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

(Mark One)
[X] Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the fiscal year ended December 31, 2018

OR

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from ______ to ______

Commission File Number 001-03492

HALLIBURTON COMPANY

(Exact name of registrant as specified in its charter)

Delaware	**75-2677995**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

3000 North Sam Houston Parkway East
Houston, Texas 77032
(Address of principal executive offices)
Telephone Number – Area code (281) 871-2699

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Name of each exchange on which registered**
Common Stock par value $2.50 per share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes [X] No [ ]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Yes [ ] No [X]

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).
Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer[X] Accelerated Filer [ ]
Non-accelerated Filer [ ] Smaller Reporting Company [ ]
Emerging Growth Company [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

The aggregate market value of Halliburton Company Common Stock held by nonaffiliates on June 30, 2018, determined using the per share closing price on the New York Stock Exchange Composite tape of $45.06 on that date, was approximately $39.5 billion.

As of February 8, 2019, there were 872,542,842 shares of Halliburton Company Common Stock, $2.50 par value per share, outstanding.

Portions of the Halliburton Company Proxy Statement for our 2019 Annual Meeting of Stockholders (File No. 001-03492) are incorporated by reference into Part III of this report.

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For the Year Ended December 31, 2018

PART I

Item 1. Business.

General description of business

Halliburton Company's predecessor was established in 1919 and incorporated under the laws of the State of Delaware in 1924. With approximately 60,000 employees, representing 140 nationalities in more than 80 countries, we help our customers maximize value throughout the lifecycle of the reservoir - from locating hydrocarbons and managing geological data, to drilling and formation evaluation, well construction and completion and optimizing production throughout the life of the asset. We serve major, national and independent oil and natural gas companies throughout the world and operate under two divisions, which form the basis for the two operating segments we report, the Completion and Production segment and the Drilling and Evaluation segment.

Completion and Production delivers cementing, stimulation, intervention, pressure control, specialty chemicals, artificial lift and completion products and services. The segment consists of the following product service lines:

- Production Enhancement: includes stimulation services and sand control services. Stimulation services optimize oil and natural gas reservoir production through a variety of pressure pumping services, nitrogen services and chemical processes, commonly known as hydraulic fracturing and acidizing. Sand control services include fluid and chemical systems and pumping services for the prevention of formation sand production.
- Cementing: involves bonding the well and well casing while isolating fluid zones and maximizing wellbore stability. Our cementing product service line also provides casing equipment.
- Completion Tools: provides downhole solutions and services to our customers to complete their wells, including well completion products and services, intelligent well completions, liner hanger systems, sand control systems and service tools.
- Production Solutions: provides customized well intervention solutions to increase well performance, which includes coiled tubing, hydraulic workover units and downhole tools.
- Pipeline & Process Services: provides a complete range of pre-commissioning, commissioning, maintenance and decommissioning services to the onshore and offshore pipeline and process plant construction, commissioning and maintenance industries.
- Multi-Chem: provides customized specialty oilfield completion, production, and downstream water and process treatment chemicals and services to maximize production, ensure integrity of well and pipeline assets and address production, processing and transportation challenges.
- Artificial Lift: provides services to maximize reservoir and wellbore recovery by applying lifting technology, intelligent field management solutions and related services throughout the life of the well, including electrical submersible pumps and progressive cavity pumps.

Drilling and Evaluation provides field and reservoir modeling, drilling, evaluation and precise wellbore placement solutions that enable customers to model, measure, drill and optimize their well construction activities. The segment consists of the following product service lines:

- Baroid: provides drilling fluid systems, performance additives, completion fluids, solids control, specialized testing equipment and waste management services for oil and natural gas drilling, completion and workover operations.
- Sperry Drilling: provides drilling systems and services that offer directional control for precise wellbore placement while providing important measurements about the characteristics of the drill string and geological formations while drilling wells. These services include directional and horizontal drilling, measurement-while-drilling, logging-while-drilling, surface data logging, multilateral systems, underbalanced applications and rig site information systems.
- Wireline and Perforating: provides open-hole logging services that supply information on formation evaluation and reservoir fluid analysis, including formation lithology, rock properties and reservoir fluid properties. Also offered are cased-hole and slickline services, including perforating, pipe recovery services, through-casing formation evaluation and reservoir monitoring, casing and cement integrity measurements and well intervention services.
- Drill Bits and Services: provides roller cone rock bits, fixed cutter bits, hole enlargement and related downhole tools and services used in drilling oil and natural gas wells. In addition, coring equipment and services are provided to acquire cores of the formation drilled for evaluation.
- Landmark Software and Services: supplies integrated exploration, drilling and production software and related professional and data management services for the upstream oil and natural gas industry.

- Testing and Subsea: provides acquisition and analysis of dynamic reservoir information and reservoir optimization solutions to the oil and natural gas industry through a broad portfolio of test tools, data acquisition services, fluid sampling, surface well testing and subsea safety systems.
- Consulting and Project Management: provides integrated solutions to our customers by leveraging the full line of our oilfield services, products and technologies to solve customer challenges throughout the oilfield lifecycle. It includes project management, consulting, integrated asset management and well control and prevention services.

See Note 2 to the consolidated financial statements for further financial information related to each of our business segments. We have manufacturing operations in various locations, the most significant of which are located in the United States, Canada, Malaysia, Singapore and the United Kingdom.

Business strategy

Our value proposition is to collaborate and engineer solutions to maximize asset value for our customers. We strive to achieve superior growth and returns for our shareholders by delivering technology and services that improve efficiency, increase recovery and maximize production for our customers. Our objectives are to:

- create a balanced portfolio of services and products supported by global infrastructure and anchored by technological innovation to further differentiate our company;
- reach a distinguished level of operational excellence that reduces costs and creates real value;
- preserve a dynamic workforce by being a preferred employer to attract, develop and retain the best global talent; and
- uphold our strong ethical and business standards, and maintain the highest standards of health, safety and environmental performance.

For further discussion on our business strategies, see "Management's Discussion and Analysis of Financial Condition and Results of Operations – Executive Overview."

Markets and competition

We are one of the world's largest diversified energy services companies. Our services and products are sold in highly competitive markets throughout the world. Competitive factors impacting sales of our services and products include: price; service delivery; health, safety and environmental standards and practices; service quality; global talent retention; understanding the geological characteristics of the hydrocarbon reservoir; product quality; warranty; and technical proficiency.

We conduct business worldwide in more than 80 countries. The business operations of our divisions are organized around four primary geographic regions: North America, Latin America, Europe/Africa/CIS and Middle East/Asia. In 2018, 2017 and 2016, based on the location of services provided and products sold, 58%, 53% and 41% of our consolidated revenue was from the United States. No other country accounted for more than 10% of our consolidated revenue during these periods. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" for additional information about our geographic operations. Because the markets for our services and products are vast and cross numerous geographic lines, it is not practicable to provide a meaningful estimate of the total number of our competitors. The industries we serve are highly competitive, and we have many substantial competitors. Most of our services and products are marketed through our service and sales organizations.

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

Information regarding our exposure to foreign currency fluctuations, risk concentration and financial instruments used to minimize risk is included in "Management's Discussion and Analysis of Financial Condition and Results of Operations – Financial Instrument Market Risk" and in Note 13 to the consolidated financial statements.

Customers

Our revenue from continuing operations during the past three years was derived from the sale of services and products to the energy industry. No single customer represented more than 10% of our consolidated revenue in any period presented.

Raw materials

Raw materials essential to our business are normally readily available. Market conditions can trigger constraints in the supply of certain raw materials, such as proppants (primarily sand), hydrochloric acid and gels, including guar gum (a blending additive used in hydraulic fracturing). We are always seeking ways to ensure the availability of resources, as well as manage costs of raw materials. Our procurement department uses our size and buying power to enhance our access to key materials at competitive prices.

Patents

We own a large number of patents and have pending a substantial number of patent applications covering various products and processes. We are also licensed to utilize technology covered by patents owned by others, and we license others to utilize technology covered by our patents. We do not consider any particular patent to be material to our business operations.

Seasonality

Weather and natural phenomena can temporarily affect the performance of our services, but the widespread geographical locations of our operations mitigate those effects. Examples of how weather can impact our business include:

- the severity and duration of the winter in North America can have a significant impact on natural gas storage levels and drilling activity;
- the timing and duration of the spring thaw in Canada directly affects activity levels due to road restrictions;
- typhoons and hurricanes can disrupt coastal and offshore operations; and
- severe weather during the winter normally results in reduced activity levels in the North Sea and Russia.

Additionally, customer spending patterns for software, completion tools and various other oilfield services and products typically result in higher activity in the fourth quarter of the year. Conversely, customer budget constraints may lead to lower demand for our services and products in the fourth quarter of the year.

Employees

At December 31, 2018, we employed approximately 60,000 people worldwide compared to approximately 55,000 at December 31, 2017. At December 31, 2018, approximately 13% of our employees were subject to collective bargaining agreements. Based upon the geographic diversification of these employees, we do not believe any risk of loss from employee strikes or other collective actions would be material to the conduct of our operations taken as a whole.

Environmental regulation

We are subject to numerous environmental, legal and regulatory requirements related to our operations worldwide. For further information related to environmental matters and regulation, see Note 8 to the consolidated financial statements and Item 1(a), “Risk Factors.”

Hydraulic fracturing

Hydraulic fracturing is a process that creates fractures extending from the well bore into the rock formation to enable natural gas or oil to move more easily from the rock pores to a production conduit. A significant portion of our Completion and Production segment provides hydraulic fracturing services to customers developing shale natural gas and shale oil. From time to time, questions arise about the scope of our operations in the shale natural gas and shale oil sectors, and the extent to which these operations may affect human health and the environment.

At the direction of our customer, we design and generally implement a hydraulic fracturing operation to 'stimulate' the well's production, once the well has been drilled, cased and cemented. Our customer is generally responsible for providing the base fluid (usually water) used in the hydraulic fracturing of a well. We generally supply the proppant (primarily sand) and at least a portion of the additives used in the overall fracturing fluid mixture. In addition, we mix the additives and proppant with the base fluid and pump the mixture down the wellbore to create the desired fractures in the target formation. The customer is responsible for disposing and/or recycling for further use any materials that are subsequently produced or pumped out of the well, including flowback fluids and produced water.

As part of the process of constructing the well, the customer will take a number of steps designed to protect drinking water resources. In particular, the casing and cementing of the well are designed to provide 'zonal isolation' so that the fluids pumped down the wellbore and the oil and natural gas and other materials that are subsequently pumped out of the well will not come into contact with shallow aquifers or other shallow formations through which those materials could potentially migrate to freshwater aquifers or the surface.

The potential environmental impacts of hydraulic fracturing have been studied by numerous government entities and others. In 2004, the United States Environmental Protection Agency (EPA) conducted an extensive study of hydraulic fracturing practices, focusing on coalbed methane wells, and their potential effect on underground sources of drinking water. The EPA's study concluded that hydraulic fracturing of coalbed methane wells poses little or no threat to underground sources of drinking water. In December 2016, the EPA released a final report, "*Hydraulic Fracturing for Oil and Gas: Impacts from the Hydraulic Fracturing Water Cycle on Drinking Water Resources in the United States*" representing the culmination of a six-year study requested by Congress. While the EPA report noted a potential for some impact to drinking water sources caused by hydraulic fracturing, the agency confirmed the overall incidence of impacts is low. Moreover, a number of the areas of potential impact identified in the report involve activities for which we are not generally responsible, such as potential impacts associated with withdrawals of surface water for use as a base fluid and management of wastewater.

We have proactively developed processes to provide our customers with the chemical constituents of our hydraulic fracturing fluids to enable our customers to comply with state laws as well as voluntary standards established by the Chemical Disclosure Registry, www.fracfocus.org. We have also invested considerable resources in developing hydraulic fracturing technologies, in both the equipment and chemistry portions of our business, which offer our customers a variety of environment-friendly alternatives related to the use of hydraulic fracturing fluid additives and other aspects of our hydraulic fracturing operations. We created a hydraulic fracturing fluid system comprised of materials sourced entirely from the food industry. In addition, we have engineered a process that uses ultraviolet light to control the growth of bacteria in hydraulic fracturing fluids, allowing customers to minimize the use of chemical biocides. We are committed to the continued development of innovative chemical and mechanical technologies that allow for more economical and environment-friendly development of the world's oil and natural gas reserves, and that reduce noise while complying with Tier 4 lower emission legislation.

In evaluating any environmental risks that may be associated with our hydraulic fracturing services, it is helpful to understand the role that we play in the development of shale natural gas and shale oil. Our principal task generally is to manage the process of injecting fracturing fluids into the borehole to 'stimulate' the well. Thus, based on the provisions in our contracts and applicable law, the primary environmental risks we face are potential pre-injection spills or releases of stored fracturing fluids and potential spills or releases of fuel or other fluids associated with pumps, blenders, conveyors, or other above-ground equipment used in the hydraulic fracturing process.

Although possible concerns have been raised about hydraulic fracturing, the circumstances described above have helped to mitigate those concerns. To date, we have not been obligated to compensate any indemnified party for any environmental liability arising directly from hydraulic fracturing, although there can be no assurance that such obligations or liabilities will not arise in the future. For further information on risks related to hydraulic fracturing, see Item 1(a), "Risk Factors."

Working capital

We fund our business operations through a combination of available cash and equivalents, short-term investments and cash flow generated from operations. In addition, our revolving credit facility is available for additional working capital needs.

Web site access

Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 are made available free of charge on our internet web site (www.halliburton.com) as soon as reasonably practicable after we have electronically filed the material with, or furnished it to, the Securities and Exchange Commission (SEC). The SEC maintains an internet site (www.sec.gov) that contains our reports, proxy and information statements and our other SEC filings. We have posted on our web site our Code of Business Conduct, which applies to all of our employees and Directors and serves as a code of ethics for our principal executive officer, principal financial officer, principal accounting officer and other persons performing similar functions. Any amendments to our Code of Business Conduct or any waivers from provisions of our Code of Business Conduct granted to the specified officers above are disclosed on our web site within four business days after the date of any amendment or waiver pertaining to these officers. There have been no waivers from provisions of our Code of Business Conduct for the years 2018, 2017, or 2016. Except to the extent expressly stated otherwise, information contained on or accessible from our web site or any other web site is not incorporated by reference into this annual report on Form 10-K and should not be considered part of this report.

Executive Officers of the Registrant

The following table indicates the names and ages of the executive officers of Halliburton Company as of February 13, 2019, including all offices and positions held by each in the past five years:

Name and Age	Offices Held and Term of Office
Anne L. Beaty (Age 62)	Senior Vice President, Finance of Halliburton Company, since March 2017 Senior Vice President, Internal Assurance Services of Halliburton Company, November 2013 to March 2017
Eric J. Carre (Age 52)	Executive Vice President, Global Business Lines of Halliburton Company, since May 2016 Senior Vice President, Drilling and Evaluation Division of Halliburton Company, June 2011 to April 2016
Charles E. Geer, Jr. (Age 48)	Vice President and Corporate Controller of Halliburton Company, since January 2015 Vice President, Finance of Halliburton Company, December 2013 to December 2014
Myrtle L. Jones (Age 59)	Senior Vice President, Tax of Halliburton Company, since March 2013
Lance Loeffler (Age 41)	Executive Vice President and Chief Financial Officer of Halliburton Company, since November 2018 Vice President of Investor Relations of Halliburton Company, April 2016 to November 2018 Vice President of Corporate Development of Halliburton Company, August 2014 to April 2016 Director of Deutsche Bank, March 2011 to August 2014
Timothy M. McKeon (Age 46)	Vice President and Treasurer of Halliburton Company, since January 2014
Jeffrey A. Miller (Age 55)	Chairman of the Board, President and Chief Executive Officer of Halliburton Company, since January 2019 Member of the Board of Directors, President and Chief Executive Officer of Halliburton Company, June 2017 to December 2018 Member of the Board of Directors and President of Halliburton Company, August 2014 to May 2017 Executive Vice President and Chief Operating Officer of Halliburton Company, September 2012 to July 2014
Lawrence J. Pope (Age 50)	Executive Vice President of Administration and Chief Human Resources Officer of Halliburton Company, since January 2008
Joe D. Rainey (Age 62)	President, Eastern Hemisphere of Halliburton Company, since January 2011
Mark J. Richard (Age 57)	President, Western Hemisphere of Halliburton Company, since February 2019 Senior Vice President, Northern U.S. Region of Halliburton Company, August 2018 to January 2019 Senior Vice President, Business Development and Marketing of Halliburton Company, November 2015 to July 2018 Senior Vice President, Europe/Sub-Saharan Africa Region of Halliburton Company, February 2014 to October 2015

Robb L. Voyles (Age 61)	Executive Vice President, Secretary and General Counsel of Halliburton Company, since May 2015 Interim Chief Financial Officer of Halliburton Company, March 2017 to June 2017 Executive Vice President and General Counsel of Halliburton Company, January 2014 to April 2015

There are no family relationships between the executive officers of the registrant or between any director and any executive officer of the registrant.

Item 1(a). Risk Factors.

The statements in this section describe the known material risks to our business and should be considered carefully.

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

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

Factors affecting the prices of oil and natural gas include:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

In addition, the shipment of goods, services and technology across international borders subjects us to extensive trade laws and regulations. Our import activities are governed by the unique customs laws and regulations in each of the countries where we operate. Moreover, many countries, including the United States, control the export and re-export of certain goods, services and technology and impose related export recordkeeping and reporting obligations. Governments may also impose economic sanctions against certain countries, persons and entities that may restrict or prohibit transactions involving such countries, persons and entities, which may limit or prevent our conduct of business in certain jurisdictions. During 2014, the United States and European Union imposed sectoral sanctions directed at Russia's oil and gas industry. Among other things, these sanctions restrict the provision of U.S. and EU goods, services and technology in support of exploration or production for deep water, Arctic offshore, or shale projects that have the potential to produce oil in Russia. These sanctions resulted in our winding down and ending work on two projects in Russia in 2014, and have prevented us from pursuing certain other projects in Russia. In 2017 and 2018, the U.S. Government imposed additional sanctions against Russia, Russia's oil and gas industry and certain Russian companies. Our ability to engage in certain future projects in Russia or involving certain Russian customers is dependent upon whether or not our involvement in such projects is restricted under U.S. or EU sanctions laws and the extent to which any of our current or prospective operations in Russia or with certain Russian customers may be subject to those laws. Those laws may change from time to time, and any expansion of sanctions against Russia's oil and gas industry could further hinder our ability to do business in Russia or with certain Russian customers, which could have a material adverse effect on our consolidated results of operations.

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

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

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

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

The adoption of any future federal, state, or local laws or implementing regulations imposing reporting obligations on, or limiting or banning, the hydraulic fracturing process could make it more difficult to complete natural gas and oil wells and could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

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

The adoption of any future federal, state, local, or foreign laws or regulations imposing reporting obligations on, or limiting or banning, the hydraulic fracturing process could make it more difficult to complete natural gas and oil wells and could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

Liabilities arising out of catastrophic well incidents could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

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

Liability for cleanup costs, natural resource damages and other damages arising as a result of environmental laws could be substantial and could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

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

Failure on our part to comply with, and the costs of compliance with, applicable health, safety and environmental requirements could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

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

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

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

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

Failure on our part to comply with applicable environmental requirements or costs arising from regulatory compliance, including compliance with changes in or expansion of applicable regulatory requirements, could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

Existing or future laws, regulations, treaties or international agreements related to greenhouse gases, climate change and alternative energy sources could have a negative impact on our business and may result in additional compliance obligations that could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

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

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

Our business could be materially and adversely affected by severe weather, particularly in Canada, the Gulf of Mexico, Russia and the North Sea. Some experts believe global climate change could increase the frequency and severity of extreme weather conditions. Repercussions of severe or unseasonable weather conditions may include:

- evacuation of personnel and curtailment of services;
- weather-related damage to offshore drilling rigs resulting in suspension of operations;
- weather-related damage to our facilities and project work sites;
- inability to deliver materials to jobsites in accordance with contract schedules;
- decreases in demand for oil and natural gas during unseasonably warm winters; and
- loss of productivity.

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

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

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

A sizable portion of our consolidated revenue and consolidated operating expenses is in foreign currencies. As a result, we are subject to significant risks, including:

- foreign currency exchange risks resulting from changes in foreign currency exchange rates and the implementation of exchange controls; and
- limitations on our ability to reinvest earnings from operations in one country to fund the capital needs of our operations in other countries.

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

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

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

If we are not able to design, develop and produce commercially competitive products and to implement commercially competitive services in a timely manner in response to changes in the market, customer requirements, competitive pressures and technology trends, our business and consolidated results of operations could be materially and adversely affected, and the value of our intellectual property may be reduced.

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

If we lose one or more of our significant customers or if our customers delay paying or fail to pay a significant amount of our outstanding receivables, it could have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

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

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

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

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

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

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

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

Our acquisitions, dispositions and investments may not result in anticipated benefits and may present risks not originally contemplated, which may have a material adverse effect on our business, consolidated results of operations and consolidated financial condition.

We continually seek opportunities to maximize efficiency and value through various transactions, including purchases or sales of assets, businesses, investments, or joint venture interests. These transactions are intended to (but may not) result in the realization of savings, the creation of efficiencies, the offering of new products or services, the generation of cash or income, or the reduction of risk. Acquisition transactions may use cash on hand or be financed by additional borrowings or by the issuance of our common stock. These transactions may also affect our business, consolidated results of operations and consolidated financial condition.

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

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

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

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

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

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

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

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

Item 1(b). Unresolved Staff Comments.

None.

Item 2. Properties.

We own or lease numerous properties in domestic and foreign locations. Our principal properties include manufacturing facilities, research and development laboratories, technology centers and corporate offices. We also have numerous small facilities that include sales, project and support offices and bulk storage facilities throughout the world. All of our owned properties are unencumbered. We believe all properties that we currently occupy are suitable for their intended use.

The following locations represent our major facilities by segment:

– *Completion and Production:* Arbroath, United Kingdom; Johor Bahru, Malaysia; and Lafayette, Louisiana

– *Drilling and Evaluation:* Alvarado, Texas; Nisku, Canada; and The Woodlands, Texas

– *Shared/corporate facilities:* Bangalore, India; Carrollton, Texas; Denver, Colorado; Dhahran, Saudi Arabia; Dubai, United Arab Emirates (corporate executive offices); Duncan, Oklahoma; Houston, Texas (corporate executive offices); Kuala Lumpur, Malaysia; London, England; Moscow, Russia; Panama City, Panama; Pune, India; Rio de Janeiro, Brazil; Singapore; and Tananger, Norway

Item 3. Legal Proceedings.

Information related to Item 3. Legal Proceedings is included in Note 8 to the consolidated financial statements.

Item 4. Mine Safety Disclosures.

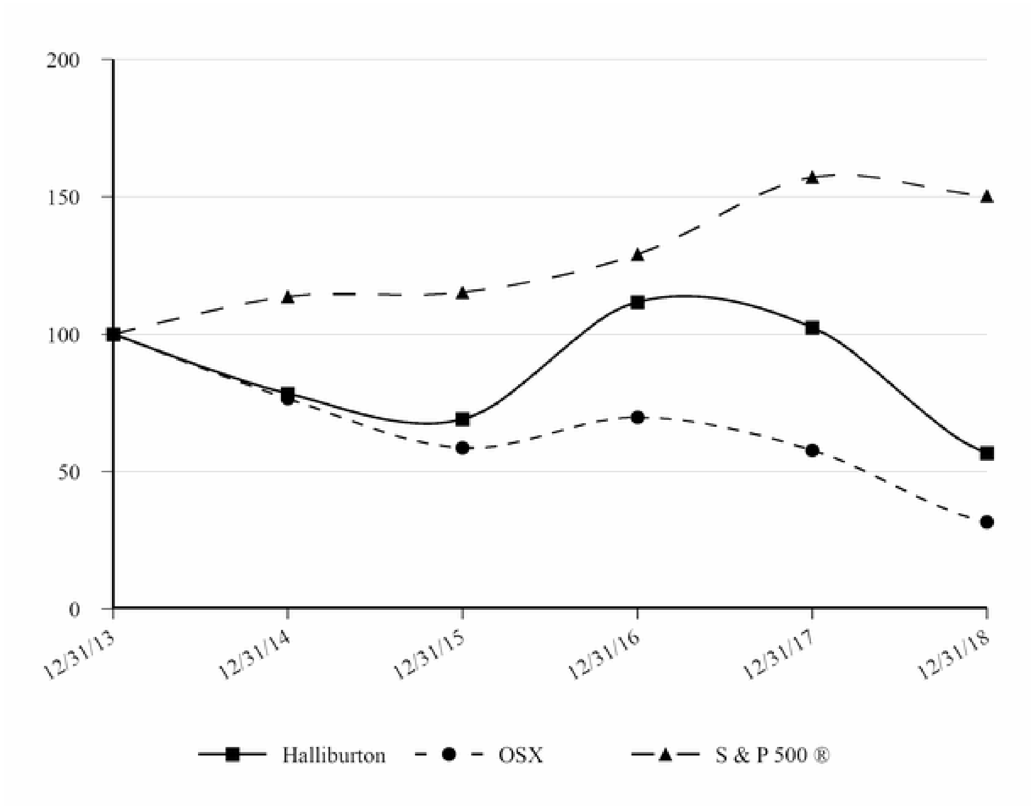
Our barite and bentonite mining operations, in support of our fluid services business, are subject to regulation by the federal Mine Safety and Health Administration under the Federal Mine Safety and Health Act of 1977. Information concerning mine safety violations or other regulatory matters required by section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K (17 CFR 229.104) is included in Exhibit 95 to this annual report.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Halliburton Company's common stock is traded on the New York Stock Exchange under the symbol "HAL." Information related to quarterly dividend payments is included under the caption "Quarterly Financial Data" in the consolidated financial statements. The declaration and payment of future dividends will be at the discretion of the Board of Directors and will depend on, among other things, future earnings, general financial condition and liquidity, success in business activities, capital requirements and general business conditions. Subject to Board of Directors approval, our intention is to continue paying dividends at our current rate during 2019.

The following graph and table compare total shareholder return on our common stock for the five-year period ended December 31, 2018, with the Philadelphia Oil Service Index (OSX) and the Standard & Poor's 500 ® Index over the same period. This comparison assumes the investment of $100 on December 31, 2013 and the reinvestment of all dividends. The shareholder return set forth is not necessarily indicative of future performance. The following graph and related information shall not be deemed "soliciting material" or to be "filed" with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that Halliburton specifically incorporates it by reference into such filing.



	December 31					
	2013	2014	2015	2016	2017	2018
Halliburton	$ 100.00	$ 78.40	$ 69.09	$ 111.64	$ 102.44	$ 56.78
Philadelphia Oil Service Index (OSX)	100.00	76.49	58.60	69.72	57.73	31.63
Standard & Poor's 500 ® Index	100.00	113.69	115.26	129.05	157.22	150.33

At February 8, 2019, we had 11,774 shareholders of record. In calculating the number of shareholders, we consider clearing agencies and security position listings as one shareholder for each agency or listing.

The following table is a summary of repurchases of our common stock during the three-month period ended December 31, 2018.

Period	Total Number of Shares Purchased (a)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (b)	Maximum Number (or Approximate Dollar Value) of Shares that may yet be Purchased Under the Program (b)
October 1 - 31	2,885,114	$34.88	2,868,100	$5,400,004,968
November 1 - 30	2,907,936	$34.52	2,896,800	$5,300,007,172
December 1 - 31	193,064	$30.45	—	$5,300,007,172
Total	5,986,114	$34.56	5,764,900	

(a) Of the 5,986,114 shares purchased during the three-month period ended December 31, 2018, 221,214 shares were acquired from employees in connection with the settlement of income tax and related benefit withholding obligations arising from vesting in restricted stock grants. These shares were not part of a publicly announced program to purchase common stock.

