WOODFIBRE GIVES GREEN LIGHT FOR FEED WORK TO KBR

OCTOBER 24, 2016

HOUSTON, TX — KBR, Inc. (NYSE: KBR) announced today it will proceed with Front-End Engineering Design (FEED) for the Woodfibre LNG Project. This continues the second phase of the contract announced in March of this year for KBR to perform multi-phased FEED services for the Woodfibre LNG Export Facility, a project located in the District of Squamish near Vancouver, British Columbia, Canada.

KBR has successfully completed the first phase, focused on cost optimization for the project. Now, KBR will provide comprehensive FEED services for the 2.1 MTPA liquefaction export facility from KBR's operating centers in Houston (USA) and Edmonton (CA), culminating in a lump-sum turn-key (LSTK) price for an engineering, procurement and construction (EPC) contract.

"The award of the FEED contract to KBR, a world leader in LNG FEED and EPC work, reaffirms the momentum behind the Woodfibre LNG project," said Byng Giraud, Country Manager and Vice President of Corporate Affairs for Woodfibre LNG Limited, the privately held Canadian company behind the Woodfibre LNG Project. "KBR has been a valued contributor to the Woodfibre LNG Project as work continues to ensure the right elements are in place for what could be British Columbia's first LNG export facility," said Giraud.

"We are pleased to continue our relationship with Woodfibre as they progress toward becoming British Columbia's first LNG exporter," said Farhan Mujib, President of KBR's Engineering & Construction (E&C) Americas business. "This award reinforces KBR's position in British Columbia as well as our strategic commitment to developing fit-for-purpose LNG facilities for our customers."

For more than 40 years, KBR has designed or constructed over 30 different liquefaction projects across the globe, gaining industry-leading capability in the design, construction, commissioning, and start-up of these facilities.

Revenue associated with this project is undisclosed and will be booked into backlog of unfilled orders for KBR's E&C business segment in Q3 2016.

About KBR, Inc.
KBR is a global provider of differentiated professional services and technologies across the asset and program life cycle within the Hydrocarbons and Government Services Sectors. KBR employs over 31,000 people worldwide, with customers in more than 80 countries, and operations in 40 countries, across three synergistic global businesses:

- Government Services, serving government customers globally, including capabilities that cover the full life-cycle of defense, space, aviation and other government programs and missions from research and development, through systems engineering, test and evaluation, program management, to operations, maintenance, and field logistics
- Technology & Consulting, including proprietary technology focused on the monetization of hydrocarbons (especially natural gas and natural gas liquids) in ethylene and petrochemicals; ammonia, nitric acid and fertilizers; oil refining;

gasification; oil and gas consulting; integrity management; naval architecture and proprietary hulls; and downstream consulting

- Engineering & Construction, including onshore oil and gas; LNG (liquefaction and regasification)/GTL; oil refining; petrochemicals; chemicals; fertilizers; differentiated EPC; maintenance services (Brown & Root Industrial Services); offshore oil and gas (shallow-water, deep-water, subsea); floating solutions (FPU, FPSO, FLNG & FSRU) and program management

KBR is proud to work with its customers across the globe to provide technology, value-added services, integrated EPC delivery and long term operations and maintenance services to ensure consistent delivery with predictable results. At KBR, We Deliver.

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Forward Looking Statement

The statements in this press release that are not historical statements, including statements regarding future financial performance, are forward-looking statements within the meaning of the federal securities laws. These statements are subject to numerous risks and uncertainties, many of which are beyond the company's control that could cause actual results to differ materially from the results expressed or implied by the statements. These risks and uncertainties include, but are not limited to: the outcome of and the publicity surrounding audits and investigations by domestic and foreign government agencies and legislative bodies; potential adverse proceedings by such agencies and potential adverse results and consequences from such proceedings; the scope and enforceability of the company's indemnities from its former parent; changes in capital spending by the company's customers; the company's ability to obtain contracts from existing and new customers and perform under those contracts; structural changes in the industries in which the company operates; escalating costs associated with and the performance of fixed-fee projects and the company's ability to control its cost under its contracts; claims negotiations and contract disputes with the company's customers; changes in the demand for or price of oil and/or natural gas; protection of intellectual property rights; compliance with environmental laws; changes in government regulations and regulatory requirements; compliance with laws related to income taxes; unsettled political conditions, war and the effects of terrorism; foreign operations and foreign exchange rates and controls; the development and installation of financial systems; increased competition for employees; the ability to successfully complete and integrate acquisitions; and operations of joint ventures, including joint ventures that are not controlled by the company.

KBR's most recently filed Annual Report on Form 10-K, any subsequent Form 10-Qs and 8-Ks, and other Securities and Exchange Commission filings discuss some of the important risk factors that KBR has identified that may affect the business, results of operations and financial condition. Except as required by law, KBR undertakes no obligation to revise or update publicly any forward-looking statements for any reason.