over the lease term. This update will be effective for fiscal periods beginning after December 15, 2018, including interim periods within that reporting period. Early adoption is permitted. We are currently evaluating the impact that this update will have on our consolidated financial statements.

Stock-Based Compensation

In March 2016, the FASB issued an accounting standards update to simplify several aspects of accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and the classification on the statement of cash flows. In addition, an entity can make an entity-wide accounting policy election to either estimate the number of awards that are expected to vest, which is the current U.S. GAAP practice, or account for forfeitures when they occur. This update will be effective for fiscal periods beginning after December 15, 2016, including interim periods within that reporting period. The element of the new standard that will have the most impact on our financial statements will be income tax consequences. Excess tax benefits and tax deficiencies on stock-based compensation awards will now be included in our tax provision within our consolidated statement of operations as discrete items in the reporting period in which they occur, rather than our current accounting of recording in additional paid-in capital on our consolidated balance sheets. We have also elected to continue our current policy of estimating forfeitures of stock-based compensation awards at the time of grant and revising in subsequent periods to reflect actual forfeitures, which is allowable under the new standard.

Income Taxes

In October 2016, the FASB issued an accounting standards update to improve the accounting for the income tax consequences of intra-entity transfers of assets other than inventory. Under current U.S. GAAP, the recognition of current and deferred income taxes for an intra-entity asset transfer is prohibited until the asset has been sold to an outside party. Under the new standard, an entity will recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. Two common examples of assets included in the scope of this update are intellectual property and property, plant and equipment. The amendments in this update are effective for annual reporting periods beginning after December 15, 2017, including interim reporting periods within those annual reporting periods. The amendments should be applied on a modified retrospective basis through a cumulative-effect adjustment directly to retained earnings as of the beginning of the period of adoption. We have elected to early adopt this standard effective January 1, 2017, and upon adoption, approximately $353 million will be recorded directly to retained earnings representing our cumulative-effect adjustment.

HALLIBURTON COMPANY
Selected Financial Data
(Unaudited)

Millions of dollars except per share	Year ended December 31 2016	2015	2014	2013	2012
Revenue	$ 15,887	$ 23,633	$ 32,870	$ 29,402	$ 28,503
Operating income (loss)	(6,778)	(165)	5,097	3,138	4,159
Income (loss) from continuing operations	(5,767)	(662)	3,437	2,116	2,587
Basic income (loss) per share from continuing operations	(6.69)	(0.78)	4.05	2.35	2.78
Diluted income (loss) per share from continuing operations	(6.69)	(0.78)	4.03	2.33	2.78
Cash dividends per share	0.72	0.72	0.63	0.525	0.36
Net working capital	7,654	14,733	8,781	8,678	8,334
Total assets	27,000	36,942	32,165	29,223	27,410
Long-term debt (including current maturities)	12,377	15,346	7,779	7,816	4,820
Total shareholders' equity	9,448	15,495	16,298	13,615	15,790
Capital expenditures	798	2,184	3,283	2,934	3,566

HALLIBURTON COMPANY
Quarterly Data and Market Price Information
(Unaudited)

Millions of dollars except per share data	Quarter First	Quarter Second	Quarter Third	Quarter Fourth	Year
2016					
Revenue	$ 4,198	$ 3,835	$ 3,833	$ 4,021	$ 15,887
Operating income (loss)	(3,079)	(3,880)	128	53	(6,778)
Net income (loss)	(2,418)	(3,205)	7	(153)	(5,769)
Amounts attributable to company shareholders:					
Income (loss) from continuing operations	(2,410)	(3,208)	6	(149)	(5,761)
Loss from discontinued operations	(2)	—	—	—	(2)
Net income (loss) attributable to company	(2,412)	(3,208)	6	(149)	(5,763)
Basic and diluted net income (loss) per share	(2.81)	(3.73)	0.01	(0.17)	(6.69)
Cash dividends paid per share	0.18	0.18	0.18	0.18	0.72
Common stock prices (1)					
High	36.74	46.69	46.90	56.08	56.08
Low	27.64	33.26	40.12	44.23	27.64
2015					
Revenue	$ 7,050	$ 5,919	$ 5,582	$ 5,082	$ 23,633
Operating income (loss)	(548)	254	43	86	(165)
Net income (loss)	(641)	53	(53)	(26)	(667)
Amounts attributable to company shareholders:					
Income (loss) from continuing operations	(639)	55	(54)	(28)	(666)
Loss from discontinued operations	(4)	(1)	—	—	(5)
Net income (loss) attributable to company	(643)	54	(54)	(28)	(671)
Basic income per share attributable to company shareholders:					
Income (loss) from continuing operations	(0.75)	0.06	(0.06)	(0.03)	(0.78)
Loss from discontinued operations	(0.01)	—	—	—	(0.01)
Net income (loss)	(0.76)	0.06	(0.06)	(0.03)	(0.79)
Diluted income per share attributable to company shareholders:					
Income (loss) from continuing operations	(0.75)	0.06	(0.06)	(0.03)	(0.78)
Loss from discontinued operations	(0.01)	—	—	—	(0.01)
Net income (loss)	(0.76)	0.06	(0.06)	(0.03)	(0.79)
Cash dividends paid per share	0.18	0.18	0.18	0.18	0.72
Common stock prices (1)					
High	44.92	50.20	43.71	41.28	50.20
Low	37.27	42.46	30.93	32.13	30.93

Note: Results for 2016 and 2015 include Baker Hughes related costs and termination fee and impairments and other charges. See Note 2 and Note 3 for further information.

(1) New York Stock Exchange – composite transactions high and low intraday price.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The information required for the directors of the Registrant is incorporated by reference to the Halliburton Company Proxy Statement for our 2017 Annual Meeting of Stockholders (File No. 001-03492) under the captions "Election of Directors" and "Involvement in Certain Legal Proceedings." The information required for the executive officers of the Registrant is included under Part I on pages 5 through 6 of this annual report. The information required for a delinquent form required under Section 16(a) of the Securities Exchange Act of 1934 is incorporated by reference to the Halliburton Company Proxy Statement for our 2017 Annual Meeting of Stockholders (File No. 001-03492) under the caption "Section 16(a) Beneficial Ownership Reporting Compliance," to the extent any disclosure is required. The information for our code of ethics is incorporated by reference to the Halliburton Company Proxy Statement for our 2017 Annual Meeting of Stockholders (File No. 001-03492) under the caption "Corporate Governance." The information regarding our Audit Committee and the independence of its members, along with information about the audit committee financial expert(s) serving on the Audit Committee, is incorporated by reference to the Halliburton Company Proxy Statement for our 2017 Annual Meeting of Stockholders (File No. 001-03492) under the caption "The Board of Directors and Standing Committees of Directors."

Item 11. Executive Compensation.

This information is incorporated by reference to the Halliburton Company Proxy Statement for our 2017 Annual Meeting of Stockholders (File No. 001-03492) under the captions "Compensation Discussion and Analysis," "Compensation Committee Report," "Summary Compensation Table," "Grants of Plan-Based Awards in Fiscal 2016," "Outstanding Equity Awards at Fiscal Year End 2016," "2016 Option Exercises and Stock Vested," "2016 Nonqualified Deferred Compensation," "Employment Contracts and Change-in-Control Arrangements," "Post-Termination or Change-in-Control Payments," "Equity Compensation Plan Information" and "Directors' Compensation."

Item 12(a). Security Ownership of Certain Beneficial Owners.

This information is incorporated by reference to the Halliburton Company Proxy Statement for our 2017 Annual Meeting of Stockholders (File No. 001-03492) under the caption "Stock Ownership of Certain Beneficial Owners and Management."

Item 12(b). Security Ownership of Management.

This information is incorporated by reference to the Halliburton Company Proxy Statement for our 2017 Annual Meeting of Stockholders (File No. 001-03492) under the caption "Stock Ownership of Certain Beneficial Owners and Management."

Item 12(c). Changes in Control.

Not applicable.

Item 12(d). Securities Authorized for Issuance Under Equity Compensation Plans.

This information is incorporated by reference to the Halliburton Company Proxy Statement for our 2017 Annual Meeting of Stockholders (File No. 001-03492) under the caption "Equity Compensation Plan Information."

Item 13. Certain Relationships and Related Transactions, and Director Independence.

This information is incorporated by reference to the Halliburton Company Proxy Statement for our 2017 Annual Meeting of Stockholders (File No. 001-03492) under the caption "Corporate Governance" to the extent any disclosure is required and under the caption "The Board of Directors and Standing Committees of Directors."

Item 14. Principal Accounting Fees and Services.

This information is incorporated by reference to the Halliburton Company Proxy Statement for our 2017 Annual Meeting of Stockholders (File No. 001-03492) under the caption "Fees Paid to KPMG LLP."

PART IV

Item 15. Exhibits.

1. Financial Statements:

   The reports of the Independent Registered Public Accounting Firm and the financial statements of Halliburton Company as required by Part II, Item 8, are included on pages 40 and 41 and pages 42 through 72 of this annual report. See index on page (i).

2. Financial Statement Schedules:

   The schedules listed in Rule 5-04 of Regulation S-X (17 CFR 210.5-04) have been omitted because they are not applicable or the required information is shown in the consolidated financial statements or notes thereto.

3. Exhibits:

Exhibit Number	Exhibits
3.1	Restated Certificate of Incorporation of Halliburton Company filed with the Secretary of State of Delaware on May 30, 2006 (incorporated by reference to Exhibit 3.1 to Halliburton's Form 8-K filed June 5, 2006, File No. 001-03492).
3.2	By-laws of Halliburton Company revised effective September 14, 2016 (incorporated by reference to Exhibit 3.1 to Halliburton's Form 8-K filed September 16, 2016, File No. 001-03492).
4.1	Form of debt security of 8.75% Debentures due February 12, 2021 (incorporated by reference to Exhibit 4(a) to the Form 8-K of Halliburton Company, now known as Halliburton Energy Services, Inc. (the Predecessor), dated as of February 20, 1991, File No. 001-03492).
4.2	Senior Indenture dated as of January 2, 1991 between the Predecessor and The Bank of New York Trust Company, N.A. (as successor to Texas Commerce Bank National Association), as Trustee (incorporated by reference to Exhibit 4(b) to the Predecessor's Registration Statement on Form S-3 (Registration 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, Halliburton and the Trustee (incorporated by reference to Exhibit 4.1 of Halliburton's Registration Statement on Form 8-B dated December 12, 1996, File No. 001-03492).
4.3	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, File No. 001-03492).
4.4	Second Senior Indenture dated as of December 1, 1996 between the Predecessor and The Bank of New York Trust Company, N.A. (as successor to 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, Halliburton and the Trustee (incorporated by reference to Exhibit 4.2 of Halliburton's Registration Statement on Form 8-B dated December 12, 1996, File No. 001-03492).
4.5	Third Supplemental Indenture dated as of August 1, 1997 between Halliburton and The Bank of New York Trust Company, N.A. (as successor to Texas Commerce Bank National Association), as Trustee, to the Second Senior Indenture dated as of December 1, 1996 (incorporated by reference to Exhibit 4.7 to Halliburton's Form 10-K for the year ended December 31, 1998, File No. 001-03492).

4.6	Fourth Supplemental Indenture dated as of September 29, 1998 between Halliburton and The Bank of New York Trust Company, N.A. (as successor to Texas Commerce Bank National Association), as Trustee, to the Second Senior Indenture dated as of December 1, 1996 (incorporated by reference to Exhibit 4.8 to Halliburton's Form 10-K for the year ended December 31, 1998, File No. 001-03492).
4.7	Resolutions of Halliburton's Board of Directors adopted by unanimous consent dated December 5, 1996 (incorporated by reference to Exhibit 4(g) of Halliburton's Form 10-K for the year ended December 31, 1996, File No. 001-03492).
4.8	Form of debt security of 6.75% Notes due February 1, 2027 (incorporated by reference to Exhibit 4.1 to Halliburton's Form 8-K dated as of February 11, 1997, File No. 001-03492).
4.9	Copies of instruments that define the rights of holders of miscellaneous long-term notes of Halliburton Company and its subsidiaries have not been filed with the Commission. Halliburton Company agrees to furnish copies of these instruments upon request.
4.10	Form of debt security of 7.53% Notes due May 12, 2017 (incorporated by reference to Exhibit 4.4 to Halliburton's Form 10-Q for the quarter ended March 31, 1997, File No. 001-03492).
4.11	Form of Indenture dated as of April 18, 1996 between Dresser and The Bank of New York Trust Company, N.A. (as successor to Texas Commerce Bank National Association), as Trustee (incorporated by reference to Exhibit 4 to Dresser's Registration Statement on Form S-3/A filed on April 19, 1996, Registration No. 333-01303), as supplemented and amended by Form of First Supplemental Indenture dated as of August 6, 1996 between Dresser and The Bank of New York Trust Company, N.A. (as successor to Texas Commerce Bank National Association), Trustee, for 7.60% Debentures due 2096 (incorporated by reference to Exhibit 4.1 to Dresser's Form 8-K filed on August 9, 1996, File No. 1-4003).
4.12	Second Supplemental Indenture dated as of October 27, 2003 between DII Industries, LLC and The Bank of New York Trust Company, N.A. (as successor to JPMorgan Chase Bank), as Trustee, to the Indenture dated as of April 18, 1996 (incorporated by reference to Exhibit 4.15 to Halliburton's Form 10-K for the year ended December 31, 2003, File No. 001-03492).
4.13	Third Supplemental Indenture dated as of December 12, 2003 among DII Industries, LLC, Halliburton Company and The Bank of New York Trust Company, N.A. (as successor to JPMorgan Chase Bank), as Trustee, to the Indenture dated as of April 18, 1996, (incorporated by reference to Exhibit 4.16 to Halliburton's Form 10-K for the year ended December 31, 2003, File No. 001-03492).
4.14	Indenture dated as of October 17, 2003 between Halliburton Company and The Bank of New York Trust Company, N.A. (as successor to JPMorgan Chase Bank), as Trustee (incorporated by reference to Exhibit 4.1 to Halliburton's Form 10-Q for the quarter ended September 30, 2003, File No. 001-03492).
4.15	Second Supplemental Indenture dated as of December 15, 2003 between Halliburton Company and The Bank of New York Trust Company, N.A. (as successor to JPMorgan Chase Bank), as Trustee, to the Senior Indenture dated as of October 17, 2003 (incorporated by reference to Exhibit 4.27 to Halliburton's Form 10-K for the year ended December 31, 2003, File No. 001-03492).
4.16	Form of note of 7.6% debentures due 2096 (included as Exhibit A to Exhibit 4.15 above).
4.17	Fourth Supplemental Indenture, dated as of September 12, 2008, between Halliburton Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee to JPMorgan Chase Bank, to the Senior Indenture dated as of October 17, 2003 (incorporated by reference to Exhibit 4.2 to Halliburton's Form 8-K filed September 12, 2008, File No. 001-03492).
4.18	Form of Global Note for Halliburton's 5.90% Senior Notes due 2018 (included as part of Exhibit 4.17).