(b) Our Board of Directors has authorized a plan to repurchase a specified dollar amount of our common stock from time to time. During the fourth quarter of 2018, we repurchased approximately 5.8 million shares of our common stock pursuant to our share repurchase program for a total cost of approximately $200 million at an average price of $34.69 per share. Approximately $5.3 billion remained authorized for repurchases as of December 31, 2018. From the inception of this program in February 2006 through December 31, 2018, we repurchased approximately 212 million shares of our common stock for a total cost of approximately $8.8 billion.

Item 6. Selected Financial Data.

Information related to selected financial data is included on page 61 of this annual report.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Information related to Management's Discussion and Analysis of Financial Condition and Results of Operations is included on pages 19 through 32 of this annual report.

Item 7(a). Quantitative and Qualitative Disclosures About Market Risk.

Information related to market risk is included in "Management's Discussion and Analysis of Financial Condition and Results of Operations – Financial Instrument Market Risk" and Note 13 to the consolidated financial statements.

Item 8. Financial Statements and Supplementary Data.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9(a). Controls and Procedures.

In accordance with the Securities Exchange Act of 1934 Rules 13a-15 and 15d-15, we carried out an evaluation, under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2018 to provide reasonable assurance that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. Our disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

There has been no change in our internal control over financial reporting that occurred during the three months ended December 31, 2018 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

See page 33 for Management's Report on Internal Control Over Financial Reporting and page 35 for Report of Independent Registered Public Accounting Firm on its assessment of our internal control over financial reporting.

Item 9(b). Other Information.

None.

EXECUTIVE OVERVIEW

Financial results

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

We generated total company revenue of $24.0 billion during 2018, a 16% increase from the $20.6 billion of revenue generated in 2017, with our Completion and Production segment improving 22% and our Drilling and Evaluation segment improving 6%. We also reported total company operating income of approximately $2.5 billion in 2018, an 80% increase from operating income of $1.4 billion in 2017. These improvements were primarily associated with pressure pumping services, drilling activity and artificial lift in North America, as well as drilling activity in the Eastern Hemisphere.

Our North America revenue in 2018 increased 25% compared to 2017, outperforming the average North American rig count growth of 13%. However, the United States land rig count was relatively flat over the second half of 2018, with an average quarterly increase of less than 2%. A combination of offtake capacity limitations and customer budget constraints led to less demand for completion services during the fourth quarter of 2018. The lower demand created excess equipment capacity in the market and had a detrimental effect on pricing. As a result, our North America revenue decreased by 11% from the third quarter of 2018 to the fourth quarter of 2018, primarily driven by lower activity and pricing in stimulation services.

Our international business continues to show signs of a steady recovery and delivered annual revenue growth for the first time since 2014, with a 6% improvement from 2017 to 2018. This underscores the versatility and global reach of our business portfolio. Improvements in revenue were driven primarily by increased drilling and well intervention activity in the Middle East. While the international markets are continuing to improve, they are in the early stages of a recovery and pricing pressure remains a challenge. We have grown our international market share throughout the downturn because of our service quality and technology offerings and our willingness to collaborate with our customers. Our product service lines continue to focus on technology-driven value propositions to help our customers increase production and lower costs.

Business outlook

Commodity prices fell towards the end of 2018, with both West Texas Intermediate (WTI) and Brent crude oil spot prices dropping over 40% to levels not experienced since June of 2017. This price volatility created headwinds as we entered 2019. However, oil prices have climbed since the beginning of 2019, and we believe supply and demand fundamentals for multi-year industry growth are still intact. Our industry is going through a transformation brought on by the shale revolution and the recent down-cycle. The industry has removed substantial costs from the system and introduced significant efficiencies and many of our customers in North America appear to have shifted their strategy from production growth to operating within cash flow and generating returns. We believe this is a positive sign for the long-term prospects of our industry.

In North America, the drop in oil prices at the end of 2018 appears to have created some uncertainty about our customers' expectations about future prices, which in turn led to customer budgets for 2019 that are more limited than previously anticipated. Although we expect these reloaded budgets will drive modest improvement in completion activity levels in 2019, we anticipate that pressure on services pricing will continue in the first quarter. We believe, however, that there are several catalysts for a potential completions activity rebound in North America. These catalysts include what we expect will be a supportive commodity price environment, offtake capacity constraints alleviating in the Permian basin, and a high inventory of drilled but uncompleted (DUC) wells. If these catalysts materialize, we believe they will increase customer urgency and, in turn, drive higher pricing in the second half of 2019. We will continue to adjust our cost structure to market conditions. We are actively maintaining and improving the condition of our fleet to position our North America land business for success as the market improves.

Internationally, the market recovery continues at a modest pace. Over the course of 2019, we believe activity will improve across all international regions, although off of a low base in some geographies, such as Asia Pacific and Africa. This international recovery is led by mature fields as customers broadly favor shorter cycle returns and lower risk projects in today's environment. We believe in the strength of our mature fields technology portfolio, and we intend to continue building our mature fields capabilities in 2019 and beyond. We believe we are well-positioned for continued growth as a result of the significant investments we made to grow our global footprint in the last cycle, which included increasing our product service line operations in various geographies, expanding our manufacturing capacity in Singapore and opening technology centers in Saudi Arabia, India and Brazil. We intend to continue collaborating with our customers to improve their project economics and our profitability through advanced technology and increased operating efficiency.

During 2018, we had approximately $2.0 billion of capital expenditures, an increase of 48% from 2017, which were predominantly made in our Production Enhancement, Sperry Drilling, Artificial Lift, Wireline and Perforating, and Cementing product service lines. We intend to reduce our capital expenditures by 20% in 2019 to approximately $1.6 billion. We intend to focus our 2019 capital expenditures on key technologies and capabilities that deliver differentiation and drive returns, such as our new directional drilling platform and the expansion of our production business.

In 2019, we will continue to build the foundation for a longer-term recovery. We intend to dynamically respond to the changing market, invest effectively and remain flexible in our cost structure. We will maintain an appropriate level of capital spending to support our business. We believe in responsible capital stewardship, prioritizing capital efficiency, investing in the technologies that deliver differentiation and returns, and generating strong cash flow. We remain committed to generating strong cash flow by using cost levers, managing working capital, and remaining flexible on our capital spending with a focus on strong return-generating opportunities. In 2018, we continued our focus on returning capital to shareholders through share repurchases and dividends, which totaled over $1 billion. Going forward, we plan to use excess cash on strategic investments that meet our returns thresholds, for reducing debt, and for returning cash to our shareholders.

We intend to continue to strengthen our product service lines through a combination of organic growth, investment and selective acquisitions. We plan to continue executing the following strategies in 2019:

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

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

Financial markets, liquidity and capital resources

We believe we have invested our cash balances conservatively and secured sufficient financing to help mitigate any near-term negative impact on our operations from adverse market conditions. We had $2.0 billion of cash and equivalents as of December 31, 2018, and we generated approximately $3.2 billion in operating cash flow and retired $400 million in senior notes during 2018. We also have $3.0 billion available under our revolving credit facility which, combined with our cash balance, we believe provides us with sufficient liquidity to address the challenges and opportunities of the current market. For additional information on market conditions, see "Liquidity and Capital Resources" and "Business Environment and Results of Operations."

LIQUIDITY AND CAPITAL RESOURCES

As of December 31, 2018, we had $2.0 billion of cash and equivalents, compared to $2.3 billion at December 31, 2017.

Significant sources and uses of cash in 2018

Sources of cash:

- Cash flows from operating activities were $3.2 billion in 2018. This included the impact of changes in our primary components of working capital (receivables, inventories and accounts payable), which increased during the year by a net $384 million, primarily due to increased business activity, and thus reduced our operating cash flows.
- We sold $104 million of investment securities, net of purchases.

Uses of cash:

- Capital expenditures were $2.0 billion in 2018 and were predominantly made in our Production Enhancement, Sperry Drilling, Artificial Lift, Wireline and Perforating and Cementing product service lines.
- We paid $630 million of dividends to our shareholders.
- We repurchased approximately 10.5 million shares of our common stock under our share repurchase program at a total cost of approximately $400 million.
- We paid $400 million to retire our senior notes which matured in August 2018.
- We paid $187 million for acquisitions of various businesses, net of cash acquired, to further enhance our existing product service lines.

Future sources and uses of cash

We manufacture most of our own equipment, which allows us flexibility to increase or decrease our capital expenditures based on market conditions. Capital spending for 2019 is currently expected to be approximately $1.6 billion. The capital expenditures plan for 2019 is primarily directed towards key technologies and capabilities that deliver differentiation and drive returns, such as our new directional drilling platform and the expansion of our production business.

Currently, our quarterly dividend rate is $0.18 per share, or approximately $158 million per quarter. Subject to Board of Directors approval, our intention is to continue paying dividends at our current rate during 2019. Our Board of Directors has authorized a program to repurchase a specified dollar amount of our common stock from time to time. Approximately $5.3 billion remained authorized for repurchases as of December 31, 2018, and may be used for open market and other share purchases.

Contractual obligations

The following table summarizes our significant contractual obligations and other long-term liabilities as of December 31, 2018:

	Payments Due						
Millions of dollars	2019	2020	2021	2022	2023	Thereafter	Total
Long-term debt (a)	$ 34	$ 27	$ 696	$ 12	$ 1,114	$ 8,664	$ 10,547
Interest on debt (b)	571	568	558	531	528	7,961	10,717
Operating leases	275	146	122	100	78	254	975
Purchase obligations (c)	688	77	21	—	—	15	801
Other long-term liabilities (d)	24	—	—	—	—	—	24
Total	$ 1,592	$ 818	$ 1,397	$ 643	$ 1,720	$ 16,894	$ 23,064

(a) Represents principal amounts of long-term debt, including capital lease obligations and current maturities of debt, which excludes any unamortized debt issuance costs and discounts. See to the consolidated financial statements.

(b) Interest on debt includes 78 years of interest on $300 million of debentures at 7.6% interest that become due in 2096.

(c) Amount in 2019 primarily represents certain purchase orders for goods and services utilized in the ordinary course of our business.

(d) Represents pension funding obligations associated with international plans for 2019 only and are based on assumptions that are subject to change as we are currently not able to reasonably estimate our contributions for years after 2019.

Due to the uncertainty with respect to the timing of potential future cash outflows associated with our uncertain tax positions, we are not able to reasonably estimate the period of cash settlement with the respective taxing authorities. Therefore, gross unrecognized tax benefits have been excluded from the contractual obligations table above. We had $417 million of gross unrecognized tax benefits, excluding penalties and interest, at December 31, 2018, of which we estimate $399 million may require a cash payment by us. We estimate that $378 million of the cash payment will not be settled within the next 12 months.

Other factors affecting liquidity

Financial position in current market. As of December 31, 2018, we had $2.0 billion of cash and equivalents and $3.0 billion of available committed bank credit under our revolving credit facility. Furthermore, we have no financial covenants or material adverse change provisions in our bank agreements, and our debt maturities extend over a long period of time. We believe our cash on hand, cash flows generated from operations and our available credit facility will provide sufficient liquidity to address our global cash needs in 2019, including capital expenditures, working capital investments, dividends, if any, and contingent liabilities.

Guarantee agreements. In the normal course of business, we have agreements with financial institutions under which approximately $2.0 billion of letters of credit, bank guarantees, or surety bonds were outstanding as of December 31, 2018. Some of the outstanding letters of credit have triggering events that would entitle a bank to require cash collateralization.

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

Customer receivables. In line with industry practice, we bill our customers for our services in arrears and are, therefore, subject to our customers delaying or failing to pay our invoices. In weak economic environments, we may experience increased delays and failures to pay our invoices due to, among other reasons, a reduction in our customers' cash flow from operations and their access to the credit markets, as well as unsettled political conditions. If our customers delay paying or fail to pay us a significant amount of our outstanding receivables, it could have a material adverse effect on our liquidity, consolidated results of operations and consolidated financial condition. See Note 4 to the consolidated financial statements for further discussion related to our receivables, including our receivables in Venezuela.

BUSINESS ENVIRONMENT AND RESULTS OF OPERATIONS

We operate in more than 80 countries throughout the world to provide a comprehensive range of services and products to the energy industry. A significant amount of our consolidated revenue is derived from the sale of services and products to major, national and independent oil and natural gas companies worldwide. The industry we serve is highly competitive with many substantial competitors in each segment of our business. In 2018, 2017 and 2016, based on the location of services provided and products sold, 58%, 53% and 41%, respectively, of our consolidated revenue was from the United States. No other country accounted for more than 10% of our revenue during these periods.

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

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

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

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

	2018	2017	2016
Oil price - WTI (1)	$ 64.94	$ 50.93	$ 43.14
Oil price - Brent (1)	71.08	54.30	43.55
Natural gas price - Henry Hub (2)	3.17	3.04	2.52

(1) Oil price measured in dollars per barrel

(2) Natural gas price measured in dollars per million British thermal units (Btu), or MMBtu

	Three Months Ended December 31, 2018	Month Ended December 31, 2018
Oil price - WTI	$ 59.08	$ 49.52
Oil price - Brent	67.78	57.56

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

	2018	2017	2016
U.S. Land	1,013	856	486
U.S. Offshore	19	20	23
Canada	191	206	130
North America	1,223	1,082	639
International	988	949	955
Worldwide total	2,211	2,031	1,594

Crude oil prices have been extremely volatile over the past few years. WTI oil spot prices declined significantly beginning in 2014 from a peak price of $108 per barrel in June 2014 to a low of $26 per barrel in February 2016, a level which had not been experienced since 2003. Brent crude oil spot prices declined from a high of $115 per barrel in June 2014 to $26 per barrel in January 2016. Since the low point experienced in early 2016, oil prices increased substantially, with WTI oil spot prices reaching a high of $77 per barrel in June 2018 and Brent crude oil spot prices reaching a high of $86 per barrel in October 2018. In the fourth quarter of 2018, oil prices again declined with WTI and Brent oil spot prices reaching a low of $44 per barrel and $50 per barrel, respectively, in December. The average full year 2018 WTI and Brent crude oil spot prices of $65 per barrel and $71 per barrel increased 28% and 31%, respectively, from the average 2017 prices.

In the United States Energy Information Administration (EIA) January 2019 "Short Term Energy Outlook," the EIA projected Brent prices to average $61 per barrel in 2019 and $65 per barrel in 2020, while WTI prices were projected to average approximately $8 less per barrel in the first quarter of 2019, before the discount to Brent gradually falls to approximately $4 in the fourth quarter of 2019 and throughout 2020. The International Energy Agency's (IEA) January 2019 "Oil Market Report" forecasts 2019 global demand to average approximately 100.7 million barrels per day, an increase of 1.5% from 2018, driven by increases in the Asia Pacific region, while all other regions remain approximately the same.

The Henry Hub natural gas spot price in the United States averaged $3.15 per MMBtu in 2018, an increase of $0.16 per MMBtu, or 5%, from 2017. The EIA January 2019 “Short Term Energy Outlook” projects Henry Hub natural gas prices to average $2.89 per MMBtu in 2019 and $2.92 per MMBtu in 2020. The projected decline from 2018 levels is primarily due to expected production growth keeping pace with demand and export growth and inventories building faster than the five-year average.

North America operations

The average North America rig count increased 141 rigs, or 13%, for the full year 2018 as compared to 2017. However, the average United States land rig count was essentially flat from the third quarter to the fourth quarter of 2018 as the market softened. During the fourth quarter of 2018, we faced challenges caused by offtake capacity limitations and year-end customer budget constraints, which led to decreasing demand for completion services and increasing pressure on pricing. We expect that the increased oil price volatility in recent months will continue to create pressure on services pricing in the first quarter of 2019. However, we believe there are several catalysts for a potential completions activity rebound in North America. These catalysts include what we believe will be a supportive commodity price environment, offtake capacity constraints alleviating in the Permian basin, and a high inventory of drilled but uncompleted (DUC) wells. If these catalysts materialize, we believe they will increase customer urgency and, in turn, drive higher pricing in the second half of 2019.

International operations

The average international rig count for 2018 increased 39 rigs, or 4% compared to 2017. While the international markets are continuing to improve, they are in the early stages of a recovery and pricing pressure remains a challenge in a competitive landscape. We expect the international recovery to be focused, at least initially, on mature fields as customers broadly favor shorter cycle returns and lower risk projects in today’s environment. We believe we are well-positioned for continued growth as a result of the significant investments we made to grow our global footprint in the last cycle.

RESULTS OF OPERATIONS IN 2018 COMPARED TO 2017

REVENUE: *Millions of dollars*		2018	2017	Favorable (Unfavorable)	Percentage Change
Completion and Production	$	15,973 $	13,077 $	2,896	22 %
Drilling and Evaluation		8,022	7,543	479	6
Total revenue	$	23,995 $	20,620 $	3,375	16 %
By geographic region:					
North America	$	14,431 $	11,564 $	2,867	25 %
Latin America		2,065	2,116	(51)	(2)
Europe/Africa/CIS		2,945	2,781	164	6
Middle East/Asia		4,554	4,159	395	9
Total	$	23,995 $	20,620 $	3,375	16 %

OPERATING INCOME (LOSS): *Millions of dollars*		2018	2017	Favorable (Unfavorable)	Percentage Change
Completion and Production	$	2,278 $	1,625 $	653	40%
Drilling and Evaluation		745	726	19	3
Total		3,023	2,351	672	29
Corporate and other		(291)	(330)	39	12
Impairments and other charges		(265)	(647)	382	59
Total operating income	$	2,467 $	1,374 $	1,093	80%

Consolidated revenue in 2018 was $24.0 billion, an increase of $3.4 billion, or 16%, compared to 2017, with increases across all of our product service lines globally, primarily associated with pressure pumping services, drilling activity and artificial lift in North America, as well as drilling activity in the Eastern Hemisphere. Revenue from North America was 60% of consolidated revenue in 2018 and 56% of consolidated revenue in 2017.

We reported consolidated operating income of $2.5 billion in 2018, as compared to operating income of $1.4 billion in 2017, an 80% increase primarily due to increases in pressure pumping and artificial lift activity in North America. Operating results were also impacted by $265 million and $647 million of impairments and other charges related to Venezuela recorded during 2018 and 2017, respectively. See Note 4 to the consolidated financial statements for further information on the Venezuela charges taken during 2018.

OPERATING SEGMENTS

Completion and Production

Completion and Production revenue was $16.0 billion in 2018, an increase of $2.9 billion, or 22%, compared to 2017. Operating income was $2.3 billion in 2018, a 40% increase compared to $1.6 billion in 2017. Operating results significantly improved due to increased activity across all of our product service lines, primarily associated with pressure pumping and artificial lift in North America. International operating results improved due to increased well completion services in Europe/Africa/CIS and well intervention services in the Middle East.

Drilling and Evaluation

Drilling and Evaluation revenue was $8.0 billion in 2018, an increase of $479 million, or 6%, from 2017. Operating income was $745 million in 2018, an increase of $19 million, or 3%, compared to 2017. Operating results improved for drilling services in North America coupled with increased drilling, logging and fluids activity in the Middle East. Partially offsetting these results were activity declines across multiple product service lines in Latin America, primarily drilling activity.

GEOGRAPHIC REGIONS

North America

North America revenue was $14.4 billion in 2018, a 25% increase compared to 2017. This improvement was driven by increased activity throughout the United States land sector in the majority of our product service lines, primarily related to higher activity in pressure pumping, artificial lift, specialty chemicals, and drilling services. These increases were partially offset by lower stimulation activity in Canada.

Latin America

Latin America revenue was $2.1 billion in 2018, a 2% decrease compared to 2017, resulting primarily from reduced activity in Venezuela, Mexico and Brazil, partially offset by increases in the majority of our product service lines in Argentina, Colombia and Ecuador.

Europe/Africa/CIS

Europe/Africa/CIS revenue was $2.9 billion in 2018, a 6% increase compared to 2017. The increases were due to increased activity throughout the region, primarily related to improvements in the majority of our product service lines in the North Sea and Ghana, partially offset by activity reductions in Angola.

Middle East/Asia

Middle East/Asia revenue was $4.6 billion in 2018, a 9% increase compared to 2017, primarily resulting from improvements in drilling, stimulation and well intervention services in the Middle East and higher project management activity in India, partially offset by lower project management activity in Indonesia.

OTHER OPERATING ITEMS

Corporate and other expenses were $291 million in 2018 as compared to $330 million in 2017. Corporate and other expenses in 2017 included approximately $42 million of one-time charges for litigation settlements, primarily associated with the resolution of an SEC investigation, and executive compensation costs.

Impairments and other charges were $265 million in 2018, related to a write-down of all of our remaining investment in Venezuela. See Note 4 to the consolidated financial statements for further information. This compares to $647 million of impairments and other charges recorded in 2017, representing a charge against receivables from our primary customer in Venezuela.

NONOPERATING ITEMS

Interest expense, net was $554 million in 2018, as compared to $593 million in 2017, which included $104 million in costs related to the early extinguishment of $1.4 billion of senior notes during the first quarter of 2017.

Effective tax rate. During 2018, we recorded a total income tax provision of $157 million on pre-tax income of $1.8 billion, resulting in an effective tax rate of 8.7%. During 2017, we recorded a total income tax provision $1.1 billion on pre-tax income of $682 million, resulting in an effective tax rate of 165.8%. See Note 9 to the consolidated financial statements for significant drivers of these effective tax rates.

RESULTS OF OPERATIONS IN 2017 COMPARED TO 2016

REVENUE: *Millions of dollars*	2017	2016	Favorable (Unfavorable)	Percentage Change
Completion and Production	$ 13,077	$ 8,882	$ 4,195	47 %
Drilling and Evaluation	7,543	7,005	538	8
Total revenue	$ 20,620	$ 15,887	$ 4,733	30 %
By geographic region:				
North America	$ 11,564	$ 6,770	$ 4,794	71 %
Latin America	2,116	1,860	256	14
Europe/Africa/CIS	2,781	2,993	(212)	(7)
Middle East/Asia	4,159	4,264	(105)	(2)
Total	$ 20,620	$ 15,887	$ 4,733	30 %

OPERATING INCOME (LOSS): *Millions of dollars*	2017	2016	Favorable (Unfavorable)	Percentage Change
Completion and Production	$ 1,625	$ 108	$ 1,517	1,405 %
Drilling and Evaluation	726	801	(75)	(9)
Total	2,351	909	1,442	159
Corporate and other	(330)	(4,322)	3,992	(92)
Impairments and other charges	(647)	(3,357)	2,710	(81)
Total operating income (loss)	$ 1,374	$ (6,770)	$ 8,144	— %

Consolidated revenue in 2017 increased 30% compared to 2016, associated with improved utilization, pricing and activity, primarily attributable to higher stimulation activity, and well completion and drilling services in North America. Revenue from North America was 56% of consolidated revenue in 2017 and 43% of consolidated revenue in 2016.

We reported consolidated operating income of $1.4 billion in 2017, as compared to an operating loss of $6.8 billion in 2016. Higher consolidated operating results were primarily due to increases in stimulation activity and well completion services in North America. Operating results were also impacted by $647 million and $3.4 billion of impairments and other charges recorded during 2017 and 2016, respectively. Additionally, we incurred $4.1 billion of merger-related costs during 2016, primarily due to a $3.5 billion termination fee and $464 million of charges resulting from our reversal of assets held for sale accounting.

OPERATING SEGMENTS

Completion and Production

Completion and Production revenue was $13.1 billion in 2017, an increase of $4.2 billion, or 47%, compared to 2016. Completion and Production operating income was $1.6 billion in 2017 compared to $108 million in 2016. Operating results significantly improved due to increased activity and pricing across the majority of our product service lines, primarily pressure pumping services in North America. International operating results improved slightly as increased pressure pumping services in the Middle East and Latin America were partially offset by reduced completion tool sales in the Eastern Hemisphere.

Drilling and Evaluation

Drilling and Evaluation revenue was $7.5 billion in 2017, an increase of $538 million, or 8%, from 2016. Drilling and Evaluation operating income was $726 million in 2017, a decrease of $75 million, or 9%, compared to 2016. Operating results improved for drilling services in North America as a result of improved pricing, utilization and rig count. These increases were offset by pricing pressure and activity reductions across the majority of our product service lines in the Eastern Hemisphere, particularly drilling and logging services, as well as activity reductions in Venezuela, primarily software sales and testing activity.

GEOGRAPHIC REGIONS

North America

North America revenue was $11.6 billion in 2017, a 71% improvement compared to 2016. These results were driven by improved customer demand in our United States land sector with increases in both pricing and activity, primarily related to pressure pumping services, drilling activity and completion tool sales.

Latin America

Latin America revenue was $2.1 billion in 2017, a 14% increase compared to 2016, primarily related to higher drilling activity in Brazil and Colombia, as well as increased project management activity in Mexico. These increases were partially offset by reduced activity in the majority of our product service lines in Venezuela and lower completion tool sales in Brazil.

Europe/Africa/CIS

Europe/Africa/CIS revenue was $2.8 billion in 2017, a 7% decline compared to 2016. The decreases were driven by activity reductions and pricing pressure across the region, particularly in Angola and the North Sea, along with reduced completion tool sales and logging services throughout the region.

Middle East/Asia

Middle East/Asia revenue was $4.2 billion in 2017, a 2% decrease compared to 2016, driven by reduced activity and pricing pressure, particularly for drilling and logging services in Thailand, reductions across all of our product service lines in Indonesia and drilling services and completion tool sales across the region. These decreases were partially offset by improved stimulation and well intervention activity in the Middle East, increased project management activity in Iraq and improved activity across the majority of our product service lines in Australia.

OTHER OPERATING ITEMS

Corporate and other expenses were $330 million in 2017, which included approximately $42 million of one-time charges for litigation settlements, primarily associated with the resolution of an SEC investigation, and executive compensation costs. This compares to corporate and other expenses of $4.3 billion in 2016, which included a $3.5 billion termination fee and other merger-related costs, coupled with $464 million of charges resulting from our reversal of assets held for sale accounting.

Impairments and other charges were $647 million in 2017 representing a fair market value adjustment on a promissory note from our primary customer in Venezuela and a full reserve against our other accounts receivable with this customer. This compares to $3.4 billion of impairments and other charges recorded in 2016, primarily as a result of the downturn in the energy market, which consisted of fixed asset impairments and write-offs, inventory write-downs, impairments of intangible assets, severance costs, country and facility closures, a loss on exchange for our Venezuela promissory note and other charges.

NONOPERATING ITEMS

Interest expense, net was $593 million in 2017, which includes $104 million in costs related to the early extinguishment of $1.4 billion of senior notes during the first quarter of 2017, offset by additional interest income recognized during the year related to interest receipts and accretion on the promissory note from our primary customer in Venezuela. We recognized $639 million of net interest expense in 2016, which includes $41 million of debt redemption fees and associated expenses related to the $2.5 billion of senior notes mandatorily redeemed in the second quarter of 2016, with the corresponding interest savings from these debt payments reflected in 2017.

Other, net was an $99 million loss in 2017, as compared to a $216 million loss in 2016, driven by foreign currency exchange losses in various countries as a result of the strengthening U.S. dollar. During 2017, foreign exchange losses were primarily incurred in Brazil and Nigeria. During 2016, foreign exchange losses were primarily incurred in Egypt, Argentina and Brazil, including a $53 million loss for the devaluation of the Egyptian pound.

