FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

[X] Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended June 30, 1994

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 1-3492

HALLIBURTON COMPANY

(a Delaware Corporation)
73-0271280

3600 Lincoln Plaza
500 N. Akard
Dallas, Texas 75201

Telephone Number - Area Code (214) 978-2600

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 the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common stock, par value $2.50 per share:
Outstanding at July 29, 1994 114,116,517

Part I. FINANCIAL INFORMATION
Item 1. Financial Statements.

HALLIBURTON COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30 1994	December 31 1993
	Millions of dollars and shares	
ASSETS		
Cash and equivalents	$ 88.0	$ 48.8
Investments:		
Available-for-sale	180.2	182.5
Held-to-maturity	461.2	474.0
Total investments	641.4	656.5
Receivables:		
Notes and accounts receivable	1,347.6	1,304.2
Unbilled work on uncompleted contracts	190.9	180.4
Refundable Federal income taxes	6.5	71.5
Total receivables	1,545.0	1,556.1
Inventories	345.4	369.0
Reinsurance recoverables	664.7	653.5
Property, plant and equipment, less accumulated depreciation of $2,557.0 and $2,523.1	1,117.6	1,152.8
Equity in and advances to related companies	92.1	86.0
Excess of cost over net assets acquired	216.3	219.2
Deferred income taxes	167.9	199.5

Assets held for sale	33.4	219.7
Other assets	279.8	242.0
Total assets	$ 5,191.6	$ 5,403.1

See notes to condensed consolidated financial statements.

HALLIBURTON COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS (Continued)

	June 30 1994	December 31 1993
	Millions of dollars and shares	
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable	$ 292.5	$ 297.4
Accrued employee compensation and benefits	430.2	437.0
Advance billings on uncompleted contracts	163.5	153.9
Income taxes payable	6.2	60.1
Short-term notes payable	23.4	92.0
Unearned insurance premiums	47.6	53.5
Reserves for insurance losses and claims	1,134.2	1,131.7
Long-term debt	645.2	623.9
Other liabilities	619.6	662.4
Minority interest in consolidated subsidiaries	5.7	3.5
Total liabilities	3,368.1	3,515.4
Commitments and contingencies		
Shareholders' equity:		
Common stock, par value $2.50 per share - authorized 200.0 shares, issued 119.1 and 119.2 shares	297.8	298.0
Paid-in capital in excess of par value	199.5	199.8
Cumulative translation adjustment	(25.0)	(24.8)
Net unrealized gains on investments	0.4	9.3
Retained earnings	1,515.0	1,573.5
	1,987.7	2,055.8
Less 5.0 and 5.1 shares of treasury stock, at cost	164.2	168.1
Total shareholders' equity	1,823.5	1,887.7
Total liabilities and shareholders' equity	$ 5,191.6	$ 5,403.1

See notes to condensed consolidated financial statements.

HALLIBURTON COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended June 30		Six Months Ended June 30	
	1994	1993	1994	1993
	Millions of dollars except per share data			
Revenues	$ 1,425.4	$ 1,596.6	$ 2,801.7	$ 3,156.1
Operating costs and expenses:				
Cost of revenues	1,383.5	1,476.4	2,668.7	2,938.9
General and administrative	56.8	62.7	107.7	116.9
Total operating costs and expenses	1,440.3	1,539.1	2,776.4	3,055.8
Operating income (loss)	(14.9)	57.5	25.3	100.3
Interest expense	(11.0)	(12.6)	(21.0)	(22.2)
Interest income	3.0	2.9	5.8	6.6
Foreign currency losses	(9.9)	(6.0)	(13.2)	(10.3)
Other nonoperating income, net	0.7	0.2	1.2	0.2
Income (loss) before income taxes and minority interest	(32.1)	42.0	(1.9)	74.6
Benefit (provision) for income taxes	12.9	(19.6)	0.8	(33.6)
Minority interest in net income (loss) of subsidiaries	-	0.5	(0.3)	0.7
Net income (loss)	$ (19.2)	$ 22.9	$ (1.4)	$ 41.7
Average number of common and common share equivalents outstanding	114.2	114.1	114.2	110.8
Income (loss) per share	$ (0.17)	$ 0.20	$ (0.01)	$ 0.38
Cash dividends paid per share	0.25	0.25	0.50	0.50

[FN]
See notes to condensed consolidated financial statements.

