

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934
For the quarterly period ended March 31, 2013

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 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 No

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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of April 19, 2013, 932,039,177 shares of Halliburton Company common stock, \$2.50 par value per share, were outstanding.

HALLIBURTON COMPANY

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PART I. FINANCIAL INFORMATION**Item 1. Financial Statements**

HALLIBURTON COMPANY
Condensed Consolidated Statements of Operations
(Unaudited)

<i>Millions of dollars and shares except per share data</i>	Three Months Ended March 31	
	2013	2012
Revenue:		
Services	\$ 5,334	\$ 5,424
Product sales	1,640	1,444
Total revenue	6,974	6,868
Operating costs and expenses:		
Cost of services	4,614	4,233
Cost of sales	1,386	1,244
Loss contingency for Macondo well incident	1,000	300
General and administrative	72	68
Total operating costs and expenses	7,072	5,845
Operating income (loss)	(98)	1,023
Interest expense, net of interest income of \$3 and \$2	(71)	(74)
Other, net	(14)	(7)
Income (loss) from continuing operations before income taxes	(183)	942
Income tax benefit (provision)	172	(304)
Income (loss) from continuing operations	(11)	638
Loss from discontinued operations, net of income tax benefit of \$2 and \$5	(5)	(8)
Net income (loss)	\$ (16)	\$ 630
Noncontrolling interest in net income of subsidiaries	(2)	(3)
Net income (loss) attributable to company	\$ (18)	\$ 627
Amounts attributable to company shareholders:		
Income (loss) from continuing operations	\$ (13)	\$ 635
Loss from discontinued operations, net	(5)	(8)
Net income (loss) attributable to company	\$ (18)	\$ 627
Basic income per share attributable to company shareholders:		
Income (loss) from continuing operations	\$ (0.01)	\$ 0.69
Loss from discontinued operations, net	(0.01)	(0.01)
Net income (loss) per share	\$ (0.02)	\$ 0.68
Diluted income per share attributable to company shareholders:		
Income (loss) from continuing operations	\$ (0.01)	\$ 0.69
Loss from discontinued operations, net	(0.01)	(0.01)
Net income (loss) per share	\$ (0.02)	\$ 0.68
Cash dividends per share	\$ 0.125	\$ 0.09
Basic weighted average common shares outstanding	931	923
Diluted weighted average common shares outstanding	931	926

See notes to condensed consolidated financial statements.

HALLIBURTON COMPANY
Condensed Consolidated Statements of Comprehensive Income
(Unaudited)

<i>Millions of dollars</i>	Three Months Ended March 31	
	2013	2012
Net income (loss)	\$ (16)	\$ 630
Other comprehensive income, net of income taxes:		
Defined benefit and other postretirement plans adjustments	\$ 4	\$ 8
Other	2	(1)
Other comprehensive income, net of income taxes	6	7
Comprehensive income (loss)	\$ (10)	\$ 637
Comprehensive income attributable to noncontrolling interest	(3)	(3)
Comprehensive income (loss) attributable to company shareholders	\$ (13)	\$ 634

See notes to condensed consolidated financial statements.

HALLIBURTON COMPANY
Condensed Consolidated Balance Sheets

	March 31, 2013	December 31, 2012
<i>Millions of dollars and shares except per share data</i>		
Assets		
Current assets:		
Cash and equivalents	\$ 2,029	\$ 2,484
Receivables (less allowance for bad debts of \$106 and \$92)	6,210	5,787
Inventories	3,257	3,186
Other current assets	1,656	1,629
Total current assets	13,152	13,086
Property, plant, and equipment, net of accumulated depreciation of \$8,381 and \$8,056	10,509	10,257
Goodwill	2,119	2,135
Other assets	1,904	1,932
Total assets	\$ 27,684	\$ 27,410
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	\$ 2,197	\$ 2,041
Accrued employee compensation and benefits	771	930
Other current liabilities	1,698	1,781
Total current liabilities	4,666	4,752
Long-term debt	4,820	4,820
Loss contingency for Macondo well incident	1,022	300
Employee compensation and benefits	566	607
Other liabilities	873	1,141
Total liabilities	11,947	11,620
Shareholders' equity:		
Common shares, par value \$2.50 per share - authorized 2,000 shares, issued 1,073 shares	2,681	2,682
Paid-in capital in excess of par value	485	486
Accumulated other comprehensive loss	(303)	(309)
Retained earnings	17,048	17,182
Treasury stock, at cost - 142 and 144 shares	(4,201)	(4,276)
Company shareholders' equity	15,710	15,765
Noncontrolling interest in consolidated subsidiaries	27	25
Total shareholders' equity	15,737	15,790
Total liabilities and shareholders' equity	\$ 27,684	\$ 27,410

See notes to condensed consolidated financial statements.

HALLIBURTON COMPANY
Condensed Consolidated Statements of Cash Flows
(Unaudited)

<i>Millions of dollars</i>	Three Months Ended March 31	
	2013	2012
Cash flows from operating activities:		
Net income (loss)	\$ (16)	\$ 630
Adjustments to reconcile net income (loss) to net cash flows from operating activities:		
Loss contingency for Macondo well incident	1,000	300
Depreciation, depletion, and amortization	448	385
Other changes:		
Receivables	(406)	(233)
Payment of Barracuda-Caratinga obligation	(219)	—
Accounts payable	158	104
Inventories	(70)	(346)
Other	(546)	(106)
Total cash flows from operating activities	349	734
Cash flows from investing activities:		
Capital expenditures	(685)	(782)
Purchases of investment securities	(28)	(100)
Sales of investment securities	9	150
Other investing activities	53	5
Total cash flows from investing activities	(651)	(727)
Cash flows from financing activities:		
Dividends to shareholders	(116)	(83)
Other financing activities	(29)	34
Total cash flows from financing activities	(145)	(49)
Effect of exchange rate changes on cash	(8)	(1)
Decrease in cash and equivalents	(455)	(43)
Cash and equivalents at beginning of period	2,484	2,698
Cash and equivalents at end of period	\$ 2,029	\$ 2,655
Supplemental disclosure of cash flow information:		
Cash payments during the period for:		
Interest	\$ 123	\$ 122
Income taxes	\$ 137	\$ 165

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 2012 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, 2013, and the results of our operations and our cash flows for the three months ended March 31, 2013 and 2012. Such adjustments are of a normal recurring nature. In addition, certain reclassifications of prior period balances have been made to conform to 2013 classifications. The results of our operations for the three months ended March 31, 2013 may not be indicative of results for the full year.

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.

The following table presents information on our business segments. "Corporate and other" includes expenses related to support functions and corporate executives. Also included are certain gains and losses not attributable to a particular business segment (such as the loss contingencies related to the Macondo well incident recorded in "Corporate and other" during the first quarters of 2013 and 2012).

Intersegment revenue was immaterial. Our equity in earnings and losses of unconsolidated affiliates that are accounted for by the equity method of accounting are included in revenue and operating income of the applicable segment.

<i>Millions of dollars</i>	Three Months Ended March 31	
	2013	2012
Revenue:		
Completion and Production	\$ 4,100	\$ 4,290
Drilling and Evaluation	2,874	2,578
Total revenue	\$ 6,974	\$ 6,868
Operating income (loss):		
Completion and Production	\$ 615	\$ 1,036
Drilling and Evaluation	407	368
Total operations	1,022	1,404
Corporate and other	(1,120)	(381)
Total operating income (loss)	\$ (98)	\$ 1,023
Interest expense, net of interest income	(71)	(74)
Other, net	(14)	(7)
Income (loss) from continuing operations before income taxes	\$ (183)	\$ 942

Receivables

As of March 31, 2013, 35% of our gross trade receivables were from customers in the United States. As of December 31, 2012, 36% of our gross trade receivables were from customers in the United States. No other country or single customer accounted for more than 10% of our gross trade receivables at these dates.

Note 3. Inventories

Inventories are stated at the lower of cost or market 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 \$155 million as of March 31, 2013 and \$139 million as of December 31, 2012. If the average cost method had been used, total inventories would have been \$39 million higher than reported as of March 31, 2013 and \$41 million higher than reported as of December 31, 2012. The cost of the remaining inventory was recorded on the average cost method. Inventories consisted of the following:

<i>Millions of dollars</i>	March 31, 2013	December 31, 2012
Finished products and parts	\$ 2,301	\$ 2,264
Raw materials and supplies	828	793
Work in process	128	129
Total	\$ 3,257	\$ 3,186

Finished products and parts are reported net of obsolescence reserves of \$123 million as of March 31, 2013 and \$114 million as of December 31, 2012.

Note 4. Shareholders' Equity

The following tables summarize our shareholders' equity activity:

<i>Millions of dollars</i>	Total shareholders' equity	Company shareholders' equity	Noncontrolling interest in consolidated subsidiaries
Balance at December 31, 2012	\$ 15,790	\$ 15,765	\$ 25
Transactions with shareholders	73	74	(1)
Comprehensive income (loss)	(10)	(13)	3
Payments of dividends to shareholders	(116)	(116)	—
Balance at March 31, 2013	\$ 15,737	\$ 15,710	\$ 27

<i>Millions of dollars</i>	Total shareholders' equity	Company shareholders' equity	Noncontrolling interest in consolidated subsidiaries
Balance at December 31, 2011	\$ 13,216	\$ 13,198	\$ 18
Transactions with shareholders	94	95	(1)
Comprehensive income	637	634	3
Payments of dividends to shareholders	(83)	(83)	—
Balance at March 31, 2012	\$ 13,864	\$ 13,844	\$ 20

During the three months ended March 31, 2013, we repurchased 1.2 million shares of our common stock under our existing share repurchase program for a total cost of approximately \$50 million at an average price of \$40.70 per share. Under the program, we are authorized to purchase shares with a market value of up to \$5.0 billion. Since the inception of the program in February 2006, we have purchased 97 million shares at a total cost of approximately \$3.3 billion.

In February 2013, the Board of Directors declared a dividend of \$0.125 per common share for the first quarter of 2013, reflecting an increase of \$0.035 per share over the quarterly dividend rate during 2012. The dividend was paid in March 2013.

Accumulated other comprehensive loss consisted of the following:

<i>Millions of dollars</i>	March 31, 2013	December 31, 2012
Defined benefit and other postretirement liability adjustments	\$ (237)	\$ (241)
Cumulative translation adjustments	(68)	(69)
Other	2	1
Total accumulated other comprehensive loss	\$ (303)	\$ (309)

Amounts reclassified out of accumulated other comprehensive loss for the three months ended March 31, 2013 and 2012 were not material. Additionally, the tax effects allocated to each component of other comprehensive income for the three months ended March 31, 2013 and 2012 were not material.

Note 5. KBR Separation

During 2007, we completed the separation of KBR, Inc. (KBR) from us by exchanging KBR common stock owned by us for our common stock. We entered into various agreements relating to the separation of KBR, including, among others, a Master Separation Agreement and a Tax Sharing Agreement. We recorded a liability reflecting the estimated fair value of the indemnities provided to KBR. Since the separation, we have recorded adjustments to reflect changes to our estimation of our remaining obligation. All such adjustments are recorded in "Income (loss) from discontinued operations, net of income tax (provision) benefit." Amounts accrued relating to our KBR liabilities were included in "Other liabilities" in our condensed consolidated balance sheets and totaled \$219 million as of December 31, 2012. During the first quarter of 2013, we paid \$219 million to satisfy our obligation under a guarantee related to the Barracuda-Caratinga matter, a legacy KBR project. Accordingly, there were no amounts accrued at March 31, 2013.

Tax sharing agreement

The Tax Sharing Agreement provides for the calculation and allocation of United States and certain other jurisdiction tax liabilities between us and KBR for the periods 2001 through the date of separation. The Tax Sharing Agreement is complex, and finalization of amounts owed between KBR and us under the Tax Sharing Agreement can occur only after income tax audits are completed by the taxing authorities and both parties have had time to analyze the results.

During the second quarter of 2012, we sent a notice as required by the Tax Sharing Agreement to KBR requesting the appointment of an arbitrator in accordance with the terms of the Tax Sharing Agreement. This request asked the arbitrator to find that KBR owes us \$256 million pursuant to the Tax Sharing Agreement. KBR denied that it owes us any amount and asserted instead that we owe KBR certain amounts under the Tax Sharing Agreement. KBR also asserted that they believe the Master Separation Agreement controls this matter and demanded arbitration under that agreement. On July 10, 2012, we filed suit in the District Court of Harris County, Texas, seeking to compel KBR to arbitrate this dispute in accordance with the provisions of the Tax Sharing Agreement, rather than the Master Separation Agreement. KBR filed a cross-motion seeking to compel arbitration under the Master Separation Agreement. In September 2012, the court denied our motion and granted KBR's motion to compel arbitration under the Master Separation Agreement. We have filed a notice of appeal, which is pending. The arbitration is scheduled to occur in May 2013. Any unresolved issues remaining after the arbitration will be decided by an accounting referee at a later date. No anticipated recovery amounts or liabilities related to this matter have been recognized in the condensed consolidated financial statements.

Note 6. Commitments and Contingencies

Macondo well incident

Overview. 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 Mississippi Canyon Block 252 in the Gulf of Mexico for the lease operator, BP Exploration & Production, Inc. (BP Exploration), an indirect wholly owned subsidiary of BP p.l.c. We performed a variety of services for BP Exploration, including cementing, mud logging, directional drilling, measurement-while-drilling, and rig data acquisition services. Crude oil flowing from the well site spread across thousands of square miles of the Gulf of Mexico and reached the United States Gulf Coast. Efforts to contain the flow of hydrocarbons from the well were led by the United States government and by BP p.l.c., BP Exploration, and their affiliates (collectively, BP). The flow of hydrocarbons from the well ceased on July 15, 2010, and the well was permanently capped on September 19, 2010. Numerous attempts at estimating the volume of oil spilled have been made by various groups, and on August 2, 2010 the federal government published an estimate that approximately 4.9 million barrels of oil were discharged from the well. There were eleven fatalities and a number of injuries as a result of the Macondo well incident.

We are currently unable to fully estimate the impact the Macondo well incident will have on us. The multi-district litigation (MDL) trial referred to below began on February 25, 2013 and is ongoing. We cannot predict the outcome of the many lawsuits and investigations relating to the Macondo well incident, including orders and rulings of the court that impact the MDL, the results of the MDL trial, the effect that the settlements between BP and the Plaintiffs' Steering Committee (PSC) in the MDL and other settlements may have on claims against us, or whether we might settle with one or more of the parties to any lawsuit or investigation. We have recently participated, and expect to continue to participate, in court-facilitated settlement discussions to resolve a substantial portion of the private claims that are pending in the MDL trial. Our most recent settlement offer includes both Halliburton common stock and cash payments, with the cash components payable over an extended period of time. These discussions are at an advanced stage and, although the discussions have not resulted in a settlement, during the first quarter of 2013 we recorded an additional \$1.0 billion reserve relating to the MDL based on recent settlement discussions. As of March 31, 2013, our aggregate reserve was \$1.3 billion, which consists of a current portion of \$278 million included in "Other current liabilities" and a non-current portion of \$1.0 billion reflected as "Loss contingency for Macondo well incident" on our condensed consolidated balance sheets. This aggregate amount represents a loss contingency that is probable and for which a reasonable estimate of a loss can be made, although we continue to believe that we have substantial legal arguments and defenses against any liability and that BP's indemnity obligation protects us as described below. The settlement discussions do not cover all possible parties and claims relating to the Macondo well incident. Accordingly, there are additional loss contingencies relating to the Macondo well incident that are reasonably possible but for which we cannot make a reasonable estimate. Given the numerous potential developments relating to the MDL and other lawsuits and investigations, which could occur at any time, we may adjust our estimated loss contingency in the future. 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.

Investigations and Regulatory Action. The United States Coast Guard, a component of the United States Department of Homeland Security, and the Bureau of Ocean Energy Management, Regulation and Enforcement (formerly known as the Minerals Management Service and which was replaced effective October 1, 2011 by two new, independent bureaus – the Bureau of Safety and Environmental Enforcement (BSEE) and the Bureau of Ocean Energy Management), a bureau of the United States Department of the Interior, shared jurisdiction over the investigation into the Macondo well incident and formed a joint investigation team that reviewed information and held hearings regarding the incident (Marine Board Investigation). We were named as one of the 16 parties-in-interest in the Marine Board Investigation. The Marine Board Investigation, as well as investigations of the incident that were conducted by The National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling (National Commission) and the National Academy of Sciences, have been completed, and reports issued as a result of those investigations have been critical of BP, Transocean, and us, among others. For example, one or more of those reports have concluded that primary cement failure was a direct cause of the blowout, cement testing performed by an independent laboratory “strongly suggests” that the foam cement slurry used on the Macondo well was unstable, and that numerous other oversights and factors caused or contributed to the cause of the incident, including BP's failure to run a cement bond log, BP's and Transocean's failure to properly conduct and interpret a negative-pressure test, the failure of the drilling crew and our surface data logging specialist to recognize that an unplanned influx of oil, natural gas, or fluid into the well was occurring, communication failures among BP, Transocean, and us, and flawed decisions relating to the design, construction, and testing of barriers critical to the temporary abandonment of the well. The U.S. Chemical Safety and Hazard Investigation Board is also conducting an investigation of the incident.

In October 2011, the 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. According to the BSEE's notice, we did not ensure an adequate barrier to hydrocarbon flow after cementing the production casing and did not detect the influx of hydrocarbons until they were above the blowout preventer stack. 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. We have appealed the INCs to the Interior Board of Land Appeals (IBLA). In January 2012, the IBLA, in response to our and the BSEE's joint request, suspended the appeal and ordered us and the BSEE to file notice within 15 days after the conclusion of the MDL and, within 60 days after the MDL court issues a final decision, to file a proposal for further action in the appeal. The BSEE has announced that the INCs will be reviewed for possible imposition of civil penalties once the appeal has ended. The BSEE has stated that this is the first time the Department of the Interior has issued INCs directly to a contractor that was not the well's operator.

The Cementing Job and Reaction to Reports. We disagree with the reports referred to above regarding many of their findings and characterizations with respect to our cementing and surface data logging services, as applicable, on the Deepwater Horizon. We have provided information to the National Commission, its staff, and representatives of the joint investigation team for the Marine Board Investigation that we believe has been overlooked or omitted from their reports, as applicable. We intend to continue to vigorously defend ourselves in any investigation relating to our involvement with the Macondo well that we believe inaccurately evaluates or depicts our services on the Deepwater Horizon.

The cement slurry on the Deepwater Horizon was designed and prepared pursuant to well condition data provided by BP. Regardless of whether alleged weaknesses in cement design and testing are or are not ultimately established, and regardless of whether the cement slurry was utilized in similar applications or was prepared consistent with industry standards, we believe that had BP and Transocean properly interpreted a negative-pressure test, this test would have revealed any problems with the cement. In addition, had BP designed the Macondo well to allow a full cement bond log test or if BP had conducted even a partial cement bond log test, the test likely would have revealed any problems with the cement. BP, however, elected not to conduct any cement bond log tests, and with Transocean misinterpreted the negative-pressure test, both of which could have resulted in remedial action, if appropriate, with respect to the cementing services.

At this time we cannot predict the impact of the investigations or reports referred to above, or the conclusions of future investigations or reports. We also cannot predict whether any investigations or reports will have an influence on or result in us being named as a party in any action alleging liability or violation of a statute or regulation, whether federal or state and whether criminal or civil.

We intend to continue to cooperate fully with all hearings, investigations, and requests for information relating to the Macondo well incident. We cannot predict the outcome of, or the costs to be incurred in connection with, any of these hearings or investigations, and therefore we cannot predict the potential impact they may have on us.

DOJ Investigations and Actions. On June 1, 2010, the United States Attorney General announced that the Department of Justice (DOJ) was launching civil and criminal investigations into the Macondo well incident to closely examine the actions of those involved, and that the DOJ was working with attorneys general of states affected by the Macondo well incident. The DOJ announced that it was reviewing, among other traditional criminal statutes, possible violations of and liabilities under The Clean Water Act (CWA), The Oil Pollution Act of 1990 (OPA), The Migratory Bird Treaty Act of 1918 (MBTA), and the Endangered Species Act of 1973 (ESA). As part of its criminal investigation, the DOJ is examining certain aspects of our conduct after the incident, including with respect to record-keeping, record retention, post-incident testing and modeling and the retention thereof, securities filings, and public statements by us or our employees, to evaluate whether there has been any violation of federal law.