Effective tax rate. During 2017, we recorded a total income tax provision of $1.1 billion on pre-tax income of $682 million, resulting in an effective tax rate of 165.8%. This included $770 million of tax expenses associated with our preliminary estimate of the net impact of the United States tax reform enacted in 2017. During 2016, we recorded a total income tax benefit $1.9 billion on pre-tax losses of $7.6 billion, resulting in an effective tax rate of 24.4%. See Note 9 to the consolidated financial statements for significant drivers of these effective tax rates.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements requires the use of judgments and estimates. Our critical accounting policies are described below to provide a better understanding of how we develop our assumptions and judgments about future events and related estimates and how they can impact our financial statements. A critical accounting estimate is one that requires our most difficult, subjective or complex judgments and assessments and is fundamental to our results of operations. We identified our most critical accounting estimates to be:

- forecasting our effective income tax rate, including our future ability to utilize foreign tax credits and the realizability of deferred tax assets, and providing for uncertain tax positions;
- legal, environmental and investigation matters;
- valuations of long-lived assets, including intangible assets and goodwill;
- purchase price allocation for acquired businesses; and
- allowance for bad debts.

We base our estimates on historical experience and on various other assumptions we believe to be reasonable according to the current facts and circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. We believe the following are the critical accounting policies used in the preparation of our consolidated financial statements, as well as the significant estimates and judgments affecting the application of these policies. This discussion and analysis should be read in conjunction with our consolidated financial statements and related notes included in this report.

Income tax accounting

We recognize the amount of taxes payable or refundable for the current year and use an asset and liability approach in recognizing the amount of deferred tax liabilities and assets for the future tax consequences of events that have been recognized in our financial statements or tax returns. We apply the following basic principles in accounting for our income taxes:

- a current tax liability or asset is recognized for the estimated taxes payable or refundable on tax returns for the current year;
- a deferred tax liability or asset is recognized for the estimated future tax effects attributable to temporary differences and carryforwards;
- the measurement of current and deferred tax liabilities and assets is based on provisions of the enacted tax law, and the effects of potential future changes in tax laws or rates are not considered; and
- the value of deferred tax assets is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realized.

We determine deferred taxes separately for each tax-paying component (an entity or a group of entities that is consolidated for tax purposes) in each tax jurisdiction. That determination includes the following procedures:

- identifying the types and amounts of existing temporary differences;
- measuring the total deferred tax liability for taxable temporary differences using the applicable tax rate;
- measuring the total deferred tax asset for deductible temporary differences and operating loss carryforwards using the applicable tax rate;
- measuring the deferred tax assets for each type of tax credit carryforward; and
- reducing the deferred tax assets by a valuation allowance if, based on available evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Our methodology for recording income taxes requires a significant amount of judgment in the use of assumptions and estimates. Additionally, we use forecasts of certain tax elements, such as taxable income and foreign tax credit utilization, as well as evaluate the feasibility of implementing tax planning strategies. Given the inherent uncertainty involved with the use of such variables, there can be significant variation between anticipated and actual results. Unforeseen events may significantly impact these variables, and changes to these variables could have a material impact on our income tax accounts related to both continuing and discontinued operations.

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

Tax filings of our subsidiaries, unconsolidated affiliates and related entities are routinely examined in the normal course of business by tax authorities. These examinations may result in assessments of additional taxes, which we work to resolve with the tax authorities and through the judicial process. Predicting the outcome of disputed assessments involves some uncertainty. Factors such as the availability of settlement procedures, willingness of tax authorities to negotiate and the operation and impartiality of judicial systems vary across the different tax jurisdictions and may significantly influence the ultimate outcome. We review the facts for each assessment, and then utilize assumptions and estimates to determine the most likely outcome and provide taxes, interest and penalties as needed based on this outcome. We provide for uncertain tax positions pursuant to current accounting standards, which prescribe a minimum recognition threshold and measurement methodology that a tax position taken or expected to be taken in a tax return is required to meet before being recognized in the financial statements. The standards also provide guidance for derecognition classification, interest and penalties, accounting in interim periods, disclosure and transition.

Legal, environmental and investigation matters

As discussed in Note 8 of our consolidated financial statements, as of December 31, 2018, we have accrued an estimate of the probable and estimable costs for the resolution of some of our legal, environmental and investigation matters. For other matters for which the liability is not probable and reasonably estimable, we have not accrued any amounts. Attorneys in our legal department monitor and manage all claims filed against us and review all pending investigations. Generally, the estimate of probable costs related to these matters is developed in consultation with internal and outside legal counsel representing us. Our estimates are based upon an analysis of potential results, assuming a combination of litigation and settlement strategies. The accuracy of these estimates is impacted by, among other things, the complexity of the issues and the amount of due diligence we have been able to perform. We attempt to resolve these matters through settlements, mediation and arbitration proceedings when possible. If the actual settlement costs, final judgments or fines, after appeals, differ from our estimates, there may be a material adverse effect on our future financial results. We have in the past recorded significant adjustments to our initial estimates of these types of contingencies.

Value of long-lived assets, including intangible assets and goodwill

We carry a variety of long-lived assets on our balance sheet including property, plant and equipment, goodwill and other intangibles. Impairment is the condition that exists when the carrying amount of a long-lived asset exceeds its fair value, and any impairment charge that we record reduces our operating income. Goodwill is the excess of the cost of an acquired entity over the net of the amounts assigned to assets acquired and liabilities assumed. We conduct impairment tests on goodwill annually, during the third quarter, or more frequently whenever events or changes in circumstances indicate an impairment may exist. We conduct impairment tests on long-lived assets, other than goodwill, whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

When conducting an impairment test on long-lived assets, other than goodwill, we first compare estimated future undiscounted cash flows associated with the asset to the asset’s carrying amount. If the undiscounted cash flows are less than the asset’s carrying amount, we then determine the asset's fair value by using a discounted cash flow analysis. These analyses are based on estimates such as management’s short-term and long-term forecast of operating performance, including revenue growth rates and expected profitability margins, estimates of the remaining useful life and service potential of the asset, and a discount rate based on our weighted average cost of capital.

We perform our goodwill impairment assessment for each reporting unit, which is the same as our reportable segments, the Completion and Production division and the Drilling and Evaluation division, comparing the estimated fair value of each reporting unit to the reporting unit’s carrying value, including goodwill. We estimate the fair value for each reporting unit using a discounted cash flow analysis based on management’s short-term and long-term forecast of operating performance. This analysis includes significant assumptions regarding discount rates, revenue growth rates, expected profitability margins, forecasted capital expenditures and the timing of expected future cash flows based on market conditions. If the estimated fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is not considered impaired. If the carrying amount of a reporting unit exceeds its estimated fair value, an impairment loss is measured and recorded.

The impairment assessments discussed above incorporate inherent uncertainties, including projected commodity pricing, supply and demand for our services and future market conditions, which are difficult to predict in volatile economic environments and could result in impairment charges in future periods if actual results materially differ from the estimated assumptions utilized in our forecasts. If crude oil prices decline significantly and remain at low levels for a sustained period of time, we could be required to record an impairment of the carrying value of our long-lived assets in the future which could have a material adverse impact on our operating results. See Note 1 to the consolidated financial statements for our accounting policies related to long-lived assets as well as the results of our annual goodwill impairment assessment.

Acquisitions-purchase price allocation

We allocate the purchase price of an acquired business to its identifiable assets and liabilities based on estimated fair values. The excess of the purchase price over the amount allocated to the assets and liabilities, if any, is recorded as goodwill. We use all available information to estimate fair values, including quoted market prices, the carrying value of acquired assets and widely accepted valuation techniques such as discounted cash flows. We engage third-party appraisal firms when appropriate to assist in fair value determination of inventories, identifiable intangible assets and any other significant assets or liabilities. The judgments made in determining the estimated fair value assigned to each class of assets acquired and liabilities assumed, as well as asset lives, can materially impact our results of operations. Our acquisitions may also include contingent consideration, or earn-out provisions, which provide for additional consideration to be paid to the seller if certain future conditions are met. These earn-out provisions are estimated and recognized at fair value at the acquisition date based on projected earnings or other financial metrics over specified periods after the acquisition date. These estimates are reviewed during the specified period and adjusted based on actual results.

Allowance for bad debts

We evaluate our global accounts receivable through a continuous process of assessing our portfolio on an individual customer and overall basis. This process consists of a thorough review of historical collection experience, current aging status of the customer accounts, financial condition of our customers and whether the receivables involve retainages. We also consider the economic environment of our customers, both from a marketplace and geographic perspective, in evaluating the need for an allowance. Based on our review of these factors, we establish or adjust allowances for specific customers. This process involves a high degree of judgment and estimation, and frequently involves significant dollar amounts. Accordingly, our results of operations can be affected by adjustments to the allowance due to actual write-offs that differ from estimated amounts.

During 2017, we significantly increased our allowance for bad debts related to accounts receivable with our primary customer in Venezuela as a result of delayed payments and deteriorating market conditions in Venezuela. At December 31, 2018, our allowance for bad debts totaled $738 million, or 12.8% of notes and accounts receivable before the allowance. At December 31, 2017, our allowance for bad debts totaled $725 million, or 12.8% of notes and accounts receivable before the allowance. A hypothetical 100 basis point change in our estimate of the collectability of our notes and accounts receivable balance as of December 31, 2018 would have resulted in a $58 million adjustment to 2018 total operating costs and expenses. See Note 4 to the consolidated financial statements for further information.

OFF BALANCE SHEET ARRANGEMENTS

At December 31, 2018, we had no material off balance sheet arrangements, except for operating leases. In the normal course of business, we have agreements with financial institutions under which approximately $2.0 billion of letters of credit, bank guarantees or surety bonds were outstanding as of December 31, 2018. Some of the outstanding letters of credit have triggering events that would entitle a bank to require cash collateralization. None of these off balance sheet arrangements either has, or is likely to have, a material effect on our consolidated financial statements. For information on our contractual obligations related to operating leases, see Note 8 to the consolidated financial statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources – Contractual obligations."

FINANCIAL INSTRUMENT MARKET RISK

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

We use a sensitivity analysis model to measure the impact of potential adverse movements in foreign currency exchange rates and interest rates. With respect to foreign exchange sensitivity, after consideration of the impact from our foreign exchange hedges, a hypothetical 10% adverse change in the value of all our foreign currency positions relative to the United States dollar as of December 31, 2018 would result in a $73 million, pre-tax, loss for our net monetary assets denominated in currencies other than United States dollars. With respect to interest rates sensitivity, after consideration of the impact from our interest rate swap, a hypothetical 100 basis point increase in the LIBOR rate would result in approximately an additional $1 million of interest charges for the year ended December 31, 2018.

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

For further information regarding foreign currency exchange risk, interest rate risk and credit risk, see Note 13 to the consolidated financial statements.

ENVIRONMENTAL MATTERS

We are subject to numerous environmental, legal and regulatory requirements related to our operations worldwide. For information related to environmental matters, see Note 8 to the consolidated financial statements and Part I, Item 1(a), “Risk Factors.”

FORWARD-LOOKING INFORMATION

The Private Securities Litigation Reform Act of 1995 provides safe harbor provisions for forward-looking information. Forward-looking information is based on projections and estimates, not historical information. Some statements in this Form 10-K are forward-looking and use words like “may,” “may not,” “believe,” “do not believe,” “plan,” “estimate,” “intend,” “expect,” “do not expect,” “anticipate,” “do not anticipate,” “should,” “likely” and other expressions. We may also provide oral or written forward-looking information in other materials we release to the public. Forward-looking information involves risk and uncertainties and reflects our best judgment based on current information. Our results of operations can be affected by inaccurate assumptions we make or by known or unknown risks and uncertainties. In addition, other factors may affect the accuracy of our forward-looking information. As a result, no forward-looking information can be guaranteed. Actual events and the results of our operations may vary materially.

We do not assume any responsibility to publicly update any of our forward-looking statements regardless of whether factors change as a result of new information, future events or for any other reason. You should review any additional disclosures we make in our press releases and Forms 10-K, 10-Q and 8-K filed with or furnished to the SEC. We also suggest that you listen to our quarterly earnings release conference calls with financial analysts.

MANAGEMENT’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The management of Halliburton Company is responsible for establishing and maintaining adequate internal control over financial reporting as defined in the Securities Exchange Act Rule 13a-15(f).

Internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Further, because of changes in conditions, the effectiveness of internal control over financial reporting may vary over time.

Under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, we conducted an evaluation to assess the effectiveness of our internal control over financial reporting as of December 31, 2018 based upon criteria set forth in the *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Based on our assessment, we believe that, as of December 31, 2018, our internal control over financial reporting is effective. The effectiveness of Halliburton’s internal control over financial reporting as of December 31, 2018 has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report that is included herein.

HALLIBURTON COMPANY

by

/s/ Jeffrey A. Miller	/s/ Lance Loeffler
Jeffrey A. Miller	Lance Loeffler
Chairman of the Board, President and	Executive Vice President and
Chief Executive Officer	Chief Financial Officer

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Halliburton Company:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Halliburton Company and subsidiaries (the "Company") as of December 31, 2018 and 2017, and the related consolidated statements of operations, comprehensive income (loss), shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2018, and the related notes (collectively, the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2018, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 13, 2019 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ KPMG LLP

We have served as the Company's auditor since 2002.

Houston, Texas
February 13, 2019

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Halliburton Company:

Opinion on Internal Control Over Financial Reporting

We have audited Halliburton Company's (the "Company") internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated balance sheets of the Company as of December 31, 2018 and 2017, and the related consolidated statements of operations, comprehensive income (loss), shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2018 and the related notes (collectively, the "consolidated financial statements"), and our report dated February 13, 2019 expressed an unqualified opinion on those consolidated financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

Houston, Texas
February 13, 2019

HALLIBURTON COMPANY
Consolidated Statements of Operations

Millions of dollars and shares except per share data	Year Ended December 31 2018	2017	2016
Revenue:			
Services	$ 18,444	$ 15,408	$ 11,140
Product sales	5,551	5,212	4,747
Total revenue	23,995	20,620	15,887
Operating costs and expenses:			
Cost of services	16,591	14,205	11,249
Cost of sales	4,418	4,138	3,768
Merger-related costs and termination fee	—	—	4,057
Impairments and other charges	265	647	3,357
General and administrative	254	256	226
Total operating costs and expenses	21,528	19,246	22,657
Operating income (loss)	2,467	1,374	(6,770)
Interest expense, net of interest income of $44, $112, and $59	(554)	(593)	(639)
Other, net	(99)	(99)	(216)
Income (loss) from continuing operations before income taxes	1,814	682	(7,625)
Income tax benefit (provision)	(157)	(1,131)	1,858
Income (loss) from continuing operations	1,657	(449)	(5,767)
Loss from discontinued operations, net	—	(19)	(2)
Net income (loss)	$ 1,657	$ (468)	$ (5,769)
Net (income) loss attributable to noncontrolling interest	(1)	5	6
Net income (loss) attributable to company	$ 1,656	$ (463)	$ (5,763)
Amounts attributable to company shareholders:			
Income (loss) from continuing operations	$ 1,656	$ (444)	$ (5,761)
Loss from discontinued operations, net	—	(19)	(2)
Net income (loss) attributable to company	$ 1,656	$ (463)	$ (5,763)
Basic and diluted income (loss) per share attributable to company shareholders:			
Income (loss) from continuing operations	$ 1.89	$ (0.51)	$ (6.69)
Loss from discontinued operations, net	—	(0.02)	—
Net income (loss) per share	$ 1.89	$ (0.53)	$ (6.69)
Basic weighted average common shares outstanding	875	870	861
Diluted weighted average common shares outstanding	877	870	861

See notes to consolidated financial statements.

HALLIBURTON COMPANY
Consolidated Statements of Comprehensive Income (Loss)

	Year Ended December 31		
Millions of dollars	2018	2017	2016
Net income (loss)	$ 1,657	$ (468)	$ (5,769)
Other comprehensive income (loss), net of income taxes:			
Defined benefit and other post retirement plans adjustment	131	(22)	(92)
Other	(17)	7	1
Other comprehensive income (loss), net of income taxes	114	(15)	(91)
Comprehensive income (loss)	$ 1,771	$ (483)	$ (5,860)
Comprehensive (income) loss attributable to noncontrolling interest	(1)	5	6
Comprehensive income (loss) attributable to company shareholders	$ 1,770	$ (478)	$ (5,854)

See notes to consolidated financial statements.

HALLIBURTON COMPANY
Consolidated Balance Sheets

Millions of dollars and shares except per share data	December 31 2018	December 31 2017
Assets		
Current assets:		
Cash and equivalents	$ 2,008	$ 2,337
Receivables (net of allowances for bad debts of $738 and $725)	5,234	5,036
Inventories	3,028	2,396
Other current assets	881	1,008
Total current assets	11,151	10,777
Property, plant and equipment (net of accumulated depreciation of $13,182 and $12,249)	8,961	8,521
Goodwill	2,825	2,693
Deferred income taxes	1,384	1,230
Other assets	1,661	1,864
Total assets	$ 25,982	$ 25,085
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 3,018	$ 2,554
Accrued employee compensation and benefits	714	746
Taxes other than income	248	231
Short-term borrowings and current maturities of long-term debt	36	512
Other current liabilities	786	819
Total current liabilities	4,802	4,862
Long-term debt	10,421	10,430
Employee compensation and benefits	483	609
Other liabilities	732	835
Total liabilities	16,438	16,736
Shareholders' equity:		
Common shares, par value $2.50 per share (authorized 2,000 shares, issued 1,069 and 1,069 shares)	2,671	2,673
Paid-in capital in excess of par value	211	207
Accumulated other comprehensive loss	(355)	(469)
Retained earnings	13,739	12,668
Treasury stock, at cost (198 and 196 shares)	(6,744)	(6,757)
Company shareholders' equity	9,522	8,322
Noncontrolling interest in consolidated subsidiaries	22	27
Total shareholders' equity	9,544	8,349
Total liabilities and shareholders' equity	$ 25,982	$ 25,085

See notes to consolidated financial statements.

HALLIBURTON COMPANY
Consolidated Statements of Cash Flows

	Year Ended December 31		
Millions of dollars	2018	2017	2016
Cash flows from operating activities:			
Net income (loss)	$ 1,657	$ (468)	$ (5,769)
Adjustments to reconcile net income (loss) to cash flows from operating activities:			
Depreciation, depletion and amortization	1,606	1,556	1,503
Deferred income tax provision (benefit), continuing operations	(267)	734	(1,501)
Impairments and other charges	265	647	3,357
Changes in assets and liabilities:			
Inventories	(681)	(29)	552
Accounts payable	483	753	(219)
Receivables	(186)	(1,350)	899
Other	280	625	(525)
Total cash flows provided by (used in) operating activities	3,157	2,468	(1,703)
Cash flows from investing activities:			
Capital expenditures	(2,026)	(1,373)	(798)
Sales of investment securities	527	98	96
Purchases of investment securities	(423)	(109)	(92)
Proceeds from sales of property, plant and equipment	218	158	222
Payments to acquire businesses, net of cash acquired	(187)	(628)	(31)
Other investing activities	(102)	(73)	(107)
Total cash flows provided by (used in) investing activities	(1,993)	(1,927)	(710)
Cash flows from financing activities:			
Dividends to shareholders	(630)	(626)	(620)
Payments on long-term borrowings	(445)	(1,641)	(3,171)
Stock repurchase program	(400)	—	—
Proceeds from issuance of common stock	195	158	186
Other financing activities	(139)	(52)	65
Total cash flows provided by (used in) financing activities	(1,419)	(2,161)	(3,540)
Effect of exchange rate changes on cash	(74)	(52)	(115)
Decrease in cash and equivalents	(329)	(1,672)	(6,068)
Cash and equivalents at beginning of year	2,337	4,009	10,077
Cash and equivalents at end of year	$ 2,008	$ 2,337	$ 4,009
Supplemental disclosure of cash flow information:			
Cash payments (receipts) during the period for:			
Interest	$ 556	$ 594	$ 659
Income taxes	$ 178	$ (178)	$ (20)

See notes to consolidated financial statements.

HALLIBURTON COMPANY
Consolidated Statements of Shareholders' Equity

Millions of dollars	Common Shares	Paid-in Capital in Excess of Par Value	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling interest in Consolidated Subsidiaries	Total
	Company Shareholders' Equity						
Balance at December 31, 2015	$ 2,677	$ 274	$ (7,650)	$ 20,524	$ (363)	$ 33	$ 15,495
Comprehensive income (loss):							
Net loss	—	—	—	(5,763)	—	(6)	(5,769)
Other comprehensive loss	—	—	—	—	(91)	—	(91)
Cash dividends ($0.72 per share)	—	—	—	(620)	—	—	(620)
Stock plans	(3)	(69)	497	—	—	—	425
Other	—	(4)	—	—	—	12	8
Balance at December 31, 2016	$ 2,674	$ 201	$ (7,153)	$ 14,141	$ (454)	$ 39	$ 9,448
Comprehensive income (loss):							
Net loss	—	—	—	(463)	—	(5)	(468)
Retained earnings adjustment for new accounting standard	—	—	—	(384)	—	—	(384)
Other comprehensive loss	—	—	—	—	(15)	—	(15)
Cash dividends ($0.72 per share)	—	—	—	(626)	—	—	(626)
Stock plans	(1)	6	396	—	—	—	401
Other	—	—	—	—	—	(7)	(7)
Balance at December 31, 2017	$ 2,673	$ 207	$ (6,757)	$ 12,668	$ (469)	$ 27	$ 8,349
Comprehensive income (loss):							
Net income	—	—	—	1,656	—	1	1,657
Other comprehensive income	—	—	—	—	114	—	114
Cash dividends ($0.72 per share)	—	—	—	(630)	—	—	(630)
Stock plans	(2)	4	413	—	—	—	415
Stock repurchase program	—	—	(400)	—	—	—	(400)
Other	—	—	—	45	—	(6)	39
Balance at December 31, 2018	$ 2,671	$ 211	$ (6,744)	$ 13,739	$ (355)	$ 22	$ 9,544

See notes to consolidated financial statements.

Note 1. Description of Company and Significant Accounting Policies

Description of Company

Halliburton Company's predecessor was established in 1919 and incorporated under the laws of the State of Delaware in 1924. We help our customers maximize value throughout the lifecycle of the reservoir - from locating hydrocarbons and managing geological data, to drilling and formation evaluation, well construction and completion, and optimizing production throughout the life of the asset. We serve major, national and independent oil and natural gas companies throughout the world and operate under two divisions, which form the basis for the two operating segments we report, the Completion and Production segment and the Drilling and Evaluation segment.

Use of estimates

Our financial statements are prepared in conformity with United States generally accepted accounting principles, requiring us to make estimates and assumptions that affect:

- the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements; and
- the reported amounts of revenue and expenses during the reporting period.

We believe the most significant estimates and assumptions are associated with the forecasting of our effective income tax rate and the valuation of deferred taxes, legal and environmental reserves, long-lived asset valuations, purchase price allocations and allowance for bad debts. Ultimate results could differ from our estimates.

Basis of presentation

The consolidated financial statements include the accounts of our company and all of our subsidiaries that we control or variable interest entities for which we have determined that we are the primary beneficiary. All material intercompany accounts and transactions are eliminated. Investments in companies in which we do not have a controlling interest, but over which we do exercise significant influence, are accounted for using the equity method of accounting. If we do not have significant influence, we use the cost method of accounting. In addition, certain reclassifications of prior period balances have been made to conform to the current period presentation.

Revenue recognition

Effective January 1, 2018, we adopted a comprehensive new revenue recognition standard using a modified retrospective basis. The comparative information for the years ended December 31, 2017 and December 31, 2016 has not been adjusted and continues to be reported under the previous revenue standard, the accounting policies for which are discussed below.

Our services and products are generally sold based upon purchase orders or contracts with our customers that include fixed or determinable prices but do not include right of return provisions or other significant post-delivery obligations. We recognize revenue from product sales when title passes to the customer, the customer assumes risks and rewards of ownership, collectability is reasonably assured and delivery occurs as directed by our customer. Service revenue, including training and consulting services, is recognized when the services are rendered and collectability is reasonably assured. Rates for services are typically priced on a per day, per meter, per man-hour or similar basis.

See Note 3 for changes to these accounting policies for the year ended December 31, 2018 and Note 15 for additional information about the new revenue standard.

Research and development

We maintain an active research and development program. The program improves products, processes and engineering standards and practices that serve the changing needs of our customers, such as those related to high pressure and high temperature environments, and also develops new products and processes. Research and development costs are expensed as incurred and were $390 million in 2018, $360 million in 2017 and $329 million in 2016.

Cash equivalents

We consider all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost represents invoice or production cost for new items and original cost. Production cost includes material, labor and manufacturing overhead. Some domestic manufacturing and field service finished products and parts inventories for drill bits, completion products and bulk materials are recorded using the last-in, first-out method. The remaining inventory is recorded on the average cost method. We regularly review inventory quantities on hand and record provisions for excess or obsolete inventory based primarily on historical usage, estimated product demand and technological developments.

Allowance for bad debts

We establish an allowance for bad debts through a review of several factors, including historical collection experience, current aging status of the customer accounts and financial condition of our customers. Our policy is to write off bad debts when the customer accounts are determined to be uncollectible.

Property, plant and equipment

Other than those assets that have been written down to their fair values due to impairment, property, plant and equipment are reported at cost less accumulated depreciation, which is generally provided on the straight-line method over the estimated useful lives of the assets. Accelerated depreciation methods are used for tax purposes, wherever permitted. Upon sale or retirement of an asset, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is recognized. Planned major maintenance costs are generally expensed as incurred. Expenditures for additions, modifications and conversions are capitalized when they increase the value or extend the useful life of the asset.

Goodwill and other intangible assets

We record as goodwill the excess purchase price over the fair value of the tangible and identifiable intangible assets acquired in a business acquisition. Changes in the carrying amount of goodwill are detailed below by reportable segment.

Millions of dollars	Completion and Production	Drilling and Evaluation	Total
Balance at December 31, 2016:	$ 1,679	$ 735	$ 2,414
Current year acquisitions	249	36	285
Purchase price adjustments for previous acquisitions	(6)	—	(6)
Balance at December 31, 2017:	$ 1,922	$ 771	$ 2,693
Current year acquisitions	99	6	105
Purchase price adjustments for previous acquisitions	34	(7)	27
Balance at December 31, 2018:	$ 2,055	$ 770	$ 2,825

The reported amounts of goodwill for each reporting unit are reviewed for impairment on an annual basis, during the third quarter, and more frequently when circumstances indicate an impairment may exist. As a result of our goodwill impairment assessments performed in the years ended December 31, 2018, 2017 and 2016, we determined that the fair value of each reporting unit exceeded its net book value and, therefore, no goodwill impairments were deemed necessary. For further information on our goodwill impairment assessments, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Estimates.”

We amortize other identifiable intangible assets with a finite life on a straight-line basis over the period which the asset is expected to contribute to our future cash flows, ranging from one year to twenty-eight years. The components of these other intangible assets generally consist of patents, license agreements, non-compete agreements, trademarks and customer lists and contracts.

Evaluating impairment of long-lived assets

When events or changes in circumstances indicate that long-lived assets other than goodwill may be impaired, an evaluation is performed. For an asset classified as held for use, the estimated future undiscounted cash flows associated with the asset are compared to the asset’s carrying amount to determine if a write-down to fair value is required. When an asset is classified as held for sale, the asset’s book value is evaluated and adjusted to the lower of its carrying amount or fair value less cost to sell. In addition, depreciation and amortization is ceased while it is classified as held for sale.

Income taxes

We recognize the amount of taxes payable or refundable for the year. In addition, deferred tax assets and liabilities are recognized for the expected future tax consequences of events that have been recognized in the financial statements or tax returns. A valuation allowance is provided for deferred tax assets if it is more likely than not that these items will not be realized.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is more likely than not that we will realize the benefits of these deductible differences, net of the existing valuation allowances.

We recognize interest and penalties related to unrecognized tax benefits within the provision for income taxes on continuing operations in our consolidated statements of operations.