HALLIBURTON COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six Months Ended June 30 1994	Six Months Ended June 30 1993
	Millions of dollars	
Cash flows from operating activities:		
Net income (loss)	$ (1.4)	$ 41.7
Adjustments to reconcile net income (loss) to net cash from operating activities:		
Depreciation and amortization	133.4	150.8
Provision for deferred income taxes	21.4	29.1
Other non-cash items	6.8	9.0
Other changes, net of non-cash items:		
Receivables	46.5	(5.8)
Inventories	18.5	6.5
Insurance losses and claims net of reinsurance recoverables	(8.7)	(28.2)
Accounts payable and other	(98.5)	(153.7)
Total cash flows from operating activities	118.0	49.4
Cash flows from investing activities:		
Capital expenditures	(101.0)	(126.4)
Sales of property, plant and equipment	23.6	15.5
Sales (purchases) of subsidiary companies	191.6	(17.0)
Sales or maturities of available-for-sale investments	27.4	-
Payments for available-for-sale investments	(35.9)	-
Sales or maturities of held-to-maturity investments	44.4	-
Payments for held-to-maturity investments	(30.7)	-
Sales or maturities of marketable investments	-	88.3
Payments for marketable investments	-	(95.5)
Other investing activities	(5.7)	(46.4)
Total cash flows from investing activities	113.7	(181.5)

[FN]
See notes to condensed consolidated financial statements.

HALLIBURTON COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

	Six Months Ended June 30 1994	1993
	Millions of dollars	
Cash flows from financing activities:		
Payments on long-term borrowings	(63.3)	(53.5)
Borrowings (repayments) of short-term debt	(68.8)	131.9
Payments of dividends to shareholders	(57.1)	(55.1)
Other financing activities	0.2	(1.6)
Total cash flows from financing activities	(189.0)	21.7
Effect of exchange rate changes on cash	(3.5)	(1.8)
Increase (decrease) in cash and equivalents	39.2	(112.2)
Cash and equivalents at beginning of year	48.8	233.3
Cash and equivalents at end of period	$ 88.0	$ 121.1
Cash payments (refunds) during the period for:		
Interest	$ 13.5	$ 14.4
Income taxes	(55.8)	35.0

See notes to condensed consolidated financial statements.

HALLIBURTON COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Management Representation

In the opinion of the Company, the accompanying unaudited condensed consolidated financial statements include all adjustments necessary to present fairly the Company's financial position as of June 30, 1994, and the results of its operations for the three and six months ended June 30, 1994 and 1993 and its cash flows for the six months then ended. The results of operations for the three and six months ended June 30, 1994 and 1993 may not be indicative of results for the full year. Certain prior year amounts including cost of revenues and general and administrative expenses have been reclassified to conform with the current organizational structure of the Company.

Note 2. Inventories

Consolidated inventories consisted of the following:

	June 30 1994	December 31 1993
	Millions of dollars	
Sales items	$ 101.5	$ 91.3
Supplies and parts	181.4	199.4
Work in process	34.2	41.1
Raw materials	28.3	37.2
Total	$ 345.4	$ 369.0

About one-half of all sales items (including related work in process and raw materials) are valued using the last-in, first-out (LIFO) method. If the average cost method had been in use for inventories on the LIFO basis, total inventories would have been about $35.4 million and $37.0 million higher than reported at June 30, 1994, and December 31, 1993, respectively.

Note 3. Business Segment Information

Revenues and operating income by business segment were the following for the three and six months ended June 30, 1994 and 1993:

	Three Months Ended June 30		Six Months Ended June 30	
	1994	1993	1994	1993
	Millions of dollars			
Revenues				
Energy services	$ 605.6	$ 698.4	$ 1,204.6	$ 1,388.2
Engineering and construction services	764.1	839.4	1,480.3	1,638.0
Insurance services	55.7	58.8	116.8	129.9
Total revenues	$ 1,425.4	$ 1,596.6	$ 2,801.7	$ 3,156.1

Excludes insurance revenues received from other segments of the Company.