	4.19	Form of Global Note for Halliburton's 6.70% Senior Notes due 2038 (included as part of Exhibit 4.17).
	4.20	Fifth Supplemental Indenture, dated as of March 13, 2009, between Halliburton Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee to JPMorgan Chase Bank, to the Senior Indenture dated as of October 17, 2003 (incorporated by reference to Exhibit 4.2 to Halliburton's Form 8-K filed March 13, 2009, File No. 001-03492).
	4.21	Form of Global Note for Halliburton's 6.15% Senior Notes due 2019 (included as part of Exhibit 4.20).
	4.22	Form of Global Note for Halliburton's 7.45% Senior Notes due 2039 (included as part of Exhibit 4.20).
	4.23	Sixth Supplemental Indenture, dated as of November 14, 2011, between Halliburton Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee to JPMorgan Chase Bank, to the Senior Indenture dated as of October 17, 2003 (incorporated by reference to Exhibit 4.2 to Halliburton's Form 8-K filed November 14, 2011, File No. 001-03492).
	4.24	Form of Global Note for Halliburton's 3.25% Senior Notes due 2021 (included as part of Exhibit 4.23).
	4.25	Form of Global Note for Halliburton's 4.50% Senior Notes due 2041 (included as part of Exhibit 4.23).
	4.26	Seventh Supplemental Indenture, dated as of August 5, 2013, between Halliburton Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee to JPMorgan Chase Bank (incorporated by reference to Exhibit 4.2 of Halliburton's Form 8-K filed August 5, 2013, File No. 001-03492).
	4.27	Form of Global Note for Halliburton's 2.00% Senior Notes due 2018 (included as part of Exhibit 4.26).
	4.28	Form of Global Note for Halliburton's 3.50% Senior Notes due 2023 (included as part of Exhibit 4.26).
	4.29	Form of Global Note for Halliburton's 4.75% Senior Notes due 2043 (included as part of Exhibit 4.26).
	4.30	Eighth Supplemental Indenture, dated as of November 13, 2015, between Halliburton Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee to JPMorgan Chase Bank (incorporated by reference to Exhibit 4.2 to Halliburton's Form 8-K filed November 13, 2015, File No. 001-03492).
	4.31	Form of Global Note for Halliburton's 3.800% Senior Notes due 2025 (included as part of Exhibit 4.30).
	4.32	Form of Global Note for Halliburton's 4.850% Senior Notes due 2035 (included as part of Exhibit 4.30).
	4.33	Form of Global Note for Halliburton's 5.000% Senior Notes due 2045 (included as part of Exhibit 4.30).
†	10.1	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, File No. 001-03492).
†	10.2	Dresser Industries, Inc. Deferred Compensation Plan, as amended and restated effective January 1, 2000 (incorporated by reference to Exhibit 10.16 to Halliburton's Form 10-K for the year ended December 31, 2000, File No. 001-03492).
†	10.3	ERISA Excess Benefit Plan for Dresser Industries, Inc., as amended and restated effective June 1, 1995 (incorporated by reference to Exhibit 10.7 to Dresser's Form 10-K for the year ended October 31, 1995, File No. 1-4003).

†	10.4	Employment Agreement (David J. Lesar) (incorporated by reference to Exhibit 10(n) to the Predecessor's Form 10-K for the year ended December 31, 1995, File No. 001-03492).
†	10.5	Employment Agreement (Mark A. McCollum) (incorporated by reference to Exhibit 10.1 to Halliburton's Form 10-Q for the quarter ended September 30, 2003, File No. 001-03492).
†	10.6	Halliburton Company Performance Unit Program (incorporated by reference to Exhibit 10.2 to Halliburton's Form 10-Q for the quarter ended September 30, 2001, File No. 001-03492).
	10.7	Form of Indemnification Agreement for Officers (incorporated by reference to Exhibit 10.1 to Halliburton's Form 8-K filed August 3, 2007, File No. 001-03492).
	10.8	Form of Indemnification Agreement for Directors (incorporated by reference to Exhibit 10.2 to Halliburton's Form 8-K filed August 3, 2007, File No. 001-03492).
	10.9	Form of Indemnification Agreement for Officers (first elected after January 1, 2013) (incorporated by reference to Exhibit 10.2 to Halliburton's Form 10-Q for the quarter ended March 31, 2013, File No. 001-03492).
	10.10	Form of Indemnification Agreement for Directors (first elected after January 1, 2013) (incorporated by reference to Exhibit 10.1 of Halliburton's Form 8-K filed March 22, 2013, File No. 001-03492).
†	10.11	2008 Halliburton Elective Deferral Plan, as amended and restated effective January 1, 2008 (incorporated by reference to Exhibit 10.3 to Halliburton's Form 10-Q for the quarter ended September 30, 2007, File No. 001-03492).
†	10.12	Halliburton Company Supplemental Executive Retirement Plan, as amended and restated effective January 1, 2008 (incorporated by reference to Exhibit 10.4 to Halliburton's Form 10-Q for the quarter ended September 30, 2007, File No. 001-03492).
†	10.13	Halliburton Company Benefit Restoration Plan, as amended and restated effective January 1, 2008 (incorporated by reference to Exhibit 10.5 to Halliburton's Form 10-Q for the quarter ended September 30, 2007, File No. 001-03492).
†	10.14	Halliburton Company Pension Equalizer Plan, as amended and restated effective March 1, 2007 (incorporated by reference to Exhibit 10.8 to Halliburton's Form 10-Q for the quarter ended September 30, 2007, File No. 001-03492).
†	10.15	Halliburton Company Directors' Deferred Compensation Plan, as amended and restated effective as of May 16, 2012 (incorporated by reference to Exhibit 10.5 to Halliburton's Form 10-Q for the quarter ended June 30, 2012, File No. 001-03492).
†	10.16	Retirement Plan for the Directors of Halliburton Company, as amended and restated effective July 1, 2007 (incorporated by reference to Exhibit 10.10 to Halliburton's Form 10-Q for the quarter ended September 30, 2007, File No. 001-03492).
†	10.17	Employment Agreement (James S. Brown) (incorporated by reference to Exhibit 10.36 to Halliburton's Form 10-K for the year ended December 31, 2007, File No. 001-03492).
†	10.18	Executive Agreement (Lawrence J. Pope) (incorporated by reference to Exhibit 10.1 to Halliburton's Form 8-K filed December 12, 2008, File No. 001-03492).

†	10.19	Halliburton Company Stock and Incentive Plan, as amended and restated effective February 24, 2015 (incorporated by reference to Appendix B of Halliburton's proxy statement filed April 7, 2015, File No. 001-03492).
†	10.20	Halliburton Company Employee Stock Purchase Plan, as amended and restated effective February 24, 2015 (incorporated by reference to Appendix C of Halliburton’s proxy statement filed April 7, 2015, File No. 001-03492).
†	10.21	Form of Restricted Stock Agreement (incorporated by reference as Exhibit 99.3 of Halliburton’s Form S-8 filed July 24, 2015, Registration No. 333-205842).
†	10.22	Form of Restricted Stock Unit Agreement (incorporated by reference as Exhibit 99.4 of Halliburton’s Form S-8 filed July 24, 2015, Registration No. 333-205842).
†	10.23	Form of Non-Employee Director Restricted Stock Unit Agreement (Director Plan) (incorporated by reference as Exhibit 99.8 of Halliburton’s Form S-8 filed July 24, 2015, Registration No. 333-205842).
†	10.24	First Amendment to Halliburton Company Supplemental Executive Retirement Plan, as amended and restated effective January 1, 2008 (incorporated by reference to Exhibit 10.1 to Halliburton’s Form 8-K filed September 21, 2009, File No. 001-03492).
†	10.25	Amendment No. 1 to Halliburton Company Benefit Restoration Plan, as amended and restated effective January 1, 2008 (incorporated by reference to Exhibit 10.2 to Halliburton’s Form 8-K filed September 21, 2009, File No. 001-03492).
†	10.26	Halliburton Annual Performance Pay Plan, as amended and restated effective January 1, 2010 (incorporated by reference to Exhibit 10.3 to Halliburton’s Form 8-K filed September 21, 2009, File No. 001-03492).
†	10.27	Amendment to Executive Employment Agreement (James S. Brown) (incorporated by reference to Exhibit 10.39 to Halliburton’s Form 10-K for the year ended December 31, 2008, File No. 001-03492).
†	10.28	Amendment to Executive Employment Agreement (Mark A. McCollum) (incorporated by reference to Exhibit 10.43 to Halliburton’s Form 10-K for the year ended December 31, 2008, File No. 001-03492).
†	10.29	Amendment No. 1 to 2008 Halliburton Elective Deferral Plan, as amended and restated effective January 1, 2008 (incorporated by reference to Exhibit 10.41 to Halliburton’s Form 10-K for the year ended December 31, 2010, File No. 001-03492).
†	10.30	Executive Agreement (Joe D. Rainey) (incorporated by reference to Exhibit 10.43 to Halliburton’s Form 10-K for the year ended December 31, 2010, File No. 001-03492).
	10.31	U.S. $3,000,000,000 Five Year Revolving Credit Agreement among Halliburton Company, as Borrower, the Banks party thereto, and Citibank, N.A., as Agent, effective July 21, 2015 (incorporated by reference to Exhibit 10.1 to Halliburton's Form 10-Q for the quarter ended June 30, 2015, File No. 001-03492).
†	10.32	First Amendment to the Retirement Plan for the Directors of Halliburton Company, effective September 1, 2007 (incorporated by reference to Exhibit 10.3 to Halliburton’s Form 10-Q for the quarter ended March 31, 2011, File No. 001-03492).
†	10.33	Executive Agreement (Eric Carre) (incorporated by reference to Exhibit 10.1 to Halliburton’s Form 10-Q for the quarter ended June 30, 2016, File No. 001-03492).

†	10.34	First Amendment to Halliburton Company Restricted Stock Plan for Non-Employee Directors (incorporated by reference to Exhibit 10.41 to Halliburton’s Form 10-K for the year ended December 31, 2011, File No. 001-03492).
†	10.35	Form of Restricted Stock Agreement (Section 16 officers) (incorporated by reference to Exhibit 10.42 to Halliburton’s Form 10-K for the year ended December 31, 2011, File No. 001-03492).
†	10.36	Form of Non-Employee Director Restricted Stock Unit Agreement (Stock and Incentive Plan) (incorporated by reference as Exhibit 99.9 of Halliburton's Form S-8 filed July 24, 2015, Registration No. 333-205842).
†	10.37	Second Amendment to Restricted Stock Plan for Non-Employee Directors of Halliburton Company (incorporated by reference to Exhibit 10.4 to Halliburton's Form 10-Q for the quarter ended June 30, 2012, File No. 001-03492).
†	10.38	Third Amendment to Restricted Stock Plan for Non-Employee Directors of Halliburton Company effective December 1, 2012 (incorporated by reference to Exhibit 10.44 to Halliburton’s Form 10-K for the year ended December 31, 2012, File No. 001-03492).
†	10.39	First Amendment dated December 1, 2012 to Halliburton Company Directors' Deferred Compensation Plan, as amended and restated effective May 16, 2012 (incorporated by reference to Exhibit 10.45 to Halliburton’s Form 10-K for the year ended December 31, 2012, File No. 001-03492).
†	10.40	Executive Agreement (Jeffrey A. Miller) (incorporated by reference to Exhibit 10.1 to Halliburton's Form 8-K filed September 21, 2012, File No. 001-03492).
†	10.41	Executive Agreement (Myrtle L. Jones) (incorporated by reference to Exhibit 10.1 to Halliburton's Form 10-Q for the quarter ended March 31, 2013, File No. 001-03492).
†	10.42	Executive Agreement (Robb L. Voyles) (incorporated by reference to Exhibit 10.48 to Halliburton’s Form 10-K filed February 7, 2014, File No. 001-03492).
†	10.43	Executive Agreement (Timothy McKeon) (incorporated by reference to Exhibit 10.49 to Halliburton’s Form 10-K filed February 7, 2014, File No. 001-03492).
†	10.44	Executive Agreement (Charles E. Geer, Jr.) (incorporated by reference to Exhibit 10.2 to Halliburton’s Form 8-K filed December 9, 2014, File No. 001-03492).
	10.45	HESI Punitive Damages and Assigned Claims Settlement Agreement dated September 2, 2014, entered into between Halliburton Company and Halliburton Energy Services, Inc. and counsel for The Plaintiffs Steering Committee in MDL 2179 and the Deepwater Horizon Economic and Property Damages Settlement Class (incorporated by reference to Exhibit 10.1 to Halliburton's Form 10-Q for the quarter ended September 30, 2014, File No. 001-03492).
†	10.46	Form of Non-Employee Director Restricted Stock Agreement (Directors Plan) (incorporated by reference as Exhibit 99.5 of Halliburton's Form S-8 filed May 21, 2009, Registration No. 333-159394).
†	10.47	Form of Non-Employee Director Restricted Stock Agreement (Stock and Incentive Plan) (incorporated by reference to Exhibit 10.43 to Halliburton's Form 10-K for the year ended December 31, 2011, Registration No. 001-03492).
	10.48	Termination Agreement, dated as of April 30, 2016, between the Company and Baker Hughes (incorporated by reference to Exhibit 10.1 to Halliburton’s Form 8-K filed May 4, 2016, File No. 001-03492).