The CWA provides authority for civil and criminal penalties for discharges of oil into or upon navigable waters of the United States, adjoining shorelines, or in connection with the Outer Continental Shelf Lands Act (OCSLA) in quantities that are deemed harmful. A single discharge event may result in the assertion of numerous violations under the CWA. Criminal sanctions under the CWA can be assessed for negligent discharges (up to \$50,000 per day per violation), for knowing discharges (up to \$100,000 per day per violation), and for knowing endangerment (up to \$2 million per violation), and federal agencies could be precluded from contracting with a company that is criminally sanctioned under the CWA. Civil proceedings under the CWA can be commenced against an “owner, operator, or person in charge of any vessel, onshore facility, or offshore facility from which oil or a hazardous substance is discharged” in violation of the CWA. The civil penalties that can be imposed against responsible parties range from up to \$1,100 per barrel of oil discharged in the case of those found strictly liable to \$4,300 per barrel of oil discharged in the case of those found to have been grossly negligent.

The OPA establishes liability for discharges of oil from vessels, onshore facilities, and offshore facilities into or upon the navigable waters of the United States. Under the OPA, the “responsible party” for the discharging vessel or facility is liable for removal and response costs as well as for damages, including recovery costs to contain and remove discharged oil and damages for injury to natural resources and real or personal property, lost revenues, lost profits, and lost earning capacity. The cap on liability under the OPA is the full cost of removal of the discharged oil plus up to \$75 million for damages, except that the \$75 million cap does not apply in the event the damage was proximately caused by gross negligence or the violation of certain federal safety, construction or operating standards. The OPA defines the set of responsible parties differently depending on whether the source of the discharge is a vessel or an offshore facility. Liability for vessels is imposed on owners and operators; liability for offshore facilities is imposed on the holder of the permit or lessee of the area in which the facility is located.

The MBTA and the ESA provide penalties for injury and death to wildlife and bird species. The MBTA provides that violators are strictly liable and such violations are misdemeanor crimes subject to fines of up to \$15,000 per bird killed and imprisonment of up to six months. The ESA provides for civil penalties for knowing violations that can range up to \$25,000 per violation and, in the case of criminal penalties, up to \$50,000 per violation.

In addition, federal law provides for a variety of fines and penalties, the most significant of which is the Alternative Fines Act. In lieu of the express amount of the criminal fines that may be imposed under some of the statutes described above, the Alternative Fines Act provides for a fine in the amount of twice the gross economic loss suffered by third parties, which amount, although difficult to estimate, is significant.

On December 15, 2010, the DOJ filed a civil action seeking damages and injunctive relief against BP Exploration, Anadarko Petroleum Corporation and Anadarko E&P Company LP (together, Anadarko), which had an approximate 25% interest in the Macondo well, certain subsidiaries of Transocean Ltd., and others for violations of the CWA and the OPA. The DOJ's complaint seeks an action declaring that the defendants are strictly liable under the CWA as a result of harmful discharges of oil into the Gulf of Mexico and upon United States shorelines as a result of the Macondo well incident. The complaint also seeks an action declaring that the defendants are strictly liable under the OPA for the discharge of oil that has resulted in, among other things, injury to, loss of, loss of use of, or destruction of natural resources and resource services in and around the Gulf of Mexico and the adjoining United States shorelines and resulting in removal costs and damages to the United States far exceeding \$75 million. BP Exploration has been designated, and has accepted the designation, as a responsible party for the pollution under the CWA and the OPA. Others have also been named as responsible parties, and all responsible parties may be held jointly and severally liable for any damages under the OPA. A responsible party may make a claim for contribution against any other responsible party or against third parties it alleges contributed to or caused the oil spill. In connection with the proceedings discussed below under "Litigation," in April 2011 BP Exploration filed a claim against us for contribution with respect to liabilities incurred by BP Exploration under the OPA or another law, which subsequent court filings have indicated may include the CWA, and requested a judgment that the DOJ assert its claims for OPA financial liability directly against us. We filed a motion to dismiss BP Exploration's claim, and that motion is pending.

We have not been named as a responsible party under the CWA or the OPA in the DOJ civil action, and we do not believe we are a responsible party under the CWA or the OPA. While we are not included in the DOJ's civil complaint, there can be no assurance that the DOJ or other federal or state governmental authorities will not bring an action, whether civil or criminal, against us under the CWA, the OPA, and/or other statutes or regulations. In connection with the DOJ's filing of the civil action, it announced that its criminal and civil investigations are continuing and that it will employ efforts to hold accountable those who are responsible for the incident.

A federal grand jury has been convened in Louisiana to investigate potential criminal conduct in connection with the Macondo well incident. We are cooperating fully with the DOJ's criminal investigation. As of April 26, 2013, the DOJ has not commenced any criminal proceedings against us. We cannot predict the status or outcome of the DOJ's criminal investigation or estimate the potential impact the investigation may have on us or our liability assessment, all of which may change as the investigation progresses. We have had and expect to continue to have discussions with the DOJ regarding the Macondo well incident and associated pre-incident and post-incident conduct.

In November 2012, BP announced that it reached an agreement with the DOJ to resolve all federal criminal charges against it stemming from the Macondo well incident. BP agreed to plead guilty to 14 criminal charges, with 13 of those charges based on the negligent misinterpretation of the negative-pressure test conducted on the Deepwater Horizon. BP also agreed to pay \$4.0 billion, including approximately \$1.3 billion in criminal fines, to take actions to further enhance the safety of drilling operations in the Gulf of Mexico, to a term of five years' probation, and to the appointment of two monitors with four-year terms, one relating to process safety and risk management procedures concerning deepwater drilling in the Gulf of Mexico and one relating to the improvement, implementation, and enforcement of BP's code of conduct.

In January 2013, Transocean announced that it reached an agreement with the DOJ to resolve certain claims for civil penalties and potential criminal claims against it arising from the Macondo well incident. Transocean agreed to plead guilty to one misdemeanor violation of the CWA for negligent discharge of oil into the Gulf of Mexico, to pay \$1.0 billion in CWA penalties and \$400 million in fines and recoveries, to implement certain measures to prevent a recurrence of an uncontrolled discharge of hydrocarbons, and to a term of five years' probation.

Litigation. Since April 21, 2010, plaintiffs have been filing lawsuits relating to the Macondo well incident. Generally, those lawsuits allege either (1) damages arising from the oil spill pollution and contamination (*e.g.*, diminution of property value, lost tax revenue, lost business revenue, lost tourist dollars, inability to engage in recreational or commercial activities) or (2) wrongful death or personal injuries. We are named along with other unaffiliated defendants in more than 650 complaints, most of which are alleged class actions, involving pollution damage claims and at least eight personal injury lawsuits involving four decedents and at least 10 allegedly injured persons who were on the drilling rig at the time of the incident. At least six additional lawsuits naming us and others relate to alleged personal injuries sustained by those responding to the explosion and oil spill. Plaintiffs originally filed the lawsuits described above in federal and state courts throughout the United States. Except for certain lawsuits not yet consolidated, the Judicial Panel on Multi-District Litigation ordered all of the lawsuits against us consolidated in the MDL proceeding before Judge Carl Barbier in the United States Eastern District of Louisiana. The pollution complaints generally allege, among other things, negligence and gross negligence, property damages, taking of protected species, and potential economic losses as a result of environmental pollution and generally seek awards of unspecified economic, compensatory, and punitive damages, as well as injunctive relief. Plaintiffs in these pollution cases have brought suit under various legal provisions, including the OPA, the CWA, the MBTA, the ESA, the OCSLA, the Longshoremen and Harbor Workers Compensation Act, general maritime law, state common law, and various state environmental and products liability statutes.

Furthermore, the pollution complaints include suits brought against us by governmental entities, including the State of Alabama, the State of Florida, the State of Louisiana, the State of Mississippi, numerous local governmental entities, and three Mexican states. Complaints brought against us by at least seven other parishes in Louisiana were dismissed with prejudice, and the dismissal is being appealed by those parishes. The wrongful death and other personal injury complaints generally allege negligence and gross negligence and seek awards of compensatory damages, including unspecified economic damages, and punitive damages. We have retained counsel and are investigating and evaluating the claims, the theories of recovery, damages asserted, and our respective defenses to all of these claims.

Judge Barbier is also presiding over a separate proceeding filed by Transocean under the Limitation of Liability Act (Limitation Action). In the Limitation Action, Transocean seeks to limit its liability for claims arising out of the Macondo well incident to the value of the rig and its freight. While the Limitation Action has been formally consolidated into the MDL, the court is nonetheless, in some respects, treating the Limitation Action as an associated but separate proceeding. In February 2011, Transocean tendered us, along with all other defendants, into the Limitation Action. As a result of the tender, we and all other defendants will be treated as direct defendants to the plaintiffs' claims as if the plaintiffs had sued us and the other defendants directly. In the Limitation Action, the judge intends to determine the allocation of liability among all defendants in the hundreds of lawsuits associated with the Macondo well incident, including those in the MDL proceeding that are pending in his court. Specifically, we believe the judge will determine the liability, limitation, exoneration, and fault allocation with regard to all of the defendants in a trial, which is scheduled to occur in at least two phases and which began on February 25, 2013. The first phase of this portion of the trial is covering issues arising out of the conduct and degree of culpability of various parties allegedly relevant to the loss of well control, the ensuing fire and explosion on and sinking of the Deepwater Horizon, and the initiation of the release of hydrocarbons from the Macondo well. The MDL court has projected September 2013 for the beginning of the second phase of this portion of the trial, which is scheduled to cover actions relating to attempts to control the flow of hydrocarbons from the well and the quantification of hydrocarbons discharged from the well. Subsequent proceedings would be held to the extent triable issues remain unsolved by the first two phases of the trial, settlements, motion practice, or stipulation. Although the DOJ is participating in the first two phases of the trial with regard to BP's conduct and the amount of hydrocarbons discharged from the well, it is anticipated that the DOJ's civil action for the CWA and OPA violations, fines, and penalties will be addressed by the court in a subsequent phase or proceeding. We do not believe that a single apportionment of liability in the Limitation Action is properly applied, particularly with respect to gross negligence and punitive damages, to the hundreds of lawsuits pending in the MDL proceeding.

Damages for the cases tried in the MDL proceeding, including punitive damages, are expected to be tried following the two phases of the trial described above. Under ordinary MDL procedures, such cases would, unless waived by the respective parties, be tried in the courts from which they were transferred into the MDL. It remains unclear, however, what impact the overlay of the Limitation Action will have on where these matters are tried. Discovery with respect to the second phase of the trial is ongoing. The MDL court is currently considering the scope of a potential third phase of the trial.

In April and May 2011, certain defendants in the proceedings described above filed numerous cross claims and third party claims against certain other defendants. BP Exploration and BP America Production Company filed claims against us seeking subrogation, contribution, including with respect to liabilities under the OPA, and direct damages, and alleging negligence, gross negligence, fraudulent conduct, and fraudulent concealment. Transocean filed claims against us seeking indemnification, and subrogation and contribution, including with respect to liabilities under the OPA and for the total loss of the Deepwater Horizon, and alleging comparative fault and breach of warranty of workmanlike performance. Anadarko filed claims against us seeking tort indemnity and contribution, and alleging negligence, gross negligence and willful misconduct, and MOEX Offshore 2007 LLC (MOEX), who had an approximate 10% interest in the Macondo well at the time of the incident, filed a claim against us alleging negligence. Cameron International Corporation (Cameron) (the manufacturer and designer of the blowout preventer), M-I Swaco (provider of drilling fluids and services, among other things), Weatherford U.S. L.P. and Weatherford International, Inc. (together, Weatherford) (providers of casing components, including float equipment and centralizers, and services), and Dril-Quip, Inc. (Dril-Quip) (provider of wellhead systems), each filed claims against us seeking indemnification and contribution, including with respect to liabilities under the OPA in the case of Cameron, and alleging negligence. Additional civil lawsuits may be filed against us. In addition to the claims against us, generally the defendants in the proceedings described above filed claims, including for liabilities under the OPA and other claims similar to those described above, against the other defendants described above. BP has since announced that it has settled those claims between it and each of MOEX, Weatherford, Anadarko, and Cameron. Also, BP and M-I Swaco have dismissed all claims between them.

In April 2011, we filed claims against BP Exploration, BP p.l.c. and BP America Production Company (BP Defendants), M-I Swaco, Cameron, Anadarko, MOEX, Weatherford, Dril-Quip, and numerous entities involved in the post-blowout remediation and response efforts, in each case seeking contribution and indemnification and alleging negligence. Our claims also alleged gross negligence and willful misconduct on the part of the BP Defendants, Anadarko, and Weatherford. We also filed claims against M-I Swaco and Weatherford for contractual indemnification, and against Cameron, Weatherford and Dril-Quip for strict products liability, although the court has since issued orders dismissing all claims asserted against Cameron, Dril-Quip, M-I Swaco and Weatherford in the MDL. We filed our answer to Transocean's Limitation petition denying Transocean's right to limit its liability, denying all claims and responsibility for the incident, seeking contribution and indemnification, and alleging negligence and gross negligence.

Judge Barbier has issued an order, among others, clarifying certain aspects of law applicable to the lawsuits pending in his court. The court ruled that: (1) general maritime law will apply, and therefore all claims brought under state law causes of action were dismissed; (2) general maritime law claims may be brought directly against defendants who are non-"responsible parties" under the OPA with the exception of pure economic loss claims by plaintiffs other than commercial fishermen; (3) all claims for damages, including pure economic loss claims, may be brought under the OPA directly against responsible parties; and (4) punitive damage claims can be brought against both responsible and non-responsible parties under general maritime law. As discussed above, with respect to the ruling that claims for damages may be brought under the OPA against responsible parties, we have not been named as a responsible party under the OPA, but BP Exploration has filed a claim against us for contribution with respect to liabilities incurred by BP Exploration under the OPA.

In September 2011, we filed claims in Harris County, Texas against the BP Defendants seeking damages, including lost profits and exemplary damages, and alleging negligence, grossly negligent misrepresentation, defamation, common law libel, slander, and business disparagement. Our claims allege that the BP Defendants knew or should have known about an additional hydrocarbon zone in the well that the BP Defendants failed to disclose to us prior to our designing the cement program for the Macondo well. The location of the hydrocarbon zones is critical information required prior to performing cementing services and is necessary to achieve desired cement placement. We believe that had the BP Defendants disclosed the hydrocarbon zone to us, we would not have proceeded with the cement program unless it was redesigned, which likely would have required a redesign of the production casing. In addition, we believe that the BP Defendants withheld this information from the report of BP's internal investigation team and from the various investigations discussed above. In connection with the foregoing, we also moved to amend our claims against the BP Defendants in the MDL proceeding to include fraud. The BP Defendants have denied all of the allegations relating to the additional hydrocarbon zone and filed a motion to prevent us from adding our fraud claim in the MDL. In October 2011, our motion to add the fraud claim against the BP Defendants in the MDL proceeding was denied. The court's ruling does not, however, prevent us from using the underlying evidence in our pending claims against the BP Defendants.

In December 2011, BP filed a motion for sanctions against us alleging, among other things, that we destroyed evidence relating to post-incident testing of the foam cement slurry on the Deepwater Horizon and requesting adverse findings against us. The magistrate judge in the MDL proceeding denied BP's motion. BP appealed that ruling, and Judge Barbier affirmed the magistrate judge's decision.

In April 2012, BP announced that it had reached definitive settlement agreements with the PSC to resolve the substantial majority of eligible private economic loss and medical claims stemming from the Macondo well incident. The PSC acts on behalf of individuals and business plaintiffs in the MDL. According to BP, the settlements do not include claims against BP made by the DOJ or other federal agencies or by states and local governments. In addition, the settlements provide that, to the extent permitted by law, BP will assign to the settlement class certain of its claims, rights, and recoveries against Transocean and us for damages, including BP's alleged direct damages such as damages for clean-up expenses and damage to the well and reservoir. We do not believe that our contract with BP Exploration permits the assignment of certain claims to the settlement class without our consent. In April and May, 2012, BP and the PSC filed two settlement agreements and amendments with the MDL court, one agreement addressing economic claims and one agreement addressing medical claims, as well as numerous supporting documents and motions requesting that the court approve, among other things, the certification of the classes for both settlements and a schedule for holding a fairness hearing and approving the settlements. The MDL court has since confirmed certification of the classes for both settlements and granted final approval of the settlements. We objected to the settlements on the grounds set forth above, among other reasons. The MDL court held, however, that we, as a non-settling defendant, lacked standing to object to the settlements but noted that it did not express any opinion as to the validity of BP's assignment of certain claims to the settlement class and that the settlements do not affect any of our procedural or substantive rights in the MDL. We are unable to predict at this time the effect that the settlements may have on claims against us.

In October 2012, the MDL court issued an order dismissing three types of plaintiff claims: (1) claims by or on behalf of owners, lessors, and lessees of real property that allege to have suffered a reduction in the value of real property even though the property was not physically touched by oil and the property was not sold; (2) claims for economic losses based solely on consumers' decisions not to purchase fuel or goods from BP fuel stations and stores based on consumer animosity toward BP; and (3) claims by or on behalf of recreational fishermen, divers, beachgoers, boaters and others that allege damages such as loss of enjoyment of life from their inability to use portions of the Gulf of Mexico for recreational and amusement purposes. The MDL court also noted that we are not liable with respect to those claims under the OPA because we are not a "responsible party" under OPA.

The MDL trial is underway. At the conclusion of the plaintiffs' case we and the other defendants each submitted a motion requesting the MDL court to dismiss certain claims. In March 2013, the MDL court denied our motion and declined to dismiss any claims, including those alleging gross negligence, against BP, Transocean and us. In addition, the MDL court dismissed all claims against M-I Swaco and claims alleging gross negligence against Cameron. In April 2013, the MDL court dismissed all remaining claims against Cameron, leaving BP, Transocean, and us as the remaining defendants.

Also in March 2013, we advised the MDL court that we recently found a rig sample of dry cement blend collected at another well that was cemented before the Macondo well using the same dry cement blend as used on the Macondo production casing. In April 2013, we advised the MDL parties that we recently discovered some additional documents related to the Macondo well incident. BP and others have asked the court to impose sanctions and adverse findings against us because, according to their allegations, we should have identified the cement sample in 2010 and the additional documents by October 2011. The MDL court has not ruled on the requests for sanctions and adverse findings. We believe that the recent discoveries were the result of simple misunderstandings or mistakes, and that sanctions are not warranted.

Testimony relating to the first phase of the MDL trial has been completed. The MDL court has indicated that it will issue a schedule for the parties to provide proposed findings of facts and conclusions of law and for post-trial briefing.

We intend to vigorously defend any litigation, fines, and/or penalties relating to the Macondo well incident and to vigorously pursue any damages, remedies, or other rights available to us as a result of the Macondo well incident. We have incurred and expect to continue to incur significant legal fees and costs, some of which we expect to be covered by indemnity or insurance, as a result of the numerous investigations and lawsuits relating to the incident.

Indemnification and Insurance. Our contract with BP Exploration relating to the Macondo well generally provides for our indemnification by BP Exploration for certain potential claims and expenses relating to the Macondo well incident, including those resulting from pollution or contamination (other than claims by our employees, loss or damage to our property, and any pollution emanating directly from our equipment). Also, under our contract with BP Exploration, we have, among other things, generally agreed to indemnify BP Exploration and other contractors performing work on the well for claims for personal injury of our employees and subcontractors, as well as for damage to our property. In turn, we believe that BP Exploration was obligated to obtain agreement by other contractors performing work on the well to indemnify us for claims for personal injury of their employees or subcontractors, as well as for damages to their property. We have entered into separate indemnity agreements with Transocean and M-I Swaco, under which we have agreed to indemnify those parties for claims for personal injury of our employees and subcontractors and they have agreed to indemnify us for claims for personal injury of their employees and subcontractors.

In April 2011, we filed a lawsuit against BP Exploration in Harris County, Texas to enforce BP Exploration's contractual indemnity and alleging BP Exploration breached certain terms of the contractual indemnity provision. BP Exploration removed that lawsuit to federal court in the Southern District of Texas, Houston Division. We filed a motion to remand the case to Harris County, Texas, and the lawsuit was transferred to the MDL.

BP Exploration, in connection with filing its claims with respect to the MDL proceeding, asked that court to declare that it is not liable to us in contribution, indemnification, or otherwise with respect to liabilities arising from the Macondo well incident. Other defendants in the litigation discussed above have generally denied any obligation to contribute to any liabilities arising from the Macondo well incident.

In January 2012, the court in the MDL proceeding entered an order in response to our and BP's motions for summary judgment regarding certain indemnification matters. The court held that BP is required to indemnify us for third-party compensatory claims, or actual damages, that arise from pollution or contamination that did not originate from our property or equipment located above the surface of the land or water, even if we are found to be grossly negligent. The court did not express an opinion as to whether our conduct amounted to gross negligence, but we do not believe the performance of our services on the Deepwater Horizon constituted gross negligence. The court also held, however, that BP does not owe us indemnity for punitive damages or for civil penalties under the CWA, if any, and that fraud could void the indemnity on public policy grounds, although the court stated that it was mindful that mere failure to perform contractual obligations as promised does not constitute fraud. As discussed above, the DOJ is not seeking civil penalties from us under the CWA. The court in the MDL proceeding deferred ruling on whether our indemnification from BP covers penalties or fines under the OCSLA, whether our alleged breach of our contract with BP Exploration would invalidate the indemnity, and whether we committed an act that materially increased the risk to or prejudiced the rights of BP so as to invalidate the indemnity. We do not believe that we breached our contract with BP Exploration or committed an act that would otherwise invalidate the indemnity. The court's rulings will be subject to appeal at the appropriate time.