	Three Months Ended June 30		Six Months Ended June 30	
	1994	1993	1994	1993
	Millions of dollars			
Operating income (loss)				
Energy services	$ (19.8)	$ 34.5	$ 13.7	$ 73.3
Engineering and construction services	11.4	29.3	25.9	42.0
Insurance services	(0.1)	(0.7)	(2.2)	(3.2)
General corporate expenses	(6.4)	(5.6)	(12.1)	(11.8)
Total operating income (loss)	$ (14.9)	$ 57.5	$ 25.3	$ 100.3

Note 4. Income Per Share

Income per share amounts are based upon the average number of common and common share equivalents outstanding. Common share equivalents included in the computation represent shares issuable upon assumed exercise of stock options which have a dilutive effect.

Note 5. Insurance Subsidiaries

The condensed consolidated financial statements include property and casualty insurance subsidiaries.

COMBINED FINANCIAL POSITION

	June 30 1994	December 31 1993
	Millions of dollars	
ASSETS		
Cash and equivalents	$ 45.5	$ 41.3
Investments:		
Available-for-sale	180.2	182.5
Held-to-maturity	436.4	450.6
Total investments	616.6	633.1
Notes and accounts receivable	241.2	266.8
Reinsurance recoverables	664.7	653.5
Property, plant and equipment, less accumulated depreciation of $7.6 and $7.1	3.3	3.3
Excess of cost over net assets acquired	0.2	0.2
Other assets	25.4	15.3
	$ 1,596.9	$ 1,613.5
LIABILITIES AND SHAREHOLDERS'EQUITY		
Accounts payable	$ 11.8	$ 26.0
Accrued employee compensation and benefits	4.1	4.3
Income taxes payable	(14.5)	(14.3)
Unearned insurance premiums	47.6	53.5
Reserves for insurance losses and claims	1,213.2	1,210.7
Other liabilities	65.7	52.4
Halliburton Company equity, adjusted for net unrealized gains of $0.4 and $9.3	269.0	280.9
	$ 1,596.9	$ 1,613.5

*Includes $79.0 million at June 30, 1994, and $79.0 million at December 31, 1993, relating to incurred but not reported claims on associated company business which had no effect on Halliburton Company equity.

Assets of the insurance subsidiaries, with the exception of dividend payments to the parent company, are not available for general corporate use.

COMBINED OPERATING RESULTS

	Three Months Ended June 30		Six Months Ended June 30	
	1994	1993	1994	1993
	Millions of dollars			
Revenues:				
Direct premiums	$ 84.0	$ 102.3	$ 113.3	$ 143.3
Premiums assumed	27.7	42.0	71.1	103.6
Premiums ceded	(59.8)	(85.9)	(72.5)	(119.4)
Net earned premiums and agency income	51.9	58.4	111.9	127.5
Investment income	11.6	12.1	23.2	25.0
	63.5	70.5	135.1	152.5
Operating costs and expenses:				
Underwriting expenses	72.4	120.8	176.8	297.3
Reinsurance recoveries	(13.5)	(51.5)	(47.8)	(145.0)
Investment expenses	0.2	0.2	0.4	0.4
General and administrative	4.5	1.7	7.9	3.0
	63.6	71.2	137.3	155.7
Operating income (loss)	(0.1)	(0.7)	(2.2)	(3.2)
Foreign currency gains (losses)	0.3	(0.4)	0.3	(0.5)
Nonoperating expense, net	-	(0.1)	-	(0.1)
Income (loss) before income taxes	0.2	(1.2)	(1.9)	(3.8)
Benefit (provision) for income taxes	(2.1)	2.5	(0.7)	5.6
Net income (loss)	$ (1.9)	$ 1.3	$ (2.6)	$ 1.8

*Included in net earned premiums and agency income are premiums for intercompany insurance coverage and services provided by the Insurance Services Group to the remainder of Halliburton Company. Such premiums and charges amounted to $7.8 million and $11.7 million for the three months ended June 30, 1994 and 1993, respectively, and $18.3 million and $22.6 million for the six months ended June 30, 1994 and 1993, respectively.