†	10.49	Amendment No. 2 to Halliburton Company Benefit Restoration Plan, as amended and restated effective January 1, 2008 (incorporated by reference to Exhibit 10.1 to Halliburton's Form 10-Q for the quarter ended September 30, 2016, File No. 001-03492).
†	10.50	Second Amendment to Halliburton Company Supplemental Executive Retirement Plan, as amended and restated effective January 1, 2008 (incorporated by reference to Exhibit 10.2 to Halliburton's Form 10-Q for the quarter ended September 30, 2016, File No. 001-03492).
†	10.51	Form of Nonstatutory Stock Option Agreement (incorporated by reference to Exhibit 10.3 to Halliburton's Form 10-Q for the quarter ended September 30, 2016, File No. 001-03492).
*	12.1	Statement of Computation of Ratio of Earnings to Fixed Charges.
*	21.1	Subsidiaries of the Registrant.
*	23.1	Consent of KPMG LLP.
*	24.1	Powers of attorney for the following directors signed in January 2017: Abdulaziz F. Al Khayyal William E. Albrecht Alan M. Bennett James R. Boyd Milton Carroll Nance K. Dicciani Murry S. Gerber José C. Grubisich Robert A. Malone J. Landis Martin Jeffrey A. Miller Debra L. Reed
*	31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
*	31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
**	32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
**	32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
*	95	Mine Safety Disclosures.
*	101.INS	XBRL Instance Document
*	101.SCH	XBRL Taxonomy Extension Schema Document
*	101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
*	101.LAB	XBRL Taxonomy Extension Label Linkbase Document

*	101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
*	101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

* Filed with this Form 10-K.
** Furnished with this Form 10-K.
† Management contracts or compensatory plans or arrangements.

SIGNATURES

As required by Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has authorized this report to be signed on its behalf by the undersigned authorized individuals on this 7th day of February, 2017.

HALLIBURTON COMPANY

By /s/ David J. Lesar

David J. Lesar

Chairman of the Board and Chief Executive Officer

As required by the Securities Exchange Act of 1934, this report has been signed below by the following persons in the capacities indicated on this 7th day of February, 2017.

Signature	Title
/s/ David J. Lesar David J. Lesar	Chairman of the Board, Director and Chief Executive Officer
/s/ Mark A. McCollum Mark A. McCollum	Executive Vice President and Chief Financial Officer
/s/ Charles E. Geer, Jr. Charles E. Geer, Jr.	Vice President and Corporate Controller

Signature	Title
* Abdulaziz F. Al Khayyal Abdulaziz F. Al Khayyal	Director
* William E. Albrecht William E. Albrecht	Director
* Alan M. Bennett Alan M. Bennett	Director
* James R. Boyd James R. Boyd	Director
* Milton Carroll Milton Carroll	Director
* Nance K. Dicciani Nance K. Dicciani	Director
* Murry S. Gerber Murry S. Gerber	Director
* José C. Grubisich José C. Grubisich	Director
* Robert A. Malone Robert A. Malone	Director
* J. Landis Martin J. Landis Martin	Director
* Jeffrey A. Miller Jeffrey A. Miller	President and Director
* Debra L. Reed Debra L. Reed	Director

/s/ Robb L. Voyles
*By Robb L. Voyles, Attorney-in-fact

Exhibit 12.1

HALLIBURTON COMPANY
Computation of Ratio of Earnings to Fixed Charges
(Unaudited)
(Millions of dollars, except ratios)

	Year Ended December 31				
	2016	2015	2014	2013	2012
Earnings available for fixed charges:					
Income (loss) from continuing operations before income taxes	$ (7,625)	$ (936)	$ 4,712	$ 2,764	$ 3,822
Add:					
Distributed earnings from equity in unconsolidated affiliates	29	11	16	19	4
Fixed charges	791	634	554	511	445
Subtotal	(6,805)	(291)	5,282	3,294	4,271
Less:					
Equity in earnings of unconsolidated affiliates	31	28	15	9	14
Total earnings (loss) available for fixed charges	$ (6,836)	$ (319)	$ 5,267	$ 3,285	$ 4,257
Fixed charges:					
Interest expense	$ 698	$ 463	$ 396	$ 339	$ 305
Rental expense representative of interest	93	171	158	172	140
Total fixed charges	$ 791	$ 634	$ 554	$ 511	$ 445
Ratio of earnings to fixed charges	**(a)**	**(a)**	9.5	6.4	9.6

(a) Total earnings (loss) available for fixed charges for the years ended December 31, 2016 and December 31, 2015 were inadequate to cover fixed charges by $7.6 billion and $953 million, respectively. Reported losses during these periods were primarily due to Baker Hughes related costs and termination fee of $4.1 billion and impairments and other charges of $3.4 billion for the year ended December 31, 2016, and impairments and other charges of $2.2 billion for the year ended December 31, 2015.

Exhibit 21.1

HALLIBURTON COMPANY
Subsidiaries of the Registrant
December 31, 2016

NAME OF COMPANY	STATE OR COUNTRY OF INCORPORATION
Baroid International Trading, LLC	United States, Delaware
Halliburton (Barbados) Investments SRL	Barbados
Halliburton Affiliates, LLC	United States, Delaware
Halliburton Canada Holdings B.V.	Netherlands
Halliburton Canada ULC	Canada, Alberta
Halliburton de Mexico, S. de R.L. de C.V.	Mexico
Halliburton Energy Cayman Islands Limited II	Cayman Islands
Halliburton Energy Services Limited	United Kingdom, Scotland
Halliburton Energy Services, Inc.	United States, Delaware
Halliburton Far East Pte Ltd	Singapore
Halliburton Global Affiliates Holdings B.V.	Netherlands
Halliburton Group Canada	Canada
Halliburton Holdings (No.3)	United Kingdom, Scotland
Halliburton International Holdings	Bermuda
Halliburton International B.V.	Netherlands
Halliburton Latin America S.R.L	Uruguay
Halliburton Manufacturing and Services Limited	United Kingdom, England & Wales
Halliburton Netherlands Holdings B.V.	Netherlands
Halliburton Netherlands Operations Coöperatie U.A.	Netherlands
Halliburton Norway Holdings C.V.	Netherlands
Halliburton Overseas Limited	Cayman Islands
Halliburton Partners Canada ULC	Canada, Alberta
Halliburton U.S. International Holdings, Inc.	United States, Delaware
Halliburton Worldwide GmbH	Switzerland
Halliburton Worldwide Limited	Cayman Islands
HES Corporation	United States, Nevada
HES Holding, Inc.	United States, Delaware
HESI Holdings B.V.	Netherlands
Landmark Graphics Corporation	United States, Delaware
Oilfield Telecommunications, LLC.	United States, Delaware

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Halliburton Company:

We consent to the incorporation by reference in the registration statement (No. 333-202246) on Form S-3ASR, and (No. 333-166656) on Form S-4, and (Nos. 333-76496, 333-159394, 333-162648, 333-188674, and 333-205842) on Form S-8 of Halliburton Company of our reports dated February 7, 2017 with respect to the consolidated balance sheets of Halliburton Company and subsidiaries (the Company) as of December 31, 2016 and 2015, and the related consolidated statements of operations, shareholders' equity, comprehensive income, and cash flows for each of the years in the three-year period ended December 31, 2016 and the effectiveness of internal control over financial reporting as of December 31, 2016, which reports appear in the Company's December 31, 2016 Annual Report on the Form 10-K.

/s/ KPMG LLP
Houston, Texas
February 7, 2017

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that I, the undersigned, a Director of Halliburton Company, do hereby constitute and appoint David J. Lesar, Mark A. McCollum and Robb L. Voyles, or any of them acting alone, my true and lawful attorneys or attorney, to do any and all acts and things and execute any and all instruments which said attorneys or attorney may deem necessary or advisable to enable Halliburton Company to comply with the Securities Exchange Act of 1934, as amended, and all rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the filing of the Annual Report on Form 10-K for the year ended December 31, 2016 (the "Form 10-K"), including specifically, but without limitation thereof, power and authority to sign my name as Director of Halliburton Company to the Form 10-K and any and all amendments thereto, and to any instruments or documents filed as a part of or in connection therewith; and I hereby ratify and confirm all that said attorneys or attorney shall do or cause to be done by virtue hereof.

IN TESTIMONY WHEREOF, witness my hand this 3rd day of January, 2017.

/s/ Abdulaziz F. Al Khayyal
Abdulaziz F. Al Khayyal

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that I, the undersigned, a Director of Halliburton Company, do hereby constitute and appoint David J. Lesar, Mark A. McCollum and Robb L. Voyles, or any of them acting alone, my true and lawful attorneys or attorney, to do any and all acts and things and execute any and all instruments which said attorneys or attorney may deem necessary or advisable to enable Halliburton Company to comply with the Securities Exchange Act of 1934, as amended, and all rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the filing of the Annual Report on Form 10-K for the year ended December 31, 2016 (the “Form 10-K”), including specifically, but without limitation thereof, power and authority to sign my name as Director of Halliburton Company to the Form 10-K and any and all amendments thereto, and to any instruments or documents filed as a part of or in connection therewith; and I hereby ratify and confirm all that said attorneys or attorney shall do or cause to be done by virtue hereof.

IN TESTIMONY WHEREOF, witness my hand this 3rd day of January, 2017.

/s/ William E. Albrecht
William E. Albrecht

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that I, the undersigned, a Director of Halliburton Company, do hereby constitute and appoint David J. Lesar, Mark A. McCollum and Robb L. Voyles, or any of them acting alone, my true and lawful attorneys or attorney, to do any and all acts and things and execute any and all instruments which said attorneys or attorney may deem necessary or advisable to enable Halliburton Company to comply with the Securities Exchange Act of 1934, as amended, and all rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the filing of the Annual Report on Form 10-K for the year ended December 31, 2016 (the "Form 10-K"), including specifically, but without limitation thereof, power and authority to sign my name as Director of Halliburton Company to the Form 10-K and any and all amendments thereto, and to any instruments or documents filed as a part of or in connection therewith; and I hereby ratify and confirm all that said attorneys or attorney shall do or cause to be done by virtue hereof.

IN TESTIMONY WHEREOF, witness my hand this 3rd day of January, 2017.

/s/ Alan M. Bennett
Alan M. Bennett

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that I, the undersigned, a Director of Halliburton Company, do hereby constitute and appoint David J. Lesar, Mark A. McCollum and Robb L. Voyles, or any of them acting alone, my true and lawful attorneys or attorney, to do any and all acts and things and execute any and all instruments which said attorneys or attorney may deem necessary or advisable to enable Halliburton Company to comply with the Securities Exchange Act of 1934, as amended, and all rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the filing of the Annual Report on Form 10-K for the year ended December 31, 2016 (the "Form 10-K"), including specifically, but without limitation thereof, power and authority to sign my name as Director of Halliburton Company to the Form 10-K and any and all amendments thereto, and to any instruments or documents filed as a part of or in connection therewith; and I hereby ratify and confirm all that said attorneys or attorney shall do or cause to be done by virtue hereof.

IN TESTIMONY WHEREOF, witness my hand this 3rd day of January, 2017.

/s/ James R. Boyd
James R. Boyd

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that I, the undersigned, a Director of Halliburton Company, do hereby constitute and appoint David J. Lesar, Mark A. McCollum and Robb L. Voyles, or any of them acting alone, my true and lawful attorneys or attorney, to do any and all acts and things and execute any and all instruments which said attorneys or attorney may deem necessary or advisable to enable Halliburton Company to comply with the Securities Exchange Act of 1934, as amended, and all rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the filing of the Annual Report on Form 10-K for the year ended December 31, 2016 (the "Form 10-K"), including specifically, but without limitation thereof, power and authority to sign my name as Director of Halliburton Company to the Form 10-K and any and all amendments thereto, and to any instruments or documents filed as a part of or in connection therewith; and I hereby ratify and confirm all that said attorneys or attorney shall do or cause to be done by virtue hereof.

IN TESTIMONY WHEREOF, witness my hand this 3rd day of January, 2017.

/s/ Milton Carroll
Milton Carroll

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that I, the undersigned, a Director of Halliburton Company, do hereby constitute and appoint David J. Lesar, Mark A. McCollum and Robb L. Voyles, or any of them acting alone, my true and lawful attorneys or attorney, to do any and all acts and things and execute any and all instruments which said attorneys or attorney may deem necessary or advisable to enable Halliburton Company to comply with the Securities Exchange Act of 1934, as amended, and all rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the filing of the Annual Report on Form 10-K for the year ended December 31, 2016 (the "Form 10-K"), including specifically, but without limitation thereof, power and authority to sign my name as Director of Halliburton Company to the Form 10-K and any and all amendments thereto, and to any instruments or documents filed as a part of or in connection therewith; and I hereby ratify and confirm all that said attorneys or attorney shall do or cause to be done by virtue hereof.

