

HALLIBURTON COMPANY
Notice of Purchase of Notes by the Company at the Option of the Holder

From: Halliburton Company (the "Company")
To: Holders of Halliburton Company 3 1/8% Convertible Senior Notes due July 15, 2023
(the "Notes")
Date: July 7, 2008

Subject: Company Notice to Purchase Notes by the Company at the Option of the Holder
Reference is made to (i) the Company's 3 1/8% Convertible Senior Notes due July 15, 2023; (ii) the Indenture dated as of June 30, 2003 between Halliburton and The Bank of New York Trust Company, N.A. (as successor to JPMorgan Chase Bank), as Trustee (the "Original Indenture"); and (iii) the First Supplemental Indenture dated as of December 17, 2004 between Halliburton and The Bank of New York Trust Company, N.A. (as successor to JPMorgan Chase Bank), as Trustee (the "First Supplemental Indenture" and together with the Original Indenture, the "Indenture"). Capitalized terms not otherwise defined herein have the meanings assigned in the Indenture.

As set forth in Section 8.1 of the Indenture, the Company is sending you this Notice of your right to require the Company to purchase the Notes you hold at your option.

1. The Purchase Price on August 4, 2008 is \$1,000.00 per \$1,000.00 principal amount of Notes, together with accrued and unpaid interest of \$3.04 per \$1,000.00 principal amount of the Notes from July 1, 2008 through August 4, 2008.
2. The adjusted Conversion Rate on July 7, 2008 is 53.4069.
3. For purposes of this notice, the Purchase Date shall be August 4, 2008. The Indenture specifies a Purchase Date of July 15, 2008. The Purchase Date has been set as August 4, 2008 because of delays in the issuance of this Notice and to allow Holders appropriate time to decide whether to submit a Purchase Notice. Accrued interest will be paid through August 4, 2008.
4. The last date on which a Holder may exercise its purchase right is July 28, 2008.
5. The name and address of the Paying Agent and the Conversion Agent are:

The Bank of New York Mellon Trust Company, National Association
Corporate Trust Department
101 Barclay -7E
New York, NY 10286
Attn: Reorganization Division
By Facsimile: Eligible Institutions Only (212-298-1915)
6. The Notes must be surrendered to the Paying Agent to collect payment of the Purchase Price.

7. The Notes as to which a Purchase Notice has been given may be converted only if the Purchase Notice has been withdrawn in accordance with the terms of the Indenture.
8. The Purchase Price for any Notes as to which a Purchase Notice has been given and not withdrawn shall be paid by the Paying Agent promptly following the later of the Purchase Date or the time of book-entry transfer or delivery of the Notes.
9. You can elect to have the Company purchase the Notes you hold by (i) completing and delivering to the Paying Agent the Purchase Notice which is attached to this Notice by the close of business on the fifth Business Day prior to the Purchase Date; and (ii) delivering or transferring by book-entry the Notes to the Paying Agent prior to, on or after the Purchase Date (together with all necessary endorsements) at the offices of the Paying Agent, such delivery or transfer being a condition to receipt by the Holder of the Purchase Price; provided, however, that the Purchase Price shall be paid only if the Notes delivered or transferred to the Paying Agent shall conform in all respects to the description thereof in the related Purchase Notice.
10. Subject to the procedures set forth in the Indenture, a Holder may convert Notes into Common Stock on or before the close of business on July 15, 2023 during the periods and upon satisfaction of at least one of the conditions set forth below:
 - (a) in any calendar quarter (and only during such calendar quarter) if the Last Reported Sale Price for Common Stock for at least 20 Trading Days during the period of 30 consecutive Trading Days ending on the last Trading Day of the previous calendar quarter is greater than or equal to 120% of the Conversion Price per share of Common Stock on such last Trading Day;
 - (b) during any period in which both (A) the credit rating assigned to the Notes by Moody's Investors Service, Inc. is lower than Ba1 and (B) the credit rating assigned to the Notes by Standard & Poors Rating Services is lower than BB+;
 - (c) during any period in which the Notes no longer are assigned credit ratings by at least one of Moody's Investors Services, Inc. and Standard & Poor's Ratings Services or their successors;
 - (d) in the event that the Company calls the Notes for redemption, at any time prior to the close of business on the second Business Day immediately preceding the Redemption Date; or
 - (e) the Company becomes a party to a consolidation, merger or binding share exchange pursuant to which the Common Stock would be converted into cash or property (other than securities), in which case a Holder may surrender Notes for conversion at any time from and after the date which is 15 days prior to the anticipated effective date for the transaction until 15 days after the actual effective date of such transaction; or
 - (f) the Company elects to (i) distribute to all holders of Common Stock assets, debt securities or rights to purchase securities of the Company, which distribution has a per share value as determined by the Board of Directors exceeding 15% of the Last

Reported Sale Price of a share of Common Stock on the Trading Day immediately preceding the declaration date for such distribution, or (ii) distribute to all holders of Common Stock rights entitling them to purchase, for a period expiring within 60 days after the date of such distribution, shares of Common Stock at less than the Last Reported Sale Price of Common Stock on the Trading Day immediately preceding the declaration date of the distribution.

The requirements of subparagraph (a) above have been met, so Holders may currently convert Notes into Common Stock.

11. Unless the Company defaults in making payment of the Purchase Price on Notes covered by a Purchase Notice, interest and Additional Amounts, if any, will cease to accrue on and after the Purchase Date.
12. The CUSIP numbers of the Notes are 406216AL5 and 406216AM3.
13. A Holder delivering to the Paying Agent a Purchase Notice shall have the right at any time prior to the close of business on the Business Day prior to the Purchase Date to withdraw such Purchase Notice (in whole or in part) by delivery of a written notice of withdrawal to the Paying Agent in accordance with Section 8.2 of the Indenture.

Please contact the Paying Agent if you have any questions about this Notice.

HALLIBURTON COMPANY



Craig W. Nunez
Senior Vice President and Treasurer

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Company pursuant to Section 7.1 of the Indenture, check the box:

If you want to elect to have only part of this Note purchased by the Company pursuant to Section 7.1 of the Indenture, state the amount in principal amount (must be integral multiple of \$1,000): \$ _____ .

Date: _____

Your Signature: _____

(Sign exactly as your name appears on the other side of the Note)

Signature Guarantee: _____

(Signature must be guaranteed)

The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to S.E.C. Rule 17Ad-15.