In responding to similar motions for summary judgment between Transocean and BP, the court also held that public policy would not bar Transocean's claim for indemnification of compensatory damages, even if Transocean was found to be grossly negligent. The court also held, among other things, that Transocean's contractual right to indemnity does not extend to punitive damages or civil penalties under the CWA.

The rulings in the MDL proceeding regarding the indemnities are based on maritime law and may not bind the determination of similar issues in lawsuits not comprising a part of the MDL proceeding. Accordingly, it is possible that different conclusions with respect to indemnities will be reached by other courts.

Indemnification for criminal fines or penalties, if any, may not be available if a court were to find such indemnification unenforceable as against public policy. In addition, certain state laws, if deemed to apply, would not allow for enforcement of indemnification for gross negligence, and may not allow for enforcement of indemnification of persons who are found to be negligent with respect to personal injury claims.

In addition to the contractual indemnities discussed above, we have a general liability insurance program of \$600 million. Our insurance is 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 March 31, 2013, we have received payments totaling \$95 million from our insurers with respect to covered legal fees incurred in connection with the Macondo well incident. To the extent we incur any losses beyond those covered by indemnification, there can be no assurance that our insurance policies will cover all potential claims and expenses relating to the Macondo well incident. In addition, we may not be insured with respect to civil or criminal fines or penalties, if any, pursuant to the terms of our insurance policies. Insurance coverage can be the subject of uncertainties and, particularly in the event of large claims, potential disputes with insurance carriers, as well as other potential parties claiming insured status under our insurance policies. In connection with our recent settlement discussions, some of our insurance carriers have questioned whether reimbursement of legal fees and related expenses is proper under certain circumstances.

BP's public filings indicate that BP has recognized in excess of \$40 billion in pre-tax charges, excluding offsets for settlement payments received from certain defendants in the proceedings described above under "Litigation," as a result of the Macondo well incident. BP's public filings also indicate that the amount of, among other things, certain natural resource damages with respect to certain OPA claims, some of which may be included in such charges, cannot be reliably estimated as of the dates of those filings.

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., including that we failed to timely disclose the resulting 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. A hearing was held on that motion in July 2006, 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 held a hearing in March 2008, and issued an order November 3, 2008 denying the motion for class certification. The Fund appealed the district court's order to the Fifth Circuit Court of Appeals. The Fifth Circuit affirmed the district court's order denying class certification. On May 13, 2010, the Fund filed a writ of certiorari in the United States Supreme Court. In January 2011, the Supreme Court granted the writ of certiorari and accepted the appeal. The Court heard oral arguments in April 2011 and issued its decision in June 2011, reversing the Fifth Circuit ruling that the Fund needed to prove loss causation in order to obtain class certification. The Court's ruling was limited to the Fifth Circuit's loss causation requirement, and the case was returned to the Fifth Circuit for further consideration of our other arguments for denying class certification. The Fifth Circuit returned the case to the district court, and in January 2012 the court issued an order certifying the class. We filed a Petition for Leave to Appeal with the Fifth Circuit, which was granted and the case is stayed at the district court pending this appeal. In March 2013, the Fifth Circuit heard oral argument in the appeal. We are awaiting a ruling on the appeal from the Fifth Circuit. In spite of its age, the case is at an early stage, and we cannot predict the outcome or consequences thereof. As of March 31, 2013, we had not accrued any amounts related to this matter because we do not believe that a loss is probable. Further, an estimate of possible loss or range of loss related to this matter cannot be made. We intend to vigorously defend this case.

Investigations

We are conducting 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 FCPA and other applicable laws.

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. The e-mail also alleges conflicts of interest, self-dealing, and the failure to act on alleged violations of our COBC and the FCPA. We contacted the DOJ to advise them that we were initiating an internal investigation.

Since the third quarter of 2011, we have been participating in meetings with the DOJ and the SEC to brief them on the status of our investigation and have been producing documents to them both voluntarily and as a result of SEC subpoenas to the company and certain of our current and former officers and employees.

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.

We expect to continue to have discussions with the DOJ and the SEC regarding the Angola and Iraq matters described above and have indicated that we would further update them as our investigations progress. We have engaged outside counsel and independent forensic accountants to assist us with the investigations. We intend to continue to cooperate with the DOJ's and the SEC's inquiries and requests in these investigations. Because these investigations are ongoing, we cannot predict their outcome 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 OPA.

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. Excluding our loss contingency for the Macondo well incident, our accrued liabilities for environmental matters were \$71 million as of March 31, 2013 and \$72 million as of December 31, 2012. 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.

In November 2012, the Company received an Enforcement Notice from the Pennsylvania Department of Environmental Protection (PADEP) regarding an alleged improper disposal of oil field acid in or around Homer City, Pennsylvania between 1999 and 2011. We are currently negotiating with the PADEP to resolve this matter in an amicable manner. We expect the PADEP to assess a penalty in excess of \$100,000 and have therefore accrued for an immaterial amount.

Additionally, we have subsidiaries that have been named as potentially responsible parties along with other third parties for nine federal and state Superfund sites for which we have established reserves. As of March 31, 2013, those nine sites accounted for approximately \$5 million of our \$71 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 March 31, 2013, including \$191 million of surety bonds related to Venezuela. Some of the outstanding letters of credit have triggering events that would entitle a bank to require cash collateralization.

Note 7. 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 or loss per share includes additional common shares that would have been outstanding if potential common shares with a dilutive effect had been issued.

For the three months ended March 31, 2013, we incurred losses from continuing operations attributable to company shareholders and accordingly excluded all potentially dilutive securities from the determination of diluted loss per share as their impact was antidilutive. Excluded from this computation are four million shares of common stock associated with awards granted under employee stock plans as well as options to purchase four million shares of common stock that were outstanding during the three months ended March 31, 2013.

For the three months ended March 31, 2012, differences between basic and diluted weighted average common shares outstanding resulted from the dilutive effect of awards granted under employee stock plans. Excluded from the computation of diluted income per share during the three months ended March 31, 2012 are options to purchase five million shares of common stock that were outstanding. These options were outstanding but were excluded because they were antidilutive, as the option exercise price was greater than the average market price of the common shares.

Note 8. Fair Value of Financial Instruments

At March 31, 2013, we held \$418 million of investments in fixed income securities, with maturities ranging from less than one year to March 2016, compared to \$398 million of investments in fixed income securities held at December 31, 2012. These securities are accounted for as available-for-sale and recorded at fair value as follows:

<i>Millions of dollars</i>	March 31, 2013			December 31, 2012		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Fixed Income Securities:						
U.S. treasuries (a)	\$ 150	\$ —	\$ 150	\$ 150	\$ —	\$ 150
Other (b)	—	268	268	—	248	248
Total	\$ 150	\$ 268	\$ 418	\$ 150	\$ 248	\$ 398

(a) These securities are classified as "Other current assets" in our condensed consolidated balance sheets.

(b) Of these securities, \$144 million are classified as "Other current assets" and \$124 million are classified as "Other assets" on our condensed consolidated balance sheets as of March 31, 2013, compared to \$120 million classified as "Other current assets" and \$128 million classified as "Other assets" as of December 31, 2012. These securities consist primarily of municipal bonds, corporate bonds, and other debt instruments.

The fair value of our Level 1 securities are based on quoted prices in active markets and the fair value of our Level 2 securities are based on quoted prices for identical assets in less active markets. We have no financial instruments measured at fair value using unobservable inputs (Level 3). 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 long-term debt is as follows:

<i>Millions of dollars</i>	March 31, 2013				December 31, 2012			
	Level 1	Level 2	Total fair value	Carrying value	Level 1	Level 2	Total fair value	Carrying value
Long-term debt	\$ 2,295	\$ 3,982	\$ 6,277	\$ 4,820	\$ 1,112	\$ 5,272	\$ 6,384	\$ 4,820

Our Level 1 debt fair values are calculated using quoted prices in active markets for identical liabilities with transactions occurring on the last two days of period-end. Our Level 2 debt fair values are 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. We have no debt measured at fair value using unobservable inputs (Level 3).

Note 9. Revolving Credit Facility

In April 2013, we amended our \$2.0 billion five-year revolving credit facility expiring in 2016. The amendment increased the facility from \$2.0 billion to \$3.0 billion and extended the expiration to 2018. The purpose of the facility is to provide general working capital and credit for other corporate purposes. The full amount of the facility was available as of April 26, 2013.

Note 10. Accounting Standards Recently Adopted

In February 2013, the Financial Accounting Standards Board issued an update to existing guidance on the presentation of comprehensive income. This update requires companies to report the effect of significant reclassifications out of accumulated other comprehensive income (AOCI) by component. For significant items reclassified out of AOCI to net income in their entirety during the reporting period, companies must report the effect on the line items in the statement where net income is presented. For significant items not reclassified to net income in their entirety during the period, companies must provide cross-references in the notes to other disclosures that already provide information about those amounts. We adopted this update effective January 1, 2013 and it did not have a material impact on our condensed consolidated financial statements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

EXECUTIVE OVERVIEW

Organization

We are a leading provider of services and products to the energy industry. We serve 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 through the life of the field. 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 services. The segment consists of Halliburton Production Enhancement, Cementing, Completion Tools, Boots & Coots, 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, and optimize their well construction activities. The segment consists of Halliburton Drill Bits and Services, Wireline and Perforating, Testing and Subsea, Baroid, Sperry Drilling, Landmark Software and Services, 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 significant manufacturing operations in various locations, including the United States, Canada, Malaysia, Mexico, Singapore, and the United Kingdom.

With over 73,000 employees, we operate in approximately 80 countries around the world, and our corporate headquarters are in Houston, Texas and Dubai, United Arab Emirates.

Financial results

During the first quarter of 2013, we produced revenue of \$7.0 billion and an operating loss of \$98 million. Revenue increased \$106 million, or 2%, from the first quarter of 2012 primarily due to increased activity in all of our international regions and the Gulf of Mexico. This was partially offset by lower activity levels and pricing pressure in the United States land market for production enhancement services. The operating loss we experienced in the first quarter of 2013 was attributable to a \$1.0 billion, pre-tax, reserve related to the Macondo well incident. The first quarter of 2012 results were negatively impacted by a \$300 million, pre-tax, reserve related to the Macondo well incident.

Business outlook

We continue to believe in the strength of the long-term fundamentals of our business. Energy demand is expected to increase over the long term driven by economic growth in developing countries despite current underlying downside risks in the industry, such as sluggish growth in developed countries and supply uncertainties associated with geopolitical tensions in the Middle East. Furthermore, development of new resources is expected to be more complex, resulting in increasing service intensity.

In North America, the industry has experienced an activity shift from natural gas plays to oil and liquids-rich basins due to low natural gas prices resulting from continued strong natural gas production. As a result, operators have been optimizing their budgets by focusing on basins with better economics. We anticipate activity levels will improve over the course of the year through a combination of modest rig count growth and continued drilling efficiencies. However, we also expect weak natural gas activity and excess pressure pumping capacity, which may continue to put pressure on stimulation pricing. We currently intend to direct less capital toward the pressure pumping market in 2013.

Outside of North America, revenue and operating income increased in the first quarter of 2013 compared to the first quarter of 2012. We expect to see gradual activity and pricing improvements in those international markets where we anticipate the addition of deepwater rigs and those in which we have made strategic investments in capital and technologies. We also believe that new international unconventional oil and natural gas projects may contribute to activity improvements for the remainder of 2013.

We are continuing to execute several key initiatives in 2013. These initiatives include increasing manufacturing production in the Eastern Hemisphere and reinventing our service delivery platform to lower our delivery costs.

Our operating performance and business outlook are described in more detail in "Business Environment and Results of Operations."

Financial markets, liquidity, and capital resources

The global financial markets can potentially create additional risks for our business. We believe we have invested our cash balances conservatively and secured sufficient financing to help mitigate any near-term negative impact on our operations. For additional information, see "Liquidity and Capital Resources" and "Business Environment and Results of Operations."

LIQUIDITY AND CAPITAL RESOURCES

We ended the first quarter of 2013 with cash and equivalents of \$2.0 billion, compared to \$2.5 billion at the end of 2012. As of March 31, 2013, approximately \$455 million of the \$2.0 billion of cash and equivalents was held by our foreign subsidiaries that would be subject to tax if repatriated. If these funds are needed for our operations in the United States, we would be required to accrue and pay United States taxes to repatriate these funds. However, our intent is to permanently reinvest these funds outside of the United States and our current plans do not demonstrate a need to repatriate them to fund our United States operations. At March 31, 2013, we also held \$418 million of investments in fixed income securities compared to \$398 million at December 31, 2012. These securities are reflected in "Other current assets" and "Other assets" in our condensed consolidated balance sheets.

Significant sources and uses of cash

Cash flows from operating activities were \$349 million in the first quarter of 2013.

Capital expenditures were \$685 million in the first quarter of 2013, and were predominantly made in our Production Enhancement, Boots and Coots, Wireline and Perforating, and Sperry Drilling product service lines. We have also invested additional working capital to support the growth of our business.

During the first quarter of 2013, our primary components of net working capital (receivables, inventories, and accounts payable) increased by \$318 million, primarily due to increased business activity.

In January 2013, we made a \$219 million payment under a guarantee we issued for the Barracuda-Caratinga project.

We paid \$116 million in dividends to our shareholders in the first quarter of 2013.

We also repurchased 1.2 million shares of our common stock during the quarter under our share repurchase program at a cost of approximately \$50 million and at an average price of \$40.70 per share.

Future uses of cash. Capital spending for 2013 is expected to be approximately \$3.0 billion. The capital expenditures plan for 2013 is primarily directed toward our Production Enhancement, Sperry Drilling, Cementing, Boots and Coots, and Wireline and Perforating product service lines with less capital to be directed toward the North America pressure pumping market.

We have been participating in settlement discussions with some of the parties involved in the Macondo Multi-District Litigation. These discussions are at an advanced stage and our most recent offer includes cash components payable over an extended period of time, of which approximately \$278 million would be payable over the next year. See Note 6 to the condensed consolidated financial statements for further discussion of our Macondo reserve.

Subject to Board of Directors approval, we expect to pay dividends representing approximately 15% to 20% of our net income on an annual basis. Currently, our dividend rate is \$0.125 per common share, or approximately \$116 million per quarter. We also have approximately \$1.7 billion remaining available under our share repurchase authorization program. We anticipate making additional purchases of our common stock under this program during the second quarter.

In April 2013, we made a \$172 million earn-out payment related to a prior year acquisition due to significantly better than expected operating performance.

We are continuing to explore 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 large operations.

Other factors affecting liquidity

Guarantee agreements. In the normal course of business, we have agreements with financial institutions under which an aggregate of approximately \$1.8 billion of letters of credit, bank guarantees, or surety bonds were outstanding as of March 31, 2013. Some of the outstanding letters of credit have triggering events that would entitle a bank to require cash collateralization.

Financial position in current market. As of March 31, 2013, we had \$2.0 billion of cash and equivalents, \$418 million in fixed income investments, and a total of \$2.0 billion of available committed bank credit under our revolving credit facility. Reflecting the growth of our company, in April 2013, we executed an amendment to our revolving credit facility, which increased the capacity from \$2.0 billion to \$3.0 billion and extended the maturity to 2018. 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. Although a portion of earnings from our foreign subsidiaries is reinvested outside the United States indefinitely, we do not consider this to have a significant impact on our liquidity. We currently believe that our capital expenditures, working capital investments, and dividends, if any, in 2013 can be fully funded through cash from operations.

As a result, we believe we have a reasonable amount of liquidity and, if necessary, additional financing flexibility given the current market environment to fund our potential contingent liabilities, if any. However, as discussed above in Note 6 to the condensed consolidated financial statements, there are numerous future developments that may arise as a result of the Macondo well incident that could have a material adverse effect on our liquidity.

Credit ratings. Credit ratings for our long-term debt remain A2 with Moody's Investors Service and A with Standard & Poor's. The credit ratings on our short-term debt remain P-1 with Moody's Investors Service and A-1 with Standard & Poor's.

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. For example, we continue to see delays in receiving payment on our receivables from one of our primary customers in Venezuela. Our total outstanding trade receivables in Venezuela at March 31, 2013 were \$383 million, which represents approximately 6% of our gross trade receivables at that date. 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" for further discussion related to Venezuela.

BUSINESS ENVIRONMENT AND RESULTS OF OPERATIONS

We operate in approximately 80 countries to provide a comprehensive range of discrete and integrated services and products to the energy industry. The majority of our consolidated revenue is derived from the sale of services and products to major, national, and independent oil and natural gas companies worldwide. We serve 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 through the life of the field. Our two business segments are the Completion and Production segment and the Drilling and Evaluation segment. The industries we serve are highly competitive with many substantial competitors in each segment. In the first quarter of 2013, based upon the location of the services provided and products sold, 49% of our consolidated revenue was from the United States. In the first quarter of 2012, 56% 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, expropriation or other governmental actions, inflation, foreign currency exchange restrictions, and highly inflationary currencies. 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 levels within our business segments are significantly impacted by spending on upstream exploration, development, and production programs by major, national, and independent oil and natural gas companies. Also impacting our activity is the status of the global economy, which impacts oil and natural gas consumption.

Some of the more significant measures of current and future spending levels of oil and natural gas companies are oil and natural gas prices, the world economy, the availability of credit, government regulation, and global stability, which together drive worldwide drilling activity. Our financial performance is significantly affected by oil and natural gas prices and worldwide rig activity, which are summarized in the following tables. Additionally, our financial performance is impacted by well count in the North America market as a result of improved drilling and completion efficiencies.

This 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
Average Oil Prices (dollars per barrel)	2013	2012	2012
West Texas Intermediate	\$ 94.34	\$ 102.88	\$ 94.15
United Kingdom Brent	112.49	118.49	111.60
Average United States Natural Gas			
Prices (dollars per thousand cubic feet, or Mcf)			
Henry Hub	\$ 3.49	\$ 2.62	\$ 2.81

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

Land vs. Offshore	Three Months Ended		Year Ended
	2013	March 31	December 31
United States:			
Land	1,706	1,948	1,872
Offshore (incl. Gulf of Mexico)	52	42	47
Total	1,758	1,990	1,919
Canada:			
Land	535	591	363
Offshore	1	—	1
Total	536	591	364
International (excluding Canada):			
Land	959	879	931
Offshore	315	310	303
Total	1,274	1,189	1,234
Worldwide total	3,568	3,770	3,517
Land total	3,200	3,418	3,166
Offshore total	368	352	351

Oil vs. Natural Gas	Three Months Ended		Year Ended
	2013	March 31	December 31
United States (incl. Gulf of Mexico):			
Oil	1,332	1,262	1,359
Natural gas	426	728	560
Total	1,758	1,990	1,919
Canada:			
Oil	398	423	261
Natural gas	138	168	103
Total	536	591	364
International (excluding Canada):			
Oil	1,021	942	984
Natural gas	253	247	250
Total	1,274	1,189	1,234
Worldwide total	3,568	3,770	3,517
Oil total	2,751	2,627	2,604
Natural gas total	817	1,143	913

Drilling Type	Three Months Ended		Year Ended
	2013	March 31	December 31
United States (incl. Gulf of Mexico):			
Horizontal	1,127	1,172	1,151
Vertical	441	601	552
Directional	190	217	216
Total	1,758	1,990	1,919

Our customers' cash flows, in most instances, depend upon the revenue they generate from the sale of oil and natural gas. Lower oil and natural gas prices usually translate into lower exploration and production budgets, while the opposite is true for higher oil and natural gas prices.

WTI oil spot prices fluctuated throughout 2012 between a low of approximately \$78 per barrel to a high of approximately \$109 per barrel. Brent oil spot prices fluctuated between a low of approximately \$89 per barrel to a high of approximately \$128 per barrel during this same period. During the first quarter of 2013, WTI and Brent oil spot prices averaged approximately \$94 and \$112 per barrel, a slight decrease from prices experienced in the first quarter of 2012. Prices have remained somewhat volatile as geopolitical tension in the Middle East, global economic uncertainty surrounding the upheaval in European banks, and slower growth expectations in Asia have impacted demand. The outlook for world petroleum demand for the remainder of 2013 appears mixed, with the International Energy Agency's April 2013 "Oil Market Report" continuing to forecast 2013 demand to increase approximately 0.9% over 2012 levels.

