

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2009 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information		
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009			
A This return/report is for:	☐ a multiemployer plan;	☐ a multiple-employer plan; or	
	☒ a single-employer plan;	☐ a DFE (specify) ____	
B This return/report is:	☐ the first return/report;	☐ the final return/report;	
	☐ an amended return/report;	☐ a short plan year return/report (less than 12 months).	
C If the plan is a collectively-bargained plan, check here.	☐		
D Check box if filing under:	☒ Form 5558;	☐ automatic extension;	☐ the DFVC program;
	☐ special extension (enter description)		

Part II	Basic Plan Information —enter all requested information		
1a Name of plan ALLSTATES TECHNICAL SERVICES, LLC 401(K) RETIREMENT PLAN	1b Three-digit plan number (PN) ►	001	
	1c Effective date of plan	01/01/2008	
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) KELLOGG BROWN & ROOT LLC 601 JEFFERSON HOUSTON, TX 77002	2b Employer Identification Number (EIN)	20-3897734	
	2c Sponsor's telephone number	713-753-4614	
	2d Business code (see instructions)	561490	

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/14/2010	ANN HOLLINGSWORTH
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") KBR BENEFITS COMMITTEE 601 JEFFERSON HOUSTON, TX 77002	3b Administrator's EIN 77-0692414 3c Administrator's telephone number 713-753-4614
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	685
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	825
b Retired or separated participants receiving benefits.....	6b	3
c Other retired or separated participants entitled to future benefits.....	6c	325
d Subtotal. Add lines 6a , 6b , and 6c	6d	1153
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	3
f Total. Add lines 6d and 6e	6f	1156
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	632
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	150

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 2E 2J 2K 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
 (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
 (3) ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1) ☒ **H** (Financial Information)
 (2) ☐ **I** (Financial Information – Small Plan)
 (3) ☐ **A** (Insurance Information)
 (4) ☒ **C** (Service Provider Information)
 (5) ☒ **D** (DFE/Participating Plan Information)
 (6) ☐ **G** (Financial Transaction Schedules)

<div>SCHEDULE C</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Service Provider Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

<div>A Name of plan</div> <div>ALLSTATES TECHNICAL SERVICES, LLC 401(K) RETIREMENT PLAN</div>	<div>B Three-digit plan number (PN)</div> <div>▶ 001</div>
<div>C Plan sponsor's name as shown on line 2a of Form 5500</div> <div>KELLOGG BROWN & ROOT LLC</div>	<div>D Employer Identification Number (EIN)</div> <div>20-3897734</div>

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

VANGUARD GROUP INC.

23-1945930

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 37	RECORDKEEPER	15586	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

HEWITT & ASSOCIATES, INC.

35-2235791

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
12	ADMINISTRATION	7556	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
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(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning <u>01/01/2009</u> and ending <u>12/31/2009</u>		
A Name of plan <u>ALLSTATES TECHNICAL SERVICES, LLC 401(K) RETIREMENT PLAN</u>	B Three-digit plan number (PN) ►	<u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>KELLOGG BROWN & ROOT LLC</u>	D Employer Identification Number (EIN) <u>20-3897734</u>	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		<u>3376</u>
(2) Participant contributions	1b(2)		<u>23341</u>
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		<u>192022</u>
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		<u>14590981</u>
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	<u>15110117</u>	
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	15110117	14809720

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	15110117	14809720
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)		
(B) Participants	2a(1)(B)	1472926	
(C) Others (including rollovers)	2a(1)(C)	88027	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1560953

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	10189	
(F) Other	2b(1)(F)	15	
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		10204

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	251719	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		251719

(3) Rents	2b(3)		
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		490200
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		1808128
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		4121204

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	4385301	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		4385301
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	9558	
(2) Contract administrator fees	2i(2)	15585	
(3) Investment advisory and management fees	2i(3)	9151	
(4) Other	2i(4)	2006	
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		36300
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		4421601

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-300397
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: BLACK AND PINCKARD LLC

(2) EIN: 26-0079381

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		10000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)

5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection.
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan <u>ALLSTATES TECHNICAL SERVICES, LLC 401(K) RETIREMENT PLAN</u>	B Three-digit plan number (PN) ▶ <u>001</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>KELLOGG BROWN & ROOT LLC</u>	D Employer Identification Number (EIN) <u>20-3897734</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): _____ Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.	
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3 <u>0</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
--	-----------------------------------	-----------------------------------	-------------------------------	-----------------------------

Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2009
v.092308.1

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

Allstates Technical Services, Inc. 401(k) Retirement Plan

Financial Statements and Supplemental Schedule

*As of December 31, 2009 and 2008
and for the year ended December 31, 2009
with Report of Independent Auditors*

