

A black and white photograph of a young girl with long hair, wearing a nightgown, sleeping peacefully in a bed. She is hugging a large, white teddy bear. The scene is intimate and tender, with soft lighting and a focus on the girl's face and the bear's head.

Drive as if
a life depends on it.
It does.

Take action to prevent vehicle incidents:

Do Not:

- Drive while fatigued or impaired
- Talk or text on your mobile phone
- Force a vehicle back onto the roadway*
- Perform non-driving activities while operating a vehicle

Do:

- Always wear your seat belt
- Use Journey Management
- Drive defensively
- Reduce speed in adverse road or weather conditions
- Maintain a safe following distance

*As shown in Halliburton's Dropping a Wheel training video, rollovers can be prevented by slowing down, stopping the vehicle, and re-entering the roadway at a slow speed and a controllable angle.

**Your destination is
always safety.**

HSE

HALLIBURTON | Wellness & Performance

Safety is the first condition of employment.

HALLIBURTON

Halliburton History

•1900-1955



•1919
•Erle P. Halliburton starts New Method Oil Well Cementing Co.

•1922
•Company cements its 500th well

•1938
•Halliburton cements the first offshore well using a truck on a barge off the coast of Louisiana



•1952
•Company revenues top \$10 million

•1956-1991

•1962
•Halliburton acquires Brown & Root



•1965
•Halliburton begins pilot operations of a computer network system – the first in the oilfield services industry

•1972
•Halliburton performs deepest hydraulic fracturing stimulation to date on a 22,400-foot well

•1988
•Develops a complete subsea wireline intervention system for use in the North Sea

•1991
•Halliburton helps extinguish over 220 of the 647 well fires set in Kuwait



•1991-2010

•1991
•Halliburton Energy Services is formed

•1998
•Halliburton Dresser merger

•2004
•Halliburton celebrates 85th anniversary

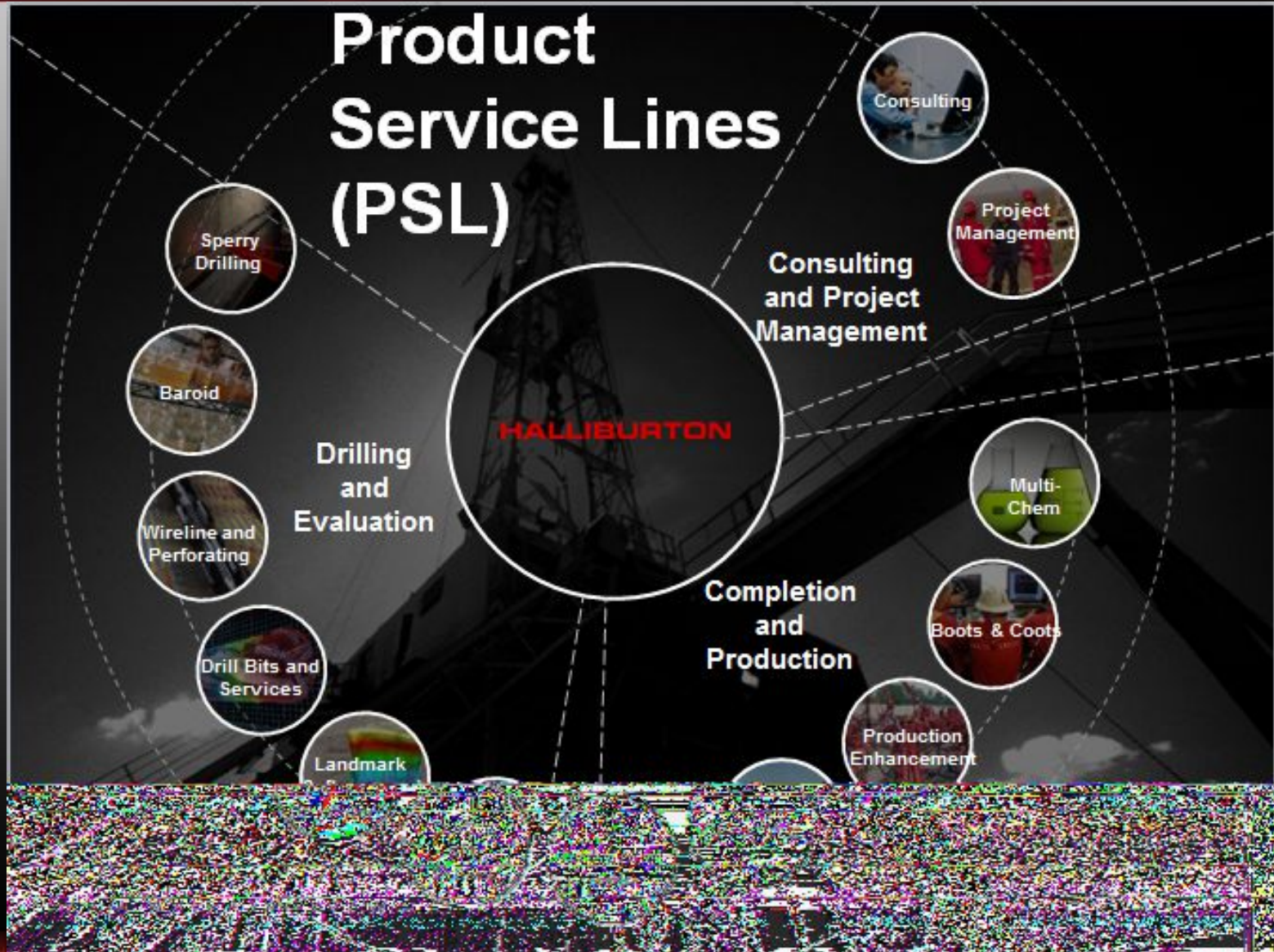
•2004
•Halliburton wins a record six meritorious awards for engineering innovation