Derivative instruments

At times, we enter into derivative financial transactions to hedge existing or projected exposures to changing foreign currency exchange rates and interest rates. We do not enter into derivative transactions for speculative or trading purposes. We recognize all derivatives on the balance sheet at fair value. Derivatives that are not hedges are adjusted to fair value and reflected through the results of operations. If the derivative is designated as a hedge, depending on the nature of the hedge, changes in the fair value of derivatives are either offset against:

- the change in fair value of the hedged assets, liabilities or firm commitments through earnings; or
- recognized in other comprehensive income until the hedged item is recognized in earnings.

The ineffective portion of a derivative’s change in fair value is recognized in earnings. Recognized gains or losses on derivatives entered into to manage foreign currency exchange risk are included in “Other, net” on the consolidated statements of operations. Gains or losses on interest rate derivatives are included in “Interest expense, net.”

Foreign currency translation

Foreign entities whose functional currency is the United States dollar translate monetary assets and liabilities at year-end exchange rates, and nonmonetary items are translated at historical rates. Revenue and expense transactions are translated at the average rates in effect during the year, except for those expenses associated with nonmonetary balance sheet accounts, which are translated at historical rates. Gains or losses from remeasurement of monetary assets and liabilities due to changes in exchange rates are recognized in our consolidated statements of operations in “Other, net” in the year of occurrence.

Stock-based compensation

Stock-based compensation cost is measured at the date of grant, based on the calculated fair value of the award and is recognized as expense over the employee’s service period, which is generally the vesting period of the equity grant. Additionally, compensation cost is recognized based on awards ultimately expected to vest, therefore, we have reduced the cost for estimated forfeitures based on historical forfeiture rates. Forfeitures are estimated at the time of grant and revised in subsequent periods to reflect actual forfeitures. See Note 11 for additional information related to stock-based compensation.

Note 2. Business Segment and Geographic Information

We operate under two divisions, which form the basis for the two operating segments we report: the Completion and Production segment and the Drilling and Evaluation segment. For more information about the product service lines included in each segment, see Part I, Item 1, "Business.” The business operations of our divisions are organized around four primary geographic regions: North America, Latin America, Europe/Africa/CIS and Middle East/Asia. Intersegment revenue and revenue between geographic areas are immaterial. Our equity in earnings and losses of unconsolidated affiliates that are accounted for using the equity method of accounting are included within cost of services and cost of sales on our statements of operations, which is part of operating income of the applicable segment.

Operations by business segment
The following tables present financial information on our business segments.

	Year Ended December 31		
Millions of dollars	2018	2017	2016
Revenue:			
Completion and Production	$ 15,973	$ 13,077	$ 8,882
Drilling and Evaluation	8,022	7,543	7,005
Total revenue	$ 23,995	$ 20,620	$ 15,887
Operating income (loss):			
Completion and Production	$ 2,278	$ 1,625	$ 108
Drilling and Evaluation	745	726	801
Total operations	3,023	2,351	909
Corporate and other (a)	(291)	(330)	(4,322)
Impairments and other charges (b)	(265)	(647)	(3,357)
Total operating income (loss)	$ 2,467	$ 1,374	$ (6,770)
Interest expense, net of interest income	$ (554)	$ (593)	$ (639)
Other, net	(99)	(99)	(216)
Income (loss) from continuing operations before income taxes	$ 1,814	$ 682	$ (7,625)
Capital expenditures:			
Completion and Production	$ 1,364	$ 1,111	$ 500
Drilling and Evaluation	657	261	297
Corporate and other	5	1	1
Total	$ 2,026	$ 1,373	$ 798
Depreciation, depletion and amortization:			
Completion and Production	$ 1,058	$ 953	$ 900
Drilling and Evaluation	512	563	569
Corporate and other	36	40	34
Total	$ 1,606	$ 1,556	$ 1,503

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

	December 31	
Millions of dollars	2018	2017
Total assets:		
Completion and Production (a)	$ 13,231	$ 12,276
Drilling and Evaluation (a)	8,037	7,837
Corporate and shared assets (b)	4,714	4,972
Total	$ 25,982	$ 25,085

(a) Assets associated with specific segments primarily include receivables, inventories, certain identified property, plant and equipment (including field service equipment), equity in and advances to related companies and goodwill.
(b) Corporate and other shared assets primarily include cash and equivalents and deferred tax assets.

Operations by geographic region

The following tables present information by geographic area. In 2018, 2017 and 2016, based on the location of services provided and products sold, 58%, 53% and 41% of our consolidated revenue was from the United States. As of December 31, 2018 and December 31, 2017, 62% and 56% of our property, plant and equipment was located in the United States. No other country accounted for more than 10% of our revenue or property, plant and equipment during the periods presented.

	Year Ended December 31		
Millions of dollars	2018	2017	2016
Revenue:			
North America	$ 14,431	$ 11,564	$ 6,770
Latin America	2,065	2,116	1,860
Europe/Africa/CIS	2,945	2,781	2,993
Middle East/Asia	4,554	4,159	4,264
Total	$ 23,995	$ 20,620	$ 15,887

	December 31	
Millions of dollars	2018	2017
Net property, plant and equipment:		
North America	$ 5,672	$ 4,922
Latin America	974	945
Europe/Africa/CIS	938	1,098
Middle East/Asia	1,377	1,556
Total	$ 8,961	$ 8,521

Note 3. Revenue

Changes in accounting policies

Effective January 1, 2018, we adopted a comprehensive new revenue recognition standard. The details of the significant changes to our accounting policies resulting from the adoption of the new standard are set out below. We adopted the standard using a modified retrospective method; accordingly, the comparative information for the years ended December 31, 2017 and December 31, 2016 has not been adjusted and continues to be reported under the previous revenue standard. The adoption of this standard did not have a material impact to our consolidated financial position, reported revenue, results of operations or cash flows as of and for the year ended December 31, 2018. See Note 15 for additional information about the new accounting standard.

Under the new standard, revenue recognition is based on the transfer of control, or our customer's ability to benefit from our services and products in an amount that reflects the consideration we expect to receive in exchange for those services and products. The vast majority of our service and product contracts are short-term in nature. In recognizing revenue for our services and products, we determine the transaction price of purchase orders or contracts with our customers, which may consist of fixed and variable consideration. Determining the transaction price may require significant judgment, which includes identifying performance obligations in the contract, determining whether promised services can be distinguished in the context of the contract, and estimating the amount of variable consideration to include in the transaction price.

We also assess our customer's ability and intention to pay, which is based on a variety of factors including our customer's historical payment experience and financial condition. Payment terms and conditions vary by contract type, although terms generally include a requirement of payment within 20 days to 60 days. Other judgments involved in recognizing revenue include an assessment of progress towards completion of performance obligations for certain long-term contracts, which involve estimating total costs to determine our progress towards contract completion and calculating the corresponding amount of revenue to recognize.

Disaggregation of revenue

We disaggregate revenue from contracts with customers into types of services or products, consistent with our two reportable segments, in addition to geographical area. In 2018, 2017 and 2016, based on the location of services provided and products sold, 58%, 53% and 41%, respectively, of our consolidated revenue was from the United States. No other country accounted for more than 10% of our revenue. The following table presents information on our disaggregated revenue.

	Year Ended December 31		
Millions of dollars	2018	2017	2016
Revenue by division:			
Completion and Production	$ 15,973	$ 13,077	$ 8,882
Drilling and Evaluation	8,022	7,543	7,005
Total revenue	$ 23,995	$ 20,620	$ 15,887
Revenue by geographic region:			
North America	$ 14,431	$ 11,564	$ 6,770
Latin America	2,065	2,116	1,860
Europe/Africa/CIS	2,945	2,781	2,993
Middle East/Asia	4,554	4,159	4,264
Total revenue	$ 23,995	$ 20,620	$ 15,887

Contract balances

We perform our obligations under contracts with our customers by transferring services and products in exchange for consideration. The timing of our performance often differs from the timing of our customer's payment, which results in the recognition of receivables and deferred revenue. Deferred revenue represents advance consideration received from customers for contracts where revenue is recognized on future performance of service. Deferred revenue, as well as revenue recognized during the period relating to amounts included as deferred revenue at the beginning of the period, was not material to our consolidated financial statements.

Transaction price allocated to remaining performance obligations

Remaining performance obligations represent firm contracts for which work has not been performed and future revenue recognition is expected. We have elected the practical expedient permitting the exclusion of disclosing remaining performance obligations for contracts that have an original expected duration of one year or less. We have some long-term contracts related to software and integrated project management services such as lump sum turnkey contracts. For software contracts, revenue is generally recognized over time throughout the license period when the software is considered to be a right to access our intellectual property. For lump sum turnkey projects, we recognize revenue over time using an input method, which requires us to exercise judgment. Revenue allocated to remaining performance obligations for these long-term contracts is not material.

Note 4. Receivables

As of December 31, 2018, 43% of our net trade receivables were from customers in the United States. As of December 31, 2017, 42% of our net trade receivables were from customers in the United States. No other country or single customer accounted for more than 10% of our net trade receivables at these dates.

We routinely monitor the financial stability of our customers and employ an extensive process to evaluate the collectability of outstanding receivables. This process, which involves a high degree of judgment utilizing significant assumptions, includes analysis of our customers' historical time to pay, financial condition and various financial metrics, debt structure, credit agency ratings, and production profile, as well as political and economic factors in countries of operations and other customer-specific factors.

*Venezuela***.** During the first quarter of 2018, the Venezuelan government announced that it changed the existing dual-rate foreign currency exchange system by eliminating the DIPRO foreign exchange rate, which was 10 Bolívares per United States dollar, and that all future currency transactions would be carried out at the DICOM floating rate, which was approximately 50,000 Bolívares per United States dollar at March 31, 2018. Additionally, the U.S. government issued guidance on sanctions against Venezuela during the quarter. These events, combined with continued deteriorating political and economic conditions in Venezuela and ongoing delayed payments on existing accounts receivable with customers in the country, created significant uncertainties regarding the recoverability of our investment. As such, we determined it was appropriate to write down all of our remaining investment in Venezuela during the first quarter of 2018, which resulted in a $312 million charge, net of tax. This consisted of $119 million of allowance for doubtful accounts related to remaining accounts receivable, a $32 million write-off of our promissory note from our primary customer in Venezuela, and write-offs of $48 million of inventory, $53 million of fixed assets and $13 million of other assets and liabilities, all of which were included within "Impairments and other charges" in our consolidated statements of operations, in addition to $47 million of accrued taxes recognized in our tax provision. We have maintained limited operations in Venezuela and have changed our accounting for revenue with all customers in the country to a cash basis, effective April 1, 2018, while carefully managing our exposure.

The following table presents a rollforward of our global allowance for bad debts for 2016, 2017 and 2018.

Millions of dollars	Balance at Beginning of Period	Provision (a)	Other (b)	Balance at End of Period
Year ended December 31, 2016	$ 145	$ 50	$ (20)	$ 175
Year ended December 31, 2017	175	566	(16)	725
Year ended December 31, 2018	725	57	(44)	738

(a) Represents increases to allowance for bad debts charged to costs and expenses, net of recoveries.
(b) Includes write-offs, balance sheet reclassifications, and other activity.

Note 5. Inventories

Inventories are stated at the lower of cost and net realizable value. In the United States, we manufacture certain finished products and parts inventories for drill bits, completion products, bulk materials and other tools that are recorded using the last-in, first-out method, which totaled $186 million at December 31, 2018 and $177 million at December 31, 2017. If the average cost method had been used, total inventories would have been $24 million higher than reported as of December 31, 2018 and $31 million higher as of December 31, 2017. The cost of the remaining inventory was recorded using the average cost method. Inventories consisted of the following:

	December 31	
Millions of dollars	2018	2017
Finished products and parts	$ 1,947	$ 1,547
Raw materials and supplies	934	703
Work in process	147	146
Total	$ 3,028	$ 2,396

All amounts in the table above are reported net of obsolescence reserves of $219 million at December 31, 2018 and $276 million at December 31, 2017.

Note 6. Property, Plant and Equipment

Property, plant and equipment were composed of the following:

	December 31	
Millions of dollars	2018	2017
Land	$ 252	$ 248
Buildings and property improvements	3,461	3,460
Machinery, equipment and other	18,430	17,062
Total	22,143	20,770
Less accumulated depreciation	13,182	12,249
Net property, plant and equipment	$ 8,961	$ 8,521

Classes of assets are depreciated over the following useful lives:

	Buildings and Property Improvements	
	2018	2017
1 - 10 years	11%	11%
11 - 20 years	42%	42%
21 - 30 years	23%	22%
31 - 40 years	25%	25%

	Machinery, Equipment and Other	
	2018	2017
1 - 5 years	34%	35%
6 - 10 years	56%	56%
11 - 20 years	10%	9%

Note 7. Debt

Our total debt, including short-term borrowings and current maturities of long-term debt, consisted of the following:

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

Senior debt

All of our senior notes and debentures rank equally with our existing and future senior unsecured indebtedness, have semiannual interest payments and have no sinking fund requirements. We may redeem all of our senior notes from time to time or all of the notes of each series at any time at the applicable redemption prices, plus accrued and unpaid interest. Our 7.60% and 8.75% senior debentures may not be redeemed prior to maturity.

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

Revolving credit facilities

We have a revolving credit facility with a capacity of $3.0 billion, which expires in July 2020. The facility is for working capital or general corporate purposes. The full amount of the revolving credit facility was available as of December 31, 2018.

Debt maturities

Our long-term debt matures as follows: $34 million in 2019, $27 million in 2020, $696 million in 2021, $12 million in 2022, $1.1 billion in 2023 and the remainder in 2024 and thereafter.

Note 8. Commitments and Contingencies

Securities and related litigation

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

The settlement resolves all pending cases other than *Magruder v. Halliburton Co., et. al.* (the Magruder case). The allegations in the Magruder case arise out of the same general events described above, but for a later class period, December 8, 2001 to May 28, 2002. There has been limited activity in the Magruder case. In March 2009, our motion to dismiss was granted, with leave to replead. In March 2012, plaintiffs filed an amended complaint and in May 2012, we filed a motion to dismiss. That motion was granted in May 2018, with leave to replead some of the claims. An amended complaint was filed in June 2018 and we filed another motion to dismiss which remains pending. We cannot predict the outcome or consequences of this case, which we intend to vigorously defend.

Environmental

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

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

In addition to the federal laws and regulations, states and other countries where we do business often have numerous environmental, legal and regulatory requirements by which we must abide. We evaluate and address the environmental impact of our operations by assessing and remediating contaminated properties in order to avoid future liabilities and comply with environmental, legal and regulatory requirements. Our Health, Safety and Environment group has several programs in place to maintain environmental leadership and to help prevent the occurrence of environmental contamination. On occasion, we are involved in environmental litigation and claims, including the remediation of properties we own or have operated, as well as efforts to meet or correct compliance-related matters. We do not expect costs related to those claims and remediation requirements to have a material adverse effect on our liquidity, consolidated results of operations, or consolidated financial position. Our accrued liabilities for environmental matters were $42 million as of December 31, 2018 and $48 million as of December 31, 2017. Because our estimated liability is typically within a range and our accrued liability may be the amount on the low end of that range, our actual liability could eventually be well in excess of the amount accrued. Our total liability related to environmental matters covers numerous properties.

Additionally, we have subsidiaries that have been named as potentially responsible parties along with other third parties for eight federal and state Superfund sites for which we have established reserves. As of December 31, 2018, those eight sites accounted for approximately $9 million of our $42 million total environmental reserve. Despite attempts to resolve these Superfund matters, the relevant regulatory agency may at any time bring suit against us for amounts in excess of the amount accrued. With respect to some Superfund sites, we have been named a potentially responsible party by a regulatory agency; however, in each of those cases, we do not believe we have any material liability. We also could be subject to third-party claims with respect to environmental matters for which we have been named as a potentially responsible party.

Guarantee arrangements

In the normal course of business, we have agreements with financial institutions under which approximately $2.0 billion of letters of credit, bank guarantees, or surety bonds were outstanding as of December 31, 2018. Some of the outstanding letters of credit have triggering events that would entitle a bank to require cash collateralization. None of these off balance sheet arrangements either has, or is likely to have, a material effect on our consolidated financial statements.

Leases

We are party to numerous operating leases, primarily related to real estate, transportation and equipment. Total rentals on our operating leases, net of sublease rentals, were $680 million in 2018, $574 million in 2017 and $587 million in 2016.

Future total rentals on our noncancellable operating leases are $975 million in the aggregate, which includes the following: $275 million in 2019; $146 million in 2020; $122 million in 2021; $100 million in 2022; $78 million in 2023; and $254 million thereafter.

Note 9. Income Taxes

The components of the benefit (provision) for income taxes on continuing operations were:

	Year Ended December 31		
Millions of dollars	2018	2017	2016
Current income taxes:			
Federal	$ 19	$ 40	$ 737
Foreign	(428)	(423)	(415)
State	(15)	(14)	35
Total current	(424)	(397)	357
Deferred income taxes:			
Federal	286	(678)	1,343
Foreign	9	(31)	77
State	(28)	(25)	81
Total deferred	267	(734)	1,501
Income tax benefit (provision)	$ (157)	$ (1,131)	$ 1,858

The United States and foreign components of income (loss) from continuing operations before income taxes were as follows:

	Year Ended December 31		
Millions of dollars	2018	2017	2016
United States	$ 1,097	$ 694	$ (6,636)
Foreign	717	(12)	(989)
Total	$ 1,814	$ 682	$ (7,625)

Reconciliations between the actual provision for income taxes on continuing operations and that computed by applying the United States statutory rate to income (loss) from continuing operations before income taxes were as follows:

	Year Ended December 31		
	2018	2017	2016
United States statutory rate	21.0 %	35.0 %	35.0 %
Valuation allowance against tax assets	(16.2)	(6.2)	(2.1)
Venezuela adjustment	5.7	36.6	—
Impact of foreign income taxed at different rates	(3.0)	(18.3)	(3.2)
Impact of U.S. tax reform	(2.6)	113.0	—
Adjustments of prior year taxes	2.0	(2.3)	0.2
State income taxes	1.9	1.7	1.0
Undistributed foreign earnings	—	3.8	(5.1)
Domestic manufacturing deduction	—	—	(1.3)
Non-deductible acquisition costs	—	—	0.6
Other items, net	(0.1)	2.5	(0.7)
Total effective tax rate on continuing operations	8.7 %	165.8 %	24.4 %

Our effective tax rate on continuing operations was 8.7% for 2018, 165.8% for 2017 and 24.4% for 2016. For the year ended December 31, 2018, we had the following significant items impacting our effective tax rate:

- during the fourth quarter of 2018, we recognized the impact of a strategic change in the Company's corporate structure, which resulted in a net tax benefit of $306 million;
- we wrote down all of our remaining investment in Venezuela during the first quarter of 2018. As a result, we recognized a pre-tax charge of $265 million, which was not tax-deductible, coupled with $47 million of additional accrued local Venezuela taxes in our tax provision. See Note 4 to the consolidated financial statements for further information;
- we completed our analysis in the fourth quarter of 2018 on the impact of the United States tax reform enacted in 2017 and made an adjustment to the provisional estimate we previously recorded. As a result, we recognized $47 million of additional tax benefits, primarily related to the remeasurement of deferred taxes and an adjustment to mandatory deemed repatriation; and
- we recognized income in our foreign operations in which the corresponding tax expenses are applied at lower statutory rates in certain jurisdictions.

The primary components of our deferred tax assets and liabilities were as follows:

	December 31	
Millions of dollars	2018	2017
Gross deferred tax assets:		
Net operating loss carryforwards	$ 1,466	$ 1,370
Foreign tax credit carryforwards	728	828
Employee compensation and benefits	242	263
Accrued liabilities	101	97
Other	404	416
Total gross deferred tax assets	2,941	2,974
Gross deferred tax liabilities:		
Depreciation and amortization	635	315
Undistributed foreign earnings	2	242
Other	64	56
Total gross deferred tax liabilities	701	613
Valuation allowances	913	1,173
Net deferred income tax asset	$ 1,327	$ 1,188

At December 31, 2018, we had $1.5 billion of domestic and foreign tax-effected net operating loss carryforwards. The ultimate realization of these deferred tax assets depends on the ability to generate sufficient taxable income in the appropriate taxing jurisdiction. $168 million of the net operating loss carryforwards will expire after taxable years ended from 2019 through 2023, $180 million will expire after taxable years ended from 2024 through 2028, and $786 million will expire after taxable years ended from 2029 through 2039. The remaining balance will not expire. Additionally, we had $805 million of foreign tax credit carryforwards that will expire from 2024 through 2028, which are offset by foreign branch deferred activity reflected in the above table, along with $138 million of research and development tax credit carryforwards that will expire from 2029 through 2039.

In accordance with the Tax Cuts and Jobs Act of 2017, a company's foreign earnings accumulated under the legacy tax laws are deemed to be repatriated into the United States. We have provided federal and state income tax related to this deemed repatriation. We have not provided incremental United States income taxes and foreign withholding taxes on undistributed earnings of foreign subsidiaries as of December 31, 2018. The Company generally does not provide for taxes related to its undistributed earnings because such earnings either would not be taxable when remitted or they are considered to be indefinitely reinvested.

The following table presents a rollforward of our unrecognized tax benefits and associated interest and penalties.

Millions of dollars	Unrecognized Tax Benefits		Interest and Penalties
Balance at January 1, 2016	$ 322		$ 47
Change in prior year tax positions	44		20
Change in current year tax positions	129		3
Cash settlements with taxing authorities	(62)		(8)
Lapse of statute of limitations	(6)		(1)
Balance at December 31, 2016	$ 427		$ 61
Change in prior year tax positions	(108)		—
Change in current year tax positions	24		2
Cash settlements with taxing authorities	(6)		—
Lapse of statute of limitations	(4)		(3)
Balance at December 31, 2017	$ 333	(a)	$ 60
Change in prior year tax positions	32		11
Change in current year tax positions	63		—
Cash settlements with taxing authorities	(7)		(2)
Lapse of statute of limitations	(4)		(2)
Balance at December 31, 2018	$ 417	(a)(b)	$ 67

(a) Includes $18 million as of December 31, 2018 and $9 million as of December 31, 2017 in foreign unrecognized tax benefits that would give rise to a United States tax credit. As of December 31, 2018 and December 31, 2017, approximately $399 million and $319 million, respectively, of unrecognized tax benefits would positively impact the effective tax rate and be recognized as additional tax benefits in our statement of operations if resolved in our favor.

(b) Includes $21 million that could be resolved within the next 12 months.

We file income tax returns in the United States federal jurisdiction and in various states and foreign jurisdictions. In most cases, we are no longer subject to state, local, or non-United States income tax examination by tax authorities for years before 2009. Tax filings of our subsidiaries, unconsolidated affiliates and related entities are routinely examined in the normal course of business by tax authorities. Currently, our United States federal tax filings for the tax years 2014 through 2015 are under review by the Internal Revenue Service, and the appeal process is closed and final resolution has been achieved for the tax years 2010 through 2013.

Note 10. Shareholders' Equity

Shares of common stock

The following table summarizes total shares of common stock outstanding:

	December 31	
Millions of shares	2018	2017
Issued	1,069	1,069
In treasury	(198)	(196)
Total shares of common stock outstanding	871	873

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

Preferred stock

Our preferred stock consists of five million total authorized shares at December 31, 2018, of which none are issued.

Accumulated other comprehensive loss

Accumulated other comprehensive loss consisted of the following:

	December 31	
Millions of dollars	2018	2017
Defined benefit and other postretirement liability adjustments (a)	$ (203)	$ (334)
Cumulative translation adjustment	(82)	(80)
Other	(70)	(55)
Total accumulated other comprehensive loss	$ (355)	$ (469)

(a) Included net actuarial losses for our international pension plans of $184 million at December 31, 2018 and $295 million at December 31, 2017.

Note 11. Stock-based Compensation

The following table summarizes stock-based compensation costs for the years ended December 31, 2018, 2017 and 2016.

	Year Ended December 31		
Millions of dollars	2018	2017	2016
Stock-based compensation cost	$ 274	$ 290	$ 262
Tax benefit	(51)	(64)	(77)
Stock-based compensation cost, net of tax	$ 223	$ 226	$ 185

Our Stock and Incentive Plan, as amended (Stock Plan), provides for the grant of any or all of the following types of stock-based awards:

- stock options, including incentive stock options and nonqualified stock options;
- restricted stock awards;
- restricted stock unit awards;
- stock appreciation rights; and
- stock value equivalent awards.

There are currently no stock appreciation rights, stock value equivalent awards, or incentive stock options outstanding. Under the terms of the Stock Plan, approximately 206 million shares of common stock have been reserved for issuance to employees and non-employee directors. At December 31, 2018, approximately 11 million shares were available for future grants under the Stock Plan. The stock to be offered pursuant to the grant of an award under the Stock Plan may be authorized but unissued common shares or treasury shares.

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

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

Stock options

The majority of our options are generally issued during the second quarter of the year. All stock options under the Stock Plan are granted at the fair market value of our common stock at the grant date. Employee stock options generally vest ratably over a period of three years and expire 10 years from the grant date. Compensation expense for stock options is generally recognized on a straight line basis over the entire vesting period.

The following table represents our stock options activity during 2018.

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

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

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

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

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

Restricted stock

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

The following table represents our restricted stock awards and restricted stock units granted, vested and forfeited during 2018.

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

The weighted average grant-date fair value of shares granted was $47.43 during 2018, $45.99 during 2017 and $42.87 during 2016. The total fair value of shares vested was $219 million during 2018, $204 million during 2017, and $223 million during 2016. As of December 31, 2018, there was $433 million of unrecognized compensation cost, net of estimated forfeitures, related to nonvested restricted stock, which is expected to be recognized over a weighted average period of three years.

Employee Stock Purchase Plan

Under the ESPP, eligible employees may have up to 10% of their earnings withheld, subject to some limitations, to be used to purchase shares of our common stock. The ESPP contains four three-month offering periods commencing on January 1, April 1, July 1 and October 1 of each year. The price at which common stock may be purchased under the ESPP is equal to 85% of the lower of the fair market value of the common stock on the commencement date or last trading day of each offering period. Under this plan, 74 million shares of common stock have been reserved for issuance. The stock to be offered may be authorized but unissued common shares or treasury shares. As of December 31, 2018, 49 million shares have been sold through the ESPP since the inception of the plan and 25 million shares are available for future issuance.

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

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

Note 12. Income per Share

Basic income or loss per share is based on the weighted average number of common shares outstanding during the period. Diluted income per share includes additional common shares that would have been outstanding if potential common shares with a dilutive effect had been issued. Antidilutive securities represent potentially dilutive securities which are excluded from the computation of diluted income or loss per share as their impact was antidilutive.

A reconciliation of the number of shares used for the basic and diluted income per share computations is as follows:

	Year Ended December 31		
Millions of shares	2018	2017	2016
Basic weighted average common shares outstanding	875	870	861
Dilutive effect of awards granted under our stock incentive plans	2	—	—
Diluted weighted average common shares outstanding	877	870	861
Antidilutive shares:			
Options with exercise price greater than the average market price	14	6	11
Options which are antidilutive due to net loss position	—	2	1
Total antidilutive shares	14	8	12

Note 13. Financial Instruments and Risk Management

The carrying amount of cash and equivalents, receivables and accounts payable, as reflected in the consolidated balance sheets, approximates fair value due to the short maturities of these instruments.

The carrying amount and fair value of our total debt, including short-term borrowings and current maturities of long term debt, is as follows:

	December 31, 2018				December 31, 2017			
Millions of dollars	Level 1	Level 2	Total fair value	Carrying value	Level 1	Level 2	Total fair value	Carrying value
Total debt	$ 6,726	$ 4,150	$ 10,876	$ 10,457	$ 3,285	$ 9,172	$ 12,457	$ 10,942

Our debt categorized within level 1 on the fair value hierarchy is calculated using quoted prices in active markets for identical liabilities with transactions occurring on the last two days of period-end. Our debt categorized within level 2 on the fair value hierarchy is calculated using significant observable inputs for similar liabilities where estimated values are determined from observable data points on our other bonds and on other similarly rated corporate debt or from observable data points of transactions occurring prior to two days from period-end and adjusting for changes in market conditions. Differences between the periods presented in our level 1 and level 2 classification of our long-term debt relate to the timing of when transactions are executed. We have no debt categorized within level 3 on the fair value hierarchy based on unobservable inputs.