Insurance Services written premiums are as follows:

	Three Months Ended June 30 1994	Three Months Ended June 30 1993	Six Months Ended June 30 1994	Six Months Ended June 30 1993
	Millions of dollars			
Direct premiums	$ 82.0	$ 100.0	$ 119.5	$ 144.2
Premiums assumed	29.3	41.8	72.7	102.4
Premiums ceded	(60.7)	(88.0)	(76.4)	(120.4)
Net written premiums and agency income	$ 50.6	$ 53.8	$ 115.8	$ 126.2

Note 6. Long-term debt

The Company redeemed $38.8 million of its 4% notes and $23.8 million principal amount of its 10.2% debentures in the first six months of 1994 and $19.8 million principal amount of its 9.25% debentures and $33.3 million principal amount of its 10.2% debentures in the first six months of 1993.

Note 7. Commitments and Contingencies

The Company is involved as a potentially responsible party (PRP) in remedial activities to clean up various "Superfund" sites under applicable Federal law which imposes joint and several liability, if the harm is indivisible, on certain persons without regard to fault, the legality of the original disposal, or ownership of the site. Although it is very difficult to quantify the potential impact of compliance with environmental protection laws, management of the Company believes that any liability of the Company with respect to all but two of such sites will not have a material adverse effect on the results of operations of the Company. With respect to a site in Jasper County, Missouri (Jasper County Superfund Site), and a site in Nitro, West Virginia (Fike/Artel Chemical Superfund Site), sufficient information has not been developed to permit management to make such a determination and management believes the process of determining the nature and extent of remediation at each site and the total costs thereof will be lengthy.

Brown & Root, Inc. (Brown & Root), a subsidiary of the Company, has been named as a PRP with respect to the Jasper County Superfund Site by the Environmental Protection Agency (EPA). The Jasper County Superfund Site includes areas of mining activity that occurred from the 1800's through the mid 1950's in the Southwestern portion of Missouri. The site contains lead and zinc mine tailings produced from mining activity. Brown & Root is one of nine participating PRPs which have agreed to perform a Remedial Investigation/Feasibility Study (RI/FS) which is not expected to be completed until March 1995. Although the entire Jasper County Superfund Site comprises 237 square miles, as listed on the National Priorities List, in the RI/FS scope of work the EPA has only identified seven areas, or subsites, within this area that need to be studied and then possibly remediated by the PRPs. Additionally, the Administrative Order on Consent for the RI/FS only requires Brown & Root to perform RI/FS work at one of the subsites within the site, the Neck/Alba subsite, which only comprises 3.95 square miles. Brown & Root's share of the cost of such a study is not expected to be material. Brown & Root cannot determine the extent of its liability, if any, for remediation costs on any reasonably practicable basis.

Halliburton Services Division of the Company (HSD) is one of 32 companies that have been designated as PRPs at the Fike/Artel Chemical Superfund Site. Five "Operable Units" have been established by the EPA in connection with remediation activities for the site. The EPA recently instituted litigation in the U.S. District Court for the Southern District of West Virginia (United States v. American Cyanamid Co., Inc. et al.) against all PRPs seeking recovery of its past response costs in Operable Unit 1. The PRPs are subject to a Consent Decree with respect to the remediation of Operable Unit 2. In June 1993, the EPA issued a Unilateral Administrative Order requiring all PRPs to implement remediation of Operable Unit 3. The PRPs are negotiating an Administrative Order on Consent that will allow them to perform a site-wide RI/FS. Past response costs alleged by the EPA for Operable Unit 1, remediation costs estimates for Operable Units 2 and 3 and cost estimates to perform the RI/FS range in the aggregate from approximately $45 million to approximately $72 million. The Company does not believe that HSD's share of response and remediation costs for Operable Units 1, 2 and 3 and the RI/FS is likely to be material to the Company's financial statements. There are at present no reliable estimates of costs to remediate Operable Units 4 and 5, because the EPA has not yet proposed any remediation methodology. Those costs may, however, be significantly larger than the estimates thereof for the other units. Although the liability associated with this site could possibly be significant to the results of operations of some future reporting period, management believes, based on current knowledge, that HSD's share of costs at this site is unlikely to have a material adverse impact on the Company's consolidated financial condition.

In April 1991, the U.S. Customs Service initiated an investigation of a subsidiary of the Company, Halliburton Logging Services, Inc. (HLS), and in October 1991, as a result of its own internal inquiry, HLS provided information to the U.S. Departments of Commerce and Justice, in each case regarding the export and re-export of certain oil field tools. The tools were exported by HLS and its predecessors to certain foreign affiliates and were re-exported by them to an HLS foreign affiliate in Libya without a validated re-export license. The shipments involved thermal multigate decay tools used in oil field logging operations and occurred between December 1987 and June 1989. During 1992, HLS received subpoenas to produce documents related to the foregoing matter before a Federal grand jury. The Company believes the U.S. Government will take the position that such shipments violated Presidential Executive Orders imposing sanctions against Libya (the Orders) as well as export regulations of the Department of Commerce (the Regulations).