Natural gas prices in the United States have increased approximately 33% from the first quarter of 2012 due to an increase in storage withdrawals as a result of colder temperatures in conjunction with a 32% decline in natural gas inventories from the same period in 2012. The United States Energy Information Administration's April 2013 "Short Term Energy Outlook" forecasts a decline in natural gas used for electricity generation, and we foresee significant natural gas price constraints in the near-term as natural gas competes as a fuel source in the power generation market.

In spite of this tempered outlook, we believe that, over the long term, hydrocarbon demand will generally increase. Increased demand, combined with the underlying trends of smaller and more complex reservoirs, high depletion rates, and the need for continual reserve replacement, should drive the long-term need for our services and products.

North America operations

Volatility in oil and natural gas prices can impact our customers' drilling and production activities, particularly in North America. For the first quarter of 2013, the average natural gas directed rig count fell by 332 rigs, or 37%, from the first quarter of 2012. The curtailment of natural gas activity along with the influx of stimulation equipment into the industry have resulted in overcapacity and pricing pressure for hydraulic fracturing services, which we expect to persist throughout 2013. Activity levels in Canada have also yet to return fully to levels seen during the same period in prior years. In the long run, we believe the shift to unconventional oil, liquids-rich, and natural gas basins in North America will continue to drive increased service intensity and will require higher demand in fluid chemistry and other technologies required for these complex reservoirs which will benefit our operations.

In the Gulf of Mexico, deepwater drilling activity has returned to levels experienced before the Macondo incident. Improvement in the performance of many of our product service lines in this region is due to the 17% increase in the offshore rig count from the first quarter of 2012, in addition to the efficiencies and integrated solutions we offer that save our customers time and enhance productivity. Over the long term, the continued growth in the Gulf of Mexico is dependent on, among other things, governmental approvals for permits, our customers' actions, and new deepwater rigs entering the market.

International operations

The industry experienced steady volume increases during 2012, with average international rig count improving by 6% over 2011. These volume increases have led to meaningful absorption of equipment supply and we are now seeing opportunities for price improvements in select geographies. We anticipate that activity increases will remain steady as we believe that operator spending outlook will be impacted by ongoing macroeconomic concerns. We also believe that international unconventional oil and natural gas and deepwater projects will contribute to activity improvements over the long term, and we plan to leverage our extensive experience in North America to optimize these opportunities. During the first quarter of 2013, revenue outside North America increased 21% and operating income outside of North America increased 22% from the first quarter of 2012, as a result of our growth in unconventional activity overseas. Consistent with our long-term strategy to grow our operations outside of North America, we also expect to continue to invest in capital equipment for our international operations.

Venezuela. As of March 31, 2013, our total net investment in Venezuela was approximately \$333 million, including net monetary assets of \$100 million denominated in Bolívar Fuerte. Our total outstanding trade receivables in Venezuela were \$383 million, or approximately 6% of our gross trade receivables, as of March 31, 2013, compared to \$491 million, or approximately 9% of our gross trade receivables, as of December 31, 2012. We continue to see delays in receiving payment on our receivables from our primary customer in Venezuela. In addition, at March 31, 2013 we had \$191 million of surety bond guarantees outstanding relating to our Venezuelan operations.

In February 2013, the Venezuelan government announced a devaluation of the Bolívar Fuerte, from the preexisting exchange rate of 4.3 Bolívar Fuertes per United States dollar to 6.3 Bolívar Fuertes per United States dollar, resulting in us incurring a foreign currency loss. However, the net foreign currency impact of Bolívar Fuertes activity in the first quarter of 2013 was not material, though further devaluation of the Bolívar Fuerte could impact our operations. For additional information, see Part I, Item 1(a), "Risk Factors" in our 2012 Annual Report on Form 10-K.

Initiatives

Following is a brief discussion of some of our recent and current initiatives:

- focusing on unconventional plays, mature fields, and deepwater markets by leveraging our broad technology offerings to provide value to our customers through integrated solutions and the ability to more efficiently drill and complete their wells;
- exploring 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 large operations;
- making key investments in technology and capital to accelerate growth opportunities. To that end, we are continuing to push our technology and manufacturing development, as well as our supply chain, closer to our customers in the Eastern Hemisphere;
- improving working capital, and managing our balance sheet to maximize our financial flexibility. We are deploying a global project to improve service delivery that we expect to result in, among other things, additional investments in our systems and significant improvements to our current order-to-cash and purchase-to-pay processes;
- growing our international revenues and margins through achieving a better geographical balance in our business going forward, as well as improving our North America margins;
- continuing to seek ways to be one of the most cost efficient service providers in the industry by maintaining capital discipline and using our scale and breadth of operations; and
- expanding our business with national oil companies.

RESULTS OF OPERATIONS IN 2013 COMPARED TO 2012**Three Months Ended March 31, 2013 Compared with Three Months Ended March 31, 2012**

REVENUE: <i>Millions of dollars</i>	Three Months Ended March 31		Favorable (Unfavorable)	Percentage Change
	2013	2012		
Completion and Production	\$ 4,100	\$ 4,290	\$ (190)	(4)%
Drilling and Evaluation	2,874	2,578	296	11
Total revenue	\$ 6,974	\$ 6,868	\$ 106	2 %

By geographic region:

Completion and Production:				
North America	\$ 2,745	\$ 3,182	\$ (437)	(14)%
Latin America	355	306	49	16
Europe/Africa/CIS	532	456	76	17
Middle East/Asia	468	346	122	35
Total	4,100	4,290	(190)	(4)
Drilling and Evaluation:				
North America	961	986	(25)	(3)
Latin America	590	474	116	24
Europe/Africa/CIS	655	556	99	18
Middle East/Asia	668	562	106	19
Total	2,874	2,578	296	11
Total revenue by region:				
North America	3,706	4,168	(462)	(11)
Latin America	945	780	165	21
Europe/Africa/CIS	1,187	1,012	175	17
Middle East/Asia	1,136	908	228	25

OPERATING INCOME: <i>Millions of dollars</i>	Three Months Ended March 31		Favorable (Unfavorable)	Percentage Change
	2013	2012		
Completion and Production	\$ 615	\$ 1,036	\$ (421)	(41)%
Drilling and Evaluation	407	368	39	11
Corporate and other	(1,120)	(381)	(739)	194
Total operating income (loss)	\$ (98)	\$ 1,023	\$ (1,121)	(110)%

By geographic region:

Completion and Production:				
North America	\$ 432	\$ 871	\$ (439)	(50)%
Latin America	28	55	(27)	(49)
Europe/Africa/CIS	64	57	7	12
Middle East/Asia	91	53	38	72
Total	615	1,036	(421)	(41)
Drilling and Evaluation:				
North America	173	190	(17)	(9)
Latin America	81	67	14	21
Europe/Africa/CIS	57	40	17	43
Middle East/Asia	96	71	25	35
Total	407	368	39	11
Total operating income by region (excluding Corporate and other):				
North America	605	1,061	(456)	(43)
Latin America	109	122	(13)	(11)
Europe/Africa/CIS	121	97	24	25
Middle East/Asia	187	124	63	51

The 2% increase in consolidated revenue in the first quarter of 2013 compared to the first quarter of 2012 was a result of activity growth across all international regions. Revenue outside North America was 47% of consolidated revenue in the first quarter of 2013 and 39% of consolidated revenue in the first quarter of 2012.

The decrease of \$1.1 billion, or 110%, in consolidated operating income in the first quarter of 2013 compared to the first quarter of 2012 was primarily due to a \$1.0 billion, pre-tax, loss contingency related to the Macondo well incident that was recorded in the first quarter of 2013, compared to a \$300 million, pre-tax, Macondo-related loss contingency recorded in the first quarter of 2012. Additionally, we experienced reduced activity levels and pricing constraints in North America, which were partially offset by strong results in our international regions.

Completion and Production revenue decreased by 4% due to reduced stimulation activities in North America. North America revenue declined 14% from the first three months of 2012, as a result of the downturn in production enhancement services in the United States land market. Latin America revenue was up 16% due to increased completion tools sales in Brazil and higher unconventional stimulation activity in Mexico. Europe/Africa/CIS revenue increased 17%, with completions activity in Norway, the United Kingdom, and Angola driving the change. Middle East/Asia revenue improved 35% due to higher activity for all product lines in Australia and Saudi Arabia and increased completion tools sales in Malaysia. Revenue outside North America was 33% of total segment revenue in the first three months of 2013 and 26% of total segment revenue in the first three months of 2012.

Completion and Production operating income decreased 41% compared to the first quarter of 2012, as pricing pressure and reduced operator activities continued to impact production enhancement margins in North America. North America operating income declined 50% as a result of reduced profitability for stimulation activities in the United States land market. Latin America operating income fell 49% due to increased costs for cementing throughout the region and in the Boots & Coots product service line in Mexico. Europe/Africa/CIS operating income was up 12%, primarily due to increased completions activity in Angola and the United Kingdom, which was partially offset by a decline in Boots & Coots activity in the Congo. Middle East/Asia operating income improved 72% due to higher activity across most product lines in Australia and Saudi Arabia and increased completions activity in southeast Asia.

Drilling and Evaluation revenue was up 11% compared to the first quarter of 2012 on the strength of international drilling activity. North America revenue decreased 3%, as drilling and wireline activity declines in the United States land market were partially offset by a recovery of drilling activities in the Gulf of Mexico. Latin America revenue improved 24% as a result of heightened drilling activities throughout most of the region, particularly Mexico and Brazil. Europe/Africa/CIS revenue increased 18% due to higher drilling activities in Norway and Azerbaijan, which were partially offset by reduced activity in Algeria. Middle East/Asia revenue improved 19% due to higher activity levels in Saudi Arabia and Indonesia and increased direct sales in China. Revenue outside North America was 67% of total segment revenue in the first quarter of 2013 and 62% of total segment revenue in the first quarter of 2012.

Drilling and Evaluation operating income increased 11% compared to the first quarter of 2012, as strong growth in our international regions more than offset reductions in the North America. North America operating income decreased 9%, as lower demand for drilling and wireline service in the United States land market was partially offset by the recovery of deepwater activities in the Gulf of Mexico. Latin America operating income was up 21%, driven by market share growth and cost reductions for Baroid in Brazil and increased demand for drilling services in Mexico, which were partially offset by higher costs for offshore activities in Brazil. Europe/Africa/CIS region operating income increased 43%, as demand improved for drilling services in Azerbaijan and Russia and higher Baroid sales in Norway and Angola. These increases were partially offset by lower drilling activities in Tanzania. Middle East/Asia operating income improved 35% as a result of higher demand for drilling services in Australasia, Indonesia, the Middle East, and China and higher wireline sales and services in China and Malaysia.

Corporate and other expenses were \$1.1 billion in the first quarter of 2013 compared to \$381 million in the first quarter of 2012. The significant increase was due to a \$1.0 billion, pre-tax, Macondo-related loss contingency that was recorded in the first quarter of 2013, compared to a \$300 million, pre-tax, Macondo-related loss contingency recorded in the first quarter of 2012.

NONOPERATING ITEMS

Effective tax rate. The effective tax rate on continuing operations in the first quarter of 2013 was positively impacted by federal tax benefits of approximately \$50 million due to the reinstatement of certain tax benefits and credits related to the enactment during the quarter of the American Taxpayer Relief Act of 2012. However, our effective tax rate experienced an unusual alteration when we recorded a \$1.0 billion, pre-tax, loss contingency related to the Macondo well incident in the first quarter of 2013 which shifted us into a loss from continuing operations for the period. Additionally, our effective tax rate was impacted by lower tax rates in certain foreign jurisdictions, as we continue to reposition our technology, supply chain, and manufacturing infrastructure to more effectively serve our customers' international operations.

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 6 to the condensed consolidated financial statements, Part II, Item 1, "Legal Proceedings" and Part II, 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-Q are forward-looking and use words like "may," "may not," "believes," "do not believe," "plans," "estimates," "intends," "expects," "do not expect," "anticipates," "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 2012 Annual Report on Form 10-K. Our exposure to market risk has not changed materially since December 31, 2012.

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, 2013 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 March 31, 2013 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

Macondo well incident

Overview. 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 Mississippi Canyon Block 252 in the Gulf of Mexico for the lease operator, BP Exploration & Production, Inc. (BP Exploration), an indirect wholly owned subsidiary of BP p.l.c. We performed a variety of services for BP Exploration, including cementing, mud logging, directional drilling, measurement-while-drilling, and rig data acquisition services. Crude oil flowing from the well site spread across thousands of square miles of the Gulf of Mexico and reached the United States Gulf Coast. Efforts to contain the flow of hydrocarbons from the well were led by the United States government and by BP p.l.c., BP Exploration, and their affiliates (collectively, BP). The flow of hydrocarbons from the well ceased on July 15, 2010, and the well was permanently capped on September 19, 2010. Numerous attempts at estimating the volume of oil spilled have been made by various groups, and on August 2, 2010 the federal government published an estimate that approximately 4.9 million barrels of oil were discharged from the well. There were eleven fatalities and a number of injuries as a result of the Macondo well incident.

We are currently unable to fully estimate the impact the Macondo well incident will have on us. The multi-district litigation (MDL) trial referred to below began on February 25, 2013 and is ongoing. We cannot predict the outcome of the many lawsuits and investigations relating to the Macondo well incident, including orders and rulings of the court that impact the MDL, the results of the MDL trial, the effect that the settlements between BP and the Plaintiffs' Steering Committee (PSC) in the MDL and other settlements may have on claims against us, or whether we might settle with one or more of the parties to any lawsuit or investigation. We have recently participated, and expect to continue to participate, in court-facilitated settlement discussions to resolve a substantial portion of the private claims that are pending in the MDL trial. Our most recent settlement offer includes both Halliburton common stock and cash payments, with the cash components payable over an extended period of time. These discussions are at an advanced stage and, although the discussions have not resulted in a settlement, during the first quarter of 2013 we recorded an additional \$1.0 billion reserve relating to the MDL based on recent settlement discussions. As of March 31, 2013, our aggregate reserve was \$1.3 billion, which consists of a current portion of \$278 million included in "Other current liabilities" and a non-current portion of \$1.0 billion reflected as "Loss contingency for Macondo well incident" on our condensed consolidated balance sheets. This aggregate amount represents a loss contingency that is probable and for which a reasonable estimate of a loss can be made, although we continue to believe that we have substantial legal arguments and defenses against any liability and that BP's indemnity obligation protects us as described below. The settlement discussions do not cover all possible parties and claims relating to the Macondo well incident. Accordingly, there are additional loss contingencies relating to the Macondo well incident that are reasonably possible but for which we cannot make a reasonable estimate. Given the numerous potential developments relating to the MDL and other lawsuits and investigations, which could occur at any time, we may adjust our estimated loss contingency in the future. 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.

Investigations and Regulatory Action. The United States Coast Guard, a component of the United States Department of Homeland Security, and the Bureau of Ocean Energy Management, Regulation and Enforcement (formerly known as the Minerals Management Service and which was replaced effective October 1, 2011 by two new, independent bureaus – the Bureau of Safety and Environmental Enforcement (BSEE) and the Bureau of Ocean Energy Management), a bureau of the United States Department of the Interior, shared jurisdiction over the investigation into the Macondo well incident and formed a joint investigation team that reviewed information and held hearings regarding the incident (Marine Board Investigation). We were named as one of the 16 parties-in-interest in the Marine Board Investigation. The Marine Board Investigation, as well as investigations of the incident that were conducted by The National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling (National Commission) and the National Academy of Sciences, have been completed, and reports issued as a result of those investigations have been critical of BP, Transocean, and us, among others. For example, one or more of those reports have concluded that primary cement failure was a direct cause of the blowout, cement testing performed by an independent laboratory "strongly suggests" that the foam cement slurry used on the Macondo well was unstable, and that numerous other oversights and factors caused or contributed to the cause of the incident, including BP's failure to run a cement bond log, BP's and Transocean's failure to properly conduct and interpret a negative-pressure test, the failure of the drilling crew and our surface data logging specialist to recognize that an unplanned influx of oil, natural gas, or fluid into the well was occurring, communication failures among BP, Transocean, and us, and flawed decisions relating to the design, construction, and testing of barriers critical to the temporary abandonment of the well. The U.S. Chemical Safety and Hazard Investigation Board is also conducting an investigation of the incident.

In October 2011, the 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. According to the BSEE's notice, we did not ensure an adequate barrier to hydrocarbon flow after cementing the production casing and did not detect the influx of hydrocarbons until they were above the blowout preventer stack. 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. We have appealed the INCs to the Interior Board of Land Appeals (IBLA). In January 2012, the IBLA, in response to our and the BSEE's joint request, suspended the appeal and ordered us and the BSEE to file notice within 15 days after the conclusion of the MDL and, within 60 days after the MDL court issues a final decision, to file a proposal for further action in the appeal. The BSEE has announced that the INCs will be reviewed for possible imposition of civil penalties once the appeal has ended. The BSEE has stated that this is the first time the Department of the Interior has issued INCs directly to a contractor that was not the well's operator.

The Cementing Job and Reaction to Reports. We disagree with the reports referred to above regarding many of their findings and characterizations with respect to our cementing and surface data logging services, as applicable, on the Deepwater Horizon. We have provided information to the National Commission, its staff, and representatives of the joint investigation team for the Marine Board Investigation that we believe has been overlooked or omitted from their reports, as applicable. We intend to continue to vigorously defend ourselves in any investigation relating to our involvement with the Macondo well that we believe inaccurately evaluates or depicts our services on the Deepwater Horizon.

The cement slurry on the Deepwater Horizon was designed and prepared pursuant to well condition data provided by BP. Regardless of whether alleged weaknesses in cement design and testing are or are not ultimately established, and regardless of whether the cement slurry was utilized in similar applications or was prepared consistent with industry standards, we believe that had BP and Transocean properly interpreted a negative-pressure test, this test would have revealed any problems with the cement. In addition, had BP designed the Macondo well to allow a full cement bond log test or if BP had conducted even a partial cement bond log test, the test likely would have revealed any problems with the cement. BP, however, elected not to conduct any cement bond log tests, and with Transocean misinterpreted the negative-pressure test, both of which could have resulted in remedial action, if appropriate, with respect to the cementing services.

At this time we cannot predict the impact of the investigations or reports referred to above, or the conclusions of future investigations or reports. We also cannot predict whether any investigations or reports will have an influence on or result in us being named as a party in any action alleging liability or violation of a statute or regulation, whether federal or state and whether criminal or civil.

We intend to continue to cooperate fully with all hearings, investigations, and requests for information relating to the Macondo well incident. We cannot predict the outcome of, or the costs to be incurred in connection with, any of these hearings or investigations, and therefore we cannot predict the potential impact they may have on us.

DOJ Investigations and Actions. On June 1, 2010, the United States Attorney General announced that the Department of Justice (DOJ) was launching civil and criminal investigations into the Macondo well incident to closely examine the actions of those involved, and that the DOJ was working with attorneys general of states affected by the Macondo well incident. The DOJ announced that it was reviewing, among other traditional criminal statutes, possible violations of and liabilities under The Clean Water Act (CWA), The Oil Pollution Act of 1990 (OPA), The Migratory Bird Treaty Act of 1918 (MBTA), and the Endangered Species Act of 1973 (ESA). As part of its criminal investigation, the DOJ is examining certain aspects of our conduct after the incident, including with respect to record-keeping, record retention, post-incident testing and modeling and the retention thereof, securities filings, and public statements by us or our employees, to evaluate whether there has been any violation of federal law.

The CWA provides authority for civil and criminal penalties for discharges of oil into or upon navigable waters of the United States, adjoining shorelines, or in connection with the Outer Continental Shelf Lands Act (OCSLA) in quantities that are deemed harmful. A single discharge event may result in the assertion of numerous violations under the CWA. Criminal sanctions under the CWA can be assessed for negligent discharges (up to \$50,000 per day per violation), for knowing discharges (up to \$100,000 per day per violation), and for knowing endangerment (up to \$2 million per violation), and federal agencies could be precluded from contracting with a company that is criminally sanctioned under the CWA. Civil proceedings under the CWA can be commenced against an "owner, operator, or person in charge of any vessel, onshore facility, or offshore facility from which oil or a hazardous substance is discharged" in violation of the CWA. The civil penalties that can be imposed against responsible parties range from up to \$1,100 per barrel of oil discharged in the case of those found strictly liable to \$4,300 per barrel of oil discharged in the case of those found to have been grossly negligent.

The OPA establishes liability for discharges of oil from vessels, onshore facilities, and offshore facilities into or upon the navigable waters of the United States. Under the OPA, the “responsible party” for the discharging vessel or facility is liable for removal and response costs as well as for damages, including recovery costs to contain and remove discharged oil and damages for injury to natural resources and real or personal property, lost revenues, lost profits, and lost earning capacity. The cap on liability under the OPA is the full cost of removal of the discharged oil plus up to \$75 million for damages, except that the \$75 million cap does not apply in the event the damage was proximately caused by gross negligence or the violation of certain federal safety, construction or operating standards. The OPA defines the set of responsible parties differently depending on whether the source of the discharge is a vessel or an offshore facility. Liability for vessels is imposed on owners and operators; liability for offshore facilities is imposed on the holder of the permit or lessee of the area in which the facility is located.