IN TESTIMONY WHEREOF, witness my hand this 3rd day of January, 2017.

/s/ Nance K. Dicciani
Nance K. Dicciani

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that I, the undersigned, a Director of Halliburton Company, do hereby constitute and appoint David J. Lesar, Mark A. McCollum and Robb L. Voyles, or any of them acting alone, my true and lawful attorneys or attorney, to do any and all acts and things and execute any and all instruments which said attorneys or attorney may deem necessary or advisable to enable Halliburton Company to comply with the Securities Exchange Act of 1934, as amended, and all rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the filing of the Annual Report on Form 10-K for the year ended December 31, 2016 (the “Form 10-K”), including specifically, but without limitation thereof, power and authority to sign my name as Director of Halliburton Company to the Form 10-K and any and all amendments thereto, and to any instruments or documents filed as a part of or in connection therewith; and I hereby ratify and confirm all that said attorneys or attorney shall do or cause to be done by virtue hereof.

IN TESTIMONY WHEREOF, witness my hand this 3rd day of January, 2017.

/s/ Murry S. Gerber
Murry S. Gerber

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that I, the undersigned, a Director of Halliburton Company, do hereby constitute and appoint David J. Lesar, Mark A. McCollum and Robb L. Voyles, or any of them acting alone, my true and lawful attorneys or attorney, to do any and all acts and things and execute any and all instruments which said attorneys or attorney may deem necessary or advisable to enable Halliburton Company to comply with the Securities Exchange Act of 1934, as amended, and all rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the filing of the Annual Report on Form 10-K for the year ended December 31, 2016 (the "Form 10-K"), including specifically, but without limitation thereof, power and authority to sign my name as Director of Halliburton Company to the Form 10-K and any and all amendments thereto, and to any instruments or documents filed as a part of or in connection therewith; and I hereby ratify and confirm all that said attorneys or attorney shall do or cause to be done by virtue hereof.

IN TESTIMONY WHEREOF, witness my hand this 3rd day of January, 2017.

/s/ José C. Grubisich
José C. Grubisich

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that I, the undersigned, a Director of Halliburton Company, do hereby constitute and appoint David J. Lesar, Mark A. McCollum and Robb L. Voyles, or any of them acting alone, my true and lawful attorneys or attorney, to do any and all acts and things and execute any and all instruments which said attorneys or attorney may deem necessary or advisable to enable Halliburton Company to comply with the Securities Exchange Act of 1934, as amended, and all rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the filing of the Annual Report on Form 10-K for the year ended December 31, 2016 (the "Form 10-K"), including specifically, but without limitation thereof, power and authority to sign my name as Director of Halliburton Company to the Form 10-K and any and all amendments thereto, and to any instruments or documents filed as a part of or in connection therewith; and I hereby ratify and confirm all that said attorneys or attorney shall do or cause to be done by virtue hereof.

IN TESTIMONY WHEREOF, witness my hand this 3rd day of January, 2017.

/s/ Robert A. Malone
Robert A. Malone

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that I, the undersigned, a Director of Halliburton Company, do hereby constitute and appoint David J. Lesar, Mark A. McCollum and Robb L. Voyles, or any of them acting alone, my true and lawful attorneys or attorney, to do any and all acts and things and execute any and all instruments which said attorneys or attorney may deem necessary or advisable to enable Halliburton Company to comply with the Securities Exchange Act of 1934, as amended, and all rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the filing of the Annual Report on Form 10-K for the year ended December 31, 2016 (the "Form 10-K"), including specifically, but without limitation thereof, power and authority to sign my name as Director of Halliburton Company to the Form 10-K and any and all amendments thereto, and to any instruments or documents filed as a part of or in connection therewith; and I hereby ratify and confirm all that said attorneys or attorney shall do or cause to be done by virtue hereof.

IN TESTIMONY WHEREOF, witness my hand this 3rd day of January, 2017.

/s/ J. Landis Martin
J. Landis Martin

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that I, the undersigned, a Director of Halliburton Company, do hereby constitute and appoint David J. Lesar, Mark A. McCollum and Robb L. Voyles, or any of them acting alone, my true and lawful attorneys or attorney, to do any and all acts and things and execute any and all instruments which said attorneys or attorney may deem necessary or advisable to enable Halliburton Company to comply with the Securities Exchange Act of 1934, as amended, and all rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the filing of the Annual Report on Form 10-K for the year ended December 31, 2016 (the "Form 10-K"), including specifically, but without limitation thereof, power and authority to sign my name as Director of Halliburton Company to the Form 10-K and any and all amendments thereto, and to any instruments or documents filed as a part of or in connection therewith; and I hereby ratify and confirm all that said attorneys or attorney shall do or cause to be done by virtue hereof.

IN TESTIMONY WHEREOF, witness my hand this 3rd day of January, 2017.

/s/ Jeffrey A. Miller
Jeffrey A. Miller

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that I, the undersigned, a Director of Halliburton Company, do hereby constitute and appoint David J. Lesar, Mark A. McCollum and Robb L. Voyles, or any of them acting alone, my true and lawful attorneys or attorney, to do any and all acts and things and execute any and all instruments which said attorneys or attorney may deem necessary or advisable to enable Halliburton Company to comply with the Securities Exchange Act of 1934, as amended, and all rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the filing of the Annual Report on Form 10-K for the year ended December 31, 2016 (the "Form 10-K"), including specifically, but without limitation thereof, power and authority to sign my name as Director of Halliburton Company to the Form 10-K and any and all amendments thereto, and to any instruments or documents filed as a part of or in connection therewith; and I hereby ratify and confirm all that said attorneys or attorney shall do or cause to be done by virtue hereof.

IN TESTIMONY WHEREOF, witness my hand this 3rd day of January, 2017.

/s/ Debra L. Reed
Debra L. Reed

Exhibit 31.1

Section 302 Certification

I, David J. Lesar, certify that:

1. I have reviewed this annual report on Form 10-K for the year ended December 31, 2016 of Halliburton Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 7, 2017

/s/ David J. Lesar
David J. Lesar
Chief Executive Officer
Halliburton Company

Exhibit 31.2

Section 302 Certification

I, Mark A. McCollum, certify that:

1. I have reviewed this annual report on Form 10-K for the year ended December 31, 2016 of Halliburton Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 7, 2017

/s/ Mark A. McCollum
Mark A. McCollum
Chief Financial Officer
Halliburton Company

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

This certification is provided pursuant to § 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. § 1350, and accompanies the Annual Report on Form 10-K for the period ended December 31, 2016 of Halliburton Company (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report").

I, David J. Lesar, Chief Executive Officer of the Company, certify that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ David J. Lesar
David J. Lesar
Chief Executive Officer

Date: February 7, 2017

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

This certification is provided pursuant to § 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. § 1350, and accompanies the Annual Report on Form 10-K for the period ended December 31, 2016 of Halliburton Company (the “Company”) as filed with the Securities and Exchange Commission on the date hereof (the “Report”).

I, Mark A. McCollum, Chief Financial Officer of the Company, certify that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Mark A. McCollum
Mark A. McCollum
Chief Financial Officer

Date: February 7, 2017

Exhibit 95

Mine Safety Disclosures

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act, each operator of a mine is required to include certain mine safety results in its periodic reports filed with the SEC. The operation of our mines is subject to regulation by the federal Mine Safety and Health Administration (MSHA) under the Federal Mine Safety and Health Act of 1977 (Mine Act). Below, we present the following items regarding certain mining safety and health matters for the year ended December 31, 2016:

- total number of violations of mandatory health or safety standards that could significantly and substantially contribute to the cause and effect of a mine safety or health hazard under section 104 of the Mine Act for which we have received a citation from MSHA;
- total number of orders issued under section 104(b) of the Mine Act, which covers violations that had previously been cited under section 104(a) that, upon follow-up inspection by MSHA, are found not to have been totally abated within the prescribed time period, which results in the issuance of an order requiring the mine operator to immediately withdraw all persons (except certain authorized persons) from the mine;
- total number of citations and orders for unwarrantable failure of the mine operator to comply with mandatory health or safety standards under Section 104(d) of the Mine Act;
- total number of flagrant violations (i.e., reckless or repeated failure to make reasonable efforts to eliminate a known violation of a mandatory health or safety standard that substantially and proximately caused, or reasonably could have been expected to cause, death or serious bodily injury) under section 110(b)(2) of the Mine Act;
- total number of imminent danger orders (i.e., the existence of any condition or practice in a mine which could reasonably be expected to cause death or serious physical harm before such condition or practice can be abated) issued under section 107(a) of the Mine Act;
- total dollar value of proposed assessments from MSHA under the Mine Act;
- total number of mining-related fatalities; and
- total number of pending legal actions before the Federal Mine Safety and Health Review Commission involving such mine.

HALLIBURTON COMPANY

Mine Safety Disclosures

Year Ended December 31, 2016

(Unaudited)

(Whole dollars)

Operation/ MSHA Identification Number(1)	Section 104 Citations	Section 104(b) Orders	104(d)Citations and Orders	Section 110(b)(2) Violations	Section 107(a) Orders	Proposed MSHA Assessments(2)	Fatalities	Pending Legal Actions
BPM Colony Mill/4800070	2	—	—	—	—	$ 3,314	—	—
BPM Colony Mine/4800889	—	—	—	—	—	—	—	—
BPM Lovell Mill/4801405	—	—	—	—	—	—	—	—
BPM Lovell Mine/4801016	—	—	—	—	—	—	—	—
Corpus Christi Grinding Plant/4104010	—	—	—	—	—	—	—	—
Dunphy Mill/2600412	—	—	—	—	—	—	—	—
Lake Charles Plant/1601032	—	—	—	—	—	—	—	—
Larose Grinding Plant/1601504	—	—	—	—	—	—	—	—
Rossi Jig Plant/2602239	—	—	—	—	—	—	—	—
Total	2	—	—	—	—	$ 3,314	—	—

(1) The definition of a mine under section 3 of the Mine Act includes the mine, as well as other items used in, or to be used in, or resulting from, the work of extracting minerals, such as land, structures, facilities, equipment, machines, tools and preparation facilities. Unless otherwise indicated, any of these other items associated with a single mine have been aggregated in the totals for that mine.

(2) Amounts included are the total dollar value of proposed or outstanding assessments received from MSHA on or before January 5, 2017 regardless of whether the assessment has been challenged or appealed, for citations and orders occurring during the year ended December 31, 2016.

In addition, as required by the reporting requirements regarding mine safety included in §1503(a)(2) of the Dodd-Frank Act, the following is a list for the year ended December 31, 2016, of each mine of which we or a subsidiary of ours is an operator, that has received written notice from MSHA of:

(a) a pattern of violations of mandatory health or safety standards that are of such nature as could have significantly and substantially contributed to the cause and effect of mine health or safety hazards under
§104(e) of the Mine Act:
None; or
(b) the potential to have such a pattern:
None.

Citations and orders can be contested and appealed, and as part of that process, are sometimes reduced in severity and amount, and are sometimes dismissed. The number of citations, orders and proposed assessments vary by inspector and also vary depending on the size and type of the operation.

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

[X] Quarterly Report Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934
For the quarterly period ended March 31, 2019

OR

[ ] Transition Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934
For the transition period from _____ to _____

Commission File Number 001-03492

HALLIBURTON COMPANY

(a Delaware corporation)
75-2677995

3000 North Sam Houston Parkway East
Houston, Texas 77032
(Address of Principal Executive Offices)

Telephone Number – Area Code (281) 871-2699

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 whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes [X] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	[X]	Accelerated Filer	[ ]
Non-accelerated Filer	[ ]	Emerging Growth Company	[ ]
Smaller Reporting Company	[ ]		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Yes [ ] No [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes [ ] No [X]

As of April 19, 2019, there were 873,978,485 shares of Halliburton Company common stock, $2.50 par value per share, outstanding.

HALLIBURTON COMPANY

Index

PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

HALLIBURTON COMPANY
Condensed Consolidated Statements of Operations
(Unaudited)

Millions of dollars and shares except per share data	Three Months Ended March 31 2019	Three Months Ended March 31 2018
Revenue:		
Services	$ 4,352	$ 4,388
Product sales	1,385	1,352
Total revenue	5,737	5,740
Operating costs and expenses:		
Cost of services	4,156	4,007
Cost of sales	1,096	1,056
Impairments and other charges	61	265
General and administrative	59	58
Total operating costs and expenses	5,372	5,386
Operating income	365	354
Interest expense, net of interest income of $8 and $10	(143)	(140)
Other, net	(30)	(25)
Income from continuing operations before income taxes	192	189
Income tax provision	(40)	(142)
Net income	$ 152	$ 47
Net income attributable to noncontrolling interest	—	(1)
Net income attributable to company	$ 152	$ 46
Basic and diluted net income per share	$ 0.17	$ 0.05
Basic weighted average common shares outstanding	873	875
Diluted weighted average common shares outstanding	873	878

See notes to condensed consolidated financial statements.

HALLIBURTON COMPANY
Condensed Consolidated Statements of Comprehensive Income
(Unaudited)

Millions of dollars	Three Months Ended March 31 2019	2018
Net income	$ 152	$ 47
Other comprehensive income (loss), net of income taxes	1	(2)
Comprehensive income	$ 153	$ 45
Comprehensive income attributable to noncontrolling interest	—	(1)
Comprehensive income attributable to company shareholders	$ 153	$ 44

See notes to condensed consolidated financial statements.

