

KBR Signs Major Engineering, Procurement and Construction Contract for Magnolia LNG Project

HOUSTON – November 16, 2015 – KBR, Inc. (NYSE: KBR) announced today the signing of a major engineering, procurement and construction (EPC) contract by Magnolia LNG (MLNG) for a liquefied natural gas (LNG) facility at the Port of Lake Charles, Louisiana, USA. KBR will lead the KSJV joint venture with SK Engineering & Construction (South Korea) for execution of the project.

The EPC contract covers the detailed engineering, procurement and construction of four LNG production trains each with design capacity of 2 million tonnes per annum (mtpa), two 160,000 m³ full containment LNG storage tanks, LNG marine and ship loading facilities, and supporting infrastructure.

The project will rely on innovative technology involving ammonia pre-cooling for the core liquefaction process, Optimized Single Mixed Refrigerant (OSMR)[®], developed by MLNG's parent company, LNG Limited, to achieve a lower cost, more efficient and more environmentally friendly plant.

"We are delighted to work with Magnolia LNG on this ground-breaking project for more innovative, cost effective, efficient and greener LNG," said Stuart Bradie, KBR President and CEO.

"KBR's long history of success in global LNG, ammonia and plant modularization make us a natural fit for this exciting project and we are pleased to have the opportunity to bring our unique skills, together with our self-perform construction capability and outstanding safety record, to create exceptional value for MLNG," continued Bradie.

KSJV engineering and procurement services will commence immediately and subject to final regulatory approval, construction mobilization on the project is expected to begin the first quarter of 2016. Work on detailed design and early construction planning will proceed immediately under a Limited Notice to Proceed (LNTP) with final release expected in 2016.

As work is released under the contract, KBR will be booking revenue into backlog of unfilled orders for KBR's E&C Business Segment.

About KBR, Inc.

KBR, Inc. is a global technology, engineering, procurement and construction company serving the hydrocarbons and government services industries, employing approximately 25,000 people worldwide with customers in more than 70 countries and operations in 40 countries across three distinct global businesses:

- Technology & Consulting, including proprietary technology in refining, ethylene, ammonia and fertilizers, and gasification; and niche consulting and know-how through subsidiaries Granherne, Energo and GVA
- Engineering & Construction, including Offshore Oil & Gas; Onshore Oil & Gas; LNG/GTL; Refining; Petrochemicals; Chemicals; differentiated EPC, and Industrial Services
- Government Services, including program management and long term annuity contracts

KBR is proud to work with its customers across the globe to provide technology, value-added consulting services, integrated EPC delivery and Long Term Industrial Services to ensure consistent project 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.

For further information, please contact:

Investors

Zac Nagle
Vice President, Investor Relations
713-753-5082
Investors@kbr.com

Media

Marit Babin
Director, Global Communications & Government Relations
713-753-3800
Mediarelations@kbr.com