The MBTA and the ESA provide penalties for injury and death to wildlife and bird species. The MBTA provides that violators are strictly liable and such violations are misdemeanor crimes subject to fines of up to \$15,000 per bird killed and imprisonment of up to six months. The ESA provides for civil penalties for knowing violations that can range up to \$25,000 per violation and, in the case of criminal penalties, up to \$50,000 per violation.

In addition, federal law provides for a variety of fines and penalties, the most significant of which is the Alternative Fines Act. In lieu of the express amount of the criminal fines that may be imposed under some of the statutes described above, the Alternative Fines Act provides for a fine in the amount of twice the gross economic loss suffered by third parties, which amount, although difficult to estimate, is significant.

On December 15, 2010, the DOJ filed a civil action seeking damages and injunctive relief against BP Exploration, Anadarko Petroleum Corporation and Anadarko E&P Company LP (together, Anadarko), which had an approximate 25% interest in the Macondo well, certain subsidiaries of Transocean Ltd., and others for violations of the CWA and the OPA. The DOJ’s complaint seeks an action declaring that the defendants are strictly liable under the CWA as a result of harmful discharges of oil into the Gulf of Mexico and upon United States shorelines as a result of the Macondo well incident. The complaint also seeks an action declaring that the defendants are strictly liable under the OPA for the discharge of oil that has resulted in, among other things, injury to, loss of, loss of use of, or destruction of natural resources and resource services in and around the Gulf of Mexico and the adjoining United States shorelines and resulting in removal costs and damages to the United States far exceeding \$75 million. BP Exploration has been designated, and has accepted the designation, as a responsible party for the pollution under the CWA and the OPA. Others have also been named as responsible parties, and all responsible parties may be held jointly and severally liable for any damages under the OPA. A responsible party may make a claim for contribution against any other responsible party or against third parties it alleges contributed to or caused the oil spill. In connection with the proceedings discussed below under “Litigation,” in April 2011 BP Exploration filed a claim against us for contribution with respect to liabilities incurred by BP Exploration under the OPA or another law, which subsequent court filings have indicated may include the CWA, and requested a judgment that the DOJ assert its claims for OPA financial liability directly against us. We filed a motion to dismiss BP Exploration’s claim, and that motion is pending.

We have not been named as a responsible party under the CWA or the OPA in the DOJ civil action, and we do not believe we are a responsible party under the CWA or the OPA. While we are not included in the DOJ’s civil complaint, there can be no assurance that the DOJ or other federal or state governmental authorities will not bring an action, whether civil or criminal, against us under the CWA, the OPA, and/or other statutes or regulations. In connection with the DOJ’s filing of the civil action, it announced that its criminal and civil investigations are continuing and that it will employ efforts to hold accountable those who are responsible for the incident.

A federal grand jury has been convened in Louisiana to investigate potential criminal conduct in connection with the Macondo well incident. We are cooperating fully with the DOJ’s criminal investigation. As of April 26, 2013, the DOJ has not commenced any criminal proceedings against us. We cannot predict the status or outcome of the DOJ’s criminal investigation or estimate the potential impact the investigation may have on us or our liability assessment, all of which may change as the investigation progresses. We have had and expect to continue to have discussions with the DOJ regarding the Macondo well incident and associated pre-incident and post-incident conduct.

In November 2012, BP announced that it reached an agreement with the DOJ to resolve all federal criminal charges against it stemming from the Macondo well incident. BP agreed to plead guilty to 14 criminal charges, with 13 of those charges based on the negligent misinterpretation of the negative-pressure test conducted on the Deepwater Horizon. BP also agreed to pay \$4.0 billion, including approximately \$1.3 billion in criminal fines, to take actions to further enhance the safety of drilling operations in the Gulf of Mexico, to a term of five years’ probation, and to the appointment of two monitors with four-year terms, one relating to process safety and risk management procedures concerning deepwater drilling in the Gulf of Mexico and one relating to the improvement, implementation, and enforcement of BP’s code of conduct.

In January 2013, Transocean announced that it reached an agreement with the DOJ to resolve certain claims for civil penalties and potential criminal claims against it arising from the Macondo well incident. Transocean agreed to plead guilty to one misdemeanor violation of the CWA for negligent discharge of oil into the Gulf of Mexico, to pay \$1.0 billion in CWA penalties and \$400 million in fines and recoveries, to implement certain measures to prevent a recurrence of an uncontrolled discharge of hydrocarbons, and to a term of five years’ probation.

Litigation. Since April 21, 2010, plaintiffs have been filing lawsuits relating to the Macondo well incident. Generally, those lawsuits allege either (1) damages arising from the oil spill pollution and contamination (*e.g.*, diminution of property value, lost tax revenue, lost business revenue, lost tourist dollars, inability to engage in recreational or commercial activities) or (2) wrongful death or personal injuries. We are named along with other unaffiliated defendants in more than 650 complaints, most of which are alleged class actions, involving pollution damage claims and at least eight personal injury lawsuits involving four decedents and at least 10 allegedly injured persons who were on the drilling rig at the time of the incident. At least six additional lawsuits naming us and others relate to alleged personal injuries sustained by those responding to the explosion and oil spill. Plaintiffs originally filed the lawsuits described above in federal and state courts throughout the United States. Except for certain lawsuits not yet consolidated, the Judicial Panel on Multi-District Litigation ordered all of the lawsuits against us consolidated in the MDL proceeding before Judge Carl Barbier in the United States Eastern District of Louisiana. The pollution complaints generally allege, among other things, negligence and gross negligence, property damages, taking of protected species, and potential economic losses as a result of environmental pollution and generally seek awards of unspecified economic, compensatory, and punitive damages, as well as injunctive relief. Plaintiffs in these pollution cases have brought suit under various legal provisions, including the OPA, the CWA, the MBTA, the ESA, the OCSLA, the Longshoremen and Harbor Workers Compensation Act, general maritime law, state common law, and various state environmental and products liability statutes.

Furthermore, the pollution complaints include suits brought against us by governmental entities, including the State of Alabama, the State of Florida, the State of Louisiana, the State of Mississippi, numerous local governmental entities, and three Mexican states. Complaints brought against us by at least seven other parishes in Louisiana were dismissed with prejudice, and the dismissal is being appealed by those parishes. The wrongful death and other personal injury complaints generally allege negligence and gross negligence and seek awards of compensatory damages, including unspecified economic damages, and punitive damages. We have retained counsel and are investigating and evaluating the claims, the theories of recovery, damages asserted, and our respective defenses to all of these claims.

Judge Barbier is also presiding over a separate proceeding filed by Transocean under the Limitation of Liability Act (Limitation Action). In the Limitation Action, Transocean seeks to limit its liability for claims arising out of the Macondo well incident to the value of the rig and its freight. While the Limitation Action has been formally consolidated into the MDL, the court is nonetheless, in some respects, treating the Limitation Action as an associated but separate proceeding. In February 2011, Transocean tendered us, along with all other defendants, into the Limitation Action. As a result of the tender, we and all other defendants will be treated as direct defendants to the plaintiffs' claims as if the plaintiffs had sued us and the other defendants directly. In the Limitation Action, the judge intends to determine the allocation of liability among all defendants in the hundreds of lawsuits associated with the Macondo well incident, including those in the MDL proceeding that are pending in his court. Specifically, we believe the judge will determine the liability, limitation, exoneration, and fault allocation with regard to all of the defendants in a trial, which is scheduled to occur in at least two phases and which began on February 25, 2013. The first phase of this portion of the trial is covering issues arising out of the conduct and degree of culpability of various parties allegedly relevant to the loss of well control, the ensuing fire and explosion on and sinking of the Deepwater Horizon, and the initiation of the release of hydrocarbons from the Macondo well. The MDL court has projected September 2013 for the beginning of the second phase of this portion of the trial, which is scheduled to cover actions relating to attempts to control the flow of hydrocarbons from the well and the quantification of hydrocarbons discharged from the well. Subsequent proceedings would be held to the extent triable issues remain unsolved by the first two phases of the trial, settlements, motion practice, or stipulation. Although the DOJ is participating in the first two phases of the trial with regard to BP's conduct and the amount of hydrocarbons discharged from the well, it is anticipated that the DOJ's civil action for the CWA and OPA violations, fines, and penalties will be addressed by the court in a subsequent phase or proceeding. We do not believe that a single apportionment of liability in the Limitation Action is properly applied, particularly with respect to gross negligence and punitive damages, to the hundreds of lawsuits pending in the MDL proceeding.

Damages for the cases tried in the MDL proceeding, including punitive damages, are expected to be tried following the two phases of the trial described above. Under ordinary MDL procedures, such cases would, unless waived by the respective parties, be tried in the courts from which they were transferred into the MDL. It remains unclear, however, what impact the overlay of the Limitation Action will have on where these matters are tried. Discovery with respect to the second phase of the trial is ongoing. The MDL court is currently considering the scope of a potential third phase of the trial.

In April and May 2011, certain defendants in the proceedings described above filed numerous cross claims and third party claims against certain other defendants. BP Exploration and BP America Production Company filed claims against us seeking subrogation, contribution, including with respect to liabilities under the OPA, and direct damages, and alleging negligence, gross negligence, fraudulent conduct, and fraudulent concealment. Transocean filed claims against us seeking indemnification, and subrogation and contribution, including with respect to liabilities under the OPA and for the total loss of the Deepwater Horizon, and alleging comparative fault and breach of warranty of workmanlike performance. Anadarko filed claims against us seeking tort indemnity and contribution, and alleging negligence, gross negligence and willful misconduct, and MOEX Offshore 2007 LLC (MOEX), who had an approximate 10% interest in the Macondo well at the time of the incident, filed a claim against us alleging negligence. Cameron International Corporation (Cameron) (the manufacturer and designer of the blowout preventer), M-I Swaco (provider of drilling fluids and services, among other things), Weatherford U.S. L.P. and Weatherford International, Inc. (together, Weatherford) (providers of casing components, including float equipment and centralizers, and services), and Dril-Quip, Inc. (Dril-Quip) (provider of wellhead systems), each filed claims against us seeking indemnification and contribution, including with respect to liabilities under the OPA in the case of Cameron, and alleging negligence. Additional civil lawsuits may be filed against us. In addition to the claims against us, generally the defendants in the proceedings described above filed claims, including for liabilities under the OPA and other claims similar to those described above, against the other defendants described above. BP has since announced that it has settled those claims between it and each of MOEX, Weatherford, Anadarko, and Cameron. Also, BP and M-I Swaco have dismissed all claims between them.

In April 2011, we filed claims against BP Exploration, BP p.l.c. and BP America Production Company (BP Defendants), M-I Swaco, Cameron, Anadarko, MOEX, Weatherford, Dril-Quip, and numerous entities involved in the post-blowout remediation and response efforts, in each case seeking contribution and indemnification and alleging negligence. Our claims also alleged gross negligence and willful misconduct on the part of the BP Defendants, Anadarko, and Weatherford. We also filed claims against M-I Swaco and Weatherford for contractual indemnification, and against Cameron, Weatherford and Dril-Quip for strict products liability, although the court has since issued orders dismissing all claims asserted against Cameron, Dril-Quip, M-I Swaco and Weatherford in the MDL. We filed our answer to Transocean's Limitation petition denying Transocean's right to limit its liability, denying all claims and responsibility for the incident, seeking contribution and indemnification, and alleging negligence and gross negligence.

Judge Barbier has issued an order, among others, clarifying certain aspects of law applicable to the lawsuits pending in his court. The court ruled that: (1) general maritime law will apply, and therefore all claims brought under state law causes of action were dismissed; (2) general maritime law claims may be brought directly against defendants who are non-"responsible parties" under the OPA with the exception of pure economic loss claims by plaintiffs other than commercial fishermen; (3) all claims for damages, including pure economic loss claims, may be brought under the OPA directly against responsible parties; and (4) punitive damage claims can be brought against both responsible and non-responsible parties under general maritime law. As discussed above, with respect to the ruling that claims for damages may be brought under the OPA against responsible parties, we have not been named as a responsible party under the OPA, but BP Exploration has filed a claim against us for contribution with respect to liabilities incurred by BP Exploration under the OPA.

In September 2011, we filed claims in Harris County, Texas against the BP Defendants seeking damages, including lost profits and exemplary damages, and alleging negligence, grossly negligent misrepresentation, defamation, common law libel, slander, and business disparagement. Our claims allege that the BP Defendants knew or should have known about an additional hydrocarbon zone in the well that the BP Defendants failed to disclose to us prior to our designing the cement program for the Macondo well. The location of the hydrocarbon zones is critical information required prior to performing cementing services and is necessary to achieve desired cement placement. We believe that had the BP Defendants disclosed the hydrocarbon zone to us, we would not have proceeded with the cement program unless it was redesigned, which likely would have required a redesign of the production casing. In addition, we believe that the BP Defendants withheld this information from the report of BP's internal investigation team and from the various investigations discussed above. In connection with the foregoing, we also moved to amend our claims against the BP Defendants in the MDL proceeding to include fraud. The BP Defendants have denied all of the allegations relating to the additional hydrocarbon zone and filed a motion to prevent us from adding our fraud claim in the MDL. In October 2011, our motion to add the fraud claim against the BP Defendants in the MDL proceeding was denied. The court's ruling does not, however, prevent us from using the underlying evidence in our pending claims against the BP Defendants.

In December 2011, BP filed a motion for sanctions against us alleging, among other things, that we destroyed evidence relating to post-incident testing of the foam cement slurry on the Deepwater Horizon and requesting adverse findings against us. The magistrate judge in the MDL proceeding denied BP's motion. BP appealed that ruling, and Judge Barbier affirmed the magistrate judge's decision.

In April 2012, BP announced that it had reached definitive settlement agreements with the PSC to resolve the substantial majority of eligible private economic loss and medical claims stemming from the Macondo well incident. The PSC acts on behalf of individuals and business plaintiffs in the MDL. According to BP, the settlements do not include claims against BP made by the DOJ or other federal agencies or by states and local governments. In addition, the settlements provide that, to

the extent permitted by law, BP will assign to the settlement class certain of its claims, rights, and recoveries against Transocean and us for damages, including BP's alleged direct damages such as damages for clean-up expenses and damage to the well and reservoir. We do not believe that our contract with BP Exploration permits the assignment of certain claims to the settlement class without our consent. In April and May, 2012, BP and the PSC filed two settlement agreements and amendments with the MDL court, one agreement addressing economic claims and one agreement addressing medical claims, as well as numerous supporting documents and motions requesting that the court approve, among other things, the certification of the classes for both settlements and a schedule for holding a fairness hearing and approving the settlements. The MDL court has since confirmed certification of the classes for both settlements and granted final approval of the settlements. We objected to the settlements on the grounds set forth above, among other reasons. The MDL court held, however, that we, as a non-settling defendant, lacked standing to object to the settlements but noted that it did not express any opinion as to the validity of BP's assignment of certain claims to the settlement class and that the settlements do not affect any of our procedural or substantive rights in the MDL. We are unable to predict at this time the effect that the settlements may have on claims against us.

In October 2012, the MDL court issued an order dismissing three types of plaintiff claims: (1) claims by or on behalf of owners, lessors, and lessees of real property that allege to have suffered a reduction in the value of real property even though the property was not physically touched by oil and the property was not sold; (2) claims for economic losses based solely on consumers' decisions not to purchase fuel or goods from BP fuel stations and stores based on consumer animosity toward BP; and (3) claims by or on behalf of recreational fishermen, divers, beachgoers, boaters and others that allege damages such as loss of enjoyment of life from their inability to use portions of the Gulf of Mexico for recreational and amusement purposes. The MDL court also noted that we are not liable with respect to those claims under the OPA because we are not a "responsible party" under OPA.

The MDL trial is underway. At the conclusion of the plaintiffs' case we and the other defendants each submitted a motion requesting the MDL court to dismiss certain claims. In March 2013, the MDL court denied our motion and declined to dismiss any claims, including those alleging gross negligence, against BP, Transocean and us. In addition, the MDL court dismissed all claims against M-I Swaco and claims alleging gross negligence against Cameron. In April 2013, the MDL court dismissed all remaining claims against Cameron, leaving BP, Transocean, and us as the remaining defendants.

Also in March 2013, we advised the MDL court that we recently found a rig sample of dry cement blend collected at another well that was cemented before the Macondo well using the same dry cement blend as used on the Macondo production casing. In April 2013, we advised the MDL parties that we recently discovered some additional documents related to the Macondo well incident. BP and others have asked the court to impose sanctions and adverse findings against us because, according to their allegations, we should have identified the cement sample in 2010 and the additional documents by October 2011. The MDL court has not ruled on the requests for sanctions and adverse findings. We believe that the recent discoveries were the result of simple misunderstandings or mistakes, and that sanctions are not warranted.

Testimony relating to the first phase of the MDL trial has been completed. The MDL court has indicated that it will issue a schedule for the parties to provide proposed findings of facts and conclusions of law and for post-trial briefing.

We intend to vigorously defend any litigation, fines, and/or penalties relating to the Macondo well incident and to vigorously pursue any damages, remedies, or other rights available to us as a result of the Macondo well incident. We have incurred and expect to continue to incur significant legal fees and costs, some of which we expect to be covered by indemnity or insurance, as a result of the numerous investigations and lawsuits relating to the incident.

Indemnification and Insurance. Our contract with BP Exploration relating to the Macondo well generally provides for our indemnification by BP Exploration for certain potential claims and expenses relating to the Macondo well incident, including those resulting from pollution or contamination (other than claims by our employees, loss or damage to our property, and any pollution emanating directly from our equipment). Also, under our contract with BP Exploration, we have, among other things, generally agreed to indemnify BP Exploration and other contractors performing work on the well for claims for personal injury of our employees and subcontractors, as well as for damage to our property. In turn, we believe that BP Exploration was obligated to obtain agreement by other contractors performing work on the well to indemnify us for claims for personal injury of their employees or subcontractors, as well as for damages to their property. We have entered into separate indemnity agreements with Transocean and M-I Swaco, under which we have agreed to indemnify those parties for claims for personal injury of our employees and subcontractors and they have agreed to indemnify us for claims for personal injury of their employees and subcontractors.

In April 2011, we filed a lawsuit against BP Exploration in Harris County, Texas to enforce BP Exploration's contractual indemnity and alleging BP Exploration breached certain terms of the contractual indemnity provision. BP Exploration removed that lawsuit to federal court in the Southern District of Texas, Houston Division. We filed a motion to remand the case to Harris County, Texas, and the lawsuit was transferred to the MDL.

BP Exploration, in connection with filing its claims with respect to the MDL proceeding, asked that court to declare that it is not liable to us in contribution, indemnification, or otherwise with respect to liabilities arising from the Macondo well incident. Other defendants in the litigation discussed above have generally denied any obligation to contribute to any liabilities arising from the Macondo well incident.

In January 2012, the court in the MDL proceeding entered an order in response to our and BP's motions for summary judgment regarding certain indemnification matters. The court held that BP is required to indemnify us for third-party compensatory claims, or actual damages, that arise from pollution or contamination that did not originate from our property or equipment located above the surface of the land or water, even if we are found to be grossly negligent. The court did not express an opinion as to whether our conduct amounted to gross negligence, but we do not believe the performance of our services on the Deepwater Horizon constituted gross negligence. The court also held, however, that BP does not owe us indemnity for punitive damages or for civil penalties under the CWA, if any, and that fraud could void the indemnity on public policy grounds, although the court stated that it was mindful that mere failure to perform contractual obligations as promised does not constitute fraud. As discussed above, the DOJ is not seeking civil penalties from us under the CWA. The court in the MDL proceeding deferred ruling on whether our indemnification from BP covers penalties or fines under the OCSLA, whether our alleged breach of our contract with BP Exploration would invalidate the indemnity, and whether we committed an act that materially increased the risk to or prejudiced the rights of BP so as to invalidate the indemnity. We do not believe that we breached our contract with BP Exploration or committed an act that would otherwise invalidate the indemnity. The court's rulings will be subject to appeal at the appropriate time.

In responding to similar motions for summary judgment between Transocean and BP, the court also held that public policy would not bar Transocean's claim for indemnification of compensatory damages, even if Transocean was found to be grossly negligent. The court also held, among other things, that Transocean's contractual right to indemnity does not extend to punitive damages or civil penalties under the CWA.

The rulings in the MDL proceeding regarding the indemnities are based on maritime law and may not bind the determination of similar issues in lawsuits not comprising a part of the MDL proceeding. Accordingly, it is possible that different conclusions with respect to indemnities will be reached by other courts.

Indemnification for criminal fines or penalties, if any, may not be available if a court were to find such indemnification unenforceable as against public policy. In addition, certain state laws, if deemed to apply, would not allow for enforcement of indemnification for gross negligence, and may not allow for enforcement of indemnification of persons who are found to be negligent with respect to personal injury claims.