HALLIBURTON COMPANY
Condensed Consolidated Balance Sheets
(Unaudited)

Millions of dollars and shares except per share data	March 31, 2019	December 31, 2018
Assets		
Current assets:		
Cash and equivalents	$ 1,380	$ 2,008
Receivables (net of allowances for bad debts of $746 and $738)	5,622	5,234
Inventories	3,264	3,028
Other current assets	922	881
Total current assets	11,188	11,151
Property, plant and equipment (net of accumulated depreciation of $13,311 and $13,182)	8,853	8,873
Goodwill	2,824	2,825
Deferred income taxes	1,348	1,384
Operating lease right-of-use assets	1,019	—
Other assets	1,757	1,749
Total assets	$ 26,989	$ 25,982
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 3,080	$ 3,018
Accrued employee compensation and benefits	683	714
Current portion of operating lease liabilities	255	—
Other current liabilities	1,029	1,070
Total current liabilities	5,047	4,802
Long-term debt	10,307	10,312
Operating lease liabilities	758	—
Employee compensation and benefits	454	483
Other liabilities	798	841
Total liabilities	17,364	16,438
Shareholders' equity:		
Common shares, par value $2.50 per share (authorized 2,000 shares, issued 1,068 and 1,069 shares)	2,671	2,671
Paid-in capital in excess of par value	224	211
Accumulated other comprehensive loss	(354)	(355)
Retained earnings	13,734	13,739
Treasury stock, at cost (196 and 198 shares)	(6,670)	(6,744)
Company shareholders' equity	9,605	9,522
Noncontrolling interest in consolidated subsidiaries	20	22
Total shareholders' equity	9,625	9,544
Total liabilities and shareholders' equity	$ 26,989	$ 25,982

See notes to condensed consolidated financial statements.

HALLIBURTON COMPANY
Condensed Consolidated Statements of Cash Flows
(Unaudited)

Millions of dollars	Three Months Ended March 31 2019	Three Months Ended March 31 2018
Cash flows from operating activities:		
Net income	$ 152	$ 47
Adjustments to reconcile net income to cash flows from operating activities:		
Depreciation, depletion and amortization	416	394
Impairments and other charges	61	265
Changes in assets and liabilities:		
Receivables	(339)	(245)
Inventories	(236)	(119)
Accounts payable	60	276
Other	(158)	(46)
Total cash flows provided by (used in) operating activities	(44)	572
Cash flows from investing activities:		
Capital expenditures	(437)	(501)
Proceeds from sales of property, plant and equipment	43	47
Other investing activities	(17)	80
Total cash flows used in investing activities	(411)	(374)
Cash flows from financing activities:		
Dividends to shareholders	(157)	(158)
Other financing activities	2	(21)
Total cash flows used in financing activities	(155)	(179)
Effect of exchange rate changes on cash	(18)	(24)
Decrease in cash and equivalents	(628)	(5)
Cash and equivalents at beginning of period	2,008	2,337
Cash and equivalents at end of period	$ 1,380	$ 2,332
Supplemental disclosure of cash flow information:		
Cash payments during the period for:		
Interest	$ 128	$ 144
Income taxes	$ 81	$ 85

See notes to condensed consolidated financial statements.

HALLIBURTON COMPANY
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Note 1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements were prepared using generally accepted accounting principles for interim financial information and the instructions to Form 10-Q and Regulation S-X. Accordingly, these financial statements do not include all information or notes required by generally accepted accounting principles for annual financial statements and should be read together with our 2018 Annual Report on Form 10-K.

Our accounting policies are in accordance with United States generally accepted accounting principles. The preparation of financial statements in conformity with these accounting principles requires us to make estimates and assumptions that affect:
- the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements; and
- the reported amounts of revenue and expenses during the reporting period.

Ultimate results could differ from our estimates.

In our opinion, the condensed consolidated financial statements included herein contain all adjustments necessary to present fairly our financial position as of March 31, 2019 and the results of our operations and cash flows for the three months ended March 31, 2019 and 2018. Such adjustments are of a normal recurring nature.

In addition, certain reclassifications of prior period balances have been made to conform to the current period presentation. In conjunction with our adoption of the new lease accounting standard, capital leases, which are now referred to as finance leases, have been reclassified on our balance sheet as of December 31, 2018. This consisted of $88 million reclassified from property, plant and equipment to other assets and $109 million reclassified from long-term debt to other liabilities. See Note 5 and Note 12 for further information on the new lease standard.

The results of our operations for the three months ended March 31, 2019 may not be indicative of results for the full year.

Note 2. Impairments and Other Charges

During the first quarter of 2019, we recorded $61 million in pre-tax charges, primarily related to an impairment of legacy sand delivery equipment. These charges are reflected as impairments and other charges in our condensed consolidated statements of operations for the three months ended March 31, 2019.

Note 3. Business Segment and Geographic Information

We operate under two divisions, which form the basis for the two operating segments we report: the Completion and Production segment and the Drilling and Evaluation segment. Intersegment revenue was immaterial. Our equity in earnings and losses of unconsolidated affiliates that are accounted for using the equity method of accounting are included within cost of services and cost of sales on our statements of operations, which is part of operating income of the applicable segment.

The following table presents information on our business segments.

Millions of dollars	Three Months Ended March 31 2019	2018
Revenue:		
Completion and Production	$ 3,662	$ 3,807
Drilling and Evaluation	2,075	1,933
Total revenue	$ 5,737	$ 5,740
Operating income:		
Completion and Production	$ 368	$ 500
Drilling and Evaluation	123	188
Total operations	491	688
Corporate and other (a)	(65)	(69)
Impairments and other charges (b)	(61)	(265)
Total operating income	$ 365	$ 354
Interest expense, net of interest income	(143)	(140)
Other, net	(30)	(25)
Income from continuing operations before income taxes	$ 192	$ 189

(a) Corporate and other includes certain expenses not attributable to a particular business segment, such as costs related to support functions and corporate executives.

(b) During the three months ended March 31, 2019, we recorded $61 million of impairments and other charges, primarily relating to an impairment of fixed assets. See Note 2 for further information. During the three months ended March 31, 2018, we recognized a pre-tax charge of $265 million related to a write-down of all of our remaining investment in Venezuela.

Receivables

As of both March 31, 2019 and December 31, 2018, 43% of our net trade receivables were from customers in the United States. Other than the United States, no other country or single customer accounted for more than 10% of our trade receivables at these dates. We routinely monitor the financial stability of our customers and employ an extensive process to evaluate the collectability of outstanding receivables. This process, which involves a high degree of judgment utilizing significant assumptions, includes analysis of our customers' historical time to pay, financial condition and various financial metrics, debt structure, credit agency ratings, and production profile, as well as political and economic factors in countries of operations and other customer-specific factors.

Note 4. Revenue

Revenue is recognized based on the transfer of control or our customer's ability to benefit from our services and products in an amount that reflects the consideration we expect to receive in exchange for those services and products. The vast majority of our service and product contracts are short-term in nature. In recognizing revenue for our services and products, we determine the transaction price of purchase orders or contracts with our customers, which may consist of fixed and variable consideration. Determining the transaction price may require significant judgment, which includes identifying performance obligations in the contract, determining whether promised services can be distinguished in the context of the contract, and estimating the amount of variable consideration to include in the transaction price. We also assess our customer's ability and intention to pay, which is based on a variety of factors, including our customer's historical payment experience and financial condition. Payment terms and conditions vary by contract type, although terms generally include a requirement of payment within 20 to 60 days. Other judgments involved in recognizing revenue include an assessment of progress towards completion of performance obligations for certain long-term contracts, which involve estimating total costs to determine our progress towards contract completion and calculating the corresponding amount of revenue to recognize.

Disaggregation of revenue

We disaggregate revenue from contracts with customers into types of services or products, consistent with our two reportable segments, in addition to geographical area. Based on the location of services provided and products sold, 55% and 58% of our consolidated revenue was from the United States for the three months ended March 31, 2019 and 2018, respectively. No other country accounted for more than 10% of our revenue. The following table presents information on our disaggregated revenue.

Millions of dollars	Three Months Ended March 31	
Revenue by segment:	2019	2018
Completion and Production	$ 3,662	$ 3,807
Drilling and Evaluation	2,075	1,933
Total revenue	$ 5,737	$ 5,740
Revenue by geographic region:		
North America	$ 3,275	$ 3,517
Latin America	587	457
Europe/Africa/CIS	748	716
Middle East/Asia	1,127	1,050
Total revenue	$ 5,737	$ 5,740

Contract balances

We perform our obligations under contracts with our customers by transferring services and products in exchange for consideration. The timing of our performance often differs from the timing of our customer's payment, which results in the recognition of receivables and deferred revenue. Deferred revenue represents advance consideration received from customers for contracts where revenue is recognized on future performance of service. Deferred revenue, as well as revenue recognized during the period relating to amounts included as deferred revenue at the beginning of the period, was not material to our condensed consolidated financial statements.

Transaction price allocated to remaining performance obligations

Remaining performance obligations represent firm contracts for which work has not been performed and future revenue recognition is expected. We have elected the practical expedient permitting the exclusion of disclosing remaining performance obligations for contracts that have an original expected duration of one year or less. We have some long-term contracts related to software and integrated project management services such as lump sum turnkey contracts. For software contracts, revenue is generally recognized over time throughout the license period when the software is considered to be a right to access our intellectual property. For lump sum turnkey projects, we recognize revenue over time using an input method, which requires us to exercise judgment. Revenue allocated to remaining performance obligations for these long-term contracts is not material.

Note 5. Leases

We adopted a comprehensive new lease accounting standard effective January 1, 2019. The details of the significant changes to our accounting policies resulting from the adoption of the new standard are set out below. We adopted the standard using the optional modified retrospective transition method; accordingly, the comparative information as of December 31, 2018 and for the three months ending March 31, 2018 has not been adjusted and continues to be reported under the previous lease standard. Under the new lease standard, assets and liabilities that arise from all leases are required to be recognized on the balance sheet for lessees. Previously, only capital leases, which are now referred to as finance leases, were recorded on the balance sheet. The adoption of this standard resulted in the recognition of approximately $1.1 billion of operating lease right-of-use assets and operating lease liabilities on our condensed consolidated balance sheet as of January 1, 2019. The adoption of this standard did not materially impact our condensed consolidated results of operations for the three months ended March 31, 2019. See Note 12 for additional information about the new accounting standard.

Beginning January 1, 2019, for all leases with a term in excess of 12 months, we recognized a lease liability equal to the present value of the lease payments and a right-of-use asset representing our right to use the underlying asset for the lease term. For operating leases, lease expense for lease payments is recognized on a straight-line basis over the lease term, while finance leases include both an operating expense and an interest expense component. For all leases with a term of 12 months or less, we elected the practical expedient to not recognize lease assets and liabilities. We recognize lease expense for these short-term leases on a straight-line basis over the lease term.

We are a lessee for numerous operating leases, primarily related to real estate, transportation and equipment. The vast majority of our operating leases have remaining lease terms of 10 years or less, some of which include options to extend the leases, and some of which include options to terminate the leases. We generally do not include renewal or termination options in our assessment of the leases unless extension or termination for certain assets is deemed to be reasonably certain. The accounting for some of our leases may require significant judgment, which includes determining whether a contract contains a lease, determining the incremental borrowing rates to utilize in our net present value calculation of lease payments for lease agreements which do not provide an implicit rate, and assessing the likelihood of renewal or termination options. We also have some lease agreements with lease and non-lease components, which are generally accounted for as a single lease component. For certain equipment leases, such as offshore vessels and drilling rigs, we account for the lease and non-lease components separately.

The following tables illustrate the financial impact of our leases as of and for the three months ended March 31, 2019, along with other supplemental information about our existing leases:

Millions of dollars		Three Months Ended March 31, 2019
Components of lease expense:		
Finance lease cost:		
Amortization of right-of-use assets	$	5
Interest on lease liabilities		15
Operating lease cost		96
Short-term lease cost		6
Sublease income		(1)
Total lease cost	$	121

Millions of dollars		As of March 31, 2019
Components of balance sheet:		
Operating leases:		
Operating lease right-of-use assets (non-current)	$	1,019
Current portion of operating lease liabilities		255
Operating lease liabilities (non-current)		758
Finance leases:		
Other assets (non-current)	$	142
Other current liabilities		12
Other liabilities (non-current)		139

Millions of dollars except years and percentages		Three Months Ended March 31, 2019
Other supplemental information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$	88
Operating cash flows from finance leases		15
Financing cash flows from finance leases		10
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases (a)	$	1,098
Finance leases		58
Weighted-average remaining lease term:		
Operating leases		9.2 years
Finance leases		6.1 years
Weighted-average discount rate for operating leases		4.7%

(a) Represents operating lease right-of-use assets exchanged for lease obligations upon implementation of the new lease accounting standard on January 1, 2019.

The following table summarizes the maturity of our operating and finance leases as of March 31, 2019:

Millions of dollars	Operating Leases	Finance Leases
2019	$ 238	$ 48
2020	191	66
2021	147	65
2022	122	65
2023	97	65
Thereafter	507	151
Total lease payments	1,302	460
Less imputed interest	(289)	(309)
Total	$ 1,013	$ 151

As of December 31, 2018, future total rentals on our noncancellable operating leases were $975 million in the aggregate, which consisted of the following: $275 million in 2019; $146 million in 2020; $122 million in 2021; $100 million in 2022; $78 million in 2023; and $254 million thereafter.