We are exposed to market risk from changes in foreign currency exchange rates and interest rates. We selectively manage these exposures through the use of derivative instruments, including forward foreign exchange contracts, foreign exchange options and interest rate swaps. The objective of our risk management strategy is to minimize the volatility from fluctuations in foreign currency and interest rates. We do not use derivative instruments for trading purposes. The fair value of our forward contracts, options and interest rate swaps was not material as of December 31, 2018 or December 31, 2017. The counterparties to our derivatives are primarily global commercial and investment banks.

Foreign currency exchange risk

We have operations in many international locations and are involved in transactions denominated in currencies other than the United States dollar, our functional currency, which exposes us to foreign currency exchange rate risk. Techniques in managing foreign currency exchange risk include, but are not limited to, foreign currency borrowing and investing and the use of currency exchange instruments. We attempt to selectively manage significant exposures to potential foreign currency exchange losses based on current market conditions, future operating activities and the associated cost in relation to the perceived risk of loss. The purpose of our foreign currency risk management activities is to minimize the risk that our cash flows from the purchase and sale of products and services in foreign currencies will be adversely affected by changes in exchange rates.

We use forward contracts and options to manage our exposure to fluctuations in the currencies of certain countries in which we do business internationally. These instruments are not treated as hedges for accounting purposes, generally have an expiration date of one year or less and are not exchange traded. While these instruments are subject to fluctuations in value, the fluctuations are generally offset by the value of the underlying exposures being managed. The use of some of these instruments may limit our ability to benefit from favorable fluctuations in foreign currency exchange rates.

Derivatives are not utilized to manage exposures in some currencies due primarily to the lack of available markets or cost considerations (non-traded currencies). We attempt to manage our working capital position to minimize foreign currency exposure in non-traded currencies and recognize that pricing for the services and products offered in these countries should account for the cost of exchange rate devaluations. We have historically incurred transaction losses in non-traded currencies.

The notional amounts of open foreign exchange derivatives were $591 million at December 31, 2018 and $633 million at December 31, 2017. The notional amounts of these instruments do not generally represent amounts exchanged by the parties, and thus are not a measure of our exposure or of the cash requirements related to these contracts. The fair value of our foreign exchange derivatives as of December 31, 2018 and December 31, 2017 is included in "Other current assets" in our consolidated balance sheets and was immaterial. The fair value of these instruments is categorized within level 2 on the fair value hierarchy and was determined using a market approach with certain inputs, such as notional amounts hedged, exchange rates, and other terms of the contracts that are observable in the market or can be derived from or corroborated by observable data.

Interest rate risk

We are subject to interest rate risk on our existing long-term debt. Our short-term borrowings do not give rise to significant interest rate risk due to their short-term nature. We had fixed rate long-term debt totaling $10.4 billion at both December 31, 2018 and December 31, 2017. We maintain an interest rate management strategy that is intended to mitigate the exposure to changes in interest rates in the aggregate for our debt portfolio. We use interest rate swaps to effectively convert a portion of our fixed rate debt to floating LIBOR-based rates. Our interest rate swaps, which expire when the underlying debt matures, are designated as fair value hedges of the underlying debt and are determined to be highly effective. These derivative instruments are marked to market with gains and losses recognized currently in interest expense to offset the respective gains and losses recognized on changes in the fair value of the hedged debt.

As of December 31, 2018, we had an interest rate swap relating to one of our debt instruments with a total notional amount of $100 million. The fair value of this interest rate swap as of December 31, 2018 and December 31, 2017 is included in "Other assets" in our consolidated balance sheets and was immaterial. The fair value of this interest rate swap is categorized within level 2 on the fair value hierarchy and was determined using a market approach with inputs, such as the notional amount, LIBOR rate spread and settlement terms that are observable in the market or can be derived from or corroborated by observable data.

Credit risk

Financial instruments that potentially subject us to concentrations of credit risk are primarily cash equivalents and trade receivables. It is our practice to place our cash equivalents in high quality investments with various institutions. Our trade receivables are from a broad and diverse group of customers and are generally not collateralized. As of December 31, 2018, 43% of our net trade receivables were from customers in the United States. As of December 31, 2017, 42% of our net trade receivables were from customers in the United States. We maintain an allowance for bad debts based upon several factors, including historical collection experience, current aging status of the customer accounts and financial condition of our customers. See Note 4 for further information.

We do not have any significant concentrations of credit risk with any individual counterparty to our derivative contracts. We select counterparties to those contracts based on our belief that each counterparty's profitability, balance sheet and capacity for timely payment of financial commitments is unlikely to be materially adversely affected by foreseeable events.

Note 14. Retirement Plans

Our company and subsidiaries have various plans that cover a significant number of our employees. These plans include defined contribution plans, defined benefit plans and other postretirement plans:

- our defined contribution plans provide retirement benefits in return for services rendered. These plans provide an individual account for each participant and have terms that specify how contributions to the participant's account are to be determined rather than the amount of pension benefits the participant is to receive. Contributions to these plans are based on pretax income and/or discretionary amounts determined on an annual basis. Our expense for the defined contribution plans for continuing operations totaled $193 million in 2018, $173 million in 2017 and $111 million in 2016. The increase in 2018 resulted from an increase in the domestic and international workforce.
- our defined benefit plans, which include both funded and unfunded pension plans, define an amount of pension benefit to be provided, usually as a function of age, years of service and/or compensation. The unfunded obligations and net periodic benefit cost of our United States defined benefit plans were not material for the periods presented; and
- our postretirement plans other than pensions are offered to specific eligible employees. The accumulated benefit obligations and net periodic benefit cost for these plans were not material for the periods presented.

Funded status

For our international pension plans, at December 31, 2018, the projected benefit obligation was $951 million and the fair value of plan assets was $832 million, which resulted in an unfunded obligation of $119 million. At December 31, 2017, the projected benefit obligation was $1.2 billion and the fair value of plan assets was $940 million, which resulted in an unfunded obligation of $280 million. The accumulated benefit obligation for our international plans was $878 million at December 31, 2018 and $1.2 billion at December 31, 2017.

The following table presents additional information about our international pension plans.

	December 31	
Millions of dollars	2018	2017
Amounts recognized on the Consolidated Balance Sheets		
Other Assets	$ 39	$ 2
Accrued employee compensation and benefits	8	15
Employee compensation and benefits	150	267
Pension plans in which projected benefit obligation exceeded plan assets		
Projected benefit obligation (a)	$ 176	$ 1,202
Fair value of plan assets	18	920
Pension plans in which accumulated benefit obligation exceeded plan assets		
Accumulated benefit obligation (a)	$ 105	$ 1,139
Fair value of plan assets	18	920

(a) Our United Kingdom pension plan was underfunded as of December 31, 2017 and overfunded as of December 31, 2018. As such, the fair value of plan assets and projected and accumulated benefit obligation related to this plan are no longer captured in this table at December 31, 2018.

Fair value measurements of plan assets

The fair value of our plan assets categorized within level 1 on the fair value hierarchy is based on quoted prices in active markets for identical assets. The fair value of our plan assets categorized within level 2 on the fair value hierarchy is based on significant observable inputs for similar assets. The fair value of our plan assets categorized within level 3 on the fair value hierarchy is based on significant unobservable inputs.

The following table sets forth the fair values of assets held by our international pension plans by level within the fair value hierarchy.

Millions of dollars	Level 1	Level 2	Level 3	Total
Cash and equivalents	$ —	$ 12	$ —	$ 12
Common/collective trust funds (a)				
Equity funds (b)	—	137	—	137
Bond funds (c)	—	302	21	323
Alternatives funds (d)	—	209	—	209
Real estate funds (e)	—	81	28	109
Other assets	6	21	15	42
Fair value of plan assets at December 31, 2018	$ 6	$ 762	$ 64	$ 832
Cash and equivalents	$ —	$ 11	$ —	$ 11
Common/collective trust funds (a)				
Equity funds (b)	—	204	—	204
Bond funds (c)	—	323	46	369
Alternatives fund (d)	—	184	—	184
Real estate funds (e)	—	98	28	126
Other assets	7	22	17	46
Fair value of plan assets at December 31, 2017	$ 7	$ 842	$ 91	$ 940

(a) Common/collective trust funds are valued at the net asset value of units held by the plans at year-end.
(b) Strategy is to invest in diversified funds of global common stocks.
(c) Strategy is to invest in diversified funds of fixed income securities of varying geographies and credit quality and whose cash flows approximate the maturities of the benefit obligation.
(d) Strategy is to invest in a fund of diversifying investments, including but not limited to reinsurance, commodities and currencies.
(e) Strategy is to invest in diversified funds of real estate investment trusts and private real estate.

Our investment strategy varies by country depending on the circumstances of the underlying plan. Risk management practices include diversification by issuer, industry and geography, as well as the use of multiple asset classes and investment managers within each asset class. Our investment strategy for our United Kingdom pension plan, which constituted 80% of our international pension plans' projected benefit obligation at December 31, 2018 and is no longer accruing service benefits, aims to achieve full funding of the benefit obligation, with the plan's assets increasingly composed of investments whose cash flows match the maturities of the obligation.

Net periodic benefit cost

Net periodic benefit cost for our international pension plans was $32 million in 2018, $30 million in 2017 and $30 million in 2016. Included in net periodic benefit cost were $8 million in 2018 and $13 million in 2017 of net curtailment and settlement cost arising from reductions in workforce and an increase in lump sum payments made during these years.

Actuarial assumptions

Certain weighted-average actuarial assumptions used to determine benefit obligations of our international pension plans at December 31 were as follows:

	2018	2017
Discount rate	3.3%	2.8%
Rate of compensation increase	5.8%	5.5%

Certain weighted-average actuarial assumptions used to determine net periodic benefit cost of our international pension plans for the years ended December 31 were as follows:

	2018	2017	2016
Discount rate	2.8%	2.9%	4.2%
Expected long-term return on plan assets	4.1%	4.2%	5.3%
Rate of compensation increase	5.5%	4.8%	5.4%

Assumed long-term rates of return on plan assets, discount rates for estimating benefit obligations and rates of compensation increases vary by plan according to local economic conditions. Where possible, discount rates were determined based on the prevailing market rates of a portfolio of high-quality debt instruments with maturities matching the expected timing of the payment of the benefit obligations. Expected long-term rates of return on plan assets were determined based upon an evaluation of our plan assets and historical trends and experience, taking into account current and expected market conditions.

Other information

Contributions. Funding requirements for each plan are determined based on the local laws of the country where such plan resides. In certain countries the funding requirements are mandatory, while in other countries they are discretionary. We currently expect to contribute $16 million to our international pension plans in 2019.

Benefit payments. Expected benefit payments over the next 10 years for our international pension plans are as follows: $57 million in 2019, $55 million in 2020, $59 million in 2021, $64 million in 2022, $66 million in 2023 and $386 million in years 2024 through 2028.

Note 15. New Accounting Pronouncements

Standards adopted in 2018

Revenue Recognition

On January 1, 2018, we adopted the comprehensive new revenue recognition standard issued by the Financial Accounting Standards Board (FASB). The core principle of the new standard is that a company should recognize revenue to depict the transfer of promised services or products to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those services or products. The standard creates a five step model that requires companies to exercise judgment when considering the terms of a contract and all relevant facts and circumstances.

We adopted the new revenue recognition standard using a modified retrospective basis and applied the guidance to all contracts that were not completed as of January 1, 2018. This resulted in an immaterial cumulative-effect adjustment to retained earnings as of January 1, 2018. The comparative financial information has not been restated and continues to be reported under the revenue accounting standards in effect during those periods. The adoption of this standard did not have a material impact to our consolidated financial position, reported revenue, results of operations or cash flows as of and for the year ended December 31, 2018. See Note 3 for our expanded revenue disclosures required by the new standard.

Standards not yet adopted

Leases

In February 2016, the FASB issued an accounting standards update related to accounting for leases, which requires assets and liabilities that arise from all leases to be recognized on the balance sheet for lessees and expanded financial statement disclosures for both lessees and lessors. Currently, only capital leases are recorded on the balance sheet. This update will require lessees to recognize a lease liability equal to the present value of its lease payments and a right-of-use asset representing its right to use the underlying asset for the lease term for all leases longer than 12 months. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and liabilities and instead recognize lease expense for such leases generally on a straight-line basis over the lease term. Leases with a term of longer than 12 months will be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the income statement.

We adopted the new standard effective January 1, 2019 and intend to elect the modified retrospective transition method. As such, the comparative financial information will not be restated and will continue to be reported under the lease standard in effect during those periods. We also intend to elect other practical expedients provided by the new standard, including the package of practical expedients, the short-term lease recognition practical expedient in which leases with a term of 12 months or less will not be recognized on the balance sheet, and the practical expedient to not separate lease and non-lease components for the majority of our leases. We expect that the adoption of this standard will result in a range of approximately $1.0 billion to $1.2 billion of additional assets and liabilities on our consolidated balance sheet representing the recognition of operating lease right-of-use assets and operating lease liabilities.

HALLIBURTON COMPANY
Selected Financial Data
(Unaudited)

Millions of dollars except per share	Year ended December 31 2018	2017	2016	2015	2014
Revenue	$ 23,995	$ 20,620	$ 15,887	$ 23,633	$ 32,870
Operating income (loss)	2,467	1,374	(6,770)	(165)	5,097
Income (loss) from continuing operations	1,657	(449)	(5,767)	(662)	3,437
Basic income (loss) per share from continuing operations	1.89	(0.51)	(6.69)	(0.78)	4.05
Diluted income (loss) per share from continuing operations	1.89	(0.51)	(6.69)	(0.78)	4.03
Cash dividends per share	0.72	0.72	0.72	0.72	0.63
Net working capital	6,349	5,915	7,654	14,733	8,781
Total assets	25,982	25,085	27,000	36,942	32,165
Long-term debt	10,421	10,430	12,214	14,687	7,765
Total debt	10,457	10,942	12,384	15,429	7,915
Total shareholders' equity	9,544	8,349	9,448	15,495	16,298
Capital expenditures	2,026	1,373	798	2,184	3,283

HALLIBURTON COMPANY
Quarterly Financial Data
(Unaudited)

Millions of dollars except per share data	Quarter First	Second	Third	Fourth	Year
2018					
Revenue	$ 5,740	$ 6,147	$ 6,172	$ 5,936	$ 23,995
Operating income	354	789	716	608	2,467
Net income	47	508	434	668	1,657
Net income from continuing operations attributable to company	46	511	435	664	1,656
Basic and diluted net income from continuing operations attributable to company per share	0.05	0.58	0.50	0.76	1.89
Cash dividends paid per share	0.18	0.18	0.18	0.18	0.72
2017					
Revenue	$ 4,279	$ 4,957	$ 5,444	$ 5,940	$ 20,620
Operating income	203	146	642	383	1,374
Net income (loss)	(32)	28	361	(825)	(468)
Amounts attributable to company shareholders:					
Income (loss) from continuing operations	(32)	28	365	(805)	(444)
Loss from discontinued operations	—	—	—	(19)	(19)
Net income (loss) attributable to company	(32)	28	365	(824)	(463)
Basic and diluted per share attributable to company shareholders:					
Income (loss) from continuing operations	(0.04)	0.03	0.42	(0.92)	(0.51)
Loss from discontinued operations	—	—	—	(0.02)	(0.02)
Net income (loss)	(0.04)	0.03	0.42	(0.94)	(0.53)
Cash dividends paid per share	0.18	0.18	0.18	0.18	0.72

Note: Results for the first quarter of 2018 include charges related to the write-down of our remaining investment in Venezuela. See Note 4 for further information. Results for the fourth quarter of 2017 include charges for U.S. tax reform and Venezuela receivables.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The information required for the directors of the Registrant is incorporated by reference to the Halliburton Company Proxy Statement for our 2019 Annual Meeting of Stockholders (File No. 001-03492) under the captions "Election of Directors" and "Involvement in Certain Legal Proceedings." The information required for the executive officers of the Registrant is included under Part I on pages 5 through 6 of this annual report. The information required for a delinquent form required under Section 16(a) of the Securities Exchange Act of 1934 is incorporated by reference to the Halliburton Company Proxy Statement for our 2019 Annual Meeting of Stockholders (File No. 001-03492) under the caption "Section 16(a) Beneficial Ownership Reporting Compliance," to the extent any disclosure is required. The information for our code of ethics is incorporated by reference to the Halliburton Company Proxy Statement for our 2019 Annual Meeting of Stockholders (File No. 001-03492) under the caption "Corporate Governance." The information regarding our Audit Committee and the independence of its members, along with information about the audit committee financial expert(s) serving on the Audit Committee, is incorporated by reference to the Halliburton Company Proxy Statement for our 2019 Annual Meeting of Stockholders (File No. 001-03492) under the caption "The Board of Directors and Standing Committees of Directors."

Item 11. Executive Compensation.

This information is incorporated by reference to the Halliburton Company Proxy Statement for our 2019 Annual Meeting of Stockholders (File No. 001-03492) under the captions "Compensation Discussion and Analysis," "Compensation Committee Report," "Summary Compensation Table," "Grants of Plan-Based Awards in Fiscal 2018," "Outstanding Equity Awards at Fiscal Year End 2018," "2018 Option Exercises and Stock Vested," "2018 Nonqualified Deferred Compensation," "Employment Contracts and Change-in-Control Arrangements," "Post-Termination or Change-in-Control Payments," "Equity Compensation Plan Information" and "Directors' Compensation."

Item 12(a). Security Ownership of Certain Beneficial Owners.

This information is incorporated by reference to the Halliburton Company Proxy Statement for our 2019 Annual Meeting of Stockholders (File No. 001-03492) under the caption "Stock Ownership of Certain Beneficial Owners and Management."

Item 12(b). Security Ownership of Management.

This information is incorporated by reference to the Halliburton Company Proxy Statement for our 2019 Annual Meeting of Stockholders (File No. 001-03492) under the caption "Stock Ownership of Certain Beneficial Owners and Management."

Item 12(c). Changes in Control.

Not applicable.

Item 12(d). Securities Authorized for Issuance Under Equity Compensation Plans.

This information is incorporated by reference to the Halliburton Company Proxy Statement for our 2019 Annual Meeting of Stockholders (File No. 001-03492) under the caption "Equity Compensation Plan Information."

Item 13. Certain Relationships and Related Transactions, and Director Independence.

This information is incorporated by reference to the Halliburton Company Proxy Statement for our 2019 Annual Meeting of Stockholders (File No. 001-03492) under the caption "Corporate Governance" to the extent any disclosure is required and under the caption "The Board of Directors and Standing Committees of Directors."

Item 14. Principal Accounting Fees and Services.

This information is incorporated by reference to the Halliburton Company Proxy Statement for our 2019 Annual Meeting of Stockholders (File No. 001-03492) under the caption "Fees Paid to KPMG LLP."

PART IV

Item 15. Exhibits.

1. Financial Statements:

   The reports of the Independent Registered Public Accounting Firm and the financial statements of Halliburton Company as required by Part II, Item 8, are included on pages 34 through 35 and pages 36 through 60 of this annual report. See index on page (i).

2. Financial Statement Schedules:

   The schedules listed in Rule 5-04 of Regulation S-X (17 CFR 210.5-04) have been omitted because they are not applicable or the required information is shown in the consolidated financial statements or notes thereto.

3. Exhibits:

Exhibit Number	Exhibits
3.1	Restated Certificate of Incorporation of Halliburton Company filed with the Secretary of State of Delaware on May 30, 2006 (incorporated by reference to Exhibit 3.1 to Halliburton's Form 8-K filed June 5, 2006, File No. 001-03492).
3.2	By-laws of Halliburton Company revised effective December 7, 2017 (incorporated by reference to Exhibit 3.1 to Halliburton's Form 8-K filed December 12, 2017, File No. 001-03492).
4.1	Form of debt security of 8.75% Debentures due February 12, 2021 (incorporated by reference to Exhibit 4(a) to the Form 8-K of Halliburton Company, now known as Halliburton Energy Services, Inc. (the Predecessor), dated as of February 20, 1991, File No. 001-03492).
4.2	Senior Indenture dated as of January 2, 1991 between the Predecessor and The Bank of New York Trust Company, N.A. (as successor to Texas Commerce Bank National Association), as Trustee (incorporated by reference to Exhibit 4(b) to the Predecessor's Registration Statement on Form S-3 (Registration No. 33-38394) originally filed with the Securities and Exchange Commission on December 21, 1990), as supplemented and amended by the First Supplemental Indenture dated as of December 12, 1996 among the Predecessor, Halliburton and the Trustee (incorporated by reference to Exhibit 4.1 of Halliburton's Registration Statement on Form 8-B dated December 12, 1996, File No. 001-03492).
4.3	Resolutions of the Predecessor's Board of Directors adopted at a meeting held on February 11, 1991 and of the special pricing committee of the Board of Directors of the Predecessor adopted at a meeting held on February 11, 1991 and the special pricing committee's consent in lieu of meeting dated February 12, 1991 (incorporated by reference to Exhibit 4(c) to the Predecessor's Form 8-K dated as of February 20, 1991, File No. 001-03492).
4.4	Second Senior Indenture dated as of December 1, 1996 between the Predecessor and The Bank of New York Trust Company, N.A. (as successor to Texas Commerce Bank National Association), as Trustee, as supplemented and amended by the First Supplemental Indenture dated as of December 5, 1996 between the Predecessor and the Trustee and the Second Supplemental Indenture dated as of December 12, 1996 among the Predecessor, Halliburton and the Trustee (incorporated by reference to Exhibit 4.2 of Halliburton's Registration Statement on Form 8-B dated December 12, 1996, File No. 001-03492).
4.5	Third Supplemental Indenture dated as of August 1, 1997 between Halliburton and The Bank of New York Trust Company, N.A. (as successor to Texas Commerce Bank National Association), as Trustee, to the Second Senior Indenture dated as of December 1, 1996 (incorporated by reference to Exhibit 4.7 to Halliburton's Form 10-K for the year ended December 31, 1998, File No. 001-03492).

4.6	Fourth Supplemental Indenture dated as of September 29, 1998 between Halliburton and The Bank of New York Trust Company, N.A. (as successor to Texas Commerce Bank National Association), as Trustee, to the Second Senior Indenture dated as of December 1, 1996 (incorporated by reference to Exhibit 4.8 to Halliburton's Form 10-K for the year ended December 31, 1998, File No. 001-03492).
4.7	Resolutions of Halliburton's Board of Directors adopted by unanimous consent dated December 5, 1996 (incorporated by reference to Exhibit 4(g) of Halliburton's Form 10-K for the year ended December 31, 1996, File No. 001-03492).
4.8	Form of debt security of 6.75% Notes due February 1, 2027 (incorporated by reference to Exhibit 4.1 to Halliburton's Form 8-K dated as of February 11, 1997, File No. 001-03492).
4.9	Copies of instruments that define the rights of holders of miscellaneous long-term notes of Halliburton Company and its subsidiaries have not been filed with the Commission. Halliburton Company agrees to furnish copies of these instruments upon request.
4.10	Form of Indenture dated as of April 18, 1996 between Dresser and The Bank of New York Trust Company, N.A. (as successor to Texas Commerce Bank National Association), as Trustee (incorporated by reference to Exhibit 4 to Dresser's Registration Statement on Form S-3/A filed on April 19, 1996, Registration No. 333-01303), as supplemented and amended by Form of First Supplemental Indenture dated as of August 6, 1996 between Dresser and The Bank of New York Trust Company, N.A. (as successor to Texas Commerce Bank National Association), Trustee, for 7.60% Debentures due 2096 (incorporated by reference to Exhibit 4.1 to Dresser's Form 8-K filed on August 9, 1996, File No. 1-4003).
4.11	Second Supplemental Indenture dated as of October 27, 2003 between DII Industries, LLC and The Bank of New York Trust Company, N.A. (as successor to JPMorgan Chase Bank), as Trustee, to the Indenture dated as of April 18, 1996 (incorporated by reference to Exhibit 4.15 to Halliburton's Form 10-K for the year ended December 31, 2003, File No. 001-03492).
4.12	Third Supplemental Indenture dated as of December 12, 2003 among DII Industries, LLC, Halliburton Company and The Bank of New York Trust Company, N.A. (as successor to JPMorgan Chase Bank), as Trustee, to the Indenture dated as of April 18, 1996, (incorporated by reference to Exhibit 4.16 to Halliburton's Form 10-K for the year ended December 31, 2003, File No. 001-03492).
4.13	Indenture dated as of October 17, 2003 between Halliburton Company and The Bank of New York Trust Company, N.A. (as successor to JPMorgan Chase Bank), as Trustee (incorporated by reference to Exhibit 4.1 to Halliburton's Form 10-Q for the quarter ended September 30, 2003, File No. 001-03492).
4.14	Second Supplemental Indenture dated as of December 15, 2003 between Halliburton Company and The Bank of New York Trust Company, N.A. (as successor to JPMorgan Chase Bank), as Trustee, to the Senior Indenture dated as of October 17, 2003 (incorporated by reference to Exhibit 4.27 to Halliburton's Form 10-K for the year ended December 31, 2003, File No. 001-03492).
4.15	Form of note of 7.6% debentures due 2096 (included as Exhibit A to Exhibit 4.14 above).
4.16	Fourth Supplemental Indenture, dated as of September 12, 2008, between Halliburton Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee to JPMorgan Chase Bank, to the Senior Indenture dated as of October 17, 2003 (incorporated by reference to Exhibit 4.2 to Halliburton's Form 8-K filed September 12, 2008, File No. 001-03492).
4.17	Form of Global Note for Halliburton's 6.70% Senior Notes due 2038 (included as part of Exhibit 4.16).
4.18	Fifth Supplemental Indenture, dated as of March 13, 2009, between Halliburton Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee to JPMorgan Chase Bank, to the Senior Indenture dated as of October 17, 2003 (incorporated by reference to Exhibit 4.2 to Halliburton's Form 8-K filed March 13, 2009, File No. 001-03492).

