

## 2009 Press Releases

FOR IMMEDIATE RELEASE: January 26, 2009

### **HALLIBURTON ANNOUNCES FOURTH QUARTER CHARGE RELATED TO PROSPECTIVE SETTLEMENT OF FOREIGN CORRUPT PRACTICES ACT (FCPA) INVESTIGATIONS**

#### ***\$0.34 fourth quarter 2008 earnings per diluted share impact from \$303 million charge to discontinued operations***

**HOUSTON, Texas** - As previously disclosed in its public filings, Halliburton (NYSE:HAL) has engaged in settlement discussions with the Department of Justice (DOJ) and the Securities and Exchange Commission (SEC) with regard to the ongoing FCPA investigations involving Halliburton and KBR, Inc. (KBR). These discussions have resulted in prospective settlements with both agencies. The settlement with the DOJ has been fully negotiated and Halliburton has been advised that it is being reviewed for final approval. The settlement with the SEC has been approved contingent upon the completion of the settlement with the DOJ. There can be no assurance, however, that the settlement with the DOJ will be approved or that, consequently, the condition to the settlement with the SEC will be satisfied.

To enhance KBR's financial stability and solvency, making possible the separation of KBR, Halliburton indemnified KBR from fines or other monetary penalties or direct monetary damages, including disgorgement, as a result of a claim made or assessed by a governmental authority in the United States and certain other countries related to alleged or actual violations occurring prior to November 20, 2006 of the FCPA or particular, analogous applicable foreign statutes, laws, rules, and regulations in connection with investigations pending as of that date.

As a result of the indemnity and the terms of the prospective settlement with the DOJ, Halliburton would agree to pay \$382 million on behalf of KBR in eight installments over the next two years. Pursuant to the terms of the prospective settlement with the SEC, Halliburton would agree to be jointly and severally liable with KBR for and, as a result of the indemnity, to pay to the SEC \$177 million in disgorgement. KBR would separately agree that Halliburton's indemnification obligations with respect to the DOJ and SEC investigations would be fully satisfied.

The prospective settlement with the DOJ would not require Halliburton to engage a monitor. The prospective settlement with the SEC would require Halliburton to retain an independent consultant to perform a 60-day initial and, approximately one year later, a 30-day follow-up review and evaluation of Halliburton's anti-bribery and foreign agent internal controls and record-keeping policies and to adopt any necessary improvements.

During the second quarter of 2007, in connection with the separation of KBR from Halliburton, Halliburton recorded a gain on the disposition of KBR of approximately \$933 million, net of tax and the estimated fair value of the FCPA and other indemnities and guarantees provided to KBR, which was included in "Income (loss) from discontinued operations, net of income tax" on the consolidated statement of operations. During the second quarter of 2008, Halliburton recorded additional adjustments to the estimated liability for the indemnities and guarantees provided to KBR. These indemnities and guarantees are primarily included in "Other liabilities" on the consolidated balance sheets and totaled \$342 million at September 30, 2008.

As a result of these prospective settlements, Halliburton recorded in the fourth quarter of 2008 an additional charge to discontinued operations of \$303 million or \$0.34 per diluted share.

Commenting on these matters, a Company spokesperson stated, "The Company will not further comment or take questions regarding the prospective settlements, given that there can be no assurance that they will become effective in accordance with their respective terms."

## 2009 Press Releases

FOR IMMEDIATE RELEASE: February 11, 2009

### **HALLIBURTON ANNOUNCES SETTLEMENT OF DEPARTMENT OF JUSTICE AND SECURITIES AND EXCHANGE COMMISSION FOREIGN CORRUPT PRACTICES ACT INVESTIGATIONS**

***DOJ investigation resolved with criminal plea by a KBR, Inc. subsidiary, and without charges against Halliburton or requirement for a Halliburton monitor***

***SEC investigation resolved with Halliburton agreeing to a permanent injunction regarding Halliburton's books and records and internal controls, and to adopt any additional policies and procedures recommended by an independent consultant after a 60-day review***

**HOUSTON** - Halliburton Company (NYSE: HAL) Halliburton announced today the resolution of the previously disclosed Foreign Corrupt Practices Act (FCPA) investigations by the Department of Justice (DOJ) and the Securities and Exchange Commission (SEC).