•2007
•Halliburton/KBR separation

•2010
•Halliburton Acquires Boots & Coots



Halliburton Organization



Support Functions

- Finance
- Corporate Affairs
- Corporate Security
- Health, Safety and Environment (HSE)
- Service Quality
- Human Resources
- Information Technology
- Law
- Marketing
- Supply Chain



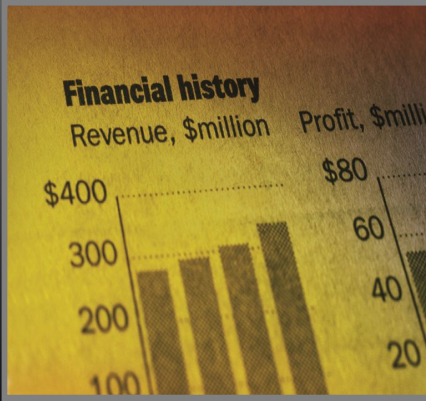
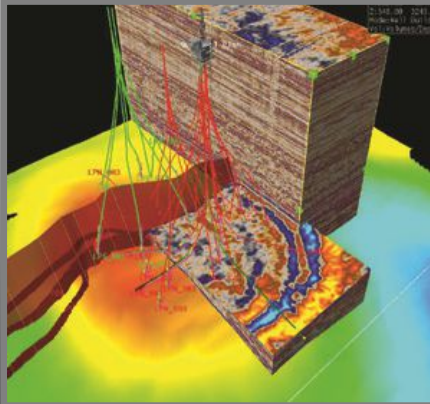
•Working together to provide services to all employees and our Company.

Where We Are Today

- Nearly 80,000 people around the world
- Operations in approximately 80 countries



Halliburton Vision and Mission



Vision

To be the preferred upstream service company for the development of global oil and gas assets

Mission

To create sustainable value by delivering outstanding products, services and digital collaborative environments that help our customers succeed by:

- Maximizing production and recovery
- Realizing reserves from difficult environments through:
 - Unconventional hydrocarbons
 - Deepwater technologies
 - Precise well placement
 - Digital Asset[®] environments
- Delivering operational efficiency

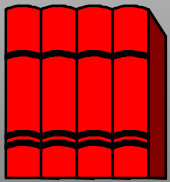
Code of Business Conduct (COBC)

- Legal and ethical practices for every day.
- Compliance with the law, honesty and integrity – more important than profits.
- Treat people with dignity and respect.
- Management expects your wholehearted support of these Company values and principles.

Halliburton Management System (HMS)



•What is the Halliburton Management System HMS ?



• +



• +



• +



•QUALITY

•HEALTH & SAFETY

•ENVIRONMENTAL

•BD, OPERATIONS,
•SS, etc

- One **PROCESS BASED** System, written around
- Halliburton's Fundamental Processes

- Business Development
- Business Execution
- Shared Services

Halliburton Management System

- **What we do** (our core of business and all associated activities)
- **How we do it** (the way we deliver our products and services)
- **Who is responsible** (Defined roles and responsibilities)
- **How we know we've done it Properly** (Tracking and evaluation of delivery and performance (metrics, indicators and targets))
- **How we can make it better** (Promote continual improvement)

• *How 'Halliburton conducts it's business'*

The Levels of HMS

- **Code Of Business Conduct**
 - Top level code of ethics for Halliburton
- **Company Policies**
 - Corporate level “rules” setting standard behaviors
- **Business Excellence Manual**
 - How we conduct business at all levels
- **Standards**
 - The minimum expectations within Services
- **Process maps (seven mainstays)**
 - Our basic work flow in diagrammatic form
- **Work Methods**
 - Our specific manuals and Procedures

The wheel – how we work

•Leadership and Commitment

•Leadership and commitment envelop every aspect of our business to ensure success. Top down commitment is the culture of Halliburton

•Plan

•Documented, systematic approach for translating the company's mission, vision, and strategies into the expected outcomes.

•Organize

•Organization of people, resources, and documents is essential for sound business performance

•Implement

•Conducting activities of the plans that follow and improve documented processes.

