

To Our Stakeholders

As we turn the page on the 100th year of Halliburton, we enter our next century with a clear sense of purpose – to help our customers satisfy the world’s need for the affordable and reliable energy provided by oil and gas – in a more effective, efficient, safe, and ethical manner – while minimizing environmental impact. Our purpose aligns with our core values and is fundamental to our strategy, value proposition and financial objectives. We will continue to do what we do best – collaborate and engineer solutions to maximize our customers’ asset value – while generating industry-leading returns and strong cash flow for our shareholders.

The year 2019 marks the end of the first full decade of the shale revolution that propelled the United States to become the world’s top hydrocarbon producer. Our Company was an early participant in this development, investing and innovating alongside our customers from the beginning. As unconventional entered the maturation phase, our North America customers shifted their focus from growth to capital discipline, which impacted our business through reduced customer activity and additional pricing pressure. In contrast, the recovery in international markets continued in 2019, and our international growth outpaced the market.

The Halliburton team continues to execute our value proposition, deliver exceptional safety and service quality, and stay focused on generating healthy returns and strong cash flow. Importantly, we are working more safely than ever, with key safety indicators for our Company at historic bests. Thanks to the exceptional performance and commitment of our Halliburton employees, we delivered over USD 900 million of free cash flow for the full year, demonstrating our ability to generate consistent free cash flow throughout different business environments. We exercised capital discipline, while also advancing our differentiating technologies and digital capabilities, and expanding our product and service offerings. We achieved over USD 300 million in savings from continuous improvement initiatives. We also returned over USD 700 million to our shareholders in the form of dividends and stock repurchases.

Our industry has experienced significant change over the last 100 years. Halliburton evolved and progressed throughout that time, tackling challenges and seizing opportunities, always emerging stronger than before. Technology has been instrumental in allowing us to succeed in this changing environment. Over the next several decades, technology and digitalization will produce substantial productivity gains – and also materially improve reservoir understanding, well construction and reservoir recovery. Halliburton will be at the forefront of this technology wave, and our shareholders will benefit from it. Three critical areas, together with our strategies around integrated services and digital, will lay the foundation for a prosperous and stable future for Halliburton.

Differentiated Hydraulic Fracturing

Halliburton is a market leader in hydraulic fracturing – both in the U.S. and globally. Our focus on systematically improving our service delivery and cost leadership, and on developing technology that benefits both Halliburton and our customers, provides clear market differentiation.

In 2019, we deployed the first Integrated Well Completions fleets that require less capital and deliver 31 percent reduction in stage transition times and 10 percent more pumping hours per month compared to a non-integrated fleet. We also continued to invest in disruptive technologies like Prodigy™, our automated fracturing service, which utilizes enhanced reservoir understanding through fiber optics and machine learning algorithms to control surface equipment and allow customers to maximize production for every dollar they spend on unconventional. The initial results of field tests show a 10–25 percent improvement in productivity on wells completed with our Prodigy™ intelligent fracturing service. We believe this is just the beginning.



Jeffrey A. Miller
Chairman of the Board,
President and Chief Executive Officer

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Stakeholder Letter *continued*

“For Halliburton, 2019 was an exceptional year for our safety and service quality performance. Our total recordable incident rate and non-productive time both improved by over 20 percent – historical bests across our business.”

Improved Drilling Competitiveness

Over the last few years, we have made substantial investments in our directional drilling and logging-while-drilling technologies. These offerings are key to driving our international margin expansion and successfully competing for integrated projects.

In 2019, we continued the successful deployment of our new iCruise® intelligent rotary steerable system. Currently, it has drilled over one million feet globally and delivered several records, including drilling an 18,000-foot lateral in one day in the Marcellus shale. We also introduced a unique 3D inversion capability of the EarthStar® ultra-deep resistivity service, which received a *World Oil* award as the best drilling technology of the year. Lastly, we launched our Motors Center of Excellence facilities in both the U.S. (Houston) and Saudi Arabia. This new approach combines specialized engineering and manufacturing capabilities to customize drilling motor designs for specific basin challenges, significantly improving our motor design and repair competitiveness.

Growing Production Group Businesses

Historically, Halliburton mostly participated in the drilling and completion stages of a well’s lifecycle. With our expansion into specialty chemicals, artificial lift, and well intervention solutions, we are tapping into a long-term, later-cycle market with significant growth potential.

In 2019, we broke ground in Saudi Arabia on the Company’s first chemical manufacturing plant in the Eastern Hemisphere. This plant will provide an advantaged location for Halliburton to deliver superior service and chemical applications expertise to our Eastern Hemisphere customers, and to manufacture chemicals for the Company’s internal consumption. Our North America-focused artificial lift business demonstrated strong double-digit growth in 2019. Going forward, we will work to replicate this success in the international markets, with the first Halliburton electric submersible pump (ESP) installations occurring in 2019 in Latin America and the Middle East. In the well interventions space, *World Oil* recognized our SPECTRUM® 360 multi-side view camera, which provides downhole visualization during intervention services, as the “best well intervention technology” in 2019.

Integrated Services

Many of our customers are evolving toward more integrated contracting models. We are seeing this internationally with national oil companies (NOCs), small independents and large international oil companies (IOCs). Over the past two years, our total revenue from integrated services has grown by more than 50 percent. Halliburton is uniquely capable to meet customer demand for integrated services. In 2019, we continued to strengthen our Project Management organization, and secured multiple integrated contract wins across the globe. One anticipated trend is the expansion of integrated services from well construction into well completion and well intervention services. Our broad products and services portfolio gives us a unique advantage in competing for these new opportunities.