These investigations commenced in 2003 as a result of allegations of improper payments to government officials in Nigeria through the use of agents or subcontractors in connection with the construction and subsequent expansion by a joint venture known as TSKJ of a natural gas liquefaction project on Bonny Island, Nigeria, in which Halliburton's former subsidiary KBR, Inc. has an approximate 25 percent interest.

On February 11, a subsidiary of KBR pleaded guilty to conspiring to violate the FCPA and to substantive counts charging violations of the anti-bribery provisions of the FCPA in connection with the Bonny Island project. The scheme commenced in the 1990's prior to Halliburton's 1998 acquisition of Dresser Industries, Inc.

To enhance KBR's financial stability and solvency, making possible the separation of KBR, Halliburton indemnified KBR from fines or other monetary penalties or direct monetary damages, including disgorgement, as a result of a claim made or assessed by a governmental authority in the United States and certain other countries related to alleged or actual violations occurring prior to November 20, 2006 of the FCPA or particular, analogous applicable foreign statutes, laws, rules, and regulations in connection with investigations pending as of that date.

The DOJ investigation was resolved with respect to Halliburton with a non-prosecution agreement in which the DOJ agreed not to bring FCPA or bid coordination-related charges against Halliburton, and in which Halliburton agreed to continue to cooperate with the DOJ's ongoing investigation and to refrain from and self-report certain FCPA violations. That agreement does not provide for a monitor.

As a result of the indemnity and the KBR subsidiary's criminal plea, Halliburton has agreed to pay in eight installments over the next two years \$382 million of \$402 million in criminal fines payable by KBR as part of KBR's resolution of the DOJ investigation, with KBR consenting to pay the remaining \$20 million.

With respect to the SEC, without admitting or denying the allegations in the complaint, Halliburton consented to the entry of a final judgment that permanently enjoins Halliburton from violating the record-keeping and internal control provisions of the FCPA. KBR also entered into a related settlement with the SEC. As part of Halliburton's settlement, Halliburton agreed to be jointly and severally liable with KBR for and, as a result of the indemnity, to pay to the SEC, \$177 million in disgorgement. KBR has agreed that Halliburton's indemnification obligations with respect to the DOJ and SEC investigations have been fully satisfied.

In addition, as part of the resolution of the SEC investigation, Halliburton will retain an independent consultant to perform a 60-day initial and, approximately one year later, a 30-day follow-up review and evaluation of Halliburton's anti-bribery and foreign agent internal controls and record-keeping policies and to adopt any necessary improvements.

As previously announced on January 26, as a result of these settlements, Halliburton recorded in the fourth quarter of 2008 an additional charge to discontinued operations of \$303 million or \$0.34 per diluted share.

#### **About Halliburton**

Founded in 1919, Halliburton is one of the world's largest providers of products and services to the energy industry.

With more than 55,000 employees in approximately 70 countries, the company serves the upstream oil and 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. Visit the company's Web site at [www.halliburton.com](http://www.halliburton.com).

*NOTE: The statements in this press release that are not historical statements are forward-looking statements within the meaning of the federal securities laws. These statements are subject to numerous risks and uncertainties, many of which are beyond the company's control, which could cause actual results to differ materially from the results expressed or implied by the statements. These risks and uncertainties include, but are not limited to: consequences of audits and investigations by domestic and foreign government agencies and legislative bodies and related publicity. Halliburton's Form 10-K for the year ended December 31, 2007, Form 10-Q for the period ended September 30, 2008, recent Current Reports on Form 8-K, and other SEC filings discuss some of the important risk factors identified that may affect the business, results of operations, and financial condition. Halliburton undertakes no obligation to revise or update publicly any forward-looking statements for any reason.*