•Monitor

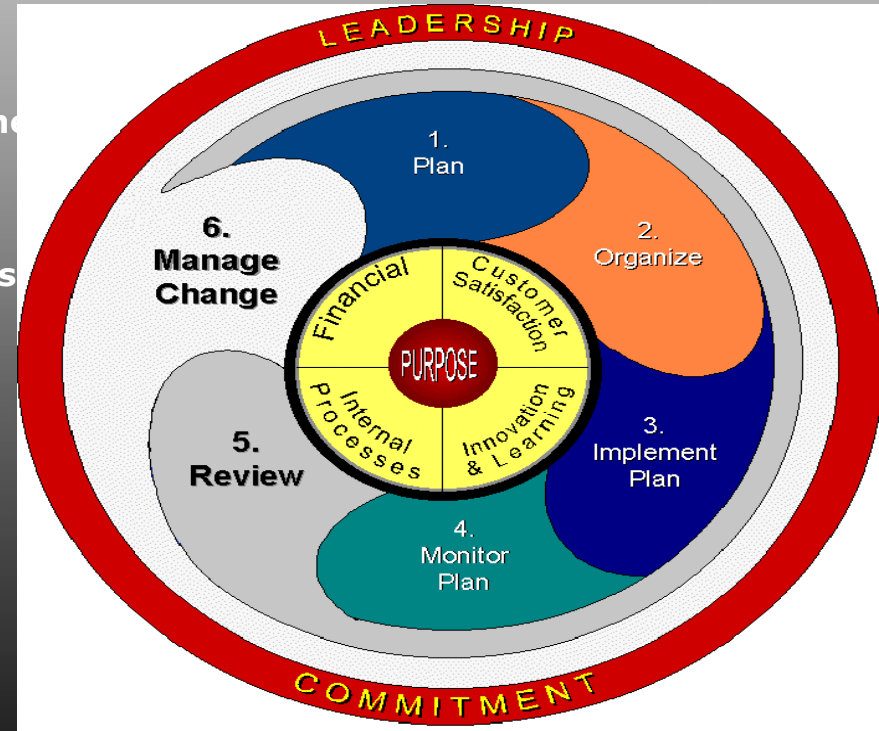
•Observing, inspecting, measuring and auditing activities to evaluate system performance.

•Review

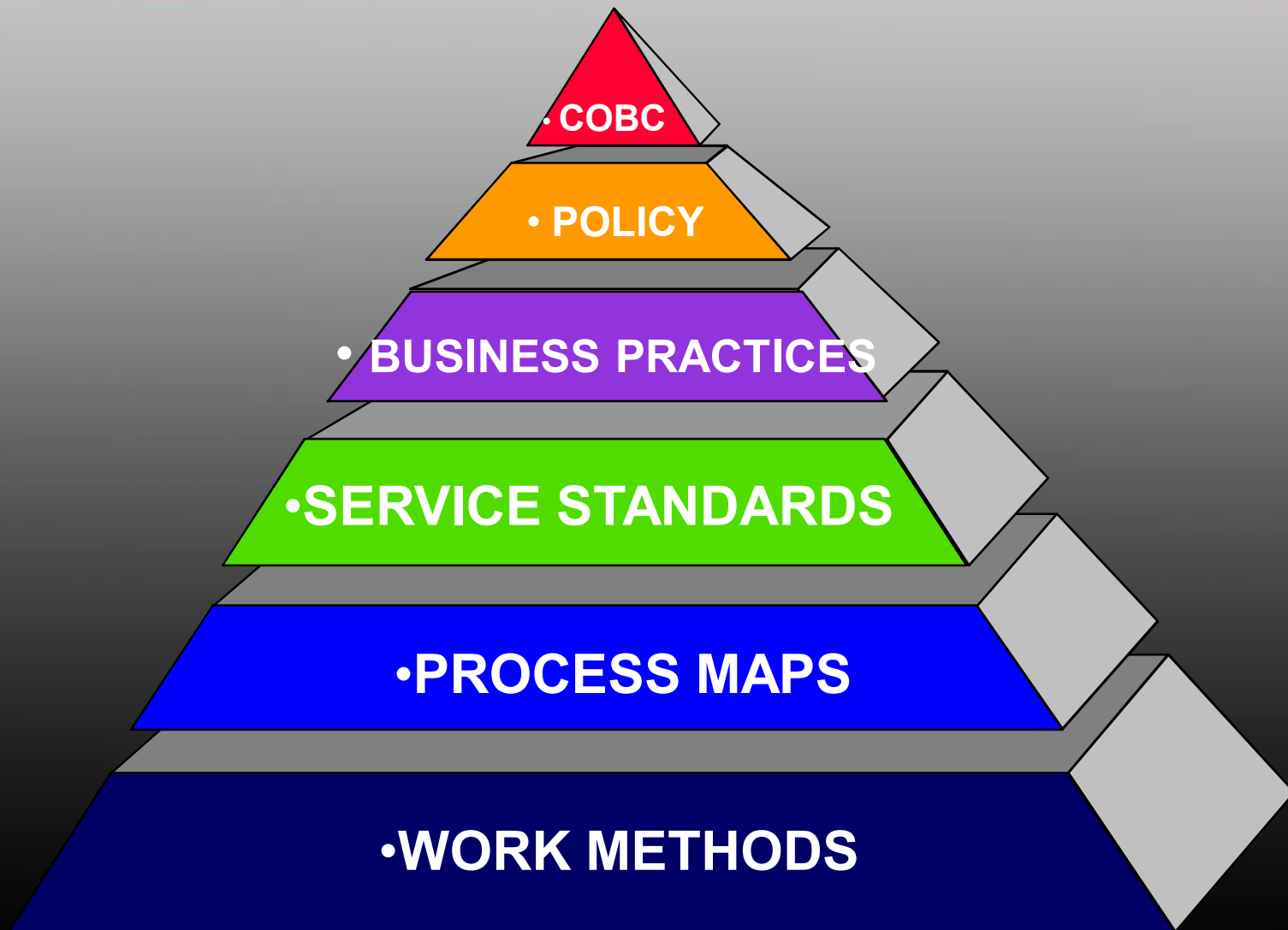
•Formal analysis of performance, corrective, prevention and improvement activities to determine effectiveness of HMS.

•Management of Change

•A systematic way to improve performance and manage change within the organization.