Allstates Technical Services, Inc. 401(k) Retirement Plan

Financial Statements and Supplemental Schedule

As of December 31, 2009 and 2008 and for the year ended December 31, 2009

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Report of Independent Auditors

KBR Benefits Committee
Allstates Technical Services, Inc. 401(k) Retirement Plan

We were engaged to audit the financial statements and supplemental schedule of Allstates Technical Services, Inc. 401(k) Retirement Plan as of December 31, 2009 and 2008 and for the year ended December 31, 2009, as listed in the accompanying contents. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by State Street Bank & Trust Company and Vanguard Fiduciary Trust Company, the trustees of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that State Street Bank & Trust Company held the Plan's investment assets as of December 31, 2009 and executed investment transactions from October 1, 2009 through December 31, 2009 and that Vanguard Fiduciary Trust Company held the Plan's investment assets as of December 31, 2008 and executed investment transactions from January 1, 2009 through September 30, 2009. The plan administrator has obtained a certification from the trustees as of December 31, 2009 and 2008 and for the year ended December 31, 2009, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustees, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Black + Pinckard LLC

October 12, 2010

Post Office Box 26384
Hoover, Alabama 35260

www.blackpinckard.com

Phone: (205) 824-2251
(205) 824-2252

Allstates Technical Services, Inc. 401(k) Retirement Plan

Statements of Net Assets Available for Benefits

	December 31	
	2009	2008
Assets		
Plan interest in Master Trust, at fair value	\$ 14,921,843	\$ —
Investments, at fair value	—	15,110,117
Receivables:		
Participant contributions	23,341	—
Company contributions	3,376	—
	<u>26,717</u>	<u>—</u>
Net assets available for benefits at fair value	<u>14,948,560</u>	<u>15,110,117</u>
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	<u>(138,840)</u>	<u>—</u>
Net assets available for benefits	<u>\$ 14,809,720</u>	<u>\$ 15,110,117</u>

See accompanying notes.

Allstates Technical Services, Inc. 401(k) Retirement Plan

Statement of Changes in Net Assets Available for Benefits

	Year ended December 31 2009
Additions	
Investment income:	
Interest and dividends	\$ 261,923
Net appreciation in fair value of mutual funds	1,808,128
Plan interest in Master Trust net appreciation in fair value of investments	490,200
	<u>2,560,251</u>
Contributions:	
Participant	1,472,926
Company	88,027
	<u>1,560,953</u>
Total additions	4,121,204
Deductions	
Distributions to participants and beneficiaries	4,385,301
Administrative expenses	36,300
	<u>4,421,601</u>
Net decrease	(300,397)
Net assets available for benefits:	
Beginning of year	15,110,117
End of year	<u>\$ 14,809,720</u>

See accompanying notes.

Allstates Technical Services, Inc. 401(k) Retirement Plan

Notes to Financial Statements

December 31, 2009

1. Description of the Plan

The following description of Allstates Technical Services, Inc. 401(k) Retirement Plan (the Plan) provides only general information. Participants should refer to the Plan document for a complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering all eligible employees of Allstates Technical Services, Inc. (the Company). On July 1, 2008, the Company was acquired by KBR, a Houston-based engineering, construction and services company (KBR). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Plan Amendment

Effective October 1, 2009, the Plan was amended to provide for after-tax contributions. Additionally, assets were transferred to the KBR Employee Benefit Master Trust (Master Trust) held by State Street Bank & Trust Company on that day.

Eligibility

Upon completion of thirty consecutive days of employment, employees are eligible to participate in the Plan on the first day of the next calendar month. Non-highly compensated employees and salaried employees who are participants in the Plan are eligible to receive Company contributions upon completion of ninety consecutive days of employment.

Contributions

Each year, participants may contribute a percentage of pretax annual compensation, not to exceed federal limits. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans.

Allstates Technical Services, Inc. 401(k) Retirement Plan

Notes to Financial Statements (continued)

1. Description of the Plan (continued)

Contributions (continued)

The Plan allows for Company matching contributions, as determined by the Company, to eligible participants. In 2009, the Company matched 100 percent of the first three percent and 50 percent of the next two percent of pretax annual compensation. Company discretionary profit-sharing contributions are determined by the Company each year and are allocated as of the close of the Plan year among active eligible participants. No such contribution was made in 2009. Participants direct the investment of their contributions and Company contributions into various investment options offered by the Plan.

Administrative Expenses

Certain administrative expenses, including accounting and trustee fees are paid by the Company.