	4.19	Form of Global Note for Halliburton’s 7.45% Senior Notes due 2039 (included as part of Exhibit 4.18).
	4.20	Sixth Supplemental Indenture, dated as of November 14, 2011, between Halliburton Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee to JPMorgan Chase Bank, to the Senior Indenture dated as of October 17, 2003 (incorporated by reference to Exhibit 4.2 to Halliburton’s Form 8-K filed November 14, 2011, File No. 001-03492).
	4.21	Form of Global Note for Halliburton’s 3.25% Senior Notes due 2021 (included as part of Exhibit 4.20).
	4.22	Form of Global Note for Halliburton’s 4.50% Senior Notes due 2041 (included as part of Exhibit 4.20).
	4.23	Seventh Supplemental Indenture, dated as of August 5, 2013, between Halliburton Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee to JPMorgan Chase Bank (incorporated by reference to Exhibit 4.2 of Halliburton’s Form 8-K filed August 5, 2013, File No. 001-03492).
	4.24	Form of Global Note for Halliburton’s 3.50% Senior Notes due 2023 (included as part of Exhibit 4.23).
	4.25	Form of Global Note for Halliburton’s 4.75% Senior Notes due 2043 (included as part of Exhibit 4.23).
	4.26	Eighth Supplemental Indenture, dated as of November 13, 2015, between Halliburton Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee to JPMorgan Chase Bank (incorporated by reference to Exhibit 4.2 to Halliburton’s Form 8-K filed November 13, 2015, File No. 001-03492).
	4.27	Form of Global Note for Halliburton’s 3.800% Senior Notes due 2025 (included as part of Exhibit 4.27).
	4.28	Form of Global Note for Halliburton’s 4.850% Senior Notes due 2035 (included as part of Exhibit 4.27).
	4.29	Form of Global Note for Halliburton’s 5.000% Senior Notes due 2045 (included as part of Exhibit 4.27).
†	10.1	Halliburton Company Restricted Stock Plan for Non-Employee Directors (incorporated by reference to Appendix B of the Predecessor’s proxy statement dated March 23, 1993, File No. 001-03492).
†	10.2	Dresser Industries, Inc. Deferred Compensation Plan, as amended and restated effective January 1, 2000 (incorporated by reference to Exhibit 10.16 to Halliburton’s Form 10-K for the year ended December 31, 2000, File No. 001-03492).
†	10.3	ERISA Excess Benefit Plan for Dresser Industries, Inc., as amended and restated effective June 1, 1995 (incorporated by reference to Exhibit 10.7 to Dresser’s Form 10-K for the year ended October 31, 1995, File No. 1-4003).
	10.4	Form of Indemnification Agreement for Officers (incorporated by reference to Exhibit 10.1 to Halliburton’s Form 8-K filed August 3, 2007, File No. 001-03492).
	10.5	Form of Indemnification Agreement for Directors (incorporated by reference to Exhibit 10.2 to Halliburton’s Form 8-K filed August 3, 2007, File No. 001-03492).
	10.6	Form of Indemnification Agreement for Officers (first elected after January 1, 2013) (incorporated by reference to Exhibit 10.2 to Halliburton's Form 10-Q for the quarter ended March 31, 2013, File No. 001-03492).

	10.7	Form of Indemnification Agreement for Directors (first elected after January 1, 2013) (incorporated by reference to Exhibit 10.1 of Halliburton’s Form 8-K filed March 22, 2013, File No. 001-03492).
†	10.8	2008 Halliburton Elective Deferral Plan, as amended and restated effective January 1, 2008 (incorporated by reference to Exhibit 10.3 to Halliburton’s Form 10-Q for the quarter ended September 30, 2007, File No. 001-03492).
†	10.9	Halliburton Company Supplemental Executive Retirement Plan, as amended and restated effective January 1, 2008 (incorporated by reference to Exhibit 10.4 to Halliburton’s Form 10-Q for the quarter ended September 30, 2007, File No. 001-03492).
†	10.10	Halliburton Company Benefit Restoration Plan, as amended and restated effective January 1, 2008 (incorporated by reference to Exhibit 10.5 to Halliburton’s Form 10-Q for the quarter ended September 30, 2007, File No. 001-03492).
†	10.11	Halliburton Company Pension Equalizer Plan, as amended and restated effective March 1, 2007 (incorporated by reference to Exhibit 10.8 to Halliburton’s Form 10-Q for the quarter ended September 30, 2007, File No. 001-03492).
†	10.12	Halliburton Company Directors' Deferred Compensation Plan, as amended and restated effective as of May 16, 2012 (incorporated by reference to Exhibit 10.5 to Halliburton's Form 10-Q for the quarter ended June 30, 2012, File No. 001-03492).
†	10.13	Retirement Plan for the Directors of Halliburton Company, as amended and restated effective July 1, 2007 (incorporated by reference to Exhibit 10.10 to Halliburton’s Form 10-Q for the quarter ended September 30, 2007, File No. 001-03492).
†	10.14	Halliburton Company Employee Stock Purchase Plan, as amended and restated effective February 24, 2015 (incorporated by reference to Appendix C of Halliburton’s proxy statement filed April 7, 2015, File No. 001-03492).
†	10.15	First Amendment to Halliburton Company Supplemental Executive Retirement Plan, as amended and restated effective January 1, 2008 (incorporated by reference to Exhibit 10.1 to Halliburton’s Form 8-K filed September 21, 2009, File No. 001-03492).
†	10.16	Amendment No. 1 to Halliburton Company Benefit Restoration Plan, as amended and restated effective January 1, 2008 (incorporated by reference to Exhibit 10.2 to Halliburton’s Form 8-K filed September 21, 2009, File No. 001-03492).
†	10.17	Amendment No. 1 to 2008 Halliburton Elective Deferral Plan, as amended and restated effective January 1, 2008 (incorporated by reference to Exhibit 10.41 to Halliburton’s Form 10-K for the year ended December 31, 2010, File No. 001-03492).
	10.18	U.S. $3,000,000,000 Five Year Revolving Credit Agreement among Halliburton Company, as Borrower, the Banks party thereto, and Citibank, N.A., as Agent, effective July 21, 2015 (incorporated by reference to Exhibit 10.1 to Halliburton's Form 10-Q for the quarter ended June 30, 2015, File No. 001-03492).
†	10.19	First Amendment to the Retirement Plan for the Directors of Halliburton Company, effective September 1, 2007 (incorporated by reference to Exhibit 10.3 to Halliburton’s Form 10-Q for the quarter ended March 31, 2011, File No. 001-03492).

†	10.20	First Amendment to Halliburton Company Restricted Stock Plan for Non-Employee Directors (incorporated by reference to Exhibit 10.41 to Halliburton's Form 10-K for the year ended December 31, 2011, File No. 001-03492).
†	10.21	Second Amendment to Restricted Stock Plan for Non-Employee Directors of Halliburton Company (incorporated by reference to Exhibit 10.4 to Halliburton's Form 10-Q for the quarter ended June 30, 2012, File No. 001-03492).
†	10.22	Third Amendment to Restricted Stock Plan for Non-Employee Directors of Halliburton Company effective December 1, 2012 (incorporated by reference to Exhibit 10.44 to Halliburton's Form 10-K for the year ended December 31, 2012, File No. 001-03492).
†	10.23	First Amendment dated December 1, 2012 to Halliburton Company Directors' Deferred Compensation Plan, as amended and restated effective May 16, 2012 (incorporated by reference to Exhibit 10.45 to Halliburton's Form 10-K for the year ended December 31, 2012, File No. 001-03492).
†	10.24	Executive Agreement (Myrtle L. Jones) (incorporated by reference to Exhibit 10.1 to Halliburton's Form 10-Q for the quarter ended March 31, 2013, File No. 001-03492).
†	10.25	Executive Agreement (Timothy McKeon) (incorporated by reference to Exhibit 10.49 to Halliburton's Form 10-K filed February 7, 2014, File No. 001-03492).
†	10.26	Executive Agreement (Charles E. Geer, Jr.) (incorporated by reference to Exhibit 10.2 to Halliburton's Form 8-K filed December 9, 2014, File No. 001-03492).
	10.27	HESI Punitive Damages and Assigned Claims Settlement Agreement dated September 2, 2014, entered into between Halliburton Company and Halliburton Energy Services, Inc. and counsel for The Plaintiffs Steering Committee in MDL 2179 and the Deepwater Horizon Economic and Property Damages Settlement Class (incorporated by reference to Exhibit 10.1 to Halliburton's Form 10-Q for the quarter ended September 30, 2014, File No. 001-03492).
†	10.28	Halliburton Annual Performance Pay Plan, as amended and restated effective January 1, 2010 (incorporated by reference to Exhibit 10.3 to Halliburton's Form 8-K filed September 21, 2009, File No. 001-03492).
†	10.29	Form of Non-Employee Director Restricted Stock Agreement (Directors Plan) (incorporated by reference as Exhibit 99.5 of Halliburton's Form S-8 filed May 21, 2009, Registration No. 333-159394).
†	10.30	Form of Non-Employee Director Restricted Stock Agreement (Stock and Incentive Plan) (incorporated by reference to Exhibit 10.43 to Halliburton's Form 10-K for the year ended December 31, 2011, Registration No. 001-03492).
†	10.31	Amendment No. 2 to Halliburton Company Benefit Restoration Plan, as amended and restated effective January 1, 2008 (incorporated by reference to Exhibit 10.1 to Halliburton's Form 10-Q for the quarter ended September 30, 2016, File No. 001-03492).
†	10.32	Second Amendment to Halliburton Company Supplemental Executive Retirement Plan, as amended and restated effective January 1, 2008 (incorporated by reference to Exhibit 10.2 to Halliburton's Form 10-Q for the quarter ended September 30, 2016, File No. 001-03492).
†	10.33	Executive Agreement (Joe D. Rainey) (incorporated by reference to Exhibit 10.1 to Halliburton's Form 8-K filed December 12, 2017, File No. 001-03492).
†	10.34	Executive Agreement (Anne Lyn Beaty) (incorporated by reference to Exhibit 10.1 to Halliburton's Form 10-Q filed April 28, 2017, File No. 001-03492).

†	10.35	Executive Agreement (Jeffrey A. Miller) (incorporated by reference to Exhibit 10.1 to Halliburton's Form 8-K filed June 5, 2017, File No. 001-03492).
†	10.36	Halliburton Company Stock and Incentive Plan, as amended and restated effective February 8, 2017 (incorporated by reference to Appendix B of Halliburton's proxy statement filed April 7, 2017, File No. 001-03492).
†	10.37	Form of Nonstatutory Stock Option Agreement (U.S.) (incorporated by reference as Exhibit 10.1 of Halliburton's Form 10-Q filed July 27, 2018, File No. 001-03492)
†	10.38	Form of Nonstatutory Stock Option Agreement (International) (incorporated by reference as Exhibit 10.2 of Halliburton's Form 10-Q filed July 27, 2018, File No. 001-03492).
†	10.39	Form of Restricted Stock Agreement (incorporated by reference as Exhibit 10.3 of Halliburton's Form 10-Q filed July 27, 2018, File No. 001-03492).
†	10.40	Form of Restricted Stock Unit Agreement (International) (incorporated by reference as Exhibit 10.4 of Halliburton's Form 10-Q filed July 27, 2018, File No. 001-03492).
†	10.41	Form of Restricted Stock Unit Agreement (U.S. Expat) (incorporated by reference as Exhibit 10.5 of Halliburton's Form 10-Q filed July 27, 2018, File No. 001-03492).
†	10.42	Executive Agreement (Eric J. Carre) (incorporated by reference as Exhibit 10.46 of Halliburton's Form 10-K filed February 2, 2018, File No. 001-03492).
†	10.43	Executive Agreement (Lawrence J. Pope) (incorporated by reference as Exhibit 10.47 of Halliburton's Form 10-K filed February 2, 2018, File No. 001-03492).
†	10.44	Executive Agreement (Robb L. Voyles) (incorporated by reference as Exhibit 10.48 of Halliburton's Form 10-K filed February 2, 2018, File No. 001-03492).
†	10.45	Executive Agreement (Lance Loeffler) (incorporated by reference as Exhibit 10.1 of Halliburton’s Form 8-K filed December 11, 2018, File No. 001-03492).
*†	10.46	Form of Non-Management Director Restricted Stock Unit Agreement (Stock and Incentive Plan).
*†	10.47	Second Amendment dated January 1, 2019, to Halliburton Company Directors’ Deferred Compensation Plan as Amended and Restated effective as of May 16, 2012.
*†	10.48	Executive Agreement (Mark J. Richard).
*	21.1	Subsidiaries of the Registrant.
*	23.1	Consent of KPMG LLP.

*	24.1	Powers of attorney for the following directors signed in January 2019: Abdulaziz F. Al Khayyal William E. Albrecht Alan M. Bennett James R. Boyd Milton Carroll Nance K. Dicciani Murry S. Gerber Robert A. Malone
*	31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
*	31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
**	32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
**	32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
*	95	Mine Safety Disclosures.
*	101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
*	101.SCH	XBRL Taxonomy Extension Schema Document
*	101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
*	101.LAB	XBRL Taxonomy Extension Label Linkbase Document
*	101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
*	101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

* Filed with this Form 10-K.
** Furnished with this Form 10-K.
† Management contracts or compensatory plans or arrangements.

Item 16. Form 10-K Summary.

None.

SIGNATURES

As required by Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has authorized this report to be signed on its behalf by the undersigned authorized individuals on this 13th day of February, 2019.

HALLIBURTON COMPANY

By /s/ Jeffrey A. Miller

Jeffrey A. Miller

Chairman of the Board, President and Chief Executive Officer

As required by the Securities Exchange Act of 1934, this report has been signed below by the following persons in the capacities indicated on this 13th day of February, 2019.

Signature	Title
/s/ Jeffrey A. Miller Jeffrey A. Miller	Chairman of the Board, Director, President and Chief Executive Officer
/s/ Lance Loeffler Lance Loeffler	Executive Vice President and Chief Financial Officer
/s/ Charles E. Geer, Jr. Charles E. Geer, Jr.	Vice President and Corporate Controller

Signature	Title
* Abdulaziz F. Al Khayyal Abdulaziz F. Al Khayyal	Director
* William E. Albrecht William E. Albrecht	Director
* Alan M. Bennett Alan M. Bennett	Director
* James R. Boyd James R. Boyd	Director
* Milton Carroll Milton Carroll	Director
* Nance K. Dicciani Nance K. Dicciani	Director
* Murry S. Gerber Murry S. Gerber	Director
* Robert A. Malone Robert A. Malone	Director

/s/ Robb L. Voyles
*By Robb L. Voyles, Attorney-in-fact

DIRECTOR RESTRICTED STOCK UNIT AGREEMENT

Grant Date: **<<Grant Date>>**

Grantee: <<Participant Name>>

Aggregate Number of Units Subject to Award: <<Number_Restricted_Units>>

This **RESTRICTED STOCK UNIT AGREEMENT** ("Agreement") is made as of **<<Grant Date>>**, between **HALLIBURTON COMPANY**, a Delaware corporation (the "Company"), and **<<Participant Name>>** ("Director").

1. **<u>Award of Units</u>**. Pursuant to the Halliburton Company Stock and Incentive Plan (the "Plan"), Director is hereby awarded the aggregate number of units subject to award set forth above evidencing the right to receive an equivalent number of shares of Company common stock, par value USD 2.50 per share ("Stock"), subject to the terms and conditions of this Agreement and the Plan. The units granted pursuant to this Agreement are referred to as the "Restricted Stock Units".

2. **<u>Plan Incorporated</u>**. Director acknowledges receipt of a copy of the Plan and agrees that this award of Restricted Stock Units shall be subject to all of the terms and conditions set forth in the Plan, including future amendments thereto. The Plan is incorporated herein by reference as a part of this Agreement. Except as otherwise defined herein, capitalized terms shall have the same meanings ascribed to them under the Plan.

3. **<u>Vesting of Restricted Stock Units; Forfeiture of Restricted Stock Units</u>**.

   (a) **Vesting Schedule**. The Restricted Stock Units shall vest in accordance with the following schedule provided that Director has served continuously on the Board from the date of this Agreement through the applicable vesting date:

Vesting Date	Percentage of Total Number of Restricted Stock Units Vesting
First Anniversary of the date of this Agreement	25%
Second Anniversary of the date of this Agreement	25%
Third Anniversary of the date of this Agreement	25%
Fourth Anniversary of the date of this Agreement	25%

   (b) **Accelerated Vesting**. The Restricted Stock Units shall become fully vested upon the earliest to occur of a "separation from service" (within the meaning of Section 409A of the Internal Revenue Code and related guidance) due to the following:

      (i) Director's death or disability while serving as a member of the Board;
      (ii) failure of the Director to be re-elected to the Board after being duly nominated;
      (iii) retirement from the Board pursuant to the then existing Company policy for mandatory director retirements (mandatory retirement as of the date of this Agreement is age 72);
      (iv) early retirement from the Board after four (4) years of service; or
      (v) removal from the Board or failure to be duly nominated for re-election to the Board, in either event, following a Corporate Change.

   Notwithstanding the foregoing, the Board may, at its sole discretion, accelerate the vesting of the Restricted Stock Units.

(c) **Forfeiture of Restricted Stock Units**. Upon termination of Director's Board service ("Termination of Service"), Director shall, for no consideration, forfeit all Restricted Stock Units that have not previously vested or become vested pursuant to Section 2(b). For avoidance of doubt, "Termination of Service" for purpose of this award will be deemed to occur when Director no longer remains an active director of the Company, or any successor company. Any question as to whether and when a Termination of Service has occurred, and the cause of such termination, shall be determined by the Committee administering the Plan, or its delegate, as appropriate, and its determination shall be final.

4. **Settlement of Restricted Stock Units**.

(a) Deferred Restricted Stock Units. If Director elected to defer the Restricted Stock Units pursuant to the terms of the Halliburton Company Director's Deferred Compensation Plan (the "Deferred Compensation Plan"), settlement of the Restricted Stock Units shall occur pursuant to the terms of the Deferred Compensation Plan.

(b) Non-Deferred Restricted Stock Units. If Director did not elect to defer the Restricted Stock Units, upon vesting of the Restricted Stock Units, payment shall be made as soon as administratively practicable but in no event later than 60 days after the vesting date. The Company, in its sole discretion, may provide for settlement in the form of:

i. shares of Stock; or

ii. a cash payment in an amount equal to the Fair Market Value of the shares of Stock that correspond to the vested Restricted Stock Units, to the extent that settlement in shares of Stock (A) is prohibited under local law, (B) would require Director, the Company or any Subsidiary or affiliated company to obtain the approval of any governmental or regulatory body in Director's country of residence, (C) would result in adverse tax consequences to Director, the Company, or any Subsidiary or affiliated company, or (D) is administratively burdensome.

If the Company settles the Restricted Stock Units in shares of Stock, it may require Director to sell such shares of Stock immediately or within a specified period following Director's Termination of Service (in which case Director hereby agrees that the Company shall have the authority to issue sale instructions in relation to such shares of Stock on Director's behalf pursuant to this authorization).

5. **Shareholder Rights**. Director shall have no rights to dividends or any other rights of a shareholder with respect to shares of Stock subject to this award of Restricted Stock Units unless and until such time as the award has been settled by the transfer of shares of Stock to Director.

6. **Dividend Equivalents**. During the period beginning on the Grant Date and ending on the date that the Restricted Stock Units are settled, Director will accrue dividend equivalents on the Restricted Stock Units equal to the cash dividend or distribution that would have been paid on the Restricted Stock Units had the Restricted Stock Units been issued and outstanding shares of Stock on the record date for the dividend or distribution.

(a) Deferred Restricted Stock Units. If Director elected to defer the Restricted Stock Units pursuant to the terms of the Deferred Compensation Plan, accrued dividend equivalents shall be applied towards additional restricted stock units that will vest and become payable (or forfeitable) on the same terms, in the same form and at the same time as the deferred Restricted Stock Units.

(b) Non-Deferred Restricted Stock Units. If Director did not elect to defer the Restricted Stock Units, accrued dividend equivalents will be paid in cash as soon as practicable (but no later than 60 days) after the dividend payment date.

7. **Non-Transferability**. The Restricted Stock Units may not be sold, assigned, pledged, exchanged, hypothecated, encumbered, disposed of, or otherwise transferred, except by will or the laws of descent and distribution or pursuant to a "qualified domestic relations order" as defined by the Code or Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended, or similar order. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of the Restricted Stock Units or of such rights contrary to the provisions hereof or in the Plan, the Restricted Stock Units and such rights shall immediately become null and void.

8. **Withholding of Tax**. Director acknowledges that, regardless of any action taken by the Company, the ultimate liability for all income tax, social contributions, payroll tax, fringe benefits tax, payment on account, or other tax-related items related to Director's participation in the Plan and legally applicable to Director or deemed by the Company in its discretion to be an appropriate charge to Director even if legally applicable to the Company ("Tax-Related Items"), is and remains Director's responsibility and may exceed the amount actually withheld by the Company, if any. Director further acknowledges that the Company (a) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Restricted Stock Units, including, but not limited to, the grant, vesting, the subsequent sale of shares of Stock acquired pursuant to such vesting and the receipt of any dividends or dividend equivalents; and (b) does not commit to and is under no obligation to structure the terms of the grant or any aspect of the Restricted Stock Units to reduce or eliminate Director's liability for Tax-Related Items or achieve any particular tax result. Further, if Director is subject to Tax-Related Items in more than one jurisdiction between the Grant Date and the date of any relevant taxable or tax withholding event, as applicable, Director acknowledges that the Company may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

   The obligation to withhold Tax-Related Items shall be satisfied by withholding from the shares of Stock to be delivered upon settlement of the Restricted Stock Units or other awards granted to Director having a Fair Market Value equal to the amount required to be withheld. For tax purposes, Director is deemed to have been issued the full number of shares of Stock subject to the Restricted Stock Units or other awards, notwithstanding that a number of shares of Stock are held back solely for the purpose of paying the Tax-Related Items. Director will have no further rights with respect to any shares of Stock that are retained by the Company pursuant to this provision.

   The Company may withhold or account for Tax-Related Items by considering applicable statutory withholding rates (as determined by the Company in good faith and in its sole discretion) or other applicable withholding rates, including maximum applicable rates, in which case Director will receive a refund of any over-withheld amount and will have no entitlement to the share equivalent.

   Director agrees to pay to the Company any amount of Tax-Related Items that the Company may be required to withhold or account for as a result of Director's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver shares of Stock or proceeds from the sale of shares of Stock until arrangements satisfactory to the Company have been made in connection with the Tax-Related Items.

9. **Status of Shares of Stock** The Company shall not be obligated to issue any shares of Stock pursuant to any Restricted Stock Units at any time, when the offering of the shares of Stock covered by such Restricted Stock Unit has not been registered under the U.S. Securities Act of 1933, as amended (the "Act") or such other country, U.S. federal or state laws, rules or regulations as the Company deems applicable and, in the opinion of legal counsel for the Company, there is no exemption from the registration. The Company intends to use reasonable efforts to ensure that no such delay will occur. In the event exemption from registration under the Act is available upon vesting of the Restricted Stock Units, Director, if requested by the Company to do so, will execute and deliver to the Company in writing an agreement containing such provisions as the Company may require to assure compliance with applicable securities laws.

Director agrees that the shares of Stock which Director may acquire upon vesting of the Restricted Stock Units will not be sold or otherwise disposed of in any manner which would constitute a violation of any applicable U.S. federal, state or non-U.S. securities laws. Director also agrees (i) that the Company may refuse to register the transfer of the shares of Stock acquired under the Restricted Stock Units on the stock transfer records of the Company if such proposed transfer would in the opinion of counsel to the Company constitute a violation of any applicable securities law, and (ii) that the Company may give related instructions to its transfer agent, if any, to stop registration of the transfer of the shares of Stock acquired under the Plan.

10. **Nature of Grant**. In accepting the Restricted Stock Units, Director acknowledges and agrees that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company, in its sole discretion, at any time (subject to any limitations set forth in the Plan);

(b) the grant of the Restricted Stock Units is voluntary and occasional and does not create any contractual or other right to receive future grants of restricted stock units, or benefits in lieu of restricted stock units, even if restricted stock units or other awards have been granted in the past;

(c) all decisions with respect to future awards, if any, will be at the sole discretion of the Company;

(d) Director's participation in the Plan is voluntary;

(e) the Restricted Stock Units and Director's participation in the Plan shall not create a right to continued service as a director of the Company or be interpreted as forming a contract with the Company or any of its Subsidiaries or affiliated companies and shall not be construed to limit the rights of the Company or its shareholders pursuant to organizational documents of the Company and applicable law;

(f) the future value of the shares of Stock underlying the Restricted Stock Units is unknown, indeterminable, and cannot be predicted with certainty;

(g) upon vesting of the Restricted Stock Units, the value of such shares of Stock may increase or decrease in value;

(h) the Restricted Stock Units and the benefits evidenced by this Agreement do not create any entitlement not otherwise specifically provided for in the Plan or provided by the Company in its discretion, to have the Restricted Stock Units or any such benefits transferred to, or assumed by, another company, nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the shares of Stock; and

(i) if Director is resident or performs services outside the United States, neither the Company nor any of its Subsidiaries or affiliated companies shall be liable for any foreign exchange rate fluctuation between Director's local currency and the U.S. dollar that may affect the value of the Restricted Stock Units or any amounts due to Director pursuant to the vesting of the Restricted Stock Units or the subsequent sale of any shares of Stock acquired upon vesting of the Restricted Stock Units.

11. **Data Privacy**. *Director understands that the Company, its Subsidiaries and affiliated companies may hold certain personal information about Director, including, but not limited to, Director's name, home address, email address and telephone number, date of birth, social security or insurance number, passport number or other identification number, salary, nationality, and any shares of Stock or directorships held in the Company, and details of the Restricted Stock Units or any other entitlement to shares of Stock canceled, exercised, vested, unvested or outstanding in Director's favor ("Data"), for the purpose of implementing, administering and managing the Plan.*

Director hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Director's Data as described in this Agreement and any other grant materials by and among, as necessary and applicable, the Company and any of its Subsidiaries or affiliated companies, for the exclusive purpose of implementing, administering and managing Director's participation in the Plan.

*Director understands that Data will be transferred to the stock brokerage or other financial or administrative services firm designated by the Company (the "Stock Plan Administrator") which is assisting the Company with the implementation administration and management of the Plan. Director understands that the recipients of Data may be located in the United States or elsewhere, and that the recipients' country (*e.g.*,* *the United States) may have different data privacy laws and protections than Director's country. If Director resides outside the United States, Director understands that Director may have the right to request a list of any recipients of Data by contacting dataprivacy@halliburton.com. Director authorizes the Company, the Company's Stock Plan Administrator and any other possible recipients that may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer Data, in electronic or other form, for the sole purpose of implementing, administering and managing Director's participation in the Plan. Director understands that Data will be held only as long as is necessary to implement, administer and manage Director's participation in the Plan. If Director resides outside the United States, Director understands that he or she may have the right to access Data, request additional information about the storage and processing of Data, correct inaccurate Data, or refuse or withdraw the consents herein by contacting dataprivacy@halliburton.com. Further, Director understands that Director is providing the consents herein on a purely voluntary basis. If Director does not consent, or if Director later seeks to revoke his or her consent, Director's service status and career will not be affected; the only consequence of refusing or withdrawing Director's consent is that the Company would not be able to grant Director the Restricted Stock Units or other equity awards or administer or maintain such awards. Therefore, Director understands that refusing or withdrawing his or her consent may affect Director's ability to participate in the Plan. For more information on the consequences of Director's refusal to consent or withdrawal of consent, Director understands that Director may contact dataprivacy@halliburton.com.*

Finally, Director understands that the Company may rely on a different legal basis for the processing and/or transfer of Data in the future and/or request Director to provide another data privacy consent. If applicable and upon request of the Company, Director agrees to provide an executed acknowledgment or data privacy consent form (or any other acknowledgments, agreements or consents) to the Company that the Company may deem necessary to obtain under the data privacy laws in Director's country, either now or in the future. Director understands that he or she will not be able to participate in the Plan if he or she fails to execute any such acknowledgment, agreement or consent requested by the Company.

12. **Insider Trading; Market Abuse Laws** By participating in the Plan, Director agrees to comply with the Company's policy on insider trading. Director further acknowledges that, depending on Director's or his or her broker's country of residence or where the shares of Stock are listed, Director may be subject to insider trading restrictions and/or market abuse laws that may affect Director's ability to accept, acquire, sell or otherwise dispose of shares of Stock, rights to shares of Stock (e.g., restricted stock units) or rights linked to the value of shares of Stock, during such times Director is considered to have "inside information" regarding the Company as defined by the laws or regulations in Director's country. Local insider trading laws and regulations may prohibit the cancellation or amendment of orders Director places before he or she possessed inside information. Furthermore, Director could be prohibited from (i) disclosing the inside information to any third party (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. Director understands that third parties include fellow Directors. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. Director acknowledges that it is Director's responsibility to comply with any applicable restrictions, and that Director should therefore consult Director's personal advisor on this matter.