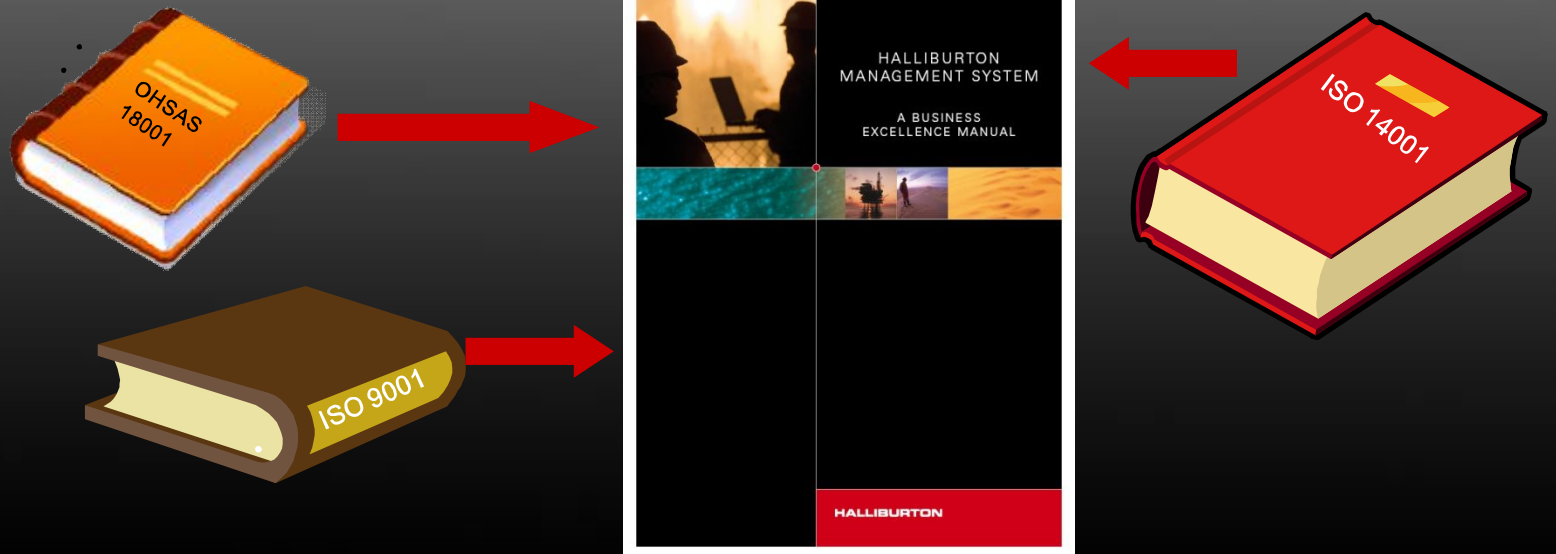


- # HMS Hierarchy



HMS Manual and Standards

- Halliburton “top-level” program document
- Incorporates and in compliance with the requirements of industry standards: ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2007 and Oil and Gas Industry standards API Q1 / ISOTS29001:2010, API Q2:2011, API RP 75:2004



HMS Documentation

Halliburton Management System Program Manual

TABLE OF CONTENTS

LEADERSHIP EXPECTATIONS.....

PLANNING EXPECTATIONS.....

CUSTOMER FOCUS EXPECTATIONS.....

PEOPLE DEVELOPMENT AND COMMUNICATION EXPECTATIONS.....

MONITOR, MEASURE AND CONTROL EXPECTATIONS.....

RISK MANAGEMENT AND WORK ENVIRONMENT EXPECTATIONS.....

SUPPLY CHAIN MANAGEMENT EXPECTATIONS.....

PRODUCTS/SERVICES: DESIGN, DEVELOPMENT AND DELIVERY EXPECTATIONS.....

NON-CONFORMITIES, INVESTIGATIONS AND ANALYSIS EXPECTATIONS.....

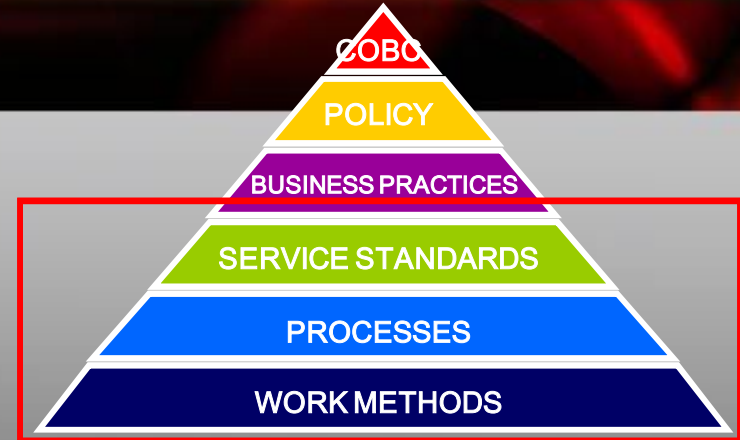
DOCUMENTS AND DOCUMENT CONTROL EXPECTATIONS.....

ASSESSMENT AND AUDIT EXPECTATIONS.....

MANAGEMENT REVIEW AND IMPROVEMENT EXPECTATIONS.....

