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Halliburton Company Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) The first question comes from the line of Dave Anderson – UBS.

Dave Anderson - UBS

Back in the fall you had talked about the scope of the Manifa project remaining intact with the timing getting stretched out about another year or so. Since then outlook has dimmed considerably. I'm just wondering if you have seen these larger projects continue to get pushed out as the need for capacity expansion, particularly in the OPEC nations, is considerably less now.

Dave Lesar

Certainly I can talk specifically about Manifa which has been stretched out and I understand they are looking at some of the E&C contracts and potentially [retendering] them. I think that is a symptom of what we are seeing at a number of the larger projects in the international marketplace. Not a cancellation of existing projects but basically drawing them out over a longer period of time so they don't have a big slug of production coming on in a weakened oil price environment. What we are seeing is a cancellation of projects that were perhaps about to get tendered and move forward.

So I think our customers right now really are taking a wait and see attitude toward the supply response to pricing especially those customers that are inside OPEC.

Dave Anderson - UBS

How much longer is that wait?

Dave Lesar

Your guess is as good as mine. I think that they are really wanting to see whether this last substantial reduction in OPEC quota will have some result in at least stabilizing prices but I think as we have all seen and read there is a view out there that oil prices need to push back up into the \$75 range before OPEC will be satisfied with bringing additional production on.

Operator

The next question comes from Ole Storer - Morgan Stanley.

Ole Storer - Morgan Stanley

I understand the difficulty in giving any type of forecast given the macro environment that we are in but it seems like the debate is this going to be a steep down cycle that troughs in 2009 or is the trough going to be flatter? What is your view here on when we will see the biggest quarterly year-over-year decline?

Tim Probert

I think that let's just sort of talk about North America first and then talk about the international markets. As far as North America is concerned, as I mentioned earlier, we do see a lot of similarities in terms of the pace and rate of change with the 2001 cycle in which case it would suggest to us we would be kind of looking at a 3-quarter cycle. We are obviously already in the second quarter of that right now. So that is kind of obviously it remains to be seen but we are certainly monitoring closely the performance against that cycle and we certainly see similarities to it in present.

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