Note 6. Inventories

Inventories are stated at the lower of cost and net realizable value. In the United States, we manufacture certain finished products and parts inventories for drill bits, completion products, bulk materials and other tools that are recorded using the last-in, first-out method, which totaled $189 million as of March 31, 2019 and $186 million as of December 31, 2018. If the average cost method had been used, total inventories would have been $24 million higher than reported as of March 31, 2019 and December 31, 2018. The cost of the remaining inventory was recorded using the average cost method. Inventories consisted of the following:

Millions of dollars	March 31, 2019	December 31, 2018
Finished products and parts	$ 2,063	$ 1,947
Raw materials and supplies	1,047	934
Work in process	154	147
Total	$ 3,264	$ 3,028

All amounts in the table above are reported net of obsolescence reserves of $207 million as of March 31, 2019 and $219 million as of December 31, 2018.

Note 7. Revolving Credit Facility

On March 5, 2019, we entered into a new $3.5 billion five-year revolving credit facility which replaced our $3.0 billion revolving credit facility established in July 2015. The revolving credit facility is for general working capital purposes and expires on March 5, 2024. The full amount of the revolving credit facility was available as of March 31, 2019.

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Note 8. Shareholders' Equity

The following tables summarize our shareholders' equity activity for the three months ended March 31, 2019 and March 31, 2018, respectively:

Millions of dollars	Common Shares	Paid-in Capital in Excess of Par Value	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest in Consolidated Subsidiaries	Total
Balance at December 31, 2018	$ 2,671	$ 211	$ (6,744)	$ 13,739	$ (355)	$ 22	$ 9,544
Comprehensive income (loss):							
Net income	—	—	—	152	—	—	152
Other comprehensive income	—	—	—	—	1	—	1
Cash dividends ($0.18 per share)	—	—	—	(157)	—	—	(157)
Stock plans	—	13	74	—	—	—	87
Other	—	—	—	—	—	(2)	(2)
Balance at March 31, 2019	$ 2,671	$ 224	$ (6,670)	$ 13,734	$ (354)	$ 20	$ 9,625

Millions of dollars	Common Shares	Paid-in Capital in Excess of Par Value	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest in Consolidated Subsidiaries	Total
Balance at December 31, 2017	$ 2,673	$ 207	$ (6,757)	$ 12,668	$ (469)	$ 27	$ 8,349
Comprehensive income (loss):							
Net Income	—	—	—	46	—	1	47
Other comprehensive income	—	—	—	—	(2)	—	(2)
Cash dividends ($0.18 per share)	—	—	—	(158)	—	—	(158)
Stock plans	(1)	15	113	—	—	—	127
Other	—	—	—	30	—	(2)	28
Balance at March 31, 2018	$ 2,672	$ 222	$ (6,644)	$ 12,586	$ (471)	$ 26	$ 8,391

Accumulated other comprehensive loss consisted of the following:

Millions of dollars	March 31, 2019	December 31, 2018
Defined benefit and other postretirement liability adjustments	$ (203)	$ (203)
Cumulative translation adjustments	(82)	(82)
Other	(69)	(70)
Total accumulated other comprehensive loss	$ (354)	$ (355)

Note 9. Commitments and Contingencies

Securities and related litigation

Commencing in June 2002, a number of class action lawsuits were filed against us in federal court alleging violations of the federal securities laws arising out of our change in accounting for revenue on long-term construction projects, our 1998 acquisition of Dresser Industries, Inc. and our reserves for asbestos liability exposure. In December 2016, we reached an agreement to settle these lawsuits and in July 2017, the district court issued final approval of the settlement.

The above settlement resolved all pending cases other than *Magruder v. Halliburton Co., et. al.* (the Magruder case). The allegations in the Magruder case arise out of the same general events described above, but for a later class period, December 8, 2001 to May 28, 2002. Several dismissal motions have been filed in the Magruder case. On March 12, 2019, the case was dismissed with prejudice. The Magruder plaintiff did not appeal and the matter has been concluded.

Environmental

We are subject to numerous environmental, legal and regulatory requirements related to our operations worldwide. In the United States, these laws and regulations include, among others:

- the Comprehensive Environmental Response, Compensation, and Liability Act;
- the Resource Conservation and Recovery Act;
- the Clean Air Act;
- the Federal Water Pollution Control Act;
- the Toxic Substances Control Act; and
- the Oil Pollution Act.

In addition to the federal laws and regulations, states and other countries where we do business often have numerous environmental, legal, and regulatory requirements by which we must abide. We evaluate and address the environmental impact of our operations by assessing and remediating contaminated properties in order to avoid future liabilities and comply with environmental, legal and regulatory requirements. Our Health, Safety and Environment group has several programs in place to maintain environmental leadership and to help prevent the occurrence of environmental contamination. On occasion, we are involved in environmental litigation and claims, including the remediation of properties we own or have operated, as well as efforts to meet or correct compliance-related matters. We do not expect costs related to those claims and remediation requirements to have a material adverse effect on our liquidity, consolidated results of operations, or consolidated financial position. Our accrued liabilities for environmental matters were $49 million as of March 31, 2019 and $42 million as of December 31, 2018. Because our estimated liability is typically within a range and our accrued liability may be the amount on the low end of that range, our actual liability could eventually be well in excess of the amount accrued. Our total liability related to environmental matters covers numerous properties.

Additionally, we have subsidiaries that have been named as potentially responsible parties along with other third parties for six federal and state Superfund sites for which we have established reserves. As of March 31, 2019, those six sites accounted for approximately $14 million of our $49 million total environmental reserve. Despite attempts to resolve these Superfund matters, the relevant regulatory agency may at any time bring suit against us for amounts in excess of the amount accrued. With respect to some Superfund sites, we have been named a potentially responsible party by a regulatory agency; however, in each of those cases, we do not believe we have any material liability. We also could be subject to third-party claims with respect to environmental matters for which we have been named as a potentially responsible party.

Guarantee arrangements

In the normal course of business, we have agreements with financial institutions under which approximately $2.1 billion of letters of credit, bank guarantees or surety bonds were outstanding as of March 31, 2019. Some of the outstanding letters of credit have triggering events that would entitle a bank to require cash collateralization. None of these off balance sheet arrangements either has, or is likely to have, a material effect on our condensed consolidated financial statements.

Note 10. Income per Share

Basic income per share is based on the weighted average number of common shares outstanding during the period. Diluted income per share includes additional common shares that would have been outstanding if potential common shares with a dilutive effect had been issued. Antidilutive shares represent potential common shares which are excluded from the computation of diluted income per share as their impact would be antidilutive.

A reconciliation of the number of shares used for the basic and diluted income per share computations is as follows:

Millions of shares	Three Months Ended March 31 2019	2018
Basic weighted average common shares outstanding	873	875
Dilutive effect of awards granted under our stock incentive plans	—	3
Diluted weighted average common shares outstanding	873	878
Antidilutive shares:		
Options with exercise price greater than the average market price	20	7
Total antidilutive shares	20	7

Note 11. Fair Value of Financial Instruments

The carrying amount of cash and equivalents, receivables and accounts payable, as reflected in the condensed consolidated balance sheets, approximates fair value due to the short maturities of these instruments.

The carrying amount and fair value of our total debt, including short-term borrowings and current maturities of long-term debt, is as follows:

	March 31, 2019				December 31, 2018			
Millions of dollars	Level 1	Level 2	Total fair value	Carrying value	Level 1	Level 2	Total fair value	Carrying value
Total debt	$ 8,769	$ 2,621	$ 11,390	$ 10,332	$ 6,726	$ 4,041	$ 10,767	$ 10,348

Our debt categorized within level 1 on the fair value hierarchy is calculated using quoted prices in active markets for identical liabilities with transactions occurring on the last two days of period-end. Our debt categorized within level 2 on the fair value hierarchy is calculated using significant observable inputs for similar liabilities where estimated values are determined from observable data points on our other bonds and on other similarly rated corporate debt or from observable data points of transactions occurring prior to two days from period-end and adjusting for changes in market conditions. Differences between the periods presented in our level 1 and level 2 classification of our long-term debt relate to the timing of when third party market transactions on our debt are executed. We have no debt categorized within level 3 on the fair value hierarchy.

Note 12. New Accounting Pronouncements

Leases

Effective January 1, 2019, we adopted an accounting standard update issued by the Financial Accounting Standards Board (FASB) related to accounting for leases, which requires lessees to record assets and liabilities that arise for all leases on their balance sheet and expanded financial statement disclosures for both lessees and lessors. Previously, only capital leases were recorded on the balance sheet. This update requires lessees to recognize a lease liability equal to the present value of its lease payments and a right-of-use asset representing its right to use the underlying asset for the lease term for all leases longer than 12 months. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and liabilities and instead recognize lease expense for such leases generally on a straight-line basis over the lease term. Leases with a term of longer than 12 months will be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the income statement.

We adopted this standard using the optional modified retrospective transition method. As such, the comparative financial information has not been restated and continues to be reported under the lease standard in effect during those periods. We also elected other practical expedients provided by the new standard, including the package of practical expedients, the short-term lease recognition practical expedient in which leases with a term of 12 months or less are not recognized on the balance sheet, and the practical expedient to not separate lease and non-lease components for the majority of our leases. The adoption of this standard resulted in the recognition of approximately $1.1 billion of operating lease right-of-use assets and operating lease liabilities on our balance sheet as of January 1, 2019. Additionally, capital leases have been reclassified on our condensed consolidated balance sheet as of December 31, 2018 to conform to current period presentation. This consisted of $88 million reclassified from property, plant and equipment to other assets and $109 million reclassified from long-term debt to other liabilities. The adoption of this standard did not materially impact our condensed consolidated statements of operations for the three months ended March 31, 2019. See Note 5 for our expanded lease disclosures required by the new standard.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

EXECUTIVE OVERVIEW

Organization

We are one of the world's largest providers of products and services to the energy industry. We help our customers maximize value throughout the lifecycle of the reservoir - from locating hydrocarbons and managing geological data, to drilling and formation evaluation, well construction and completion, and optimizing production throughout the life of the asset. Activity levels within our operations are significantly impacted by spending on upstream exploration, development and production programs by major, national and independent oil and natural gas companies. We report our results under two segments, the Completion and Production segment and the Drilling and Evaluation segment:

- our Completion and Production segment delivers cementing, stimulation, intervention, pressure control, specialty chemicals, artificial lift, and completion products and services. The segment consists of Production Enhancement, Cementing, Completion Tools, Production Solutions, Pipeline and Process Services, Multi-Chem and Artificial Lift.
- our Drilling and Evaluation segment provides field and reservoir modeling, drilling, evaluation and precise wellbore placement solutions that enable customers to model, measure, drill and optimize their well construction activities. The segment consists of Baroid, Sperry Drilling, Wireline and Perforating, Drill Bits and Services, Landmark Software and Services, Testing and Subsea, and Consulting and Project Management.

The business operations of our segments are organized around four primary geographic regions: North America, Latin America, Europe/Africa/CIS and Middle East/Asia. We have manufacturing operations in various locations, the most significant of which are located in the United States, Canada, Malaysia, Singapore and the United Kingdom. With approximately 60,000 employees, we operate in more than 80 countries around the world, and our corporate headquarters are in Houston, Texas and Dubai, United Arab Emirates.

Financial results

Commodity prices have improved since the beginning of the year, driven by tightening oil supplies and stable demand, and our customers' budgets have been refreshed, which has led to activity improvements for our services during the first quarter of 2019. However, we experienced pricing headwinds throughout the first quarter in North America, and some pricing pressure internationally, leading to mixed operating results for the Company. We generated total company revenue of $5.7 billion during the first quarter of 2019, essentially flat compared to the first quarter of 2018. Total company operating income was $365 million during the first quarter of 2019, a 3% improvement compared to operating income of $354 million in the first quarter of 2018. These operating results included $61 million and $265 million of impairments and other charges during the first quarters of 2019 and 2018, respectively. Our Completion and Production segment revenue decreased 4% from the first quarter of 2018, driven by lower pricing for stimulation services in North America, while our Drilling and Evaluation segment revenue increased 7% from the first quarter of 2018, with activity improvements across all geographic regions.

Our North America revenue decreased 7% in the first quarter of 2019, as compared to the first quarter of 2018, primarily driven by lower pricing for stimulation services in U.S. land. While we incurred significant pricing headwinds throughout the first quarter, we believe the worst of the recent pricing deterioration is behind us. We did, however, experience higher pressure pumping and artificial lift activity in the first quarter of 2019 compared to the first quarter of 2018, as the average United States land rig count grew 7%.

Revenue in our international markets increased 11% in the first quarter of 2019, as compared to the first quarter of 2018, outperforming a 6% increase in the international rig count. This increase resulted primarily from improved stimulation and fluids activity in Latin America, coupled with higher completion tool sales in Middle East/Asia and improved logging activity in Europe/Africa/CIS. We are seeing evidence of a broad-based recovery across all regions, and we expect continued international revenue growth in 2019. Over the last several years, we continued to gain share in key international markets, providing us with a strong base to capitalize on the anticipated recovery.

Business outlook

We believe supply and demand fundamentals for oilfield services support a theme of multi-year industry growth. Our industry is going through a transformation brought on by the shale revolution and the recent down-cycle. The industry has removed substantial costs from the system and introduced significant efficiencies. Many of our customers in North America appear to have shifted their strategy from production growth to operating within cash flow and generating returns.

In North America, our customers have established their 2019 budgets, activity is improving, and we believe the worst of the recent pricing deterioration is behind us. We work closely with a diverse portfolio of customers who have diverging agendas such as production targets and returns objectives. Given our presence in all basins and exposure to all customer groups, we have the ability to focus on several options to drive a better outcome for our business, including utilization, cost savings and operational efficiency. Building off the momentum we saw towards the end of the first quarter, we believe demand for our services will progress modestly for the remainder of the year.