APPENDIX A.....

| HALLIBURTON MANAGEMENT SYSTEM | | | | |
|-------------------------------|------------|---------|--------|--|
| DOCUMENT NUMBER | | | | |
| ST-GL-HES-CPT-OPS-101 | | | | |
| REV. NO. | REV. DATE | SECTION | PAGE | |
| 1.0 | 22-June-05 | GPS 101 | 1 of 2 | |



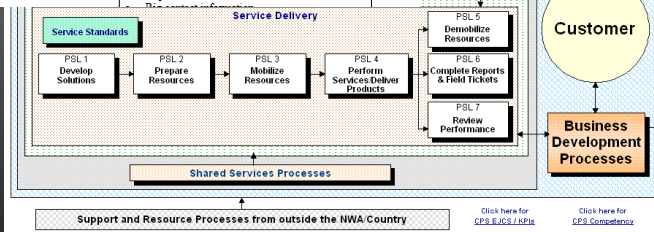
- Communicate clearly to others affected in the job-site/well conditions.
- Ensure that data is reconfirmed with the customer throughout the project life.
- Ensure the information collected using the PSL specific forms and could include the following recommended items:

| Customer Related Information | Rig and/or Platform Related Information |
|---|---|
| <ul style="list-style-type: none"> Company name Customer representative name Customer representative contact information Directions to job site | <ul style="list-style-type: none"> Rig/platform name Elevation Water depth (semi-submersible, drill-ship) Depth measured from |

HALLIBURTON MANAGEMENT SYSTEM

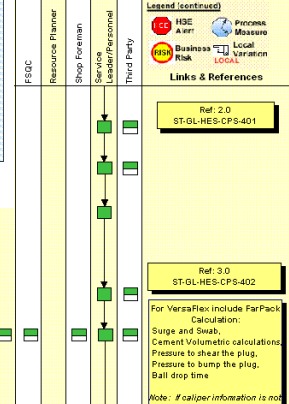
DOCUMENT NUMBER: LP-GL-HES-CPS-000

| REV. DATE | REV. NO. | SECTION | PAGE |
|-----------|----------|---------|--------|
| 20-MAR-06 | 1 | 0.00 | 1 OF 1 |



Halliburton Management System

Halliburton Completion Tools
Completion Products and Services
Global



| | | | |
|-----|---|------|--|
| 2.3 | Have HES work order filled out and signed by customer. (If applicable,) | RISK | |
| 3.0 | Verify proper equipment on location | | |
| 3.1 | Check equipment against shipping documents and service design. | | |
| 3.2 | Document and report missing or damaged equipment to SC & Customer and order replacement equipment and / or materials as soon as possible. | RISK | |

Service Equipment Maintenance -B05PRE

Service Interval - To Be Performed Prior To Unloading

| SHOP Location and # | DATE (ddMM/yyyy) |
|---------------------|------------------|
| | |

√ = OK F = Fail N/A = not applicable

- Identify tank(s) barite/gel is to be pumped into/out of.
- Open all tank hatches, if possible, to inspect quantities.
- Report all quantities to supervisor.
- Verify all hoses and fittings are in good working condition.
- Inspect for loose wiring.
- Check for leaking valves while pumping.
- Verify all debris has been removed from barge (trash,stripping, etc).

Management System-Level Review – Audits, Assessments

- **HMS audits**
 - Internal audit local and global
- HSE audits
 - Internal audit local and global
- Customer Audits
 - External audit
- ISO 9001, 14001, OHSAS 18001... Audits
 - External audit by accredited third parties
- **Management Review process**
 - This is a requirement for ISO 9001 and other international codes as it is requirement for our HMS manual, Annual review of all data, trends, audit results, etc output defining strategic actions.

Halliburton Management System (HMS)

Why it is important to implement a Management system???

- 1- Standardize job execution (make the business rely to system and not to people).
- 2- Promote performance (use the best processes on delivering our products and services).
- 3- Meet or Exceed Customers expectations.
- 4- Incorporate international code API –ISO...requirements aligning the cross companies requirements and fit to international business.
- 5- Created systematic approach on workforce competency development.
- 6- Promote continual improvement process.

HALLIBURTON





Safety is part of our culture at Halliburton. It is not only a priority, but also a core value.

- Dave Lesar
- Chairman of the Board,
- President and Chief Executive Officer

Halliburton HSE Culture

- Our culture is really serious about health, safety and the environment; where everyone from the CEO to the new-hire expects HSE excellence; where every job, every day, every hour, can and should be safer than the one before.

Journey to ZERO

- Halliburton's HSE performance is among the best in the industry, yet there are many opportunities to improve. In fact, operating even more safely and in a more environmentally sound manner is now the new "license to operate" for operators and service companies alike. The same is true of Service Quality and continually reducing non-productive time.
- To face the oil and gas industry's most critical challenge, Halliburton has adopted a strategy of performance excellence, ZERO: *In other words, achieve ZERO safety, health and environmental incidents plus ZERO non-productive time.*

Journey to ZERO





Halliburton Life Rules

10 *to* ZERO

- The Halliburton Life Rules were developed to help everyone go home safely. They are the basic rules that everyone should know and live by.
- They promote incident prevention by encouraging people to use their Stop Work Authority whenever they see something being done wrong.
- The Halliburton Life Rules are intended to be used in all of Halliburton's businesses and operations.
- These rules apply to everyone working for, and on behalf of, Halliburton.
- They are based on systematic processes for identifying, assessing and managing risks.
- Our Life Rules are one of our key components for identifying and managing the hazards in our business.