Halliburton Geophysical Services, Inc. (HGS), a subsidiary acquired by the Company in 1988, in an unrelated matter, advised the U.S. Departments of Commerce and Justice in March 1992 that the United Kingdom subsidiary of HGS, as a small part of its business, shipped to Libya, during the period from March 1987 through April 1991, United States origin spare parts, primarily for equipment of various types, and performed certain repairs and training on the equipment. The consignee was a Libyan-based geophysical company in which HGS owned an indirect, minority interest. Moreover, certain items validly shipped to this consignee in a third country were subsequently re-exported by it to Libya without specific re-export authorization. After discovering these matters, the U.K. subsidiary terminated all activities in support of Libyan companies and operations. The Company believes the U.S. Government will take the position that such actions violated the Orders and the Regulations.

On July 1, 1993, HLS and HGS, as well as certain other subsidiaries of the Company, were merged into the Company. In January 1994 the Company disposed of its geophysical business which included substantially all of the business of HGS.

The privilege of exporting oil field tools and other products to its affiliates is important to the Company in order to support its worldwide logging services. Sanctions against corporations for violations of the Orders and the Regulations range from civil penalties, including denial of export privileges and monetary penalties, to significant criminal fines. The Company cannot predict the nature or type of sanctions, if any, which the U.S. Government may seek with respect to either of these matters.

The Company and its subsidiaries are parties to various other legal proceedings. Although the ultimate disposition of such proceedings is not presently determinable, in the opinion of the Company any liability that might ensue would not be material in relation to the consolidated financial position of the Company.

Note 8. Acquisitions and Dispositions

In January 1994, the Company sold substantially all of the assets of its geophysical services and products business to Western Atlas International, Inc. for $190.0 million in cash and notes subject to certain adjustments. The notes of $90.0 million were sold for cash in the first quarter of 1994. In addition, the Company issued $73.8 million in notes to Western Atlas to cover some of the costs of reducing certain geophysical operations, including the cost of personnel reductions, leases of geophysical marine vessels and closing of duplicate facilities. The Company's notes to Western Atlas are payable over two years at a rate of interest of 4%. An initial installment of $33.8 million was made in February 1994, and eight quarterly installments of $5 million are payable thereafter.

The Company retains ownership of certain assets and liabilities of the geophysical business including some accounts receivable, real estate properties, lease obligations, certain employee obligations, and a majority interest in an international joint venture company. Although the disposition of the remaining assets is uncertain, the remaining liabilities are expected to be settled over the next several months.

In March 1993, the Company acquired the assets of Smith International, Inc.'s Directional Drilling Systems and Services business for 6,857,000 shares of Halliburton Company Common Stock previously held as treasury stock, valued at approximately $247 million. The Company recorded $135.8 million as excess of cost over net assets acquired. The excess of cost over net assets acquired will be amortized over 40 years.

Note 9. Energy Services Severance Costs

In the second quarter of 1994, the Company recognized severance costs of $42.6 million, net of $12.7 million which was previously accrued, to provide for the termination of about 2,000 Energy Services employees. The terminations mostly impact middle and senior management levels and various product line support and general and administrative employees. Approximately two-thirds of the terminations occurred in the second quarter with the remainder to occur over the second half of 1994. At June 30, 1994, the remaining liability for these severance costs was $25.2 million.

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

RESULTS OF OPERATIONS

Second Quarter of 1994 Compared to Second Quarter of 1993

Consolidated revenues were $1,425.4 million in the second quarter of 1994 compared to $1,596.6 million in the same quarter of the prior year. Excluding geophysical services which was divested in January 1994, consolidated revenues decreased by $78.1 million, or by 5%. Energy Services revenues, excluding geophysical services, were about the same as the second quarter of 1993. Engineering and Construction Services revenues declined by 9% from the second quarter of 1993 due primarily to lower energy related construction revenues in the Middle East, Europe and Africa. The 5% decline in Insurance Services revenues relates primarily to reduced earned premiums on discontinued lines of business.