Overall, we believe the industry's focus on cash flow and returns should lead to stable growth over a longer period of time, which would benefit our business. It allows us to focus on leveraging our supply chain and logistics infrastructure, capture efficiencies around our repair and maintenance programs and implement technologies at scale to reduce cost and increase production, and therefore be more efficient with our investments while generating strong cash flow. As the North America land market rebalances over the next few quarters, we will continue to manage our costs and operating efficiencies in the short-term and believe we are well-positioned for long-term success.

Internationally, while the recovery was initially led by the national oil companies and focused on mature fields, the offshore markets are now entering into recovery mode as project economics are improving. International offshore spending is projected to increase in 2019, and the international offshore rig count is already experiencing growth to support this projection. We expect Latin America activity to improve this year, and this region has long-term growth potential. Activity improvements are also expected in the Middle East following rig additions, with pricing pressure expected to continue. We also expect continued activity growth in Asia Pacific and Africa with modest pricing improvements in these areas. As capacity tightens internationally and the pipeline of projects progressively expands, we expect to continue demonstrating rational, returns-driven growth in the international markets. The pricing discussions with our customers in some markets have become more constructive, and we expect this momentum to build going into 2020. We believe we are well-positioned for the anticipated recovery, and we expect to benefit from responsible capital stewardship, prioritizing capital efficiency, investing in the technologies that deliver differentiation and returns and generating strong cash flow.

During the first quarter of 2019, our capital expenditures were approximately $437 million, a decrease of 13% from the first quarter of 2018. These capital expenditures were predominantly in our Production Enhancement, Sperry Drilling, Wireline and Perforating, Production Solutions, and Artificial Lift product service lines. We expect our full year 2019 capital expenditures will be $1.6 billion, a 20% decrease from 2018, as we significantly reduced our North America pressure pumping capital budget this year as the services industry adjusts to market conditions. The capital that we spend will be mostly directed towards improving efficiency, reducing emissions and refurbishing equipment.

We intend to continue to strengthen our product service lines through a combination of organic growth, investment and selective acquisitions. We plan to continue executing the following strategies in 2019:
- directing capital and resources that differentiate our service and product offerings into strategic markets, including unconventionals and mature fields;
- collaborating and engineering solutions to maximize asset value for our customers;
- leveraging our broad technology offerings to provide value to our customers and enable them to more efficiently drill and complete their wells;
- exploring additional opportunities for acquisitions that will enhance or augment our current portfolio of services and products, including those with unique technologies or distribution networks in areas where we do not already have significant operations;
- investing in technology that will help our customers reduce reservoir uncertainty and increase operational efficiency;
- improving working capital and managing our balance sheet to maximize our financial flexibility;
- seeking additional ways to be one of the most cost-efficient service providers in the industry by maintaining capital discipline and leveraging our scale and breadth of operations; and
- striving to achieve superior growth and returns for our shareholders.

Our operating performance and business outlook are described in more detail in “Business Environment and Results of Operations.”

Financial markets, liquidity, and capital resources

We believe we have invested our cash balances conservatively and secured sufficient financing to help mitigate any near-term negative impact on our operations from adverse market conditions. As of March 31, 2019, we had $1.4 billion of cash and equivalents and $3.5 billion of available committed bank credit under our revolving credit facility. We believe this provides us with sufficient liquidity to address the challenges and opportunities of the current market. For additional information on market conditions, see “Liquidity and Capital Resources” and “Business Environment and Results of Operations.”

LIQUIDITY AND CAPITAL RESOURCES

As of March 31, 2019, we had $1.4 billion of cash and equivalents, compared to $2.0 billion of cash and equivalents at December 31, 2018.

Significant sources and uses of cash during the first three months of 2019

- Cash flows used in operating activities was $44 million. This included what we expect are short-term changes in the primary components of our working capital (receivables, inventories and accounts payable) of a net $515 million, primarily related to some customer payment delays and a build-up of inventory primarily for the international roll out of our strategic investments.

- Capital expenditures were $437 million and were predominantly made in our Production Enhancement, Sperry Drilling, Wireline and Perforating, Production Solutions, and Artificial Lift product service lines.

- We paid $157 million in dividends to our shareholders.

Future sources and uses of cash

We manufacture most of our own equipment, which allows us flexibility to increase or decrease our capital expenditures based on market conditions. Capital spending for the full year 2019 is currently expected to be approximately $1.6 billion, a decrease of 20% from 2018, as we remain committed to maintaining capital discipline.

Currently, our quarterly dividend rate is $0.18 per common share, or approximately $157 million. Subject to Board of Directors approval, our intention is to continue paying dividends at our current rate during 2019. Our Board of Directors has authorized a program to repurchase our common stock from time to time. Approximately $5.3 billion remained authorized for repurchases as of March 31, 2019 and may be used for open market and other share purchases.

Other factors affecting liquidity

Financial position in current market. As of March 31, 2019, we had $1.4 billion of cash and equivalents and $3.5 billion of available committed bank credit under our revolving credit facility. Furthermore, we have no financial covenants or material adverse change provisions in our bank agreements, and our debt maturities extend over a long period of time. We believe our cash on hand, cash flows generated from operations and our available credit facility will provide sufficient liquidity to address our global cash needs for the remainder of 2019, including capital expenditures, working capital investments, dividends, if any, and contingent liabilities.

Guarantee agreements. In the normal course of business, we have agreements with financial institutions under which approximately $2.1 billion of letters of credit, bank guarantees or surety bonds were outstanding as of March 31, 2019. Some of the outstanding letters of credit have triggering events that would entitle a bank to require cash collateralization.

Credit ratings. Our credit ratings with Standard & Poor's (S&P) remain A- for our long-term debt and A-2 for our short-term debt, with a stable outlook. Our credit ratings with Moody's Investors Service (Moody's) remain Baa1 for our long-term debt and P-2 for our short-term debt, with a stable outlook.

Customer receivables. In line with industry practice, we bill our customers for our services in arrears and are, therefore, subject to our customers delaying or failing to pay our invoices. In weak economic environments, we may experience increased delays and failures to pay our invoices due to, among other reasons, a reduction in our customers' cash flow from operations and their access to the credit markets as well as unsettled political conditions. If our customers delay paying or fail to pay us a significant amount of our outstanding receivables, it could have a material adverse effect on our liquidity, consolidated results of operations and consolidated financial condition.

BUSINESS ENVIRONMENT AND RESULTS OF OPERATIONS

We operate in more than 80 countries throughout the world to provide a comprehensive range of services and products to the energy industry. A significant amount of our consolidated revenue is derived from the sale of services and products to major, national, and independent oil and natural gas companies worldwide. The industry we serve is highly competitive with many substantial competitors in each segment of our business. During the first quarter of 2019, based upon the location of the services provided and products sold, 55% of our consolidated revenue was from the United States, compared to 58% of consolidated revenue from the United States in the first quarter of 2018. No other country accounted for more than 10% of our revenue.

Operations in some countries may be adversely affected by unsettled political conditions, acts of terrorism, civil unrest, force majeure, war or other armed conflict, sanctions, expropriation or other governmental actions, inflation, changes in foreign currency exchange rates, foreign currency exchange restrictions and highly inflationary currencies, as well as other geopolitical factors. We believe the geographic diversification of our business activities reduces the risk that an interruption of operations in any one country, other than the United States, would be materially adverse to our consolidated results of operations.

Activity within our business segments is significantly impacted by spending on upstream exploration, development and production programs by our customers. Also impacting our activity is the status of the global economy, which impacts oil and natural gas consumption.

Some of the more significant determinants of current and future spending levels of our customers are oil and natural gas prices and our customers' expectations about future prices, global oil supply and demand, completions intensity, the world economy, the availability of credit, government regulation and global stability, which together drive worldwide drilling and completions activity. Lower oil and natural gas prices usually translate into lower exploration and production budgets and lower rig count, while the opposite is usually true for higher oil and natural gas prices. Our financial performance is therefore significantly affected by oil and natural gas prices and worldwide rig activity, which are summarized in the tables below.

The following table shows the average oil and natural gas prices for West Texas Intermediate (WTI), United Kingdom Brent crude oil, and Henry Hub natural gas:

	Three Months Ended March 31		Year Ended December 31
	2019	2018	2018
Oil price - WTI (1)	$ 54.83	$ 62.88	$ 64.94
Oil price - Brent (1)	63.17	66.81	71.08
Natural gas price - Henry Hub (2)	2.92	3.08	3.17

(1) Oil price measured in dollars per barrel
(2) Natural gas price measured in dollars per million British thermal units (Btu), or MMBtu

The historical average rig counts based on the weekly Baker Hughes Incorporated rig count information were as follows:

	Three Months Ended March 31		Year Ended December 31
	2019	2018	2018
U.S. Land	1,022	951	1,013
U.S. Offshore	21	16	19
Canada	183	269	191
North America	1,226	1,236	1,223
International	1,030	971	988
Worldwide total	2,256	2,207	2,211

Crude oil prices have been extremely volatile over the past few years. WTI oil spot prices declined significantly beginning in 2014 from a peak price of $108 per barrel in June 2014 to a low of $26 per barrel in February 2016, a level which had not been experienced since 2003. Since the low point experienced in early 2016, oil prices increased substantially, with

WTI oil spot prices reaching a high of $77 per barrel in June 2018. In late 2018, oil prices again declined with WTI oil spot prices reaching a low of $44 per barrel in December, but have since risen to a high of $66 per barrel in April 2019. The average WTI and Brent crude oil spot prices during the first quarter of 2019 were $55 per barrel and $63 per barrel, respectively.

In the United States Energy Information Administration (EIA) April 2019 "Short Term Energy Outlook," the EIA projects Brent prices to average $65 per barrel in 2019 and $62 per barrel in 2020, while WTI prices are projected to average approximately $8 less per barrel in the first half of 2019, before the discount to Brent gradually falls to approximately $4 in late 2019 through 2020. Crude oil production in the United States is now projected to average 12.4 million barrels per day in 2019, a 14% increase from 2018. Additionally, the EIA projects that U.S. production will increase 6% in 2020, to average 13.1 million barrels per day. The International Energy Agency's (IEA) April 2019 "Oil Market Report" forecasts the 2019 global demand to average approximately 100.6 million barrels per day, which is up 1.5% from 2018, driven by an increase in the Asia Pacific region, while all other regions remain approximately the same.

The Henry Hub natural gas spot price averaged $2.92 per MMBtu in the first quarter of 2019, a decrease of $0.16 per MMBtu, or 5%, from the first quarter of 2018. The EIA April 2019 “Short Term Energy Outlook” projects Henry Hub natural gas prices to average $2.82 per MMBtu in 2019 and $2.77 per MMBtu in 2020.

North America operations

During the first quarter of 2019, the average United States land rig count increased 7%, as compared to the first quarter of 2018, and completions activity continued to strengthen with higher pressure pumping and artificial lift activity during the quarter. However, we continued to face significant pricing headwinds throughout the first quarter of 2019, although we believe the worst of the recent pricing deterioration is behind us. Overall, customer spending for the full year 2019 is expected to decrease in North America as compared to 2018. We expect that less spending by operators and low pricing will result in lower capital spending by service companies, which in turn will lead to a decrease in the available supply of equipment. If operators and service companies adjust to this new environment, we believe supply and demand for the U.S. pressure pumping market will rebalance throughout the year.

International operations

The average international rig count for the first quarter of 2019 was up 6% compared to the first quarter of 2018. As capacity tightens internationally and if the pipeline of projects progressively expands as we expect, we plan to continue demonstrating rational, returns-driven growth in the international markets. While the international markets are continuing to improve, the markets are in the early stages of a recovery and pricing pressure remains a challenge in a competitive landscape. The international recovery was originally focused on mature fields as customers broadly favored shorter cycle returns and lower risk projects. We believe the offshore markets are now also entering a recovery, as project economics become more attractive. International offshore spending is projected to increase in 2019, and the international offshore rig count is already experiencing growth to support this projection. We believe we are well-positioned for continued growth as a result of the significant investments we made to grow our global footprint in the last cycle.

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RESULTS OF OPERATIONS IN 2019 COMPARED TO 2018

Three Months Ended March 31, 2019 Compared with Three Months Ended March 31, 2018

Revenue:	Three Months Ended March 31		Favorable	Percentage
Millions of dollars	2019	2018	(Unfavorable)	Change
Completion and Production	$ 3,662	$ 3,807	$ (145)	(4)%
Drilling and Evaluation	2,075	1,933	142	7
Total revenue	$ 5,737	$ 5,740	$ (3)	— %
By geographic region:				
North America	$ 3,275	$ 3,517	$ (242)	(7)%
Latin America	587	457	130	28
Europe/Africa/CIS	748	716	32	4
Middle East/Asia	1,127	1,050	77	7
Total revenue	$ 5,737	$ 5,740	$ (3)	— %

Operating income (loss):	Three Months Ended March 31		Favorable	Percentage
Millions of dollars	2019	2018	(Unfavorable)	Change
Completion and Production	$ 368	$ 500	$ (132)	(26)%
Drilling and Evaluation	123	188	(65)	(35)
Total	491	688	(197)	(29)
Corporate and other	(65)	(69)	4	6
Impairments and other charges	(61)	(265)	204	77
Total operating income	$ 365	$ 354	$ 11	3 %

Consolidated revenue was $5.7 billion in the first quarter of 2019, essentially flat compared to the first quarter of 2018. Consolidated operating income was $365 million during the first quarter of 2019, a 3% increase from operating income of $354 million in the first quarter of 2018. We experienced improvements across the majority of our product service lines, primarily as a result of higher artificial lift activity in U.S. land, higher logging activity globally, and higher completion tool sales in Middle East/Asia and Latin America. These improvements were offset as a result of pricing pressure, primarily related to stimulation services, and mobilization costs on multiple drilling projects internationally. Operating results were also impacted by $61 million and $265 million of impairments and other charges during the first quarter of 2019 and 2018, respectively. Revenue from North America was 57% of consolidated revenue in the first quarter of 2019, compared to 61% of consolidated revenue in the first quarter of 2018.