Life rules and critical areas of focus

•Halliburton Life Rules



Driving Safety



Work Permit



PPE



LOTO



Confined Space

10 *to* ZERO



Working at Height



Chemical Handling



Dropped Objects



Hand Tools



Lifting and Hoisting

•Five Critical Areas of Focus



•Barriers



•Hydrocarbons to Surface



•Trapped Pressure



•Well Collision



•Radiation & Explosives

• DELIVERING FINANCIAL PERFORMANCE

Finance Overview

The image shows a screenshot of the Halliburton investor website. The page is titled "Financial Reports" and features a table of "Comparative Highlights" for the years 2006, 2007, 2008, and 2009. The table lists various financial metrics in millions of dollars and shares, except per share data. A sidebar on the left contains navigation links for investors, including Corporate Profile, Corporate Governance, Financial Reports, Annual Report and Proxy, SEC Filings, Geographical Segments, Stock Information, Literature Request, FAQ, and Contact Us.

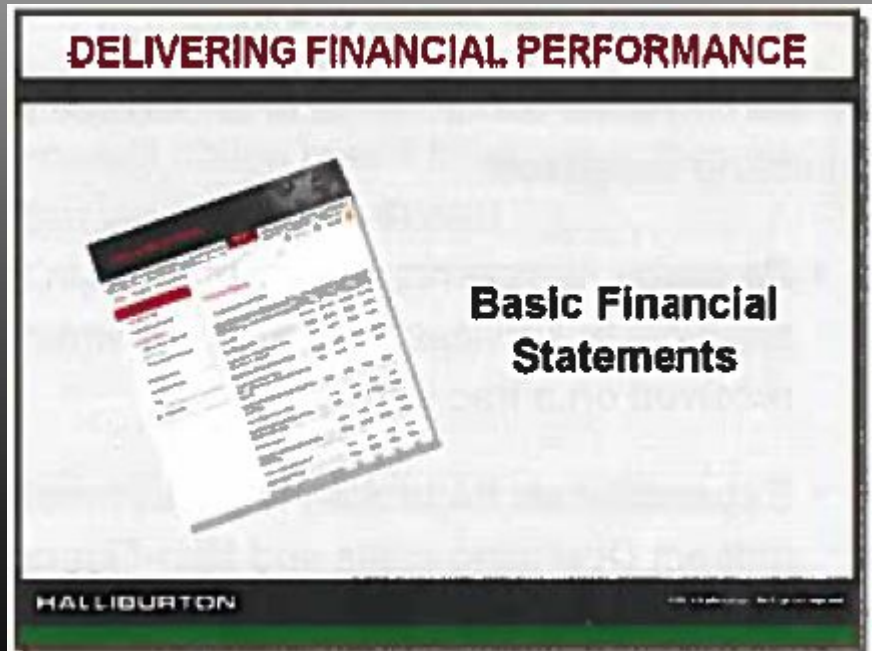
| | 2006 | 2007 | 2008 | 2009 |
|---|----------|----------|----------|----------|
| Revenue | \$12,278 | \$15,264 | \$12,958 | \$10,110 |
| Operating income | 4,010 | 3,430 | 3,245 | 2,764 |
| Income from continuing operations attributable to company | 2,847 | 2,517 | 2,164 | 2,004 |
| Net income attributable to company | 2,224 | 3,430 | 2,305 | 2,348 |
| Diluted income per share from continuing operations attributable to company | 2.91 | 2.63 | 2.04 | 2.01 |
| Diluted net income per share attributable to company | 2.45 | 3.65 | 2.50 | 2.25 |
| Cash dividends per share | 0.36 | 0.345 | 0.30 | 0.25 |
| Diluted weighted average common shares outstanding | 808 | 855 | 1,059 | 1,043 |
| Working capital* | 4,630 | 5,162 | 6,454 | 4,959 |
| Long-term debt (including current maturities) | 2,612 | 2,783 | 2,789 | 3,108 |
| Debt to total capitalization [†] | 25% | 29% | 27% | 33% |
| Capital expenditures | 1,624 | 1,583 | 834 | 575 |
| Depreciation, depletion, and amortization | 738 | 523 | 480 | 448 |

• DELIVERING FINANCIAL PERFORMANCE

BASIC FINANCIAL STATEMENTS

The financial tools used to measure the financial performance of a business include:

- Income Statements
- Balance Sheets
- Cash Flow Statements



• DELIVERING FINANCIAL PERFORMANCE

Income Statements

The income statement, also known as a profit and loss or “P&L” statement, measures how much money we made or lost and spent over a certain period of time.

Financial performance is assessed by giving a summary of how the business incurs its revenues and expenses.

The basic equation for the income statement is:

$$\text{Revenue} - \text{Expenses} = \text{Income or Loss}$$

The income statement shows how much revenue a company earned over a specific period of time and the related costs and expenses associated with earning that revenue. This is the statement used most frequently in the field to measure the results of operations.

• DELIVERING FINANCIAL PERFORMANCE

• Balances at a Profit Center Level Indicate...

- Positive (debit) balances for labor or equipment hours
 - ✓ Borrowed personnel/equipment
- Negative (credit) balances for labor or equipment hours
 - ✓ Lent personnel/equipment
- Typical borrows - Inter-department

Assets = Liabilities + Shareholders Equity

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BASIC FINANCIAL STATEMENTS – CASH FLOW

Cash flow statements help us determine if we are generating or consuming cash over a specified period of time.