Consolidated operating income was a loss of $14.9 million in the second quarter of 1994 compared to income of $57.5 million in the same quarter of the prior year. In the second quarter of 1994, the Company recognized severance costs of $42.6 million to provide for the termination of about 2,000 Energy Services employees. Excluding the impact of the 1994 severance costs and geophysical services in 1993, consolidated operating income was $27.7 million in the second quarter of 1994 compared to $61.3 million in the same quarter of the prior year. Energy Services operating income, excluding the 1994 severance costs and geophysical services in 1993, was down from the same quarter of the prior year due primarily to lower revenues from decreased activities in the North Sea, Middle East and Asia Pacific, market disturbances in Nigeria and Yemen, unsettled economic, political and business conditions in CIS and pricing pressures in North America. Engineering and Construction Services operating income in the second quarter of 1994 was 61% lower than the same quarter of the prior year. Engineering and Construction Services operating income in the second quarter of 1994 includes $16.0 million in contract losses on North Sea pipeline projects and an electrical utility plant project in the United States. The second quarter of 1993 Engineering and Construction Services operating income included $9.6 million (compared to $1.3 million in the second quarter of 1994) of income resulting primarily from improved collections on work performed in Libya by foreign subsidiaries of the Company. Insurance Services operating loss was about the same in the second quarter of 1994 compared to the second quarter of 1993. The second quarter of 1994 operating loss includes losses from discontinued business in the United Kingdom of $13.1 million, partially offset by an $8.4 million refund from the Texas Workers' Compensation Assigned Risk Pool. The second quarter of 1993 operating loss included additional loss development relating to Hurricane Andrew, the World Trade Center bombing and winter storms in the northeast, partially offset by a refund from the Texas Workers' Compensation Assigned Risk Pool.

Foreign currency losses were $9.9 million in the second quarter of 1994 compared to $6.0 million in the second quarter of 1993. The second quarter of 1994 losses relate primarily to losses in Venezuela of $5.6 million due to significant currency devaluations and continuing declines in exchange rates in Brazil.

Net income in the second quarter of 1994 was a loss of $19.2 million, or 17 cents per share, compared to income of $22.9 million, or 20 cents per share, in the second quarter of 1993. Excluding the 1994 severance costs and geophysical services in 1993, net income in the second quarter of 1994 would have been $8.5 million, or seven cents per share, compared to $31.1 million, or 27 cents per share, in the second quarter of 1993.

First Six Months of 1994 Compared to First Six Months of 1993

Consolidated revenues for the first six months of 1994 were $2,801.7 million compared to $3,156.1 million in the first six months of 1993. Excluding geophysical services, consolidated revenues decreased by $156.5 million, or by 5%. Energy Services revenues, excluding geophysical services, increased by 1% over the first six months of 1993 due primarily to the acquisition of directional drilling systems business at the end of the first quarter of 1993. Engineering and Construction Services revenues decreased by 10% from the first six months of 1993 due primarily to lower energy related construction revenues in the Middle East, Europe and Africa. The 10% decline in Insurance Services revenues relates primarily to reduced earned premiums on discontinued lines of business.

Consolidated operating income was $25.3 million in the first six months of 1994 compared to $100.3 million in the first six months of 1993. Excluding the 1994 severance costs and geophysical services in 1993, consolidated operating income would have been $67.9 million in the first six months of 1994 compared to $103.6 million in the first six months of 1993. Energy Services operating income, excluding the 1994 severance costs and geophysical services in 1993, was $56.3 million compared to $76.6 million in the first six months of 1993. The decrease in Energy Services operating income is due primarily to lower revenues from decreased activities in the North Sea, Middle East and Asia Pacific, market disturbances in Nigeria and Yemen, unsettled economic, political and business conditions in CIS and pricing pressures in North America. Engineering and Construction Services operating income was 38% lower than the first six months of 1993 due primarily to losses on contracts incurred in the second quarter of 1994. Engineering and Construction Services operating income in the first six months of 1994 includes a $5.0 million gain on the sale of an environmental remediation subsidiary. Engineering and Construction Services operating income in the first six months of 1993 included $10.2 million (compared to $2.6 million in the first six months of 1994) of income resulting primarily from improved collections on work performed in Libya by foreign subsidiaries of the Company. Insurance Services operating loss declined by $1.0 million from the first six months of 1993 due primarily to lower catastrophic losses, partially offset by higher losses from discontinued lines of business in the United Kingdom.