Vesting

Participants are immediately vested in their voluntary contributions plus actual earnings thereon. Vesting in the Company contribution portion of their accounts plus earnings thereon is based on years of continuous service. The Plan utilizes the five year graded vesting method and a participant is 100 percent vested after five years of credited service.

Payment of Benefits

On termination of service due to death, disability, retirement, or separation of service, a participant may elect to receive a lump-sum amount equal to the value of the participant's vested interest in his or her account, or annual installments over a fixed period of time, not to exceed the life expectancy of the participant or the beneficiary. In-service withdrawals, including hardship withdrawals, may be available as defined by the Plan document.

Participant Loans

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50 percent of their vested account balance. Loan terms range from one to five years. The loans are secured by the balance in the participant's account and bear interest at the prime rate at the time of borrowing, plus two percent. Principal and interest are paid ratably through payroll deductions.

Allstates Technical Services, Inc. 401(k) Retirement Plan

Notes to Financial Statements (continued)

1. Description of the Plan (continued)

Participant Accounts

Each participant's account is credited with the participant's contribution, the Company's matching contribution, Plan earnings or losses from that account's investment activities, and allocations of Company discretionary contributions and forfeitures. Allocations are based on participant compensation, as defined in the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Forfeitures

Forfeitures of terminated participants' nonvested accounts are reallocated to active participant accounts. No forfeitures were allocated to participant accounts during 2009.

Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA. In the event of Plan termination, participants would become 100 percent vested in their Company contributions.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Plan have been prepared on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Allstates Technical Services, Inc. 401(k) Retirement Plan

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Investment Valuation and Income Recognition

The Master Trust was established to hold the investment assets of plans sponsored by KBR. Investments, and the income thereon, are allocated to participating plans based on each plan's participation in the investment options within the Master Trust. Accordingly, the Plan's investment gain for the year ended December 31, 2009 includes its allocable share of the Master Trust's interest and dividends and net appreciation in fair value of investments since October 1, 2009.

Financial Accounting Standards Board (FASB) *Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. ACS 820 clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosure about the use of fair value measurements in an effort to make the measurement of fair value more consistent and comparable. Various inputs are used in determining the value of the Plan's investments. Valuation techniques used to measure fair value under ASC 820 must maximize the use of observable inputs and minimize the use of unobservable inputs. In addition, ASC 820 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The three levels of the fair value hierarchy under ASC 820, including the types of Plan investments that fall under each category and the valuation methodologies used to measure fair value, are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 - Inputs to the valuation methodology are other than quoted market prices in active markets that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices that are in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable inputs (i.e. projections, estimates, interpretations, etc.) that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Allstates Technical Services, Inc. 401(k) Retirement Plan

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Investment Valuation and Income Recognition (continued)

The inputs and methodology used for valuing securities are not an indication of the risk associated with investing in those securities.

Investments in mutual funds held in the Master Trust after October 1, 2009 and by the Plan prior to the transfer of assets to the Master Trust are stated at fair value based on quoted market prices as of the last trade date of the year. Investments in mutual funds as of December 31, 2008 were valued using level 1 inputs.

Common stock is stated at fair value based on quoted market prices.

The Plan considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Participant loans are valued at their outstanding balances, which approximates fair value.

Investments in corporate, government bonds and mortgage backed securities are stated based on yields currently available on comparable securities of issuers with similar credit ratings.

Collective trust funds are valued based on quoted prices as determined daily based on the underlying market value of the mutual funds and other securities in the accounts. Net change in fair value of the accounts includes interest, dividends and realized and unrealized gains and losses on investments in the accounts. Investments in collective trusts which indirectly invest in fully benefit-responsive investment contracts are stated at fair value determined by the trust and published in the trusts' audited financial statements. However, contract value is the relevant measurement attribute for fully benefit-responsive contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the contracts. Accordingly, the 2009 statement of net assets available for benefits presents the fair value of the investments in the fully benefit responsive collective trusts, as well as the adjustment to record the investments at contract value for purposes of determining the Plan's net assets available for benefits. Investment income is presented on a contract value basis, determined daily.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividend income is recorded on the ex-dividend basis.

