

Halliburton

Low Carbon Energy Report

WHEREAS: In 2007, the Intergovernmental Panel on Climate Change (IPCC) found “warming of the climate system is unequivocal,” and man-made greenhouse gas (GHG) emissions are now believed, with greater than 90 percent certainty, to be the cause.

The Stern Review, often cited as the most comprehensive overview of the economics of climate change, estimated that the cumulative economic impacts of climate change could be equivalent to a loss of up to 20% of average world-wide consumption if action is not taken quickly.

According to the Conference Board, “businesses that ignore the debate over climate change do so at their peril.” Data from the Energy Information Administration indicates that over half of domestic greenhouse gas emissions result from the combustion of oil and gas. Both major party presidential candidates in the United States support regulations designed to lower GHG emissions, increasing the likelihood that new regulations will be enacted that could significantly impact demand for oil and gas.

The IPCC also concludes that, “there is substantial economic potential for the mitigation of global greenhouse gas emissions over the coming decades that could offset the projected growth of global emissions or reduce emissions below current levels.”

Halliburton has great potential to help realize these GHG emission reductions by applying its core competencies in analyzing and mapping complex geological formations and managing wells in these formations. This expertise could be applied to the research and development of low-carbon energy technologies, such as geothermal energy and carbon sequestration.

A recent report by leading scientists from MIT, funded by the U.S. Department of Energy, concluded that new technologies could allow for a substantial portion of U.S. energy to come from geothermal sources. Halliburton's competitor Baker Hughes offers geothermal services and “has provided wellbore construction services on over 1,000 geothermal wells throughout North, Central and South America, Europe, and Asia.”

Another of our company's main competitors, Schlumberger, states on its website, that, “we believe there is sufficient evidence of the potential seriousness of the issue [global warming] to start preparing future solutions.” To face this issue, Schlumberger has elected to invest in carbon sequestration technology, understanding that doing so is an important element in their role as a global citizen and business.

Halliburton's 2007 sustainability report states that “We seek to develop services and technologies for pursuing clean and renewable energy sources for the future.” Yet, the report provides no additional detail for investors to judge how the company is progressing in meeting this important goal. The report also does not address research or investment in any emerging low-carbon or renewable energy technology, including geothermal power or carbon sequestration.

RESOLVED: That Halliburton's Board adopt a policy for low-carbon energy research, development and production and report to shareholders, within six months of the 2009 annual meeting, on activities related to the policy. The report shall be prepared at a reasonable cost and omit proprietary information.