Interest expense in the first six months of 1994 and 1993 include the reversal of $2.5 million and $3.3 million, respectively, accruals for interest payable on income tax settlements.

Foreign currency losses were $13.2 million in the first six months of 1994 compared to $10.3 million in the first six months of 1993. Foreign currency losses in 1994 relate primarily to losses in the second quarter in Venezuela of $5.6 million due to significant currency devaluations and continuing declines in exchange rates in Brazil. These losses were partially offset by $1.3 million in gains related to the devaluation of the Central African Franc and $2.1 million of gains realized on geophysical business cumulative translation adjustments. Foreign currency losses in 1993 relate primarily to Brazil and Venezuela and African currency exposures.

Net income for the first six months of 1994 was a loss of $1.4 million, or one cent per share, compared to income for the first six months of 1993 of $41.7 million, or 38 cents per share. Excluding the 1994 severance costs and geophysical services in 1993, net income for the first six months of 1994 would have been $26.3 million, or 23 cents per share, compared to $50.1 million, or 45 cents per share for the first six months of 1993.

LIQUIDITY AND CAPITAL RESOURCES

In January 1994, the Company sold substantially all of the assets of its geophysical services and products business for $190.0 million in cash and notes subject to certain adjustments. The notes received were sold in the first quarter of 1994. In addition, the Company issued $73.8 million in notes to the buyer of geophysical services to cover some of the costs of reducing certain geophysical operations, including the cost of personnel reductions, leases of geophysical marine vessels and closing of duplicate facilities. The Company has paid installments of $38.8 million in the first six months of 1994. Proceeds from the sale of geophysical services were used to reduce debt and fund other internal cash requirements.

The sale of geophysical services further enhanced the Company's cash flows in the first six months of 1994 by eliminating a source of historically negative cash flows. Cash flows from operating activities increased by $68.6 in the first six months of 1994 over the first six months of 1993.

Cash flows from investing activities provided $113.7 million in cash in the first six months of 1994 compared to a use of $181.5 million in the first six months of 1993. The 1994 increase is due to proceeds from the sale of geophysical services, the sale of two small subsidiaries, along with reduced outflows for software development and capital expenditures and the elimination of outflows related to geophysical speculative data.

Cash flows used for financing activities were $189.0 million in the first six months of 1994 compared to cash provided of $21.7 million in the first six months of 1993. The 1994 increase in outflows is related to the reduction of short-term indebtedness, the redemption of the remaining $23.8 million of its 10.2% debentures and $38.8 million in installments on the note issued by the Company to the buyer of geophysical services.

The Company has sufficient ability to borrow additional short-term and long-term funds if necessary.

The Company plans to sell its natural gas compression business and its industrial services business as part of the Company's strategic planning program of concentrating on core business activities. Each business had revenues in 1993 of approximately $45 million. The Company anticipates the sales to occur by the end of 1994. If the sales are successful, the Company believes the proceeds from the sale of its natural gas compression business will substantially increase the cash position of the Company and a significant gain will be realized.

ENVIRONMENTAL MATTERS

The Company is involved as a potentially responsible party in remedial activities to clean up various "Superfund" sites under applicable Federal law which imposes joint and several liability, if the harm is indivisible, on certain persons without regard to fault, the legality of the original disposal, or ownership of the site. Although it is very difficult to quantify the potential impact of compliance with environmental protection laws, management of the Company believes that any liability of the Company with respect to all but two of such sites will not have a material adverse effect on the results of operations of the Company. See Note 7 to the financial statements for a description of these two sites and a further discussion of the possible impact on the results of operations and the financial condition of the Company.

EXPORT MATTERS

See Note 7 to the financial statements concerning certain export and export related matters including a United States Government investigation of exports and re-exports by subsidiaries of the Company.