OPERATING SEGMENTS

Completion and Production

Completion and Production revenue in the first quarter of 2019 was $3.7 billion, a decrease of $145 million, or 4%, from the first quarter of 2018. Operating income in the first quarter of 2019 was $368 million, a decrease of $132 million, or 26%, from the first quarter of 2018. These decreases were primarily driven by lower pricing for stimulation services in U.S. land, partially offset by higher artificial lift activity in U.S. land, increased stimulation activity in Latin America, and higher completion tool sales in Middle East/Asia and Latin America.

Drilling and Evaluation

Drilling and Evaluation revenue in the first quarter of 2019 was $2.1 billion, an increase of $142 million, or 7%, from the first quarter of 2018, with activity improvements across all geographic regions. This increase primarily related to higher logging and project management activity globally and improved fluids activity in Latin America. Operating income in the first quarter of 2019 was $123 million, a decrease of $65 million, or 35%, compared to the first quarter of 2018, resulting primarily from mobilization costs that we incurred on multiple drilling projects internationally, coupled with reduced project management activity and lower pricing in the Middle East.

GEOGRAPHIC REGIONS

North America

North America revenue in the first quarter of 2019 was $3.3 billion, a 7% decrease compared to the first quarter of 2018. This decrease was primarily driven by lower pricing for stimulation services in U.S. land, partially offset by higher artificial lift, cementing, and stimulation services activity.

Latin America

Latin America revenue in the first quarter of 2019 was $587 million, a 28% increase compared to the first quarter of 2018, resulting primarily from higher activity for the majority of our product service lines in Mexico, higher stimulation activity in Argentina and improved fluids activity throughout the region. This was partially offset by reduced drilling and testing activity in Brazil.

Europe/Africa/CIS

Europe/Africa/CIS revenue in the first quarter of 2019 was $748 million, a 4% increase compared to the first quarter of 2018, primarily driven by higher activity across multiple product service lines in Ghana and the United Kingdom. These results were partially offset by lower drilling related activity in Azerbaijan.

Middle East/Asia

Middle East/Asia revenue in the first quarter of 2019 was $1.1 billion, a 7% increase compared to the first quarter of 2018, largely resulting from higher completion tool sales across the region, coupled with increased project management activity in India and improved drilling activity in the Middle East. These improvements were partially offset by reduced fluids activity and lower pricing in the Middle East.

OTHER OPERATING ITEMS

Impairments and other charges were $61 million in the three months ended March 31, 2019, primarily related to an impairment of fixed assets. See Note 2 to the condensed consolidated financial statements for further discussion on the first quarter charge. This compares to $265 million of impairments and other charges in the three months ended March 31, 2018, representing a write-down of all of our remaining investment in Venezuela.

NONOPERATING ITEMS

Effective tax rate. During the three months ended March 31, 2019, we recorded a total income tax provision of $40 million on pre-tax income of $192 million, resulting in an effective tax rate of 20.9%. During the three months ended March 31, 2018, we recorded a total income tax provision of $142 million on pre-tax income of $189 million, resulting in an effective tax rate of 75.4%. Our effective tax rate during the first quarter of 2018 was significantly impacted by our investment write-down in Venezuela for which we are not recognizing a corresponding tax benefit since the write-down is not tax-deductible, along with additional accrued local Venezuela taxes we recognized in our tax provision. Our effective tax rates for both periods were also impacted by the geographic mix of earnings during the respective periods.

ENVIRONMENTAL MATTERS

We are subject to numerous environmental, legal and regulatory requirements related to our operations worldwide. For information related to environmental matters, see Note 9 to the condensed consolidated financial statements.

FORWARD-LOOKING INFORMATION

The Private Securities Litigation Reform Act of 1995 provides safe harbor provisions for forward-looking information. Forward-looking information is based on projections and estimates, not historical information. Some statements in this Form 10-Q are forward-looking and use words like “may,” “may not,” “believe,” “do not believe,” “plan,” “estimate,” “intend,” “expect,” “do not expect,” “anticipate,” “do not anticipate,” “should,” “likely” and other expressions. We may also provide oral or written forward-looking information in other materials we release to the public. Forward-looking information involves risk and uncertainties and reflects our best judgment based on current information. Our results of operations can be affected by inaccurate assumptions we make or by known or unknown risks and uncertainties. In addition, other factors may affect the accuracy of our forward-looking information. As a result, no forward-looking information can be guaranteed. Actual events and the results of our operations may vary materially.

We do not assume any responsibility to publicly update any of our forward-looking statements regardless of whether factors change as a result of new information, future events or for any other reason. You should review any additional disclosures we make in our press releases and Forms 10-K, 10-Q and 8-K filed with or furnished to the SEC. We also suggest that you listen to our quarterly earnings release conference calls with financial analysts.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

For quantitative and qualitative disclosures about market risk, see Part II, Item 7(a), “Quantitative and Qualitative Disclosures About Market Risk,” in our 2018 Annual Report on Form 10-K. Our exposure to market risk has not changed materially since December 31, 2018.

Item 4. Controls and Procedures

In accordance with the Securities Exchange Act of 1934 Rules 13a-15 and 15d-15, we carried out an evaluation, under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of March 31, 2019 to provide reasonable assurance that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms. Our disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

There has been no change in our internal control over financial reporting that occurred during the quarter ended March 31, 2019 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Information related to Item 1. Legal Proceedings is included in Note 9 to the condensed consolidated financial statements.

Item 1(a). Risk Factors

The statements in this section describe the known material risks to our business and should be considered carefully. As of March 31, 2019, there have been no material changes in risk factors previously disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Following is a summary of our repurchases of our common stock during the three months ended March 31, 2019.

Period	Total Number of Shares Purchased (a)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (b)	Maximum Number (or Approximate Dollar Value) of Shares that may yet be Purchased Under the Program (b)
January 1 - 31	218,492	$28.49	—	$5,300,007,172
February 1 - 28	25,854	$29.98	—	$5,300,007,172
March 1 - 31	16,058	$31.19	—	$5,300,007,172
Total	260,404	$28.80	—	

(a) All of the 260,404 shares purchased during the three-month period ended March 31, 2019 were acquired from employees in connection with the settlement of income tax and related benefit withholding obligations arising from vesting in restricted stock grants. These shares were not part of a publicly announced program to purchase common stock.

(b) Our Board of Directors has authorized a program to repurchase our common stock from time to time. Approximately $5.3 billion remained authorized for repurchases as of March 31, 2019. From the inception of this program in February 2006 through March 31, 2019, we repurchased approximately 212 million shares of our common stock for a total cost of approximately $8.8 billion.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Our barite and bentonite mining operations, in support of our fluid services business, are subject to regulation by the federal Mine Safety and Health Administration under the Federal Mine Safety and Health Act of 1977. Information concerning mine safety violations or other regulatory matters required by section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K (17 CFR 229.104) is included in Exhibit 95 to this quarterly report.

Item 5. Other Information

None.

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Item 6. Exhibits

	10.1	U.S. $3,500,000,000 Five Year Revolving Credit Agreement among Halliburton, as Borrower, the Banks party thereto, and Citibank, N.A., as Agent (incorporated by reference to Exhibit 10.1 to Halliburton's Form 8-K filed March 7, 2019, File No. 001-03492).
*	31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
*	31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
**	32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
**	32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
*	95	Mine Safety Disclosures
*	101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
*	101.SCH	XBRL Taxonomy Extension Schema Document
*	101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
*	101.LAB	XBRL Taxonomy Extension Label Linkbase Document
*	101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
*	101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

*	Filed with this Form 10-Q.
**	Furnished with this Form 10-Q.

SIGNATURES

As required by the Securities Exchange Act of 1934, the registrant has authorized this report to be signed on behalf of the registrant by the undersigned authorized individuals.

HALLIBURTON COMPANY

/s/ Lance Loeffler	/s/ Charles E. Geer, Jr.
Lance Loeffler	Charles E. Geer, Jr.
Executive Vice President and	Vice President and
Chief Financial Officer	Corporate Controller

Date: April 26, 2019

Exhibit 31.1

Section 302 Certification

I, Jeffrey A. Miller, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended March 31, 2019 of Halliburton Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 26, 2019

/s/ Jeffrey A. Miller
Jeffrey A. Miller
President and Chief Executive Officer
Halliburton Company

Exhibit 31.2

Section 302 Certification

I, Lance Loeffler, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended March 31, 2019 of Halliburton Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 26, 2019

/s/ Lance Loeffler
Lance Loeffler
Executive Vice President and Chief Financial Officer
Halliburton Company

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

This certification is provided pursuant to § 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. § 1350, and accompanies the Quarterly Report on Form 10-Q for the period ended March 31, 2019 of Halliburton Company (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report").

I, Jeffrey A. Miller, President and Chief Executive Officer of the Company, certify that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jeffrey A. Miller
Jeffrey A. Miller
President and Chief Executive Officer

Date: April 26, 2019

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

This certification is provided pursuant to § 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. § 1350, and accompanies the Quarterly Report on Form 10-Q for the period ended March 31, 2019 of Halliburton Company (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report").

I, Lance Loeffler, Executive Vice President and Chief Financial Officer of the Company, certify that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Lance Loeffler
Lance Loeffler
Executive Vice President and Chief Financial Officer

Date: April 26, 2019

Exhibit 95

Mine Safety Disclosures

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act, each operator of a mine is required to include certain mine safety results in its periodic reports filed with the SEC. The operation of our mines is subject to regulation by the federal Mine Safety and Health Administration (MSHA) under the Federal Mine Safety and Health Act of 1977 (Mine Act). Below, we present the following items regarding certain mining safety and health matters for the quarter ended March 31, 2019:

- total number of violations of mandatory health or safety standards that could significantly and substantially contribute to the cause and effect of a mine safety or health hazard under section 104 of the Mine Act for which we have received a citation from MSHA;
- total number of orders issued under section 104(b) of the Mine Act, which covers violations that had previously been cited under section 104(a) that, upon follow-up inspection by MSHA, are found not to have been totally abated within the prescribed time period, which results in the issuance of an order requiring the mine operator to immediately withdraw all persons (except certain authorized persons) from the mine;
- total number of citations and orders for unwarrantable failure of the mine operator to comply with mandatory health or safety standards under Section 104(d) of the Mine Act;
- total number of flagrant violations (i.e., reckless or repeated failure to make reasonable efforts to eliminate a known violation of a mandatory health or safety standard that substantially and proximately caused, or reasonably could have been expected to cause, death or serious bodily injury) under section 110(b)(2) of the Mine Act;
- total number of imminent danger orders (i.e., the existence of any condition or practice in a mine which could reasonably be expected to cause death or serious physical harm before such condition or practice can be abated) issued under section 107(a) of the Mine Act;
- total dollar value of proposed assessments from MSHA under the Mine Act;
- total number of mining-related fatalities; and
- total number of pending legal actions before the Federal Mine Safety and Health Review Commission involving such mine.

HALLIBURTON COMPANY

Mine Safety Disclosures

Quarter Ended March 31, 2019

(Unaudited)

(Whole dollars)

Operation/ MSHA Identification Number[1]	Section 104 Citations	Section 104(b) Orders	104(d) Citations and Orders	Section 110(b)(2) Violations	Section 107(a) Orders	Proposed MSHA Assessments[2]	Fatalities	Pending Legal Actions
BPM Colony Mill/4800070	2	—	—	—	—	$ 1,804	—	—
BPM Colony Mine/4800889	—	—	—	—	—	—	—	—
BPM Lovell Mill/4801405	—	—	—	—	—	—	—	—
BPM Lovell Mine/4801016	—	—	—	—	—	—	—	—
Corpus Christi Grinding Plant/4104010	—	—	—	—	—	—	—	—
Dunphy Mill/2600412	—	—	—	—	—	—	—	—
Lake Charles Plant/1601032	—	—	—	—	—	—	—	—
Larose Grinding Plant/1601504	—	—	—	—	—	—	—	—
Rossi Jig Plant/2602239	—	—	—	—	—	—	—	—
Total	2	—	—	—	—	$ 1,804	—	—

(1) The definition of a mine under section 3 of the Mine Act includes the mine, as well as other items used in, or to be used in, or resulting from, the work of extracting minerals, such as land, structures, facilities, equipment, machines, tools and preparation facilities. Unless otherwise indicated, any of these other items associated with a single mine have been aggregated in the totals for that mine.

(2) Amounts included are the total dollar value of proposed or outstanding assessments received from MSHA on or before April 9, 2019 regardless of whether the assessment has been challenged or appealed, for citations and orders occurring during the quarter ended March 31, 2019.

In addition, as required by the reporting requirements regarding mine safety included in §1503(a)(2) of the Dodd-Frank Act, the following is a list for the quarter ended March 31, 2019, of each mine of which we or a subsidiary of ours is an operator, that has received written notice from MSHA of:

(a) a pattern of violations of mandatory health or safety standards that are of such nature as could have significantly and substantially contributed to the cause and effect of mine health or safety hazards under
§104(e) of the Mine Act:
None; or
(b) the potential to have such a pattern:
None.

Citations and orders can be contested and appealed, and as part of that process, are sometimes reduced in severity and amount, and are sometimes dismissed. The number of citations, orders and proposed assessments vary by inspector and also vary depending on the size and type of the operation.