In addition to the contractual indemnities discussed above, we have a general liability insurance program of \$600 million. Our insurance is 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 March 31, 2013, we have received payments totaling \$95 million from our insurers with respect to covered legal fees incurred in connection with the Macondo well incident. To the extent we incur any losses beyond those covered by indemnification, there can be no assurance that our insurance policies will cover all potential claims and expenses relating to the Macondo well incident. In addition, we may not be insured with respect to civil or criminal fines or penalties, if any, pursuant to the terms of our insurance policies. Insurance coverage can be the subject of uncertainties and, particularly in the event of large claims, potential disputes with insurance carriers, as well as other potential parties claiming insured status under our insurance policies. In connection with our recent settlement discussions, some of our insurance carriers have questioned whether reimbursement of legal fees and related expenses is proper under certain circumstances.

BP's public filings indicate that BP has recognized in excess of \$40 billion in pre-tax charges, excluding offsets for settlement payments received from certain defendants in the proceedings described above under "Litigation," as a result of the Macondo well incident. BP's public filings also indicate that the amount of, among other things, certain natural resource damages with respect to certain OPA claims, some of which may be included in such charges, cannot be reliably estimated as of the dates of those filings.

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., including that we failed to timely disclose the resulting 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. A hearing was held on that motion in July 2006, 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 held a hearing in March 2008, and issued an order November 3, 2008 denying the motion for class certification. The Fund appealed the district court's order to the Fifth Circuit Court of Appeals. The Fifth Circuit affirmed the district court's order denying class certification. On May 13, 2010, the Fund filed a writ of certiorari in the United States Supreme Court. In January 2011, the Supreme Court granted the writ of certiorari and accepted the appeal. The Court heard oral arguments in April 2011 and issued its decision in June 2011, reversing the Fifth Circuit ruling that the Fund needed to prove loss causation in order to obtain class certification. The Court's ruling was limited to the Fifth Circuit's loss causation requirement, and the case was returned to the Fifth Circuit for further consideration of our other arguments for denying class certification. The Fifth Circuit returned the case to the district court, and in January 2012 the court issued an order certifying the class. We filed a Petition for Leave to Appeal with the Fifth Circuit, which was granted and the case is stayed at the district court pending this appeal. In March 2013, the Fifth Circuit heard oral argument in the appeal. We are awaiting a ruling on the appeal from the Fifth Circuit. In spite of its age, the case is at an early stage, and we cannot predict the outcome or consequences thereof. We intend to vigorously defend this case.

Investigations

We are conducting 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 FCPA and other applicable laws.

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. The e-mail also alleges conflicts of interest, self-dealing, and the failure to act on alleged violations of our COBC and the FCPA. We contacted the DOJ to advise them that we were initiating an internal investigation.

Since the third quarter of 2011, we have been participating in meetings with the DOJ and the SEC to brief them on the status of our investigation and have been producing documents to them both voluntarily and as a result of SEC subpoenas to the company and certain of our current and former officers and employees.

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.

We expect to continue to have discussions with the DOJ and the SEC regarding the Angola and Iraq matters described above and have indicated that we would further update them as our investigations progress. We have engaged outside counsel and independent forensic accountants to assist us with the investigations. We intend to continue to cooperate with the DOJ's and the SEC's inquiries and requests in these investigations. Because these investigations are ongoing, we cannot predict their outcome 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 OPA.

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. Excluding our loss contingency for the Macondo well incident, our accrued liabilities for environmental matters were \$71 million as of March 31, 2013 and \$72 million as of December 31, 2012. 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.

In November 2012, the Company received an Enforcement Notice from the Pennsylvania Department of Environmental Protection (PADEP) regarding an alleged improper disposal of oil field acid in or around Homer City, Pennsylvania between 1999 and 2011. We are currently negotiating with the PADEP to resolve this matter in an amicable manner. We expect the PADEP to assess a penalty in excess of \$100,000 and have therefore accrued for an immaterial amount.

Additionally, we have subsidiaries that have been named as potentially responsible parties along with other third parties for nine federal and state Superfund sites for which we have established reserves. As of March 31, 2013, those nine sites accounted for approximately \$5 million of our \$71 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.

Item 1(a). Risk Factors

The statements in this section describe the known material risks to our business and should be considered carefully. The risk factor below updates the respective risk factor previously discussed in our 2012 Annual Report on Form 10-K.

We, among others, have been named as a defendant in numerous lawsuits and there have been numerous investigations relating to the Macondo well incident that 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 Mississippi Canyon Block 252 in the Gulf of Mexico for the lease operator, BP Exploration, an indirect wholly owned subsidiary of BP p.l.c. There were eleven fatalities and a number of injuries as a result of the Macondo well incident. Crude oil escaping from the Macondo well site spread across thousands of square miles of the Gulf of Mexico and reached the United States Gulf Coast. We performed a variety of services for BP Exploration, including cementing, mud logging, directional drilling, measurement-while-drilling, and rig data acquisition services.

We are named along with other unaffiliated defendants in more than 650 complaints, most of which are alleged class-actions, involving pollution damage claims and at least eight personal injury lawsuits involving four decedents and at least 10 allegedly injured persons who were on the drilling rig at the time of the incident. At least six additional lawsuits naming us and others relate to alleged personal injuries sustained by those responding to the explosion and oil spill. BP Exploration and one of its affiliates have filed claims against us seeking subrogation and contribution, including with respect to liabilities under the OPA, and direct damages, and alleging negligence, gross negligence, fraudulent conduct, and fraudulent concealment. Certain other defendants in the lawsuits have filed claims against us seeking, among other things, indemnification and contribution, including with respect to liabilities under the OPA, and alleging, among other things, negligence and gross negligence. See Part II, Item 1, "Legal Proceedings." Additional lawsuits may be filed against us, including criminal and civil charges under federal and state statutes and regulations. Those statutes and regulations could result in criminal penalties, including fines and imprisonment, as well as civil fines, and the degree of the penalties and fines may depend on the type of conduct and level of culpability, including strict liability, negligence, gross negligence, and knowing violations of the statute or regulation.

In addition to the claims and lawsuits described above, numerous industry participants, governmental agencies, and Congressional committees have investigated or are investigating the cause of the explosion, fire, and resulting oil spill. Reports issued as a result of those investigations have been critical of BP, Transocean, and us, among others. For example, one or more of those reports have concluded that primary cement failure was a direct cause of the blowout, cement testing performed by an independent laboratory "strongly suggests" that the foam cement slurry used on the Macondo well was unstable, and that numerous other oversights and factors caused or contributed to the cause of the incident, including BP's failure to run a cement bond log, BP's and Transocean's failure to properly conduct and interpret a negative-pressure test, the failure of the drilling crew and our surface data logging specialist to recognize that an unplanned influx of oil, natural gas, or fluid into the well was occurring, communication failures among BP, Transocean, and us, and flawed decisions relating to the design, construction, and testing of barriers critical to the temporary abandonment of the well.

In October 2011, the BSEE issued a notification of 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. According to the BSEE's notice, we did not ensure an adequate barrier to hydrocarbon flow after cementing the production casing and did not detect the influx of hydrocarbons until they were above the blowout preventer stack. 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. We have appealed the INCs to the IBLA. In January 2012, the IBLA, in response to our and the BSEE's joint request, suspended the appeal and ordered us and the BSEE to file notice within 15 days after the conclusion of the MDL and, within 60 days after the MDL court issues a final decision, to file a proposal for further action in the appeal. The BSEE has announced that the INCs will be reviewed for possible imposition of civil penalties once the appeal has ended. The BSEE has stated that this is the first time the Department of the Interior has issued INCs directly to a contractor that was not the well's operator.

In addition, as part of its criminal investigation, the DOJ is examining certain aspects of our conduct after the incident, including with respect to record-keeping, record retention, post-incident testing and modeling and the retention thereof, securities filings, and public statements by us or our employees, to evaluate whether there has been any violation of federal law.

Our contract with BP Exploration relating to the Macondo well generally provides for our indemnification by BP Exploration for certain potential claims and expenses relating to the Macondo well incident. BP Exploration, in connection with filing its claims with respect to the MDL proceeding, asked that court to declare that it is not liable to us in contribution, indemnification, or otherwise with respect to liabilities arising from the Macondo well incident. Other defendants in the litigation have generally denied any obligation to contribute to any liabilities arising from the Macondo well incident. In January 2012, the court in the MDL proceeding entered an order in response to our and BP's motions for summary judgment regarding certain indemnification matters. The court held that BP is required to indemnify us for third-party compensatory claims, or actual damages, that arise from pollution or contamination that did not originate from our property or equipment located above the surface of the land or water, even if we are found to be grossly negligent. The court also held that BP does not owe us indemnity for punitive damages or for civil penalties under the CWA, if any, and that fraud could void the indemnity on public policy grounds. The court in the MDL proceeding deferred ruling on whether our indemnification from BP covers penalties or fines under the Outer Continental Shelf Lands Act, whether our alleged breach of our contract with BP Exploration would invalidate the indemnity, and whether we committed an act that materially increased the risk to or prejudiced the rights of BP so as to invalidate the indemnity.

The rulings in the MDL proceeding regarding the indemnities are based on maritime law and may not bind the determination of similar issues in lawsuits not comprising a part of the MDL proceeding. Accordingly, it is possible that different conclusions with respect to indemnities will be reached by other courts.

Indemnification for criminal fines or penalties, if any, may not be available if a court were to find such indemnification unenforceable as against public policy. In addition, certain state laws, if deemed to apply, would not allow for enforcement of indemnification for gross negligence, and may not allow for enforcement of indemnification of persons who are found to be negligent with respect to personal injury claims. We may not be insured with respect to civil or criminal fines or penalties, if any, pursuant to the terms of our insurance policies.

BP's public filings indicate that BP has recognized in excess of \$40 billion in pre-tax charges, excluding offsets for settlement payments received from certain defendants in the MDL, as a result of the Macondo well incident. BP's public filings also indicate that the amount of, among other things, certain natural resource damages with respect to certain OPA claims, some of which may be included in such charges, cannot be reliably estimated as of the dates of those filings.

We are currently unable to fully estimate the impact the Macondo well incident will have on us. We cannot predict the outcome of the many lawsuits and investigations relating to the Macondo well incident, including orders and rulings of the court that impact the MDL, the results of the MDL trial, the effect that the settlements between BP and the PSC in the MDL and other settlements may have on claims against us, or whether we might settle with one or more of the parties to any lawsuit or investigation. We have recently participated, and expect to continue to participate, in court-facilitated settlement discussions to resolve a substantial portion of the private claims that are pending in the MDL trial. Our most recent settlement offer includes both Halliburton common stock and cash payments, with the cash components payable over an extended period of time. These discussions are at an advanced stage and, although the discussions have not resulted in a settlement, during the first quarter of 2013 we recorded an additional \$1.0 billion reserve relating to the MDL based on recent settlement discussions. As of March 31, 2013, our aggregate reserve was \$1.3 billion, which represents a loss contingency that is probable and for which a reasonable estimate of loss can be made. There can be no assurance that the current settlement discussions relating to the MDL will result in a settlement at the amount contemplated by our loss contingency or at all. The settlement discussions do not cover all possible parties and claims relating to the Macondo well incident. Accordingly, there are additional loss contingencies relating to the Macondo well incident that are reasonably possible but for which we cannot make a reasonable estimate. Given the numerous potential developments relating to the MDL and other lawsuits and investigations, which could occur at any time, we may adjust our estimated loss contingency in the future. 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.

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, 2013.

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	138,180	\$35.96	—	\$1,731,208,803
February 1 - 28	1,250,415	\$40.71	1,233,600	\$1,680,999,794
March 1 - 31	19,230	\$40.91	—	\$1,680,999,794
Total	1,407,825	\$40.25	1,233,600	

- (a) Of the 1,407,825 shares purchased during the first quarter of 2013, 174,225 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 shares.
- (b) Our Board of Directors has authorized a program to repurchase up to \$5.0 billion of our common stock from time to time. During the first quarter of 2013, we repurchased 1,233,600 shares of our common stock pursuant to that program for a total cost of approximately \$50 million and at an average price of \$40.70 per share. Since the inception of the program in February 2006, we have purchased approximately 97 million shares at a total cost of \$3.3 billion. We have remaining authorization to repurchase up to approximately \$1.7 billion of our common stock.

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

On April 23, 2013, we entered into a First Amendment to Five Year Revolving Credit Agreement with the banks party thereto and Citibank, N.A., as Agent (First Amendment), to the Five Year Revolving Credit Agreement, dated as of February 22, 2011, among us, the banks party thereto, and Citibank, N.A., as Agent (Credit Agreement).

The Credit Agreement is for general working capital and credit for other corporate purposes. The First Amendment further increases the commitments under the Credit Agreement from \$2.0 billion to \$3.0 billion and extends the expiration of the Credit Agreement from February 22, 2016 to April 23, 2018.

The First Amendment is attached to this quarterly report as Exhibit 10.4.

Item 6. Exhibits

*	10.1	Executive Agreement (Myrtle L. Jones).
*	10.2	Form of Indemnification Agreement for Officers (first elected after January 1, 2013).
	10.3	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. 1-3492).
*	10.4	First Amendment dated April 23, 2013 of the Five Year Revolving Credit Agreement among Halliburton, as Borrower, the Banks party thereto, and Citibank, N.A., as Agent effective February 22, 2011.
*	12.1	Statement Regarding the Computation of Ratio of Earnings to Fixed Charges.
*	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-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/ Mark A. McCollum

Mark A. McCollum
Executive Vice President and
Chief Financial Officer

/s/ Evelyn M. Angelle

Evelyn M. Angelle
Senior Vice President and
Chief Accounting Officer

Date: April 26, 2013

Exhibit 10.1

EXECUTIVE AGREEMENT

This Executive Agreement ("**Agreement**") is entered into by and between Myrtle L. Jones ("**Employee**") and Halliburton Company, for and on behalf of itself, its subsidiaries, and its affiliated companies (collectively, "**Employer**" or "**Company**"), as of March 4, 2013 (the "**Effective Date**").

RECITALS

WHEREAS, Employer desires 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 Senior Vice President - Tax. Employee agrees to serve in the assigned position or in such other executive capacities as may be requested from time to time by Employer and to perform diligently and to the best of Employee's abilities the duties and services appertaining 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 32(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 she 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 her 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 the Effective Date will be three hundred twenty five thousand dollars (\$325,000) per annum, which shall be paid in accordance with the Employer's standard payroll practice for its executives. Employee's base salary may thereafter be increased from time to time with the approval of Halliburton Company's Board of Directors (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 Employer, unless comparable reductions in salary are effective for all similarly situated executives of Employer.

2.2 Employee shall participate in the Annual Performance Pay Plan, or any successor annual incentive plan 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. A nomination recommendation has been approved by the Compensation Committee for Employee's participation for the 2013 plan year with a plan level of 50% and challenge level at 100% of Employee's base salary.

2.3 Employee shall be nominated for participation in the Performance Unit Program, or any similar successor long-term incentive program 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 incentive opportunity shall be made in accordance with applicable guidelines in place at the time of nomination, and Employee's participation shall further be subject to such other terms and conditions as set forth in the Performance Unit Program Terms and Conditions and other underlying documentation. A nomination recommendation has been approved by the Compensation Committee for Employee's participation for the 2013 - 2015 Cycle with a target level opportunity of \$170,000 and challenge level opportunity of \$340,000.

2.4 Employer shall pay or reimburse Employee for all actual, reasonable and customary expenses incurred by Employee in the course of her 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.

2.5 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 than provided to similarly-situated executive employees pursuant to the terms and conditions of such benefit plans and 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. 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 nominated for an award of (i) 5,000 shares of Halliburton Company restricted stock to vest 20% annually over a five year period, and (ii) nonqualified stock options to purchase 6,500 shares of Halliburton Company common stock to vest 1/3 annually over a three year period. Employee 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 terminated (i) upon the death of Employee, (ii) upon Employee's Retirement (as defined below), (iii) upon Employee's Permanent Disability (as defined below), or (iv) 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. This Agreement may be terminated by Employer at any time upon one hundred and eighty (180) calendar days' written notice to Employee and no such termination of this Agreement shall be deemed a termination of employment for purposes of this Article 3.

3.2 If Employee's employment is terminated by reason of any of the following circumstances, Employee shall not be entitled to receive the benefits set forth in Section 3.4 hereof:

- (i) Death.
- (ii) Retirement. "**Retirement**" shall mean either (a) Employee's retirement at or after normal retirement age (either voluntarily or pursuant to the applicable Halliburton Entity's retirement policy) or (b) 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).
- (iii) Permanent Disability. "**Permanent Disability**" shall mean Employee's physical or mental incapacity to perform her usual duties with such condition likely to remain continuously and permanently as reasonably determined by a qualified physician selected by Employer.
- (iv) Voluntary Termination. "**Voluntary Termination**" shall mean a termination of employment in the sole discretion and at the election of Employee for other than 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.
- (v) Termination for Cause. Termination of Employee's employment by Employer for 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.
- (vi) Termination for Substantial Participation in a Significant Violation or Failure to Supervise. Termination of Employee's employment by Employer following a determination, in accordance with the terms and procedures set out in Company Policy 3-90050, that (a) in connection with the performance of Employee's duties as an officer, Employee Substantially Participated in a Significant Violation or both (A) had direct supervisory responsibility over an employee who Substantially Participated in such a violation and (B) Recklessly disregarded Employee's own supervisory responsibilities, and (b) Employee's conduct warrants termination.

3.3 In the event Employee's employment is terminated under any of the circumstances described in Section 3.2, 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, or her estate in the case of Employee's death, 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, shall be entitled to 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 she 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 If Employee's employment is terminated by Employee for Good Reason or by Employer for any reason other than as set forth in Section 3.2 above, Employee shall be entitled to (A) the payment provided for in (i) below, subject to the provisions of Section 3.5, and (B) the payment provided for in (ii) below, as additional consideration for Employee's post-employment covenants under Article 5, subject to the provisions of (iii) below:

- (i) A single lump sum cash payment equal to one (1) year of Employee's base salary as in effect at the date of Employee's termination of employment. Such benefit shall be paid as soon as administratively practicable, but no later than the sixtieth (60th) calendar day following Employee's termination of employment.
- (ii) A single lump sum cash payment equal to the value of Employee's unvested shares of Halliburton Company restricted stock in accordance with the table below and based on the closing price quoted for Halliburton Company common stock on the New York Stock Exchange on the date of Employee's termination of employment or the last business day immediately preceding the date of Employee's termination of employment, with such payment, if due Employee, to be paid on the sixtieth (60th) calendar day following the first anniversary of Employee's termination of employment. (For example, if Employee holds 50,000 shares of unvested restricted stock on the date of termination of employment, has at least five (5) years of service, but less than seven (7) years of service, and the closing price of Halliburton Company common stock on that date is \$40 per share, the value for purposes of calculating the amount of the payment in this (ii) would be equal to [(50,000 shares X 0.50) X \$40 per share] or [25,000 shares X \$40 per share] or \$1,000,000.) *All remaining shares will be forfeited.*

Consecutive Years of Service	Vested Percentage
Less than two years	—%
At least two, but less than five years	25%
At least five, but less than seven years	50%
At least seven, but less than ten years	75%
Ten or more years	100%

- (iii) Employee understands and agrees that her right to all or any portion of the payment provided for in Section 3.4(ii), and Employer's obligation to make payment of the entire amount or any portion thereof, are dependent and conditioned on Employee's compliance in full with all provisions contained in Article 5. Any failure on the part of Employee to comply with each provision, including any attempt by or on behalf of Employee to have any such provision declared unenforceable in whole or in part by an arbitrator or court, shall excuse Employer forever from the obligation to make the payment, in whole or in part, provided for in Section 3.4(ii).

3.5 (a) The benefits paid to Employee pursuant to Section 3.4(i) shall be in consideration of Employee's continuing obligations hereunder after such termination, including, without limitation, Employee's obligations under Article 4. Further, as a condition to the receipt of such benefits, Employer, in its sole discretion, shall require Employee to 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 a period designated by Employer, which shall begin no earlier than the date of Employee's termination of employment and will end no later than the date that is fifty (50) calendar days after the date of Employee's termination of employment. The performance of Employer's obligations under Section 3.4(i) 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 - 3.9. 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(i) is owing and the amounts due Employee pursuant to Section 3.4(i) 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(i) 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 her 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(i), 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 the confidential information contained in Article 4, Employee agrees that, for a period of one (1) year following separation of employment, the Employee will not directly or indirectly (a) solicit, induce to terminate or reduce its business, or (b) agree to provide products and/or services that compete directly with the material products and services provided, marketed, and/or under development by the Employer at any time during the three (3) years preceding the Employee's separation from employment with Employer for 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 three (3) years preceding the Employee's separation from employment with Employer. However, this restriction applies only to those products and/or services that the Employee was personally involved in.