Digital

Incorporating digital technology is not a separate strategy at Halliburton. Rather, it is an integral part of the Company’s value proposition. Our ability to collaborate, engineer solutions and maximize customers’ asset value is evolving through the seamless integration of digital technologies into our operations. Digital technology permeates everything we do, and has the same goal as our business strategy – to deliver value for our customers and returns for our shareholders.

We continue to bring to market practical, smart and interconnected products and services that help unlock value for Halliburton and our customers. Our Landmark product line is an established leader in petrotechnical software with a powerful, cloud-enabled DecisionSpace® 365 software platform. Landmark provides us a solid foundation – established through decades of investment in software development, people, domain expertise and processes – to create and scale digital solutions. This benefits all of our product lines. In 2019, customer and internal adoption of our digital solutions continued – from increased sales of cloud-enabled Landmark software, to addressing shale productivity challenges with automated fracturing, to implementing digital twins to reduce risk in our integrated operations.

Technological innovations are fundamentally altering the dynamics of business, economics, education, government and even our sense of community. In our industry, digital technologies are redrawing the map of exploration and production in ways unimaginable not long ago. Halliburton targets its digital initiatives at solving business challenges. From big data analytics that drive operational efficiency and accelerate cycle times, to the use of machine learning and artificial intelligence to provide real-time insights and enable automation across all stages of the well life cycle, Halliburton is able to automate both mechanical systems and processes, enabling people to focus on more advanced, value-adding tasks.

Sustainability

We imbed sustainability into our strategy; it is integral to our overall mission. The sustainability of our business, the reduction in environmental impacts and the enhancement of the economic and social well-being of our employees and the communities in which they live and work are critical to the success of our business. Throughout this report, you will find many examples of environmental, social and governance (ESG) initiatives and achievements from across our global footprint. We remain committed to our Guiding Principles for Sustainability, which serve as a framework for sustainable action and support our purpose and core values. Ethics and integrity are the foundation for our Guiding Principles, and are at the heart of the Halliburton corporate culture, our operations, and our future.

In 2019, we undertook a major engagement exercise with our key internal and external stakeholders. Going forward, we welcome the opportunity to engage further with our stakeholders regarding sustainability. We incorporate stakeholder feedback into our innovation process, our employee development programs, our supply chain partnerships, our environmental stewardship and our health and safety Journey to ZERO. We align our sustainability program with the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), and the Task Force on Climate-Related Financial Disclosures (TCFD) frameworks.

We recognize the effects that climate change will have on our business, our stakeholders and the communities in which we operate, and believe that we are well positioned for the future transition where oil and gas, as well as low-carbon, renewable and sustainable sources of energy, all have a part to play in providing the world with access to affordable and reliable energy. In 2019, we published our Climate Change Position on our website, and we will continue to report on our climate change efforts through our Annual and Sustainability Report and other public disclosures.

Halliburton thrives on technical challenges; we are known for designing appropriate solutions. The challenges of the global move to a low-carbon economy provide us a novel and exciting opportunity – to produce oil and gas as efficiently as possible by reducing material usage and minimizing emissions. As a result, we systematically address sustainability principles and requirements such as emissions, water use, waste management, health and safety, increased production potential and cost reduction as part of our technology development process.



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Stakeholder Letter *continued*

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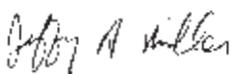
We remain committed to advancing our Journey to ZERO – striving to achieve zero safety incidents, environmental incidents and non-productive time (NPT) all day, every day. For Halliburton, 2019 was an exceptional year for our safety and service quality performance. Our total recordable incident rate and NPT both improved by over 20 percent – historical bests across our business. These results indicate that we reduced the number and severity of incidents, thus improving safety for our employees and decreasing delays to customers. We also continued to provide our customers with new technologies that enable them to reduce environmental impacts and to work more safely and efficiently in the field.

Turning to 2020, like other companies in the energy industry and beyond, our business will be impacted by the Coronavirus pandemic and the unprecedented decline in commodity prices. Halliburton has withstood many challenges in the past and grown stronger as a result; many times in fact over the last 100 years. I am confident that this time will be no different. Halliburton is a market leader in an industry that is essential to the entire world. We have an excellent business, great customers, an outstanding workforce and a strong balance sheet. The market will eventually recover. Until then, we will control what we can control, continue to deliver on our value proposition, stay focused on safety and service quality, exercise capital discipline and work diligently to drive margins, free cash flow and returns. We remain committed to preserving the long-term value of our company.

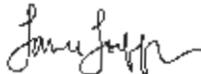
In Closing

As Halliburton enters its next century, disruptions to historical paradigms will present new opportunities and challenges for our business. Halliburton has embraced and successfully adapted to change throughout its history, and we are ready to thrive as the rate of change accelerates in the future.

Despite near-term headwinds, we are excited about what the next 100 years will bring for Halliburton. We thank our customers for their business and trust, our employees for their hard work and dedication, and our shareholders for their support. We are grateful to have all of you with us as we start the next century for Halliburton.



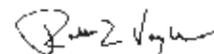
JEFFREY A. MILLER
Chairman of the Board,
President and
Chief Executive Officer



LANCE T. LOEFFLER
Executive Vice President
and Chief Financial Officer



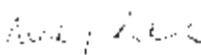
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