The basic equation for the cash flow statement is cash collected minus cash disbursed equals cash inflow or cash out flow.

$$\text{Cash Flow (in or out)} = \text{Cash Collected} - \text{Cash Disbursed}$$

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• Order
to
Cash

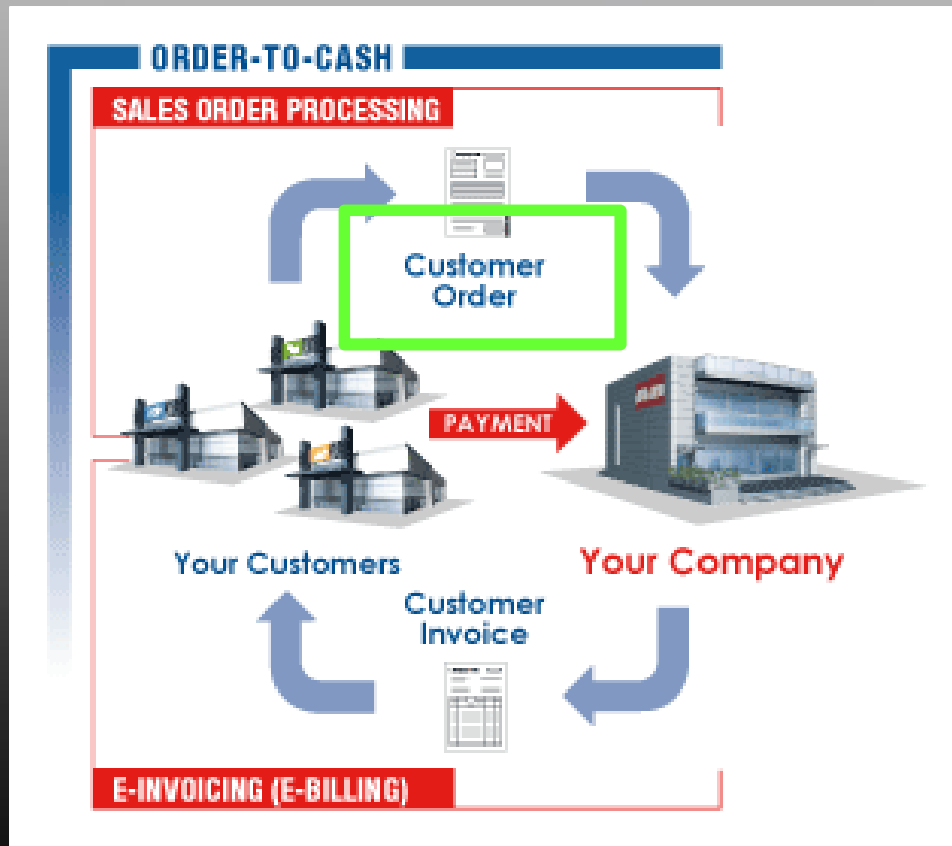


• Value Proposition

OTC is an all encompassing process that impacts:

- Revenue
- Direct Expenses
- Net Receivables
- Net PP&E
- Inventory

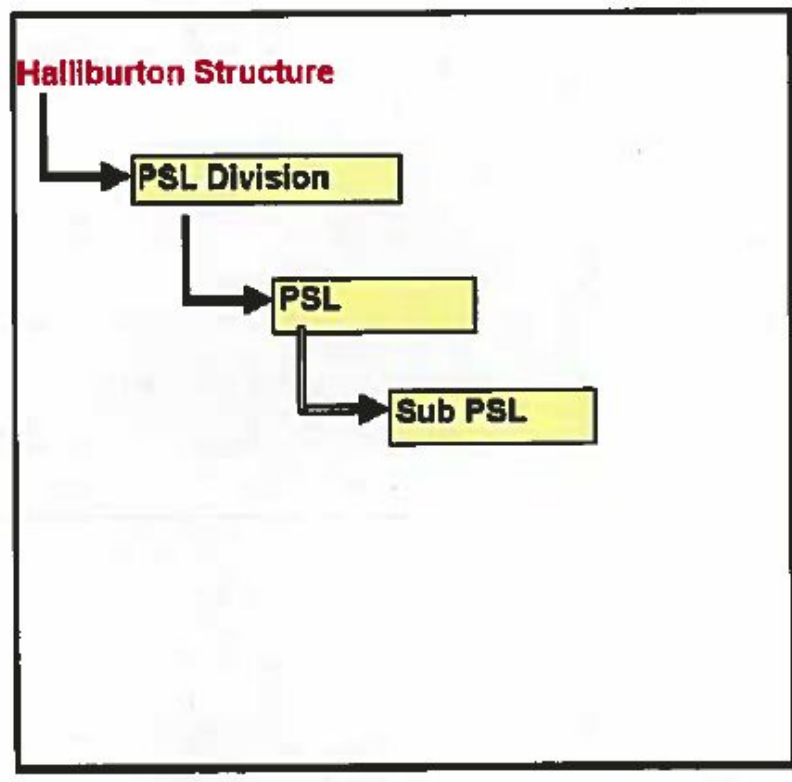
•What is Order To Cash (OTC)?