Part II. OTHER INFORMATION

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

At the Annual Meeting of Stockholders of the Company held on May 17, 1994, stockholders of the Company were asked to consider and act upon (i) the election of Directors for the ensuing year, (ii) a proposal to ratify the appointment of Arthur Andersen & Co. as independent accountants to examine the financial statements and books and records of the Company for 1994 and (iii) a shareholder proposal requesting that the Board of Directors take necessary steps to provide for cumulative voting in the election of Directors. Set forth below with respect to each such matter, where applicable, is the number of votes cast for, against or withheld, as well as the number of abstentions and broker non-votes.

a. Election of Directors:

Name of Nominee	Votes For	Votes Withheld
Anne L. Armstrong	96,202,142	1,168,203
Robert W. Campbell	96,184,506	1,185,839
Lord Clitheroe	96,232,248	1,138,097
Robert L. Crandall	96,220,101	1,150,244
Thomas H. Cruikshank	96,124,971	1,245,374
William R. Howell	96,237,690	1,132,655
Dale P. Jones	96,185,291	1,185,054
C. J. Silas	96,225,144	1,145,201
Roger T. Staubach	96,191,651	1,178,694
Richard J. Stegemeier	96,234,118	1,136,227
E. L. Williamson	96,220,791	1,149,554

b. Proposal to ratify the appointment of Arthur Andersen & Co. as independent accountants to examine the financial statements and books and records of the Company for 1994:

Number of Votes For	96,636,656
Number of Votes Against	411,388
Number of Votes Abstaining	322,301
Number of Broker Non-Votes	0

c. Shareholder proposal relating to cumulative voting in the election of Directors:

Number of Votes For	37,650,251
Number of Votes Against	44,553,994
Number of Votes Abstaining	5,474,796
Number of Broker Non-Votes	9,691,304

Item 6. Exhibits and Reports on Form 8-K

3. Exhibits

11. Statement regarding computation of earnings per share.

(b)

Reports on Form 8-K

A report was filed on Form 8-K dated May 2, 1994, reporting on Item 5. Other Events, regarding a press release dated May 2, 1994 regarding the Company's first quarter earnings.

A report was filed on Form 8-K dated May 17, 1994, reporting on Item 5. Other events, regarding a press release dated May 20, 1994, announcing Richard J. Stegemeier as a member of the Company's Board of Directors.

A report was filed on Form 8-K dated June 21, 1994, reporting on Item 5. Other events, regarding a press release dated June 21, 1994, regarding a coiled tubing drilling program.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

HALLIBURTON COMPANY
(Registrant)

Date August 1, 1994

By /s/ Thomas H. Cruikshank
Thomas H. Cruikshank
Chairman of the Board and
Chief Executive Officer

Date August 1, 1994

By /s/ Jerry H. Blurton
Jerry H. Blurton
Vice President-Finance
Principal Financial Officer

Date August 1, 1994

By /s/ Scott R. Willis
Scott R. Willis
Controller
Principal Accounting Officer

Index to Exhibits

11. Statement regarding computation of earnings per share

HALLIBURTON COMPANY
EXHIBIT 11

COMPUTATION OF EARNINGS PER SHARE

The calculation below for earnings per share of the $2.50 par value Common Stock of the Company on a primary and fully diluted basis for the three and six months ended June 30, 1994 and 1993, is submitted in accordance with Regulation S-K item 601 (b) (11).

	Three Months Ended June 30		Six Months Ended June 30	
	1994	1993	1994	1993
	Millions of dollars except per share data			
Primary:				
Net income (loss)	$ (19.2)	$ 22.9	$ (1.4)	$ 41.7
Average number of common and common share equivalents outstanding	114.2	114.1	114.2	110.8
Primary net income (loss) per share	$ (0.17)	$ 0.20	$ (0.01)	$ 0.38
Fully Diluted:				
Net income (loss)	$ (19.2)	$ 22.9	$ (1.4)	$ 41.7
Add after-tax interest expense applicable to Zero Coupon Convertible Subordinated Debentures due 2006	3.2	2.7	6.3	5.5
Adjusted net income (loss)	$ (16.0)	$ 25.6	$ 4.9	$ 47.2
Adjusted average number of shares outstanding	119.2	119.1	119.2	115.8
Fully diluted earnings (loss) per share	$ (0.13)	$ 0.21	$ 0.04	$ 0.41

The foregoing computations do not reflect any significant potentially dilutive effect the Company's Preferred Stock Purchase Rights Plan could have in the event such Rights become exercisable and any shares of either Series A Junior Participating Preferred Stock or Common Stock of the Company are issued upon the exercise of such Rights.