



Facts About Burn Pit Litigation

Houston, Texas - November 6, 2009 - There are significant discrepancies between the plaintiffs' claims in the burn litigation against KBR and the facts on this issue. Below are key facts associated with several issues that have been raised by the plaintiffs and covered in the media.

Allegation: Plaintiffs assert that KBR operated the burn pit at Joint Base Balad, formerly known as Anaconda.

Fact: KBR never operated or provided support services for the burn pit at Joint Base Balad.

Allegation: KBR knowingly poisoned troops in Iraq by burning hazardous materials at Joint Base Balad.

Fact: KBR never operated or provided services to the burn pit at Joint Base Balad. KBR provides burn pit services at some, but not all, bases in Iraq and Afghanistan. At the sites where KBR provides burn pit services, the company does so not only in accordance with the relevant provisions of the LOGCAP contract, also operational guidelines approved by the Army.

Allegation: KBR was negligent because it placed burn pits on bases where prevailing winds brought smoke into living or working areas on bases.

Fact: KBR does not decide where to locate or operate a burn pit. That decision is made by the Army. KBR operates burn pits in accordance with guidelines approved by the Army. Further, it is the Army that also decides where on base to locate the living and working facilities for base personnel.

Allegation: KBR chose to operate burn pits instead of incinerators to make a bigger profit.

Fact: It is not KBR's decision to use burn pits or to install incinerators. When the Army makes the decision that an incinerator will be used in lieu of other methods of waste disposal, it funds the purchase of the incinerator and directs KBR or other contractors to provide operational and maintenance services. KBR and other tenants on bases have no ability to use an incinerator until directed by the Army.

Allegation: KBR placed improper wastes in the burn pits.

Fact: The Army creates a Prohibited Items list that determined which wastes could not be placed in a burn pit. At bases where KBR provides burn pit services, KBR posts these lists to provide notice to waste generators. If KBR observes a waste generator delivering a prohibited item, its practice is to refuse or remove such items.

Allegation: Wild dogs removed human body parts from the burn pit at Balad while KBR was in control.

Fact: KBR never operated or provided burn pit services at Balad. KBR does not place human body parts in burn pits.

Allegation: The military should be running the program instead of contractors like KBR.

Fact: Prior to the use of the Logistics Civil Augmentation Program (LOGCAP), the burning of waste in open pits was performed by Army personnel. At some of the bases in Iraq and Afghanistan, where the Army decided to use burn pits but elected not to have military personnel operate them, KBR and other contractors are doing exactly what the Army would be doing if LOGCAP did not exist and are performing under the direction and control of military commanders in the field.

CONTACT:

KBR, Houston

Director, Communications

Heather Browne, 713-753-3775

heather.browne@kbr.com

or

Director, Investor Relations

Rob Kukla, Jr., 713-753-5082

investors@kbr.com