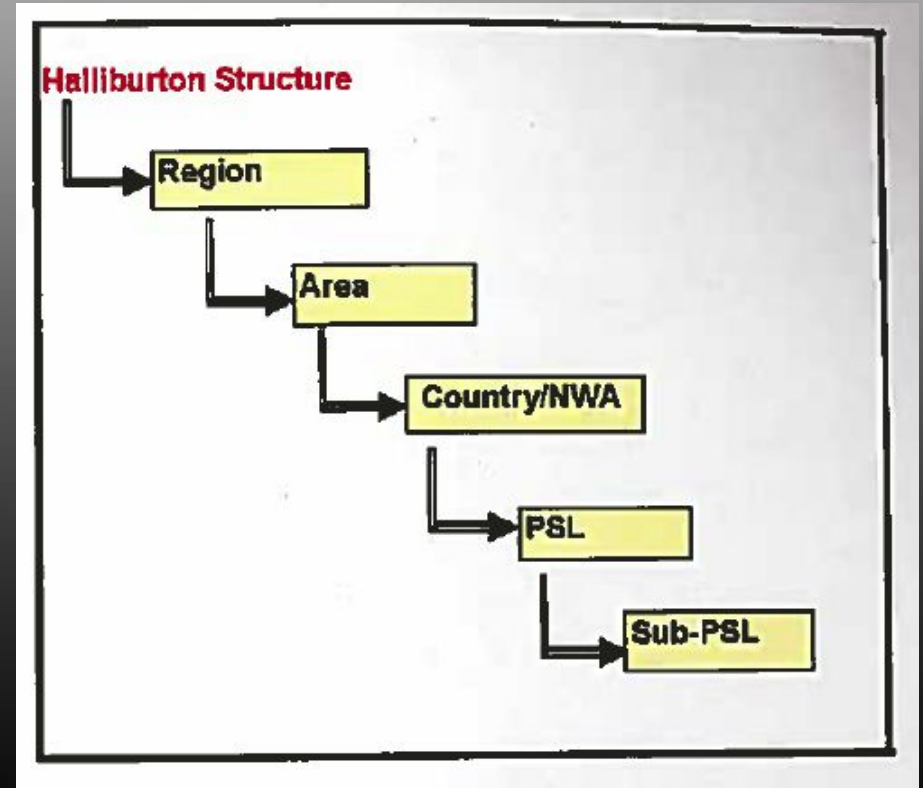
- OTC begins with customer order and ends with payment
- OTC touches:
 - ✓ Order management
 - ✓ Order fulfilment
 - ✓ Invoicing
 - ✓ Credit management
 - ✓ Cash collection

• Cost Centre Hierarchies

Standard Hierarchy



Alternate Hierarchy



•OTC @ HALLIBURTON

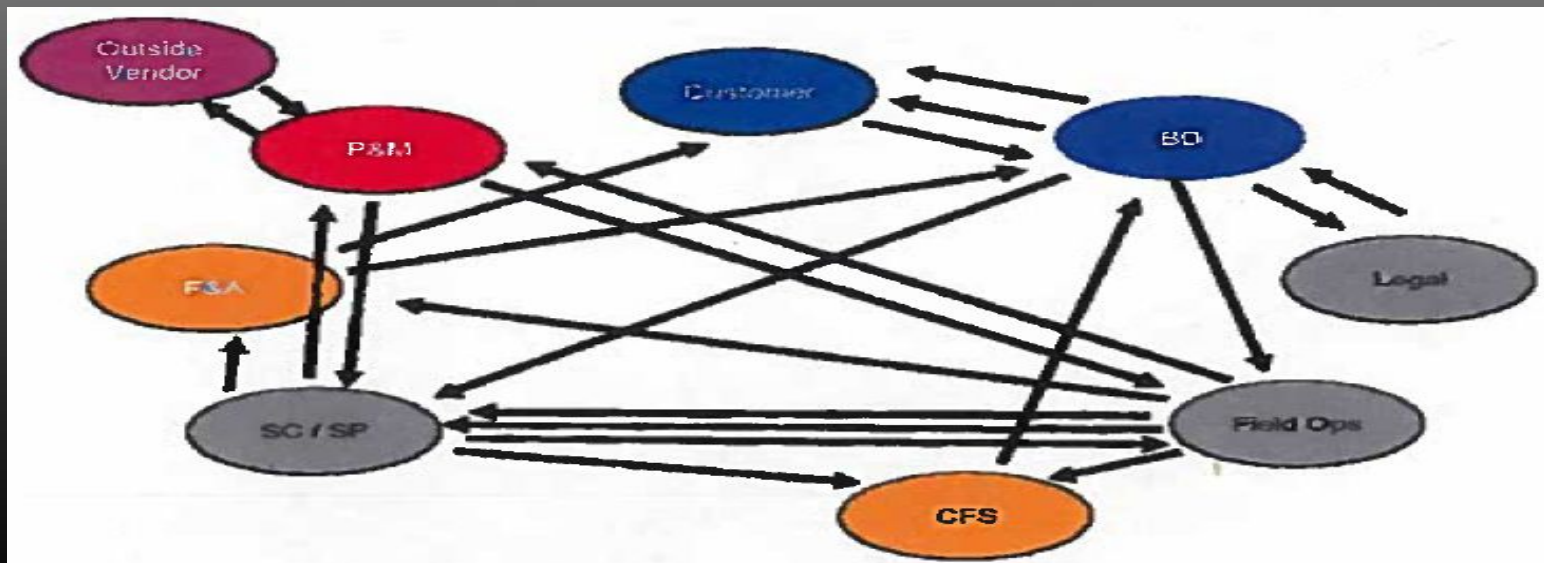
This illustration demonstrates the OTC process cycle as we practice it at Halliburton:



•OTC Challenge: Multiple Touch-Points

OTC is a virtual organization which includes every person/function in the organization to be involved to make it successful.

Because there are so many touch-points in the process, it is essential that communication is complete and clear amongst departments and also within the departments to ensure that we meet our OTC goals!



• DELIVERING FINANCIAL PERFORMANCE HALLIBURTON



• **Order
to
Cash**



• **Outstanding Questions ...**

• **Comments?**