13. **Electronic Delivery**. Director agrees, to the fullest extent permitted by law, in lieu of receiving documents in paper format, to accept electronic delivery of any documents that the Company and its Subsidiaries or affiliated companies may deliver in connection with this grant and any other grants offered by the Company, including prospectuses, grant notifications, account statements, annual or quarterly reports, and other communications. Electronic delivery of a document may be made via the Company's email system or by reference to a location on the Company's intranet or website or a website of the Company's agent administering the Plan. By accepting this grant, whether electronically or otherwise, Director also hereby consents to participate in the Plan through such system, intranet, or website, including but not limited to the use of electronic signatures or click-through electronic acceptance of terms and conditions.

14. **<u>English Language</u>**. Director acknowledges and agrees that it is Director's express intent that this Agreement and the Plan and all other documents, notices and legal proceedings entered into, given or instituted pursuant to the Restricted Stock Units be drawn up in English. To the extent Director has been provided with a copy of this Agreement, the Plan, or any other documents relating to this Award in a language other than English, the English language documents will prevail in case of any ambiguities or divergences as a result of translation.

15. **<u>Addendum</u>**. Notwithstanding any provisions in this Agreement, the Restricted Stock Units shall be subject to any special terms and conditions set forth in the Country-Specific Addendum to this Agreement (the "Addendum"). Moreover, if Director relocates to one of the countries included in such Addendum, the special terms and conditions for such country will apply to Director, to the extent the Company determines that the application of such terms and conditions is necessary or advisable to comply with local law or facilitate the administration of the Plan (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate Director's relocation). The Addendum constitutes part of this Agreement.

16. **<u>Not a Public Offering</u>**. The award of the Restricted Stock Units is not intended to be a public offering of securities in the country in which Director resides or performs services. The Company has not submitted any registration statement, prospectus or other filings with the local securities authorities (unless otherwise required under local law), and the award of the Restricted Stock Units is not subject to the supervision of the local securities authorities. *No employee of the Company or any of its Subsidiaries or affiliated companies is permitted to advise Director on whether he/she should participate in the Plan. Acquiring shares of Stock involves a degree of risk. Before deciding to participate in the Plan, Director should carefully consider all risk factors relevant to the acquisition of shares of Stock under the Plan and carefully review all of the materials related to the Restricted Stock Units and the Plan. In addition, Director should consult with his/her personal advisor for professional investment advice.*

17. **<u>Repatriation; Compliance with Law</u>**. Director agrees to repatriate all payments attributable to the shares of Stock and/or cash acquired under the Plan in accordance with applicable foreign exchange rules and regulations in Director's country of residence. In addition, Director agrees to take any and all actions, and consent to any and all actions taken by the Company and any of its Subsidiaries and affiliated companies, as may be required to allow the Company and any of its Subsidiaries and affiliated companies to comply with local laws, rules and/or regulations in Director's country of residence. Finally, Director agrees to take any and all actions as may be required to comply with Director's personal obligations under local laws, rules and/or regulations in Director's country of residence.

18. **<u>Imposition of Other Requirements</u>**. The Company reserves the right to impose other requirements on Director's participation in the Plan, on the Restricted Stock Units, and on any shares of Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require Director to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

19. **<u>Committee's Powers</u>**. No provision contained in this Agreement shall in any way terminate, modify or alter, or be construed or interpreted as terminating, modifying or altering any of the powers, rights or authority vested in the Committee or, to the extent delegated, in its delegate, pursuant to the terms of the Plan or resolutions adopted in furtherance of the Plan, including, without limitation, the right to make certain determinations and elections with respect to the Restricted Stock Units.

20. **<u>Binding Effect</u>**. This Agreement shall be binding upon and inure to the benefit of any successors to the Company and all persons lawfully claiming under Director.

21. **<u>Governing Law and Forum</u>**. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Texas without regard to principles of conflict of laws, except to the extent that it implicates matters which are the subject of the General Corporation Law of the State of Delaware, which matters shall be governed by the latter law.

22. **U.S. Federal Defend Trade Secrets Act Notice** Director is hereby notified in accordance with the Defend Trade Secrets Act of 2016 that Director will not be held criminally or civilly liable under any U.S. federal or state trade secret law for the disclosure of a trade secret that is made in confidence to a U.S. federal, state, or local government official, either directly or indirectly, or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, or is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. If Director files a lawsuit for retaliation against the Company for reporting a suspected violation of law, Director may disclose the Company's trade secrets to Director's attorney and use the trade secret information in the court proceeding if Director files any document containing the trade secret under seal, and does not disclose the trade secret, except pursuant to court order.

23. **Severability**. The provisions of this Agreement are severable and if any one or more of the provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the Agreement shall be reformed and construed so that it would be enforceable to the maximum extent legally possible, and if it cannot be so reformed and construed, as if such unenforceable provision, or part thereof, had never been contained herein. In the event such provisions of an agreement is determined by an adjudicator as not to be enforceable, any other concurrently enforceable provisions may still be enforced.

24. **Waiver**. The waiver by the Company with respect to Director's (or any other participant's) compliance with any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement.

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed by an officer thereunto duly authorized as of the date first above written.

HALLIBURTON COMPANY

By: /s/ Jeffrey A. Miller

Jeffrey A. Miller
President and Chief Executive Officer

I HEREBY AGREE TO THE TERMS AND CONDITIONS SET FORTH IN THIS RESTRICTED STOCK UNIT AGREEMENT DATED <<Grant Date>>.

<<Electronic Signature>>

<<Acceptance Date>>

SECOND AMENDMENT TO
HALLIBURTON COMPANY
DIRECTORS' DEFERRED COMPENSATION PLAN
AS AMENDED AND RESTATED
EFFECTIVE AS OF MAY 16, 2012

WHEREAS, Halliburton Company (the "***Company***") has previously adopted the Halliburton Company Directors' Deferred Compensation Plan, as Amended and Restated Effective as of May 16, 2012, as amended (the "***Plan***") to assist members of the Company's Board of Directors (the "***Board***") in planning for their retirement;

WHEREAS, the Board may amend the Plan at any time and from time to time in accordance with Article IX of the Plan;

WHEREAS, the Board desires to amend the Plan to change the calculation of the interest equivalent credited to a participant's Interest Bearing Account from a quarterly basis to a daily basis.

NOW, THEREFORE, the Board does hereby amend the Plan as follows effective January 1, 2019:

(1) **Section 5.01 of the Plan is amended to read as follows:**
Effective January 1, 2019, a Participant's Interest Bearing Account shall be credited as of the end of each month with an amount equivalent to interest determined based on Citibank, N.A.'s prime rate for major corporate borrowers in effect on the first day of such calendar quarter and applied to the balance of such account on a daily basis.

(2) **All other provisions of the Plan shall remain the same and are hereby ratified.**

HALLIBURTON COMPANY

By /s/ Jeffrey A. Miller____________________
Jeffrey A. Miller, President and
Chief Executive Officer

EXECUTIVE AGREEMENT

This Executive Agreement ("***Agreement***") is entered into by and between Mark J. Richard ("***Employee***") and Halliburton Company, for and on behalf of itself, its subsidiaries, and its affiliated companies (collectively, "***Employer***" or "***Company***"), as of February 12, 2019 (the "***Effective Date***").

RECITALS

WHEREAS, Employer desires to continue to employ Employee pursuant to the terms and conditions and for the consideration set forth in this Agreement, and Employee desires to continue to be employed by Employer pursuant to such terms and conditions and for such consideration.

WHEREAS, Halliburton Company and Employee entered into an Amended and Restated Executive Agreement dated November 1, 2015, which set forth the terms of Employee's employment with Halliburton Company (the "***Executive Agreement***");

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 continue to employ Employee, and Employee agrees to continue 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 President - Western Hemisphere. Employee agrees to serve in the assigned position and to perform diligently and to the best of Employee's abilities the duties and services relating to such position as reasonably determined by Employer, as well as such additional or different duties and services appropriate to such positions which Employee from time to time may be reasonably directed to perform by Employer.

1.3 Employee shall at all times comply with and be subject to such policies and procedures as Employer may establish from time to time, including, without limitation, the Halliburton Company Code of Business Conduct (the "***Code of Business Conduct***"), Company Policy 3-90020, "Director and Executive Compensation Administration" (with respect to the prohibition of discretionary payments in certain situations), Company Policy 3-90040, "Recoupment of Incentive Compensation", and Company Policy 3-90050, "Termination of Officers Who Participate in Violations or Disregard Supervisory Responsibilities", all of which have been made available to Employee and are available under "COBC" or "Policies" as posted on Halworld located at *http://halworld.corp.halliburton.com*, as well as Section 36(a) of the Halliburton Company By-Laws (with respect to the limitations on the advancement of legal expenses), a copy of which has been made available to Employee. By signing this Agreement, Employee hereby represents and warrants that he has read, understood and agrees to the terms and conditions contained in such Code of Business Conduct, policies, and By-Laws.

1.4 Employee shall, during the period of Employee's employment by Employer, devote Employee's full business time, energy, and best efforts to the business and affairs of Employer. Employee may not engage, directly or indirectly, in any other business, investment, or activity that interferes with Employee's performance of Employee's duties hereunder, is contrary to the interest of Employer or any of its affiliated companies (collectively, the "***Halliburton Entities***" or, individually, a "***Halliburton Entity***"), or requires any significant portion of Employee's business time. The foregoing notwithstanding, the parties recognize and agree that Employee may engage in passive personal investments and other business activities which do not conflict with the business and affairs of the Halliburton Entities or interfere with Employee's performance of his duties hereunder. Employee may not serve on the board of directors of any entity other than a Halliburton Entity while employed by Employer without the approval thereof in accordance with Employer's policies and procedures regarding such service. Employee shall be permitted to retain any compensation received for approved service on any unaffiliated corporation's board of directors to the extent permitted under a Halliburton Entity's policies and procedures.

1.5 Employee acknowledges and agrees that Employee owes a fiduciary duty of loyalty, fidelity and allegiance to act at all times in the best interests of the Employer and the other Halliburton Entities and to do no act which would, directly or indirectly, injure any such entity's business, interests, or reputation. It is agreed that any direct or indirect interest in, connection with, or benefit from any outside activities, particularly commercial activities, which interest might in any way adversely affect Employer, or any Halliburton Entity, involves a possible conflict of interest. In keeping with Employee's fiduciary duties to Employer, Employee agrees that Employee shall not knowingly become involved in a conflict of interest with Employer or the Halliburton Entities, or upon discovery thereof, allow such a conflict to continue. Moreover, Employee shall not engage in any activity that might involve a possible conflict of interest without first obtaining approval in accordance with the applicable Halliburton Entity's policies and procedures.

1.6 Nothing contained herein shall be construed to preclude the transfer of Employee's employment to another Halliburton Entity ("***Subsequent Employer***") as of, or at any time after, the Effective Date and no such transfer shall be deemed to be a termination of employment for purposes of Article 3 hereof; provided, however, that, effective with such transfer, all of Employer's obligations hereunder shall be assumed by and be binding upon, and all of Employer's rights hereunder shall be assigned to, such Subsequent Employer and the defined term "Employer" as used herein shall thereafter be deemed amended to mean such Subsequent Employer. Except as otherwise provided above, all of the terms and conditions of this Agreement, including without limitation, Employee's rights and obligations, shall remain in full force and effect following such transfer of employment.

ARTICLE 2: COMPENSATION AND BENEFITS:

2.1 Employee's base salary as of February 1, 2019 will be $725,000 and shall be paid in accordance with the Employer's standard payroll practice for its executives. Employee's base salary may be increased from time to time at the discretion of the Board of Directors, its Compensation Committee (the "***Compensation Committee***"), or its delegate, as applicable. Such increased base salary shall become the minimum base salary under this Agreement and may not be decreased thereafter without the written consent of Employee, unless comparable reductions in salary are effective for all similarly situated executives of Employer.

2.2 Employee shall be eligible to participate in the Annual Performance Pay Plan and the Performance Unit Program, or any successor incentive plans approved by the Compensation Committee; provided, however, that all determinations relating to Employee's participation, including, without limitation, those relating to the performance goals applicable to Employee and Employee's level of participation and payout opportunity, shall be made in the sole discretion of the person or committee to whom such authority has been granted pursuant to such plan's terms.

2.3 Employer shall pay or reimburse Employee for all actual, reasonable and customary expenses incurred by Employee in the course of his employment; including, but not limited to, travel, entertainment, subscriptions and dues associated with Employee's membership in professional, business and civic organizations; provided that such expenses are incurred and accounted for in accordance with Employer's applicable policies and procedures. Any reimbursement provided hereunder during one calendar year shall not affect the amount or availability of reimbursements in another calendar year. Any reimbursement provided hereunder shall be paid no later than the earlier of (i) the time prescribed under Employer's applicable policies and procedures, or (ii) the last day of the calendar year following the calendar year in which Employee incurred the reimbursable expense.

2.4 Employee shall be allowed to participate, on the same basis generally as other executive employees of Employer, in all general employee benefit plans and programs, including improvements or modifications of the same, which on the Effective Date or thereafter are made available by Employer to all or substantially all of Employer's similarly situated executive employees. Such benefits, plans, and programs may include, without limitation, medical, health, and dental care, life insurance, disability protection, and qualified and non-qualified retirement plans. Except as specifically provided herein, nothing in this Agreement is to be construed or interpreted to increase or alter in any way the rights, participation, coverage, or benefits under such benefit plans or programs. While employed by Employer, Employee shall be eligible to receive awards under the Halliburton Company Stock and Incentive Plan ("***SIP***") or any successor stock-related plan adopted by the Board of Directors. Employee's participation in and benefits under such plans or programs may not be decreased without the approval of the Board of Directors, its Compensation Committee or its delegate, as applicable.

2.5 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.

2.6 Employer may withhold from any compensation, benefits, or amounts payable under this Agreement all federal, state, city, or other taxes as may be required pursuant to any law or governmental regulation or ruling.

ARTICLE 3: TERMINATION OF EMPLOYMENT AND EFFECTS OF SUCH TERMINATION:

3.1 Employee's employment with Employer shall be considered an "at-will" relationship and shall be terminated (i) upon the Death (as defined below) of Employee, (ii) upon Employee's Retirement (as defined below), (iii) upon Employee's Early Retirement (as defined below), (iv) upon Employee's Permanent Disability (as defined below), (v) for Cause (as defined below), (vi) upon Participation in a Significant Violation or Failure to Supervise (as defined below), (vii) upon Employee's termination of employment for Good Reason (as defined below), or (viii) at any time by Employer upon written notice to Employee, or by Employee upon thirty (30) calendar days' written notice to Employer, for any or no reason.

3.2 Employee's entitlement to receive the benefits set forth in Section 3.4 is contingent on the reason or cause of the termination of Employee's employment. Types of termination events and the definitions of those events used in this Agreement are as follows:

(i) Death. "***Death***" shall mean Employee's death.

(ii) Retirement. "***Retirement***" shall mean Employee's retirement at or after normal retirement age (either voluntarily or pursuant to the applicable Halliburton Entity's retirement policy).

(iii) Early Retirement. "***Early Retirement***" shall mean the voluntary termination of Employee's employment by Employee in accordance with Employer's early retirement policy for other than Good Reason (as defined below).

(iv) Permanent Disability. "***Permanent Disability"*** shall mean Employee's physical or mental incapacity to perform his usual duties with such condition likely to remain continuously and permanently as reasonably determined by a qualified physician selected by Employer.

(v) Good Reason. "***Good Reason***" shall mean a termination of employment by Employee because of a material breach by Employer of any material provision of this Agreement, provided that (i) Employee provides written notice to Employer, as provided in Section 6.2 hereof, of the circumstances Employee claims constitute "Good Reason" within ninety (90) calendar days of the first to occur of such circumstances, (ii) such breach remains uncorrected for thirty (30) calendar days following written notice, and (iii) Employee's termination occurs within one hundred eighty (180) calendar days after the date that the circumstances Employee claims constitute "Good Reason" first occurred.

(vi) Cause. "***Cause***" shall mean any of the following: (a) Employee's gross negligence or willful misconduct in the performance of the duties and services required of Employee pursuant to this Agreement; (b) Employee's final conviction of a felony; (c) a material violation of the Code of Business Conduct; or (d) Employee's material breach of any material provision of this Agreement which remains uncorrected for thirty (30) calendar days following written notice of such breach to Employee by Employer. Determination as to whether or not Cause exists for termination of Employee's employment will be made by the Compensation Committee, or its delegate, acting in good faith.

(vii) Participation in a Significant Violation or Failure to Supervise. "***Participation in a Significant Violation or Failure to Supervise***" shall mean termination of Employee's employment by Employer following a determination, in accordance with the procedures set out in Company Policy 3-90050, that (a) in connection with the performance of Employee's duties as an officer, Employee Participated in a Significant Violation or both (A) had direct supervisory responsibility over an employee who Participated in such a violation and (B) Recklessly disregarded Employee's own supervisory responsibilities, and (b) Employee's conduct warrants termination.

3.3 Except as provided in Section 3.4, upon Employee's termination, all future compensation to which Employee is otherwise entitled and all future benefits for which Employee is eligible shall cease and terminate as of the date of termination. Employee shall be entitled to pro rata base salary through the date of such termination, payment for any properly documented but unreimbursed business expenses, and, except as may be prohibited by Company policy, any individual annual incentive compensation not yet paid but earned and payable under Employer's plans for the year prior to the year of Employee's termination of employment, but shall not be entitled to any annual incentive compensation for the year in which he terminates employment or any other payments or benefits by or on behalf of Employer, except for those which may be payable pursuant to the terms of Employer's or Halliburton Entity's employee benefit plans (as defined in Section 3.5(b)), stock, stock option or incentive plans, or the applicable agreements underlying such plans.

3.4 (a) (i) If Employee's employment is terminated (x) by reason of Employee's Death, Retirement, or Permanent Disability, (y) by Employee for Good Reason, or (z) by Employer for any reason other than for Cause or Participation in a Significant Violation or Failure to Supervise, and (ii) in all cases, Employee is in compliance with Employee's obligations under this Agreement, Employer shall cause the forfeiture restrictions with respect to any restricted shares of Employer's common stock or restricted stock units which were granted to Employee under the SIP to lapse and such shares, net of any shares withheld for taxes, shall become fully vested and outstanding restricted stock units shall be settled upon termination of employment, subject to the restrictions of Section 6.9.

(b) If Employee's employment is terminated (i) by Employee for Good Reason or (ii) by Employer for any reason other than for Cause or Participation in a Significant Violation or Failure to Supervise, Employee shall, subject to the provisions of Section 3.5, be entitled to a single lump sum cash payment equal to two (2) years of Employee's base salary as in effect at the date of the termination of Employee's employment. Such amount shall be paid as soon as administratively practicable, but no later than the sixtieth (60^{th}) calendar day following the termination of Employee's employment.

(c) Should Employee breach any of the agreements and covenants in this Agreement, any amounts provided for in Section 3.4 remaining unpaid will be forfeited; provided, that forfeiture shall not be the exclusive remedy for any breach, and the Company shall be entitled to seek and obtain any additional remedy at law or equity, including without limitation actual damages, caused by any breach.

(d) Notwithstanding the above, the vesting or settlement of any outstanding equity-based awards and cash payment provided for in this Section 3.4 shall be subject to the provisions of Company Policy 3-90010, "Future Severance Agreements."

3.5 (a) The benefits paid to Employee pursuant to Section 3.4 shall be in consideration of Employee's continuing obligations hereunder after such termination, including, without limitation, Employee's obligations under Articles 4 and 5. Further, as a condition to the receipt of such benefits, Employee shall first execute a release, in the form established by Employer, releasing Employer and all other Halliburton Entities, and their officers, directors, employees, and agents, from any and all claims and from any and all causes of action of any kind or character, including, but not limited to, all claims and causes of action arising out of Employee's employment with Employer and any other Halliburton Entities or the termination of such employment. The release must be executed by Employee within twenty-one (21) days from Employee's termination of employment. The performance of Employer's obligations under Section 3.4 and the receipt of the benefits provided thereunder by Employee shall constitute full settlement of all such claims and causes of action. Such release shall also include the restrictions contained in Sections 3.6, 3.7, and 3.8, and in Article 5. Employee shall not be under any duty or obligation to seek or accept other employment following a termination of employment pursuant to which a benefit payment under Section 3.4 is owing and the amounts due Employee pursuant to Section 3.4 shall not be reduced or suspended if Employee accepts subsequent employment or earns any amounts as a self-employed individual. Employee's rights under Section 3.4 are Employee's sole and exclusive rights against the Employer or its affiliates and the Employer's sole and exclusive liability to Employee under this Agreement, in contract, tort, under statute or otherwise, for the termination of his employment relationship with Employer.

(b) Employee agrees that all disputes relating to Employee's termination of employment, including, without limitation, any dispute as to the occurrence of the events listed in Section 3.2, and any claims or demands against Employer based upon Employee's employment for any monies other than those specified in Section 3.4, shall be resolved through the Halliburton Company Dispute Resolution Plan ("***Dispute Resolution Plan***") as provided in Section 6.6 hereof; provided, however, that decisions as to whether any of the events listed in Section 3.2 have occurred, will be made by the Board of Directors, the Compensation Committee, or its delegate, as required under the applicable Company policy, and in any dispute by Employee with any such determination, the arbitrator's decision shall be limited to whether the Board of Directors, the Compensation Committee, or its delegate, reached such decision in good faith. Nothing contained in this Article 3 shall be construed to be a waiver by Employee of any benefits accrued for or due Employee under any employee benefit plan (as such term is defined in the Employee Retirement

Income Security Act of 1974, as amended) maintained by Employer, except that Employee shall not be entitled to any severance benefits pursuant to any severance plan or program of Employer.

3.6 In consideration of the access to "***Confidential Information***" as defined in Article 4 and the other consideration provided herein, Employee agrees that, for a period of two (2) years following termination of employment, the Employee shall not, anywhere in the world, directly or indirectly, either (a) solicit, encourage, or induce to terminate or reduce its business with Employer, or (b) provide any products and/or services that compete directly with products and/or services provided, marketed, and/or under development by Employer at any time during the two (2) years preceding the termination of Employee's employment, in both cases, to any person or entity who paid or engaged Employer for products and/or services, or who received the benefit of Employer's products and/or services, or with whom the Employee had any substantial dealings while Employee was employed by Employer, during the two (2) years preceding the Employee's termination of employment with Employer.

3.7 In consideration of the access to Confidential Information and the other consideration provided herein, Employee further agrees that Employee will not, during the two (2) years period following termination of employment, solicit, directly or indirectly, or cause or permit others to solicit, directly or indirectly, any person (i) formerly employed by Employer during the six (6) month period immediately preceding or following Employee's termination of employment ("***Former Employee***") or (ii) employed by Employer ("***Current Employee***"). The term "***solicit***" includes, but is not limited to, the following (regardless of whether done directly or indirectly): (a) requesting that a Former or Current Employee change employment; (b) informing a Former or Current Employee that an opening exists elsewhere; (c) assisting a Former or Current Employee in finding employment elsewhere; (d) inquiring if a Former or Current Employee "knows of anyone who might be interested" in a position elsewhere; (e) inquiring if a Former or Current Employee might have an interest in employment elsewhere; (f) informing others of the name or status of, or other information about, a Former or Current Employee; or (g) any other similar conduct, the intended or actual effect of which is that a Former Employee affiliates with another employer or a Current Employee leaves the employment of Employer.

3.8 (a) In consideration of the access to Confidential Information and the other consideration provided herein, and so as to enforce the confidentiality obligations contained in Article 4, the Employee specifically agrees that, for a period of two (2) years following termination of employment, except as permitted by Section 3.8(b) below, Employee will not engage, directly or indirectly, either as proprietor, stockholder, partner, director, officer, member, employee, consultant, or otherwise, (i) in any existing or future business or in any existing or future division or unit of a commercially diverse business enterprise, anywhere in the world that is owned in whole or in part or effectively controlled by any of the following companies: Baker Hughes, a GE company, BJ Services, Black Mountain Oil and Gas, C&J Energy Services, Calfrac Well Services Ltd., Expro International Group, Plc., Exterrna Holding Inc, FTS International, General Electric, Keane Group, Liberty, Nabors Industries Ltd, National Oilwell Varco, Inc., Noble Corporation, OneStim (the proposed Schlumberger/Weatherford joint venture), Patterson-UTI Energy, Inc., ProPetro Services, Inc., RockPile Energy Services, RPC, Inc (Cudd Energy Services), Schlumberger Ltd, Superior Energy Services, Inc., Tidewater Inc, Trican, Transocean Ltd., U.S. Well Services, Weatherford International Ltd. or any of their respective successors; or (ii) in any existing or future business operating in North America or in any of the ten countries outside of North America that produced the highest revenues for the Employer in the year preceding Employee's termination of employment that offers, sells, or provides equipment, products or services that compete with Employer's equipment, products or services.

(b) The above Section 3.8(a) notwithstanding, nothing in this Section 3.8 shall prohibit Employee and his affiliates from owning, as passive investors, in the aggregate not more than five percent of equity securities of any of the companies listed in such Section 3.8(a).

3.9 Termination of the employment relationship, regardless of reason or circumstances, does not terminate those obligations imposed by this Agreement which are continuing obligations, including, without limitation, Employee's obligations under Sections 3.6, 3.7, and 3.8 and Articles 4 and 5.

ARTICLE 4: OWNERSHIP AND PROTECTION OF INTELLECTUAL PROPERTY AND CONFIDENTIAL INFORMATION:

4.1 All information, ideas, concepts, improvements, discoveries, works of authorship, and inventions, whether patentable or copyrightable or not, which are conceived, reduced to practice, authored, made, developed or acquired by Employee, individually or in conjunction with others, in the scope of Employee's employment by Employer or any of its affiliates, and/or during the term of Employee's employment (whether during business hours or otherwise and whether on Employer's premises or otherwise) which relate to the business, products or services of Employer or its affiliates (including, without limitation, all such information relating to any corporate opportunities, research, financial and sales data, pricing and trading terms, evaluations, opinions, interpretations, acquisition prospects, the identity of customers or their requirements, the identity of key contacts within the customer's organizations or within the organization of acquisition prospects, or marketing and merchandising techniques, prospective names, and marks), and all documents, things, writings and items of any type or in any media embodying any of the foregoing (collectively, "***Developments***"), and any and all proprietary rights of any kind thereto, including without limitation all rights relating to patents, copyrights, trade secrets, and trademarks, shall be the sole and exclusive property of Employer or its affiliates, as the case may be. Employee hereby assigns to Employer any and all rights Employee might otherwise have in and to any such Developments, and any and all proprietary rights of any kind thereto, including without limitation all rights relating to patents, copyrights, trade secrets, and trademarks. Employee acknowledges that the assignment of Employee's entire right, title and interest in and to any and all such Developments to Employer is deemed effective upon the earliest of the conception, development, first reduction to practice, or creation of the Development by Employee. Employee agrees, without further consideration and upon request by Employer, to assist and cooperate with Employer by executing any and all documents, and by performing any and all lawful acts, necessary to document the assignment to Employer (or Employer's designee) of Employee's right, title and interest in and to any and all such Developments and to assist Employer (or Employer's designee) in perfecting such rights.