3.7 Employee further agrees that Employee will not, during the one (1) year period following separation 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 so as to enforce the confidentiality obligations contained in Article 4, the Employee specifically agrees that, for a period of one (1) year following separation of employment, except as permitted by Section 3.8(b) below, Employee will not engage, directly or indirectly, either as proprietor, stockholder, partner, officer, member, employee, consultant, or otherwise, in any existing or future business or in any existing or future division or unit of a commercially diverse business enterprise, that is owned in whole or in part or effectively controlled by any of the following companies:

Baker Hughes Inc.; Cameron International Corporation; Diamond Offshore Drilling, Inc.; Ensco International, Inc.; Exterran Holdings, Inc.; Helmerich & Payne, Inc.; Lufkin Industries, Inc.; Nabors Industries, Ltd.; National Oilwell Varco, Inc.; Noble Corporation; Oceaneering International, Inc.; Rowan Companies; Schlumberger Ltd.; Tidewater Inc.; Transocean, Ltd.; Weatherford International, Ltd.

(b) The above Section 3.8(a) notwithstanding, nothing in this Section 3.8 shall prohibit Employee and her affiliates from owning, as passive investors, in the aggregate not more than five (5) 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 Articles 3.6 - 3.9 and 4.

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.

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 information concerning the businesses of Employer and its affiliates, and their strategies, methods, products, software, books, records, data and technical information concerning their products, equipment, services, and processes, procurement procedures and pricing techniques, and the names of and other information (such as credit and financial data) concerning their 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 or disclose any Confidential Information of Employer or its affiliates, except to the extent needed to carry out Employee's obligations hereunder. 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 for any reason, Employee promptly shall deliver the same, and all copies thereof, to Employer.

4.4 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 (as described in Article 4) provided by Employer, and in consideration of the payment made under Section 3.4(ii) to protect Employer's Confidential Information, and the goodwill, customer base, and contractual relationships of Employer, Employee agrees to the provisions of Sections 5.2, 5.3 and 5.4. Employee further agrees that the provisions in Sections 5.2, 5.3 and 5.4, and the provisions in Article 4, shall survive the termination of Employee's employment regardless of the reason for or circumstances of such termination (and regardless of whether such termination of employment is voluntary or involuntary on Employee's part).

5.2 Employee agrees that, for a period of one (1) year following the termination of Employee's employment for any reason, Employee shall not, anywhere in the world, directly or indirectly, either (a) solicit, encourage, or induce to terminate or reduce its business with Employer, 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 three (3) years preceding the termination of Employee's employment, 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 three (3) years preceding the termination of Employee's employment, 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 three (3) years preceding the termination of Employee's employment; provided, however, that the foregoing restrictions in Section 5.2(b) apply only to those products and/or services of Employer with respect to which the Employee was directly involved or knowledgeable.

5.3 Employee further agrees that, for a period of one (1) year following the termination of Employee's employment for any reason, 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 one (1) year following the termination of Employee's employment for any reason, Employee shall not, anywhere in the world, engage, directly or indirectly, either as proprietor, stockholder, partner, officer, member, employee, consultant, or otherwise, in any business, or in any division or unit of a commercially diverse business enterprise listed in Section 3.8(a) above, except as qualified by Section 3.8(b) above.

5.5 Employee agrees that (a) the covenants contained in Sections 5.2, 5.3 and 5.4 hereof are necessary for the protection of Employer's business, goodwill 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 5.2, 5.3 and 5.4 are reasonable, especially in view of the worldwide scope of the business operations of Employer and the nature of the Confidential Information, that the enforcement of those restrictions contained in Sections 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 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 of Employer, including without limitation its trade secrets. Employee irrevocably waives all defenses to the strict enforcement of the covenants contained in Sections 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 Confidential Information and goodwill, 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 5.2, 5.3 or 5.4 is deemed by a court 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 judicially modified accordingly in any proceeding brought to enforce such restriction.

5.6 Employee agrees that the terms and conditions of this Agreement shall remain confidential as between the parties and she shall not disclose them to any other person. Without limiting the generality of the foregoing, Employee will not respond to or in any way participate in or contribute to any public discussion, notice or other publicity concerning, or in any way relating to, execution of this Agreement or its terms and conditions. Employee further agrees that she 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. The foregoing notwithstanding, Employee may disclose the terms of this Agreement to her immediate family, attorneys and financial advisors provided she informs them of this confidentiality provision and they agree to abide by it.

ARTICLE 6: MISCELLANEOUS:

6.1 Except as otherwise provided in Section 4.4 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 her 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 remedy, 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 Articles 3.6 through 3.9, 4 and/or 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 she 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. 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 Plan in accordance with the requirements of Section 409A.

[SIGNATURE PAGE FOLLOWS]

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/ Mark A. McCollum

Name: Mark A. McCollum

Title: Executive Vice President &
Chief Financial Officer

EMPLOYEE

/s/ Myrtle L. Jones

Name: Myrtle L. Jones

Exhibit 10.2

INDEMNIFICATION AGREEMENT

THIS AGREEMENT is made this ____ day of _____, 20__, by and between Halliburton Company, a Delaware corporation (the "Company"), and the undersigned officer ("Officer").

WITNESSETH

WHEREAS, Officer is a corporate officer of the Company and is listed as an "executive officer" of the Company in the Company's filings under the Securities Exchange Act of 1934 and, in such capacity, Officer is performing valuable services for the Company; and

WHEREAS, the Company has purchased and presently maintains a policy or policies of Directors' and Officers' Liability Insurance ("D&O Insurance") covering certain liabilities which may be incurred by the directors and officers of the Company in the performance of their services for the Company; and

WHEREAS, developments with respect to the provisions of D&O Insurance and with respect to the application, amendment and enforcement of statutory, charter and bylaw indemnification provisions generally have raised questions concerning the adequacy and reliability of the protection accorded to officers thereby and may increase the difficulty of attracting and retaining qualified persons to serve as officers of the Company; and

WHEREAS, the Board of Directors of the Company has determined that difficulties relating to the attraction and retention of such persons would be detrimental to the best interests of the Company and of its stockholders and that the Company should act to assure such persons that there will be increased certainty of indemnification protection in the future; and

WHEREAS, the Delaware General Corporation Law, the Certificate of Incorporation of the Company, and the By-laws of the Company provide that they are not exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled, and thereby contemplate that contracts may be entered into between the Company and its officers with respect to indemnification of such officers; and

WHEREAS, in order to lessen or alleviate the aforementioned concerns and thereby induce Officer to serve as a corporate officer and "executive officer" of the Company, the Company has determined that it is in its best interests to enter into this Agreement with Officer;

NOW, THEREFORE, in consideration of the above premises and of Officer's continued service to the Company, the parties hereto agree as follows:

1. Indemnification - General

The Company shall indemnify and advance Expenses (as hereinafter defined) to Officer to the fullest extent, and only to the extent, permitted by applicable law in effect on the date hereof and to such greater extent as applicable law may thereafter from time to time permit. The rights of Officer provided under the preceding sentence shall include, but shall not be limited to, the rights set forth in the other Sections of this Agreement. Notwithstanding the foregoing, the Company shall indemnify Officer in connection with a Proceeding initiated by Officer only if such Proceeding was authorized by the Board of Directors of the Company.

2. Proceedings Other than Proceedings by or in the Right of the Company

Officer shall be entitled to the indemnification rights provided in this Section 2 if, by reason of Officer's Corporate Status (as hereinafter defined), Officer was or is, or is threatened to be made, a party to or is involved in any threatened, pending or completed Proceeding (as hereinafter defined), other than a Proceeding by or in the right of the Company. Pursuant to this Section 2, Officer shall be indemnified against Expenses, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by Officer or on Officer's behalf in connection with such Proceeding or any claim, issue or matter therein, if Officer acted in good faith and in a manner Officer reasonably believed to be in, or not opposed to, the best interests of the Company, and, with respect to any criminal Proceeding, had no reasonable cause to believe Officer's conduct was unlawful.

3. Proceedings by or in the Right of the Company

Officer shall be entitled to the indemnification rights provided in this Section 3, if, by reason of Officer's Corporate Status, Officer was or is, or is threatened to be made, a party to or is involved in any threatened, pending or completed Proceeding brought by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3, Officer shall be indemnified against Expenses actually and reasonably incurred by Officer or on Officer's behalf in connection with such Proceeding if Officer acted in good faith and in a manner Officer reasonably believed to be in, or not opposed to, the best interests of the Company. Notwithstanding the foregoing, no indemnification against such Expenses shall be made in respect of any claim, issue or matter in such Proceeding as to which Officer shall have been adjudged to be liable to the Company if applicable law prohibits such indemnification; provided, however, that, if applicable law so permits, indemnification against Expenses shall nevertheless be made by the Company despite such adjudication of liability, if and only to the extent that the Court of Chancery of the State of Delaware, or the court in which such Proceeding shall have been brought or is pending, shall determine.

4. Indemnification for Expenses of a Party Who is Wholly or Partly Successful

Notwithstanding any other provision of this Agreement, to the extent that Officer is, by reason of Officer's Corporate Status, a party to and is successful, on the merits or otherwise, in any Proceeding, Officer shall be indemnified against all Expenses actually and reasonably incurred by Officer or on Officer's behalf in connection therewith. If Officer is not wholly successful in such Proceeding but is successful on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Officer against all Expenses actually and reasonably incurred by Officer or on Officer's behalf in connection with each successfully resolved claim, issue or matter. For the purposes of this Section 4 and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

5. Contribution

In the event that the indemnification rights contained in Sections 2, 3 or 4 of this Agreement are unavailable or insufficient to hold Officer harmless in a Proceeding described therein for any reason whatsoever (other than Officer failing to meet the applicable requirements of such Section), then in accordance

with the non-exclusivity provisions of the Delaware General Corporation Law and the Certificate of Incorporation and By-laws of the Company, and separate from and in addition to, the indemnity provided elsewhere herein, the Company shall contribute to Expenses, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by or on behalf of Officer in connection with such Proceeding or any claim, issue or matter therein, in such proportion as appropriately reflects the relative benefits received by, and fault of, the Company on the one hand and Officer on the other in the acts, transactions or matters to which the Proceeding relates and other equitable considerations.

6. Procedure for Determination of Entitlement to Indemnification.

(a) To obtain indemnification under this Agreement, Officer shall submit to the Company a written request, including such documentation and information as is reasonably available to Officer and is reasonably necessary to determine whether and to what extent Officer is entitled to indemnification. The determination of Officer's entitlement to indemnification shall be made not later than 90 days after receipt by the Company of the written request for indemnification. The Secretary of the Company shall, promptly upon receipt of such a request for indemnification, advise the Board of Directors in writing that Officer has requested indemnification.

(b) Officer's entitlement to indemnification under any of Sections 2, 3, and 4, and to contribution under Section 5, of this Agreement shall be determined in the specific case: (i) by the Board of Directors by a majority vote of a quorum of the Board of Directors consisting of Disinterested Directors (as hereinafter defined); (ii) by Independent Counsel (as hereinafter defined), in a written opinion if a quorum of the Board of Directors consisting of Disinterested Directors is not obtainable or, even if obtainable, such quorum of Disinterested Directors so directs; or (iii) by the stockholders of the Company. If, with regard to Section 5 of this Agreement, such a determination is not permitted by law or if a quorum of Disinterested Directors so directs, such determination shall be made by the Chancery Court of the State of Delaware or the court in which the Proceeding giving rise to the claim for indemnification is brought.

(c) In the event that the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 6(b) of this Agreement, the Independent Counsel shall be selected as provided in this Section 6(c). The Independent Counsel shall be selected by the Board of Directors, and the Company shall give written notice to Officer advising Officer of the identity of the Independent Counsel so selected. Officer may, within seven days after receipt of such written notice of selection shall have been given, deliver to the Company a written objection to such selection. Such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 13 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. If such written objection is made, the Independent Counsel so selected shall be disqualified from acting as such. If, within 20 days after submission by Officer of a written request for indemnification pursuant to Section 6(a) of this Agreement, no Independent Counsel shall have been selected, or if selected shall have been objected to, in accordance with this Section 6(c), either the Company or Officer may petition the Court of Chancery of the State of Delaware for the appointment as Independent Counsel of a person selected by such court or by such other person as such court shall designate, and the person so appointed shall act as Independent Counsel under Section 6(b) of this Agreement, and the Company shall pay all reasonable fees and expenses incident to the procedures of this Section 6(c), regardless of the manner in which such Independent Counsel was selected or appointed.

7. Advancement of Expenses

The Company shall advance all reasonable Expenses incurred by or on behalf of Officer in connection with any Proceeding within 20 days after the receipt by the Company of a statement or statements from Officer requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Officer shall, and hereby undertakes to, repay any Expenses advanced if it shall ultimately be determined that Officer is not entitled to be indemnified against such Expenses. Notwithstanding the foregoing, subsequent to an indictment of, or the filing of a civil complaint by a U.S. federal or state governmental enforcement agency against Officer (in any capacity, including as an employee or agent of another enterprise and service to an employee benefit plan) entitled to or receiving advancement of Expenses, the Company may, subject to applicable law (including to the extent indemnification is required under Section 145(c) of the Delaware General Corporation Law), terminate, reduce or place conditions upon any future advancement of Expenses (including with respect to costs, charges, attorneys' fees, experts' fees and other fees) incurred by Officer relating to Officer's defense thereof if (a) Officer does not prevail at trial, enters into a plea arrangement, agrees to the entry of a final administrative or judicial order imposing sanctions on Officer or otherwise admits, in a Proceeding, to the alleged violation resulting in the relevant indictment or complaint or (b) if the Company initiates an internal investigation and a determination is made (i) by the Disinterested Directors, even though less than a quorum, or (ii) if there are no Disinterested Directors or the Disinterested Directors so direct, by Independent Counsel in a written opinion, that the facts known to the decision-maker at the time such determination is made demonstrate that Officer acted in a manner that is not indemnifiable by the Company.

8. Presumptions and Effect of Certain Proceedings

The termination of any proceeding described in any of Sections 2, 3 or 4 of this Agreement, or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Officer to indemnification or create a presumption that Officer did not act in good faith and in a manner which Officer reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Officer had reasonable cause to believe that Officer's conduct was unlawful.

9. Term of Agreement

All agreements and obligations of the Company contained herein shall commence as of the time Officer commenced to serve as an officer, employee or agent of the Company (or commenced to serve at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise) and shall continue for so long as Officer shall so serve or shall be, or could become, subject to any possible Proceeding in respect of which Officer is granted rights of indemnification or advancement of Expenses hereunder.

10. Notification and Defense of Claim

Promptly after receipt by Officer of notice of the commencement of any Proceeding, Officer will, if a claim in respect thereof is to be made against the Company under this Agreement, notify the Company of the commencement thereof; but the omission to notify the Company will not relieve it from any liability which it may have to Officer otherwise than under this Agreement. With respect to any such Proceeding as to which Officer notifies the Company of the commencement thereof:

(a) The Company will be entitled to participate therein at its own expense.

(b) Except as otherwise provided below, to the extent that it may wish, the Company jointly with any other indemnifying party similarly notified will be entitled to assume the defense thereof, with counsel satisfactory to Officer, upon providing notice of the same to Officer. After notice from the Company to Officer of its election so to assume the defense thereof, the Company will not be liable to Officer under this Agreement for any legal or other Expenses subsequently incurred by Officer in connection with the defense thereof other than reasonable costs of investigation or as otherwise provided below. Officer shall have the right to employ its counsel in such Proceeding but the Expenses of such counsel incurred after notice from the Company of its assumption of the defense thereof shall be at the expense of Officer unless (i) the employment of counsel by Officer has been authorized by the Company, (ii) Officer shall have reasonably concluded that there may be a conflict of interest between the Company and Officer in the conduct of the defense of such Proceeding, or (iii) the Company shall not in fact have employed counsel to assume the defense of such Proceeding, in each of which cases the reasonable Expenses of counsel shall be at the expense of the Company. The Company shall not be entitled to assume the defense of any Proceeding brought by or on behalf of the Company or as to which Officer shall have made the conclusion provided for in (ii) above.

(c) The Company shall not be liable to indemnify Officer under this Agreement for any amounts paid in settlement of any Proceeding or claim effected without its written consent. The Company shall not settle any Proceeding or claim in any manner which would impose any penalty or limitation on Officer without Officer's written consent. Neither the Company nor Officer will unreasonably withhold their consent to any proposed settlement.

11. Enforcement

The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Officer to continue as an officer of the Company, and acknowledges that Officer is relying upon this Agreement in continuing in such capacity.

(a) In the event Officer is required to bring any action to enforce rights or to collect moneys due under this Agreement and is successful in such action, the Company shall reimburse Officer for all of Officer's reasonable Expenses in bringing and pursuing such action.

12. Non-Exclusivity of Rights

The rights of indemnification and to receive advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Officer may at any time be entitled under applicable law, the Certificate of Incorporation of the Company, the By-laws of the Company, any agreement, a vote of stockholders or a resolution of directors, or otherwise.

13. Definitions For purposes of this Agreement:

(a) "Corporate Status" describes the status of a person who is or was a director, officer, employee, agent or fiduciary of the Company or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise which such person is or was serving for or at the request of the Company.

(b) "Disinterested Director" means a director of the Company who is not and was not at any time a party to the Proceeding in respect of which indemnification is sought by Officer.

(c) "Expenses" shall include all reasonable attorneys' fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other fees, disbursements and expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating or otherwise participating in a Proceeding.

(d) "Independent Counsel" means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company or Officer in any matter material to either of them or (ii) any party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Officer in an action to determine Officer's rights under this Agreement.

(e) "Proceeding" includes any action, suit, arbitration, alternate dispute resolution mechanism, investigation, administrative hearing or any other proceeding, whether civil, criminal, administrative or investigative.

14. Severability

Each of the provisions of this Agreement is a separate and distinct agreement and independent of the others, so that if any provision hereof shall be held to be invalid or unenforceable for any reason, such invalidity or unenforceability shall not affect the validity or enforceability of the other provisions hereof.

15. Governing Law; Binding Effect; Amendment and Termination

(a) THIS AGREEMENT SHALL BE INTERPRETED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE.

(b) This Agreement shall be binding upon Officer and upon the Company, its successors and assigns, and shall inure to the benefit of Officer, Officer's heirs, personal representatives and assigns and to the benefit of the Company, its successors and assigns.

(c) No amendment, modification, termination or cancellation of this Agreement shall be effective unless in writing and signed by the parties.

The parties have executed this Agreement as of the day and year first above written.

HALLIBURTON COMPANY

By: _____
David J. Lesar
Chairman of the Board, President and
Chief Executive Officer

Print name:

Title: _____

**FIRST AMENDMENT
TO FIVE YEAR REVOLVING CREDIT AGREEMENT**

THIS FIRST AMENDMENT TO FIVE YEAR REVOLVING CREDIT AGREEMENT (this "Amendment") is dated as of April 23, 2013 and is entered into by and among Halliburton Company, a Delaware corporation (the "Borrower"), Citibank, N.A., as agent for the Banks (in such capacity, the "Agent"), and the Banks.

RECITALS

WHEREAS, the Borrower, the Banks and the Agent are parties to the Five Year Revolving Credit Agreement dated as of February 22, 2011 (the "Credit Agreement"). Capitalized terms used herein without definition shall have the same meanings herein as set forth in the Credit Agreement after giving effect to this Amendment.

WHEREAS, the parties desire to amend the Credit Agreement to increase the Commitments and make certain other changes as further set forth herein.

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto agree as follows:

SECTION 1. Amendments to Credit Agreement.

(a) Amendments to Section 1.01.

i. Effective as of the First Amendment Effective Date (as defined below), Section 1.01 of the Credit Agreement is hereby amended by adding the following definition in proper alphabetical sequence:

"First Amendment" means that certain First Amendment to Five Year Revolving Credit Agreement dated as of the First Amendment Effective Date among the Borrower, the Banks and the Agent.

"First Amendment Effective Date" means April 23, 2013.

ii. Effective as of the First Amendment Effective Date, Section 1.01 of the Credit Agreement is hereby amended by amending and restating the following definitions contained therein to read as follows:

"Agreement" means this Five Year Revolving Credit Agreement dated as of February 22, 2011 among the Borrower, the Banks and the Agent, as amended by the First Amendment and as further amended from time to time in accordance with the terms hereof.

"Eligible Assignee" means, with the consent of the Agent, the Issuing Banks and the Swingline Bank (which consents shall not be unreasonably withheld or delayed) and, so long as no Event of Default under Section 6.01(a) or 6.01(e) shall have occurred and be continuing, the Borrower (which consent shall not be unreasonably withheld or delayed) (a) any Bank, (b) any Affiliate of any Bank and (c) any other Person not covered by clause (a) or (b) of this definition; provided, however, that no assignment shall be made to (i) the Borrower or any Affiliate of the Borrower, (ii) to any Defaulting Bank, any Potential Defaulting Bank or any of their respective Subsidiaries, or any Person who, upon becoming a Bank hereunder, would constitute any of the foregoing Persons described in this clause (ii), or (iii) to a natural person; and provided, further that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Agent within five (5) Business Days after having received notice thereof.