4.2 In connection with its employment of Employee, Employer shall provide to Employee such Confidential Information of Employer as is reasonably necessary for Employee to perform Employee's obligations hereunder. Employee agrees that "***Confidential Information***" as used herein shall include, without limitation, Employer's trade secrets, confidential and/or proprietary information, and all other information and data that is not generally known to third persons who could derive economic value from its use or disclosure, including, but not limited to, Employer's strategies, methods, products, software, books, records, data and technical information concerning its products, equipment, services, and processes, procurement procedures and pricing techniques, and the names of and other information (such as credit and financial data) concerning its vendors, customers and business affiliates. Employee agrees that such Confidential Information constitutes valuable, special, and unique assets which Employer or its affiliates use in their business to obtain a competitive advantage over their competitors. Employee further agrees that protection of such Confidential Information against unauthorized disclosure and use is of critical importance to Employer and its affiliates in maintaining their competitive position. Employee shall not, at any time during or after the term of employment, use, publish, disclose, claim ownership of, communicate, divulge or send to others, access, or take, any Confidential Information of Employer or its affiliates, including Employer's vendors, consultants, joint ventures, or customers, except to the extent needed to carry out Employee's obligations hereunder, or as otherwise authorized in writing by Employer. Employee also agrees that Employee will not upload or cause to be uploaded to any online electronic data storage site (e.g., “cloud” storage sites) any Confidential Information. Employee acknowledges and agrees that any unauthorized use or disclosure of such Confidential Information would cause irreparable harm to Employer. Confidential Information shall not include information in the public domain (but only if the same becomes part of the public domain through a means other than a use or disclosure prohibited hereunder). The above notwithstanding, a disclosure shall not be unauthorized to the extent (i) it is required by law or by a court of competent jurisdiction or (ii) it is required in connection with any judicial, arbitration, dispute resolution or other legal proceeding in which Employee’s legal rights and obligations as an employee or under this Agreement are at issue; provided, however, that Employee shall, to the extent practicable and lawful in any such event, give prior notice to Employer of Employee’s intent to disclose any such confidential business information in such context so as to allow Employer or its affiliates an opportunity (which Employee will not oppose) to obtain such protective orders or similar relief with respect thereto as may be deemed appropriate, and that Employee shall limit any such disclosure to that required by the foregoing circumstances.

4.3 All written and electronic materials, records, and other documents and information made by, or coming into the possession of, Employee during the term of Employee’s employment that contain or disclose any Confidential Information of Employer or its affiliates, and any and all proprietary rights of any kind thereto, including without limitation all rights relating to patents, copyrights, trade secrets, and trademarks, shall be and remain the sole and exclusive property of Employer, or its affiliates, as the case may be. Upon termination of Employee’s employment, Employee promptly shall deliver the same, and all copies thereof, to Employer.

4.4 If, in the performance of Employee’s duties for Employer, it is necessary to temporarily remove documents or information from Employer’s premises, Employee will remove only such documents or information as necessary to perform such duties and will immediately return such documents or information to Employer’s premises upon completion of such duties and at any time upon request. Employee further agrees not to commingle such documents or information with Employee’s personal records and documents. Employee agrees to maintain any back-up copies of documents or information at Employer’s premises and not to maintain any back-up copies away from Employer’s premises. All documents or information (including computer records, facsimile and e-mail) and materials created, received or transmitted in connection with Employee’s work or using Employer facilities are presumptively Employer’s property and subject to inspection by Employer at any time. Any computer media (e.g., disks, tapes, external thumb drives, flash drives, external hard drives, DVDs or CDs), personally owned computers of Employee (including the contents of such computer’s hard drive) and data storage accounts on which any Employer documents or information has been stored may also be reviewed by Employer to determine if they contain any Confidential Information.

4.5 Pursuant to the Defend Trade Secrets Act of 2016, Employee acknowledges that an individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

4.6 For purposes of this Article 4, “***affiliates***” shall mean entities in which Employer has a 20% or more direct or indirect equity interest.

ARTICLE 5: POST-EMPLOYMENT COVENANTS

5.1 In consideration of the access to the Confidential Information provided by Employer, the payment made under Section 3.4 and the other consideration provided herein, and to protect Employer’s

Confidential Information, and the goodwill, customer and employee base, and contractual relationships of Employer, Employee agrees to the provisions of Sections 5.2, 5.3 and 5.4.

5.2 Employee agrees that, for a period of two (2) years following termination of employment, Employee shall not, anywhere in the world, directly or indirectly, either (a) solicit, encourage, or induce to terminate or reduce its business with Employer, or (b) provide any products and/or services that compete directly with products and/or services provided, marketed, and/or under development by Employer at any time during the two (2) years preceding the termination of Employee's employment, in both cases, to any person or entity who paid or engaged Employer for products and/or services, or who received the benefit of Employer's products and/or services, or with whom the Employee had any substantial dealings while Employee was employed by Employer, during the two (2) years preceding the Employee's termination of employment with Employer.

5.3 Employee further agrees that, for a period of two (2) years following termination of employment, Employee shall not, anywhere in the world, solicit, directly or indirectly, or cause or permit others to solicit, directly or indirectly, any Former or Current Employee. The term "***solicit***" as used in this Section 5.3 shall have the same meaning provided for such term in Section 3.7 above.

5.4 Employee further agrees that, for a period of two (2) years following termination of employment, Employee shall not engage, directly or indirectly, either as proprietor, stockholder, partner, director, officer, member, employee, consultant, or otherwise, (i) in any existing or future business, or in any existing or future division or unit of a commercially diverse business enterprise, anywhere in the world, that is owned in whole or in part or effectively controlled by any of the companies listed or described in Section 3.8(a) above; or (ii) in any existing or future business operating in North America or in any of the ten countries outside of North America that produced the highest revenues for the Employer in the year proceeding Employee's termination of employment that offers, sells, or provides equipment, products or services that compete with Employer's equipment, products or services, except as permitted by Section 3.8(b) above.

5.5 Employee agrees that (a) the covenants contained in this Agreement are necessary for the protection of Employer's business, goodwill, customer and employee relationships and Confidential Information, and (b) the compensation and other consideration received by Employee, including access to Confidential Information, are based on the parties' agreement to such covenants. Employee represents and warrants that the time, scope of activity and geographic area restricted by Sections 3.6, 3.7, 3.8, 5.2, 5.3, and 5.4 are reasonable, especially in view of the worldwide scope of the business operations of Employer, Employee's position and responsibilities with Employer, and the nature of the Confidential Information, that the enforcement of those restrictions contained in Sections 3.6, 3.7, 3.8, 5.2, 5.3, and 5.4 would not be unduly burdensome to or impose any undue hardship on Employee, and that Employee will be able to earn a reasonable living while abiding by such covenants. Employee agrees that the restraints and provisions of Sections 3.6, 3.7, 3.8, 5.2, 5.3, and 5.4 are no greater than necessary, and are as narrowly drafted as reasonably possible, to protect the legitimate interests of Employer, including the Confidential Information and trade secrets of Employer. Employee irrevocably waives all defenses to the strict enforcement of the covenants contained in Sections 3.6, 3.7, 3.8, 5.2, 5.3, and 5.4, and agrees that the breach or violation, or threat thereof, of the obligations and covenants set forth in any of such Sections shall entitle Employer, as a matter of right, to an injunction without the requirement of a bond, restraining any further or continued breach or violation of said obligations and covenants. The parties agree and acknowledge that the nature of Employer's business, including the locations of its projects, vendors, customers, and potential customers, is global in nature. Accordingly, the parties expressly agree that the foregoing restrictions on Employee need to be global in territorial scope to adequately protect Employer's business, goodwill, customer and employee relationships and Confidential Information, and that such global territorial restriction is reasonable in view of Employer's business, Employee's position and responsibilities with Employer, and Employee's access to the Confidential

Information of Employer. If the scope of any restriction contained in Sections 3.6, 3.7, 3.8, 5.2, 5.3, and 5.4 is deemed by a court or arbitrator to be broader than reasonable, which the parties agree should not be the case, then such restriction shall be enforced to the maximum extent permitted by law, and Employee and Employer hereby agree that such scope may be modified accordingly in any proceeding brought to enforce such restriction.

5.6 The provisions of Sections 3.6, 3.7, 3.8, 5.2, 5.3, and 5.4 are, and shall be construed as, independent covenants, and no claimed or actual breach of any contractual or legal duty by Employer shall excuse or terminate Employee's obligations under this Agreement or preclude Employer from obtaining injunctive relief for Employee's violation, or threatened violation, of any of those provisions. The restrictive periods set forth in this Agreement shall not expire, and shall be tolled, during any period in which Employee is in violation of this Agreement.

5.7 Employee agrees that he shall not make, directly or indirectly, whether in writing, orally or electronically, any negative, derogatory or other comment that could reasonably be expected to be detrimental to the Halliburton Entities, their business or operations or any of their current or former employees, officers or directors. Employee consents to Employer showing this Agreement to any third party believed by Employer to be a prospective or actual employer of Employee, and to insisting on Employee's compliance with the terms of this Agreement. Notwithstanding the foregoing, nothing in this Agreement, including the non-disclosure provisions above, limits Employee's ability to communicate with the Securities and Exchange Commission (or any other governmental agency) regarding any possible violations of law, to otherwise participate in any investigation or proceeding that may be conducted by a governmental agency (including providing documents or other information without notice to Employer), or to receive any award for information provided to a governmental agency.

ARTICLE 6: MISCELLANEOUS:

6.1 Except as otherwise provided in Section 4.5 hereof, for purposes of this Agreement, the terms "***affiliate***" or "***affiliated***" means an entity who directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with a Halliburton Entity or in which a Halliburton Entity has a 50% or more equity interest.

6.2 For purposes of this Agreement, notices and all other communications provided for herein shall be in writing and shall be deemed to have been duly given when received by or tendered to Employee or Employer, as applicable, by pre-paid courier or by United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Employer, to Halliburton Company at 3000 North Sam Houston Parkway East, Houston, Texas 77032, to the attention of the General Counsel, or to such other address as Employee shall receive notice thereof.

If to Employee, to his last known personal residence.

6.3 This Agreement shall be governed by and construed and enforced in all respects in accordance with the law of the State of Texas, without regard to principles of conflicts of law, unless preempted by federal law, in which case federal law shall govern; provided, however, that the Dispute Resolution Plan and the Federal Arbitration Act shall govern in all respects with regard to the resolution of disputes hereunder. Employee and Employer further agree that any lawsuit, arbitration, or other proceeding arising out of or related in any way to this Agreement or their relationship shall be commenced and maintained only in the federal or state courts or before an arbitrator in Harris County, Texas, and each party waives any current or future objection to such venue and hereby further agrees to submit to the jurisdiction of any duly authorized court or arbitrator in Harris County, Texas with respect to any such proceeding.

6.4 No failure by either party hereto at any time to give notice of any breach by the other party of, or to require compliance with, any condition or provision of this Agreement shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

6.5 It is a desire and intent of the parties that the terms, provisions, covenants, and remedies contained in this Agreement shall be enforceable to the fullest extent permitted by law. If any such term, provision, covenant, or remedy of this Agreement or the application thereof to any person, association, or entity or circumstances shall, to any extent, be construed to be invalid or unenforceable in whole or in part, then such term, provision, covenant, or remedy shall be construed in a manner so as to permit its enforceability under the applicable law to the fullest extent permitted by law. In any case, the remaining provisions of this Agreement or the application thereof to any person, association, or entity or circumstances other than those to which they have been held invalid or unenforceable, shall remain in full force and effect.

6.6 It is the mutual intention of the parties to have any dispute concerning this Agreement resolved out of court. Accordingly, the parties agree that any such dispute shall, as the sole and exclusive forum, be submitted for resolution through the Dispute Resolution Plan; provided, however, that the Employer, on its own behalf and on behalf of any of the Halliburton Entities, shall be entitled to seek a restraining order or injunction in any court of competent jurisdiction to prevent any breach or the continuation of any breach of the provisions of Sections 3.6, 3.7, and 3.8, and Articles 4 and 5 pending initiation or completion of proceedings under the Dispute Resolution Plan. Employee hereby consents that such restraining order or injunction may be granted without the necessity of the Employer posting any bond. The parties agree that the resolution of any such dispute through such plan shall be final and binding. A copy of the Dispute Resolution Plan, as currently in effect, has been made available to Employee and is available on Halworld under "DRP" located at *http://halworld.corp.halliburton.com*. Halliburton Company reserves the right to amend, or discontinue such plan, in accordance with, and subject to, the plan's provisions regarding same. By signing this Agreement, Employee hereby represents and warrants that he has read, understood and agrees to the terms and conditions contained in such Dispute Resolution Plan. **THE PARTIES ACKNOWLEDGE THAT, BY SIGNING THIS AGREEMENT, THEY ARE KNOWINGLY AND VOLUNTARILY WAIVING ANY RIGHT THAT THEY MAY HAVE TO A JURY TRIAL.**

6.7 This Agreement shall be binding upon and inure to the benefit of Employer, to the extent herein provided, Halliburton Entity and any other person, association, or entity which may hereafter acquire or succeed to all or substantially all of the business or assets of Employer by any means whether direct or indirect, by purchase, merger, consolidation, or otherwise. Employee's rights and obligations under this Agreement are personal and such rights, benefits, and obligations of Employee shall not be voluntarily or involuntarily assigned, alienated, or transferred, whether by operation of law or otherwise, without the prior written consent of Employer, other than in the case of Death or incompetence of Employee.

6.8 This Agreement replaces and merges any previous agreements, understandings and discussions pertaining to the subject matter covered herein and therein, including but not limited to the Executive Agreement. 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 the termination of Employee's 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, Employer and Employee agree to construe the provisions of the Agreement in accordance with the requirements of Section 409A.

[SIGNATURE PAGE FOLLOWS]

Signature Page to Executive Agreement
By and Between Halliburton Company and
Mark J. Richard

IN WITNESS WHEREOF, Employer and Employee have duly executed this Agreement in multiple originals to be effective on the Effective Date.

HALLIBURTON COMPANY

By: /s/ Lawrence J. Pope

Name: Lawrence J. Pope

Title: EVP Admin and CHRO

EMPLOYEE

/s/ Mark J. Richard

Name: Mark J. Richard

Exhibit 21.1

HALLIBURTON COMPANY
Subsidiaries of the Registrant
December 31, 2018

NAME OF COMPANY	STATE OR COUNTRY OF INCORPORATION
Halliburton (Barbados) Investments SRL	Barbados
Halliburton Affiliates, LLC	United States, Delaware
Halliburton Affiliates Services, LLC	United States, Texas
Halliburton Canada Holdings B.V.	Netherlands
Halliburton Canada ULC	Canada, Alberta
Halliburton de Mexico, S. de R.L. de C.V.	Mexico
Halliburton Energy Cayman Islands Limited II	Cayman Islands
Halliburton Energy Services, Inc.	United States, Delaware
Halliburton Far East Pte Ltd	Singapore
Halliburton Global Affiliates Holdings B.V.	Netherlands
Halliburton Group Canada	Canada
Halliburton Holdings (No.3)	United Kingdom, Scotland
Halliburton Holdings, LLC	United States, Delaware
Halliburton International B.V.	Netherlands
Halliburton International Holdings	Bermuda
Halliburton Manufacturing and Services Limited	United Kingdom, England & Wales
Halliburton Mediterranean Limited	Cyprus
Halliburton Netherlands Holdings B.V.	Netherlands
Hal Global Netherlands Cooperatief U.A.	Netherlands
Halliburton Partners Canada ULC	Canada, Alberta
Halliburton Produtos Ltda.	Brazil
Halliburton Technology, Inc.	United States, Delaware
Halliburton U.S. International Holdings, Inc.	United States, Delaware
Halliburton Worldwide GmbH	Switzerland
Halliburton Worldwide Holdings Limited	Cayman Islands
HES Corporation	United States, Nevada
HESI Holdings B.V.	Netherlands
Landmark Graphics Corporation	United States, Delaware
Oilfield Telecommunications, LLC.	United States, Delaware

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Halliburton Company:

We consent to the incorporation by reference in the registration statement (No. 333-215933) on Form S-3ASR, and (No. 333-166656) on Form S-4, and (Nos. 333-76496, 333-205842, 333-218568 and 333-225549) on Form S-8 of Halliburton Company of our reports dated February 13, 2019, with respect to the consolidated balance sheets of Halliburton Company and subsidiaries (the Company) as of December 31, 2018 and 2017, the related consolidated statements of operations, comprehensive income (loss), shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2018, and the related notes (collectively, the "consolidated financial statements"), and the effectiveness of internal control over financial reporting as of December 31, 2018, which reports appear in the December 31, 2018 annual report on Form 10-K of Halliburton Company.

/s/ KPMG LLP

Houston, Texas
February 13, 2019

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that I, the undersigned, a Director of Halliburton Company, do hereby constitute and appoint Jeffrey A. Miller and Robb L. Voyles, or any of them acting alone, my true and lawful attorneys or attorney, to do any and all acts and things and execute any and all instruments which said attorneys or attor-ney may deem necessary or advisable to enable Halliburton Company to comply with the Securities Exchange Act of 1934, as amended, and all rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the filing of the Annual Report on Form 10-K for the year ended December 31, 2018 (the "Form 10-K"), including specifically, but without limitation thereof, power and authority to sign my name as Director of Halliburton Company to the Form 10-K and any and all amendments thereto, and to any instruments or documents filed as a part of or in connection therewith; and I hereby ratify and confirm all that said attorneys or attorney shall do or cause to be done by virtue hereof.

IN TESTIMONY WHEREOF, witness my hand this 3 day of January, 2019.

/s/ Abdulaziz F. Al Khayyal
Abdulaziz F. Al Khayyal

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS , that I, the undersigned, a Director of Halliburton Company, do hereby constitute and appoint Jeffrey A. Miller and Robb L. Voyles, or any of them acting alone, my true and lawful attorneys or attorney, to do any and all acts and things and execute any and all instruments which said attorneys or attor-ney may deem necessary or advisable to enable Halliburton Company to comply with the Securities Exchange Act of 1934, as amended, and all rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the filing of the Annual Report on Form 10-K for the year ended December 31, 2018 (the "Form 10-K"), including specifically, but without limitation thereof, power and authority to sign my name as Director of Halliburton Company to the Form 10-K and any and all amendments thereto, and to any instruments or documents filed as a part of or in connection therewith; and I hereby ratify and confirm all that said attorneys or attorney shall do or cause to be done by virtue hereof.

IN TESTIMONY WHEREOF, witness my hand this 3 day of January, 2019.

/s/ William E. Albrecht
William E. Albrecht

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that I, the undersigned, a Director of Halliburton Company, do hereby constitute and appoint Jeffrey A. Miller and Robb L. Voyles, or any of them acting alone, my true and lawful attorneys or attorney, to do any and all acts and things and execute any and all instruments which said attorneys or attor-ney may deem necessary or advisable to enable Halliburton Company to comply with the Securities Exchange Act of 1934, as amended, and all rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the filing of the Annual Report on Form 10-K for the year ended December 31, 2018 (the “Form 10-K”), including specifically, but without limitation thereof, power and authority to sign my name as Director of Halliburton Company to the Form 10-K and any and all amendments thereto, and to any instruments or documents filed as a part of or in connection therewith; and I hereby ratify and confirm all that said attorneys or attorney shall do or cause to be done by virtue hereof.

IN TESTIMONY WHEREOF, witness my hand this 3 day of January, 2019.

/s/ Alan M. Bennett
Alan M. Bennett

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that I, the undersigned, a Director of Halliburton Company, do hereby constitute and appoint Jeffrey A. Miller and Robb L. Voyles, or any of them acting alone, my true and lawful attorneys or attorney, to do any and all acts and things and execute any and all instruments which said attorneys or attor-ney may deem necessary or advisable to enable Halliburton Company to comply with the Securities Exchange Act of 1934, as amended, and all rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the filing of the Annual Report on Form 10-K for the year ended December 31, 2018 (the “Form 10-K”), including specifically, but without limitation thereof, power and authority to sign my name as Director of Halliburton Company to the Form 10-K and any and all amendments thereto, and to any instruments or documents filed as a part of or in connection therewith; and I hereby ratify and confirm all that said attorneys or attorney shall do or cause to be done by virtue hereof.

IN TESTIMONY WHEREOF, witness my hand this 3 day of January, 2019.

/s/ James R. Boyd
James R. Boyd

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that I, the undersigned, a Director of Halliburton Company, do hereby constitute and appoint Jeffrey A. Miller and Robb L. Voyles, or any of them acting alone, my true and lawful attorneys or attorney, to do any and all acts and things and execute any and all instruments which said attorneys or attor-ney may deem necessary or advisable to enable Halliburton Company to comply with the Securities Exchange Act of 1934, as amended, and all rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the filing of the Annual Report on Form 10-K for the year ended December 31, 2018 (the "Form 10-K"), including specifically, but without limitation thereof, power and authority to sign my name as Director of Halliburton Company to the Form 10-K and any and all amendments thereto, and to any instruments or documents filed as a part of or in connection therewith; and I hereby ratify and confirm all that said attorneys or attorney shall do or cause to be done by virtue hereof.

IN TESTIMONY WHEREOF, witness my hand this 3 day of January, 2019.

/s/ Milton Carroll
Milton Carroll

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that I, the undersigned, a Director of Halliburton Company, do hereby constitute and appoint Jeffrey A. Miller and Robb L. Voyles, or any of them acting alone, my true and lawful attorneys or attorney, to do any and all acts and things and execute any and all instruments which said attorneys or attor-ney may deem necessary or advisable to enable Halliburton Company to comply with the Securities Exchange Act of 1934, as amended, and all rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the filing of the Annual Report on Form 10-K for the year ended December 31, 2018 (the "Form 10-K"), including specifically, but without limitation thereof, power and authority to sign my name as Director of Halliburton Company to the Form 10-K and any and all amendments thereto, and to any instruments or documents filed as a part of or in connection therewith; and I hereby ratify and confirm all that said attorneys or attorney shall do or cause to be done by virtue hereof.

IN TESTIMONY WHEREOF, witness my hand this 3 day of January, 2019.

/s/ Nance K. Dicciani
Nance K. Dicciani

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS , that I, the undersigned, a Director of Halliburton Company, do hereby constitute and appoint Jeffrey A. Miller and Robb L. Voyles, or any of them acting alone, my true and lawful attorneys or attorney, to do any and all acts and things and execute any and all instruments which said attorneys or attor-ney may deem necessary or advisable to enable Halliburton Company to comply with the Securities Exchange Act of 1934, as amended, and all rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the filing of the Annual Report on Form 10-K for the year ended December 31, 2018 (the "Form 10-K"), including specifically, but without limitation thereof, power and authority to sign my name as Director of Halliburton Company to the Form 10-K and any and all amendments thereto, and to any instruments or documents filed as a part of or in connection therewith; and I hereby ratify and confirm all that said attorneys or attorney shall do or cause to be done by virtue hereof.

IN TESTIMONY WHEREOF, witness my hand this 3 day of January, 2019.

/s/ Murry S. Gerber
Murry S. Gerber

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that I, the undersigned, a Director of Halliburton Company, do hereby constitute and appoint Jeffrey A. Miller and Robb L. Voyles, or any of them acting alone, my true and lawful attorneys or attorney, to do any and all acts and things and execute any and all instruments which said attorneys or attor-ney may deem necessary or advisable to enable Halliburton Company to comply with the Securities Exchange Act of 1934, as amended, and all rules, regulations and requirements of the Securities and Exchange Commission in respect thereof, in connection with the filing of the Annual Report on Form 10-K for the year ended December 31, 2018 (the "Form 10-K"), including specifically, but without limitation thereof, power and authority to sign my name as Director of Halliburton Company to the Form 10-K and any and all amendments thereto, and to any instruments or documents filed as a part of or in connection therewith; and I hereby ratify and confirm all that said attorneys or attorney shall do or cause to be done by virtue hereof.

IN TESTIMONY WHEREOF, witness my hand this 3 day of January, 2019.

/s/ Robert A. Malone
Robert A. Malone

Exhibit 31.1

Section 302 Certification

I, Jeffrey A. Miller, certify that:

1. I have reviewed this annual report on Form 10-K for the year 2018 of Halliburton Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 13, 2019

/s/ Jeffrey A. Miller
Jeffrey A. Miller
President and Chief Executive Officer
Halliburton Company

Exhibit 31.2

Section 302 Certification

I, Lance Loeffler, certify that:

1. I have reviewed this annual report on Form 10-K for the year 2018 of Halliburton Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 13, 2019

/s/ Lance Loeffler
Lance Loeffler
Executive Vice President and Chief Financial Officer
Halliburton Company

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

This certification is provided pursuant to § 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. § 1350, and accompanies the Annual Report on Form 10-K for the period ended December 31, 2018 of Halliburton Company (the “Company”) as filed with the Securities and Exchange Commission on the date hereof (the “Report”).

I, Jeffrey A. Miller, President and Chief Executive Officer of the Company, certify that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jeffrey A. Miller
Jeffrey A. Miller
President and Chief Executive Officer

Date: February 13, 2019

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

This certification is provided pursuant to § 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. § 1350, and accompanies the Annual Report on Form 10-K for the period ended December 31, 2018 of Halliburton Company (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report").

I, Lance Loeffler, Executive Vice President and Chief Financial Officer of the Company, certify that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Lance Loeffler
Lance Loeffler
Executive Vice President and Chief Financial Officer

Date: February 13, 2019

Exhibit 95

Mine Safety Disclosures

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act, each operator of a mine is required to include certain mine safety results in its periodic reports filed with the SEC. The operation of our mines is subject to regulation by the federal Mine Safety and Health Administration (MSHA) under the Federal Mine Safety and Health Act of 1977 (Mine Act). Below, we present the following items regarding certain mining safety and health matters for the year ended December 31, 2018:

- total number of violations of mandatory health or safety standards that could significantly and substantially contribute to the cause and effect of a mine safety or health hazard under section 104 of the Mine Act for which we have received a citation from MSHA;
- total number of orders issued under section 104(b) of the Mine Act, which covers violations that had previously been cited under section 104(a) that, upon follow-up inspection by MSHA, are found not to have been totally abated within the prescribed time period, which results in the issuance of an order requiring the mine operator to immediately withdraw all persons (except certain authorized persons) from the mine;
- total number of citations and orders for unwarrantable failure of the mine operator to comply with mandatory health or safety standards under Section 104(d) of the Mine Act;
- total number of flagrant violations (i.e., reckless or repeated failure to make reasonable efforts to eliminate a known violation of a mandatory health or safety standard that substantially and proximately caused, or reasonably could have been expected to cause, death or serious bodily injury) under section 110(b)(2) of the Mine Act;
- total number of imminent danger orders (i.e., the existence of any condition or practice in a mine which could reasonably be expected to cause death or serious physical harm before such condition or practice can be abated) issued under section 107(a) of the Mine Act;
- total dollar value of proposed assessments from MSHA under the Mine Act;
- total number of mining-related fatalities; and
- total number of pending legal actions before the Federal Mine Safety and Health Review Commission involving such mine.

HALLIBURTON COMPANY

Mine Safety Disclosures

Year Ended December 31, 2018

(Unaudited)

(Whole dollars)

Operation/ MSHA Identification Number(1)	Section 104 Citations	Section 104(b) Orders	104(d) Citations and Orders	Section 110(b)(2) Violations	Section 107(a) Orders	Proposed MSHA Assessments(2)	Fatalities	Pending Legal Actions
BPM Colony Mill/4800070	2	—	—	—	—	$ 838	—	—
BPM Colony Mine/4800889	—	—	—	—	—	—	—	—
BPM Lovell Mill/4801405	3	—	—	—	—	2,538	—	—
BPM Lovell Mine/4801016	—	—	—	—	—	—	—	—
Corpus Christi Grinding Plant/4104010	—	—	—	—	—	—	—	—
Dunphy Mill/2600412	—	—	—	—	—	—	—	—
Lake Charles Plant/1601032	1	—	—	—	—	691	—	—
Larose Grinding Plant/1601504	—	—	—	—	—	—	—	—
Rossi Jig Plant/2602239	—	—	—	—	—	—	—	—
Total	6	—	—	—	—	$ 4,067	—	—

(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 February 4, 2019 regardless of whether the assessment has been challenged or appealed, for citations and orders occurring during the year ended December 31, 2018.

In addition, as required by the reporting requirements regarding mine safety included in §1503(a)(2) of the Dodd-Frank Act, the following is a list for the year ended December 31, 2018, 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.