"Stated Termination Date" means, for any Bank, the earlier of (i) April 23, 2018 or such later day, if any, as may be in effect for such Bank pursuant to Section 2.21 and (ii) if such Bank becomes an Exercising Bank, the Early Maturity Date applicable pursuant to Section 2.22.

(b) Amendments to Section 2.12. Effective as of the First Amendment Effective Date, Section 2.12 of the Credit Agreement is hereby amended by inserting the following new Section 2.12(e) immediately after Section 2.12(d):

(e) For purposes of this Agreement and to the extent permitted by applicable laws, all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, are deemed to have gone into effect and been adopted after the First Amendment Effective Date.

(c) Amendments to Section 4.01.

i. Effective as of the First Amendment Effective Date, Section 4.01(e) of the Credit Agreement is hereby amended by replacing each instance of “December 31, 2010” with “December 31, 2012.”

ii. Effective as of the First Amendment Effective Date, Section 4.01(f) of the Credit Agreement is hereby amended by replacing each instance of “December 31, 2010” with “December 31, 2012.”

(d) Amendments to Section 8.02. Effective as of the First Amendment Effective Date, Section 8.02(a)(i) of the Credit Agreement is hereby amended by replacing “2NW 18C” with “2NE 13H.”

(e) Amendments to Annex A. Effective as of the First Amendment Effective Date, Annex A to the Credit Agreement is hereby amended and restated with Annex A attached to this Amendment.

(f) Amendments to Schedule I. Effective as of the First Amendment Effective Date, Schedule I to the Credit Agreement is hereby amended and restated with Schedule I attached to this Amendment.

SECTION 2. Joinder of New Banks; Increase in Commitments; Bank Reallocation.

(a) Effective as of the First Amendment Effective Date (i) each Bank identified on Schedule I attached hereto as an “Additional Bank” hereby joins in, becomes a party to, and agrees to comply with and be bound by the terms and conditions of the Credit Agreement as a Bank thereunder and under each and every other Loan Document to which any Bank is required to be bound, to the same extent as if such Additional Bank were an original signatory thereto and (ii) each Additional Bank’s Revolving Credit Commitment is in the amount set forth on Schedule I attached hereto. Each Additional Bank hereby appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Agreement as are delegated to the Agent by the terms thereof, together with such powers and discretion as are reasonably incidental thereto. Each Additional Bank represents and warrants that (A) it has received a copy of the Credit Agreement and copies of the most recent financial statements delivered pursuant to Section 5.01(d) thereof, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Amendment and to become a Bank, on the basis of which it has made such analysis and decision independently and without reliance on the Agent or any other Bank, (B) it has, independently and without reliance upon the Agent or any other Bank and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to become a Bank, and (C) it satisfies the requirements, if any, specified in the Credit Agreement that are required to be satisfied by it in order to become a Bank. Each Additional Bank agrees that (y) it will, independently and without reliance on the Agent or any other Bank, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (z) it will perform in accordance with their terms all of their obligations which by the terms of the Loan Documents are required to be performed of it as a Bank.

(b) Effective as of the First Amendment Effective Date, the aggregate Revolving Credit Commitments are increased to \$3,000,000,000, and each Bank agrees that its Commitments shall be the amounts set forth opposite such Bank’s name on Schedule I as amended by this Amendment. After giving effect to this Amendment and any Revolving Credit Advances made on the First Amendment Effective Date, (a) each Bank who holds Revolving Credit Advances in an aggregate amount less than its Pro Rata Share (after giving effect to this Amendment) of all Revolving Credit Advances shall advance new Revolving Credit Advances that shall be disbursed to the Agent and used to repay Revolving Credit Advances outstanding to each Bank who holds Revolving Credit Advances in an aggregate amount greater than its Pro Rata Share of all Revolving Credit Advances, (b) each Bank’s participation in each Letter of Credit and Swingline Advances, if any, shall be automatically adjusted to equal its Pro Rata Share (after giving effect to this Amendment) and (c) the Borrower shall pay any amounts required to compensate any Bank for any additional losses, costs or expenses pursuant to Section 8.04(b) to the same extent as if any reallocation of outstanding Revolving Credit Advances pursuant to this Amendment were deemed an optional prepayment made by the Borrower.

SECTION 3. Conditions to Effectiveness. This Amendment shall become effective as of the date hereof only upon the satisfaction of all of the following conditions precedent (the date of satisfaction of such conditions being referred to herein as the “First Amendment Effective Date”):

(a) The Agent shall have received each of the following, each in form and substance satisfactory to Agent, in its sole discretion, and, where applicable, each duly executed by each party thereto (each of which shall be deemed to constitute a “Loan Document” pursuant to the Credit Agreement):

i. this Amendment or counterparts hereof;

ii. the Notes to the order of the Banks to the extent requested by any Bank pursuant to Section 2.18 of the Credit Agreement;

iii. certified copies of the resolutions of the Board of Directors of the Borrower approving this Amendment and each Note delivered in connection herewith, and of all documents evidencing other necessary corporate or organizational action and governmental approvals, if any, with respect to each such Loan Document;

iv. a certificate of the secretary or an assistant secretary of the Borrower certifying the names and true signatures of the officers of the Borrower authorized to sign this Amendment and each Note delivered in connection herewith and the other documents to be delivered by the Borrower hereunder;

v. a certificate of a Responsible Officer stating the respective ratings by each of S&P and Moody's of the senior unsecured long-term debt of the Borrower as in effect on the First Amendment Effective Date;

vi. a favorable opinion of Bruce A. Metzinger, Assistant Secretary and Senior Director for the Borrower, in form and substance reasonably acceptable to the Agent; and

vii. a favorable opinion of Mayer Brown, LLP, counsel for the Borrower, in form and substance reasonably acceptable to the Agent.

(b) On the First Amendment Effective Date, the following statements shall be true and the Agent shall have received a certificate signed by a Responsible Officer, dated the First Amendment Effective Date, stating that:

i. the representations and warranties contained in Section 4.01 of the Credit Agreement (other than those representations and warranties that expressly relate solely to a specific earlier date, which shall remain correct as of such earlier date) are correct on and as of the First Amendment Effective Date; and

ii. no event has occurred and is continuing that constitutes a Default or an Event of Default.

(c) All accrued fees and reasonable out-of-pocket expenses of the Joint Lead Arrangers shall have been paid (including the reasonable fees and expenses of counsel to the Joint Lead Arrangers for which invoices have been submitted).

(d) The Borrower shall have paid all accrued fees and reasonable out-of-pocket expenses of the Agent (including the reasonable fees and expenses of counsel to the Agent for which invoices have been submitted).

SECTION 4 Representations and Warranties. The Borrower hereby represents and warrants to the Agent and each of the Banks as follows:

(a) The Borrower has all requisite organizational power and authority to execute, deliver and perform this Amendment.

(b) The execution, delivery and performance by the Borrower of this Amendment and the consummation of the transactions contemplated hereby (i) have been duly authorized by all necessary corporate action and (ii) do not contravene (A) the Borrower's certificate of incorporation or by-laws, (B) any law, rule, regulation, order, writ, injunction or decree, or (C) any contractual restriction under any material agreements binding on or affecting the Borrower or any other contractual restriction the contravention of which would have a Material Adverse Effect.

(c) No authorization, approval, consent, license or other action by, and no notice to or filing with, any governmental authority, regulatory body or any other Person is required to be made or obtained by the Borrower for the due execution, delivery and performance of this Amendment.

(d) This Amendment has been duly executed and delivered by the Borrower and constitutes legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally.

(e) After giving effect to this Amendment, no Default or Event of Default has occurred and is continuing.

SECTION 5 Miscellaneous.

(a) Reference to and Effect on the Credit Agreement and the other Loan Documents.

i. On and after the First Amendment Effective Date, each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof", "herein" or words of like import referring to the Credit Agreement, and each reference in the other Loan Documents to the "Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement as amended by this Amendment.

ii. Except as expressly provided hereby, all of the terms and provisions of the Credit Agreement and the other Loan Documents are and shall remain in full force and effect and are hereby ratified and confirmed by the Borrower. The amendments contained herein shall not be construed as a waiver or amendment of any other provision of the Credit Agreement or the other Loan Documents or for any purpose except as expressly set forth herein or a consent to any further or future action on the part of the Borrower that would require the waiver or consent of the Agent or the Banks.

iii. This Amendment is a "Loan Document" for all purposes of the Credit Agreement.

(b) **Headings.** Section and Subsection headings in this Amendment are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

(c) **Severability.** Any provision of this Amendment which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. The parties hereto shall endeavor in good-faith negotiations to replace any invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

(d) **Applicable Law.** THIS AMENDMENT AND ANY DISPUTE, CLAIM OR CONTROVERSY ARISING OUT OF OR RELATING TO THIS AMENDMENT (WHETHER ARISING IN CONTRACT, TORT OR OTHERWISE) SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAW RULES THAT WOULD RESULT IN THE APPLICATION OF A DIFFERENT GOVERNING LAW.

(e) **Integration/Conflict.** This Amendment and the other Loan Documents represent the entire agreement of the Borrower, the Banks and the Agent with respect to the subject matter hereof and thereof, and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof and thereof. There are no promises, undertakings, representations or warranties by the Banks or the Agent relative to the subject matter hereof and thereof not expressly set forth or referred to herein or therein.

(f) **Counterparts.** This Amendment may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by facsimile or other electronic imaging means), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Agreement by facsimile or other electronic transmission (e.g. "pdf" or "tif" format) shall be effective as delivery of a manually executed counterpart hereof.

(g) **Incorporation of Credit Agreement Provisions.** The provisions contained in Section 8.13 (Jurisdiction; Damages), and Section 8.16 (Waiver of Jury Trial) of the Credit Agreement are incorporated herein by reference to the same extent as if reproduced herein in their entirety.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

BORROWER: HALLIBURTON COMPANY

By:
Name:
Title:

CITIBANK, N.A., as Agent, as an Issuing Bank
and as a Bank

By:
Name:
Title:

THE ROYAL BANK OF SCOTLAND PLC, as an Issuing Bank and as a Bank

By:
Name:
Title:

DEUTSCHE BANK AG NEW YORK BRANCH,
as an Issuing Bank and as a Bank

By:
Name:
Title:

By:
Name:
Title:

HSBC BANK USA, NATIONAL ASSOCIATION,
as an Issuing Bank and as a Bank

By:
Name:
Title:

Credit Suisse AG, Cayman Islands Branch
as a Bank

By:
Name:
Title:

By:
Name:
Title:

DNB BANK ASA, as a Bank

By:
Name:
Title:

By:
Name:
Title:

GOLDMAN SACHS BANK, USA, as a Bank

By:
Name:
Title:

JPMORGAN CHASE BANK, NA., as a Bank

By:
Name:
Title:

LLOYDS TBS BANK PLC, as a Bank

By:
Name:
Title:

By:
Name:
Title:

MORGAN STANLEY BANK, N.A., as a Bank

By:
Name:
Title:

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., as a Bank,

By:
Name:
Title:

U.S. BANK, NATIONAL ASSOCIATION, as a Bank

By:
Name:
Title:

WELLS FARGO BANK, N.A., as a Bank

By:
Name:
Title:

BANCO BILBAO VIZCAYA ARGENTARIA,
New York Branch S.A., as a Bank,

By:
Name:
Title:

By:
Name:
Title:

NORDEA BANK NORGE ASA, as a Bank,

By:
Name:
Title:

STANDARD CHARTERED BANK, as a Bank,

By:
Name:
Title:

SUMITOMO MITSUI BANKING CORPORATION, as a Bank,

By:
Name:
Title:

THE BANK OF NOVA SCOTIA, as a Bank,

By:
Name:
Title:

STATE STREET BANK AND TRUST
COMPANY, as a Bank,

By:
Name:
Title:

THE BANK OF NEW YORK MELLON, as a Bank,

By:
Name:
Title:

BANK OF AMERICA, N.A., as a Bank,

By:

Name:
Title:

BARCLAYS BANK PLC, as a Bank

By:
Name:
Title:

BANK OF CHINA, NEW YORK BRANCH, as a Bank

By:
Name:
Title:

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED, as a Bank

By:
Name:
Title:

ANNEX A

“Applicable Commitment Fee Rate” means, for any date, the rate per annum set forth in the table below under the heading “Applicable Commitment Fee Rate” opposite the debt rating from S&P and Moody’s, respectively, in effect on such date for the senior unsecured long-term debt of the Borrower, with the higher of the two ratings to be determinative in the case where the ratings from S&P and Moody’s would result in different Applicable Commitment Fee Rates; provided, that if the debt rating from one of the Rating Agencies is more than one level below the debt rating from the other Rating Agency, then the debt rating one level below the higher of the two shall be used in determining the Applicable Commitment Fee Rate; provided further that (i) if only one Rating Agency has a rating in effect on such date for the senior unsecured long-term debt of the Borrower, then only such rating shall be used in determining the Applicable Commitment Fee Rate, and (ii) if neither Rating Agency has a rating in effect on such date for the senior unsecured long-term debt of the Borrower, then the lowest level (i.e., highest Applicable Commitment Fee Rate) shall be used in determining the Applicable Commitment Fee Rate:

S&P	Moody's	Applicable Commitment Fee Rate
> A+	> A1	6.0 bps
≥ A	≥ A2	8.0 bps
≥ A-	≥ A3	10.0 bps
≥ BBB+	≥ Baa1	15.0 bps
≥ BBB	≥ Baa2	20.0 bps
< BBB	< Baa2	25.0 bps

“Applicable Margin” means, for any date, (a) with respect to Eurodollar Rate Advances, 100% of the Credit Default Swap Spread; provided that the Applicable Margin for Eurodollar Rate Advances shall neither be less than the applicable minimum rate nor greater than the applicable maximum rate as set forth in the table below opposite the debt rating from S&P and Moody’s, respectively, in effect on such date for the senior unsecured long-term debt of the Borrower, with the higher of the two ratings to be determinative in the case where the ratings from S&P and Moody’s would result in different Applicable Margins; provided, that if the debt rating from one of the Rating Agencies is more than one level below the debt rating from the other Rating Agency, then the debt rating one level below the higher of the two shall be used in determining the Applicable Margin; provided further that (i) if only one Rating Agency has a rating in effect on such date for the senior unsecured long-term debt of the Borrower, then only such rating shall be used in determining the Applicable Margin, and (ii) if neither Rating Agency has a rating in

effect on such date for the senior unsecured long-term debt of the Borrower, then the lowest level (i.e., highest Applicable Margin) shall be used in determining the Applicable Margin and (b) with respect to Base Rate Advances, a rate per annum equal to the rate set forth in clause (a) above for Eurodollar Rate Advances less 1.00% (but in any event such percentage per annum not to be less than 0% per annum):

S&P	Moody's	Minimum Rate	Maximum Rate
> A+	> A1	0.25%	0.875%
≥ A	≥ A2	0.375%	1.00%
≥ A-	≥ A3	0.50%	1.25%
≥ BBB+	≥ Baa1	0.75%	1.375%
≥ BBB	≥ Baa2	1.00%	1.50%
< BBB	< Baa2	1.25%	1.75%

“CDS Spread Determination Date” means, (a) with respect to any Eurodollar Rate Advance, the date that is two Business Days prior to the first day of the Interest Period for any Eurodollar Rate Advance, and, for such Eurodollar Rate Advance with an Interest Period longer than three months, at the end of each successive three-month period after the first day of such Interest Period, and (b) with respect to any Base Rate Advance and Letters of Credit, as applicable, the First Amendment Effective Date and the last Business Day of each calendar quarter, commencing with the calendar quarter in which the First Amendment Effective Date occurs.

“Credit Default Swap Spread” means, for any CDS Spread Determination Date, the credit default swap spread applicable to the Borrower’s senior unsecured long-term debt with a five-year maturity as provided by the Reference Pricing Agent to the Agent and the Borrower after the close of business on the Business Day immediately preceding the CDS Spread Determination Date; provided that, if such Credit Default Swap Spread is not delivered by the Reference Pricing Agent to the Agent by 11:00 A.M. on the relevant CDS Spread Determination Date, then the Credit Default Swap Spread applicable to such CDS Spread Determination Date shall be (a) with respect to any Eurodollar Rate Advance, the applicable maximum rate as set forth in the table above opposite the debt rating from S&P and Moody’s, and (b) with respect to any Base Rate Advance, the Credit Default Swap Spread determined pursuant to clause (a) above less 1.00%. If the Agent shall determine that adequate and reasonable means do not exist for ascertaining the Credit Default Swap Spread as of any CDS Spread Determination Date, then the Borrower and the Banks shall negotiate in good faith for a period of up to thirty days after the Credit Default Swap Spread becomes unavailable (such thirty-day period, the “Negotiation Period”) to agree on an alternative method for establishing the Applicable Margin. The Applicable Margin at any CDS Spread Determination Date which falls during the Negotiation Period shall be based upon the then most recently available quote of the Credit Default Swap Spread (subject in any event to the maximum rates and the minimum rates as set forth above). If no such alternative method is agreed upon during the Negotiation Period, the Applicable Rate at any CDS Spread Determination Date subsequent to the end of the Negotiation Period shall be a rate per annum equal to the then most recently available quote of the Credit Default Swap Spread (subject in any event to the maximum rate and the minimum rate as set forth above). Initially, the Applicable Commitment Fee Rate and the Applicable Margin shall be determined based upon the Debt Rating specified in the certificate delivered pursuant to Section 3.01(b)(iv). Thereafter, each change in the Applicable Commitment Fee Rate resulting from a publicly announced change in the Debt Rating shall be effective during the period commencing on the date of the public announcement thereof and ending on the date immediately preceding the effective date of the next such change.

Exhibit 12.1

HALLIBURTON COMPANY
Computation of Ratio of Earnings to Fixed Charges
(Unaudited)
(Millions of dollars, except ratios)

	Three Months Ended March 31, 2013	Year Ended December 31				
		2012	2011	2010	2009	2008
Earnings available for fixed charges:						
Income (loss) from continuing operations before income taxes	\$ (183)	\$ 3,822	\$ 4,449	\$ 2,655	\$ 1,682	\$ 3,849
Add:						
Distributed earnings from equity in unconsolidated affiliates	7	4	13	13	17	30
Fixed charges	109	445	384	402	361	232
Subtotal	(67)	4,271	4,846	3,070	2,060	4,111
Less:						
Equity in earnings of unconsolidated affiliates	1	14	20	20	16	50
Total earnings (loss) available for fixed charges	\$ (68)	\$ 4,257	\$ 4,826	\$ 3,050	\$ 2,044	\$ 4,061
Fixed charges:						
Interest expense	\$ 74	\$ 305	\$ 268	\$ 308	\$ 297	\$ 167
Rental expense representative of interest	35	140	116	94	64	65
Total fixed charges	\$ 109	\$ 445	\$ 384	\$ 402	\$ 361	\$ 232
Ratio of earnings to fixed charges	(a)	9.6	12.6	7.6	5.7	17.5

(a) Total earnings (loss) available for fixed charges for the quarter ended March 31, 2013 was inadequate to cover fixed charges by \$177 million.

Section 302 Certification

I, David J. Lesar, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended March 31, 2013 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, 2013

/s/ David J. Lesar
David J. Lesar
Chief Executive Officer
Halliburton Company

Section 302 Certification

I, Mark A. McCollum, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended March 31, 2013 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, 2013

/s/ Mark A. McCollum
Mark A. McCollum
Chief Financial Officer
Halliburton Company

**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, 2013 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: April 26, 2013

**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, 2013 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: April 26, 2013

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 three months ended March 31, 2013:

- 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
Three Months Ended March 31, 2013:
(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	1	—	—	—	—	\$ —	—	—
BPM Colony Mine/4800889	—	—	—	—	—	—	—	—
BPM Lovell Mill/4801405	2	—	—	—	—	2,529	—	—
BPM Lovell Mine/4801016	—	—	—	—	—	—	—	—
Corpus Christi Grinding Plant/4104010	—	—	—	—	—	—	—	—
Dunphy Mill/2600412	—	—	—	—	—	—	—	—
Lake Charles Plant/1601032	—	—	—	—	—	—	—	—
Larose Grinding Plant/1601504	—	—	—	—	—	—	—	—
Rossi Jig Plant/2602239	1	—	—	—	—	—	—	—
Total	4	—	—	—	—	\$ 2,529	—	—

- (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 1, 2013 regardless of whether the assessment has been challenged or appealed, for citations and orders occurring during the three months ended March 31, 2013.

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 three months ended March 31, 2013, 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.