Allstates Technical Services, Inc. 401(k) Retirement Plan

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Investment Valuation and Income Recognition (continued)

The following table sets forth by level, within the fair value hierarchy, the Master Trust's investments at fair value as of December 31, 2009:

	Level 1	Level 2	Level 3	Total
Cash equivalents	\$ —	\$ 2,307,129	\$ —	\$ 2,307,129
Equity securities:				
Non-U.S. companies	97,634,387	—	—	97,634,387
U.S. companies	441,828,872	163,700	—	441,992,572
Bonds:				
Government bonds	—	32,478,264	—	32,478,264
Corporate bonds	72,386,922	73,066,562	—	145,453,484
Mortgage backed securities	—	19,268,870	—	19,268,870
Collective trust funds	493,027,660	578,741,948	—	1,071,769,608
Mutual funds	273,328,858	—	—	273,328,858
Participant loans	—	—	15,552,658	15,552,658
Total assets	\$ 1,378,206,699	\$ 706,026,473	\$ 15,552,658	\$2,099,785,830

The following table sets forth a summary of changes in the fair value of the Master Trust's level 3 assets for the year ended December 31, 2009:

	Participant Loans
Balance, beginning of the year:	\$ 14,286,645
New issuances	7,631,400
Loan repayments	6,365,387)
Balance, end of the year:	\$ 15,552,658

The Plan's investments in Master Trust investment securities are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits.

Allstates Technical Services, Inc. 401(k) Retirement Plan

Notes to Financial Statements (continued)

3. Investment Information

All investment information disclosed in the accompanying financial statements and supplemental schedule, including investments held at December 31, 2009 and 2008, and net appreciation in fair value of mutual funds, plan interest in Master Trust net appreciation in fair value of investments and interest and dividends for the year ended December 31, 2009, was obtained or derived from information provided to the plan administrator and certified as complete and accurate by State Street Bank & Trust Company and Vanguard Fiduciary Trust Company, the trustees.

Investments that represent five percent or more of the Plan's net assets are as follows:

	2009	2008
Vanguard:		
LifeStrategy Growth Fund	\$ —	\$ 1,440,309
Prime Money Market Fund	—	2,979,681
Total Bond Market Index Fund	—	1,325,528
Wellington Fund	—	2,987,948
Windsor II Fund	—	2,794,093
Investment in KBR Employee Benefit Master Trust	14,921,843	—

4. Tax Status

The Plan has not received a determination letter from the Internal Revenue Service stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (IRC). However, the Plan administrator believes that the Plan is qualified and, therefore, the related trust is exempt from taxation.

5. Interest in Master Trust

At December 31, 2009, the Plan's interest in the net assets of the Master Trust was approximately .68 percent. Investment income and expenses are allocated to the Plan based upon its pro rata share in the net assets of the Master Trust.

Allstates Technical Services, Inc. 401(k) Retirement Plan

Notes to Financial Statements (continued)

5. Interest in Master Trust (continued)

The value of investments held in the Master Trust at December 31, 2009 is as follows:

Assets:

Investments at fair value:

Cash equivalents \$ 2,307,129

Equity securities:

Non-U.S. companies 97,634,387

U.S. companies 441,992,572

Bonds:

Government bonds 32,478,264

Corporate bonds 145,453,484

Mortgage backed securities 19,268,870

Collective trust funds 1,071,769,608

Mutual funds 273,328,858

Participant loans 15,552,658

Total investments 2,099,785,830

Receivables:

Due from broker 228,336

Interest and dividends 4,679,383

Taxes 171,469

Other 10,255

Total receivables 5,089,443

Total assets at fair value 2,104,875,273

Liabilities:

Due to broker 906,090

Administrative expenses 586,154

Other payables 917

Total liabilities 1,493,161

Adjustments from fair value to contract value for fully benefit-responsive investment contracts

50,358,849

Net assets available for benefits

\$2,153,740,961

Allstates Technical Services, Inc. 401(k) Retirement Plan

Notes to Financial Statements (continued)

5. Interest in Master Trust (continued)

Investment income for the Master Trust for the year ended December 31, 2009 is as follows:

Net investment appreciation	\$ 321,839,228
Interest and dividends	4,711,359
Expenses	<u>(7,355,295)</u>
	<u>\$ 319,195,292</u>

During 2009, the investments in the Master Trust (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value as follows:

Equity securities:	
Non-U.S. companies	\$ 21,061,258
U.S. companies	91,872,127
Bonds:	
Government bonds	4,233,810
Corporate bonds	14,026,521
Mortgage backed securities	2,795,129
Collective trust funds	124,970,350
Mutual funds	<u>62,880,033</u>
	<u>\$321,839,228</u>

6. Transfers to Related Plan

Participants who cease to be an eligible employee under this Plan and become eligible to participate under the BE&K Retirement Plan (the Retirement Plan) shall have their participant accounts transferred to the Retirement Plan. Alternately, the accounts of participants in the Retirement Plan shall be transferred to this Plan if such participants become eligible employees and participants in this Plan. Effective December 31, 2008, the Retirement Plan was merged into the Kellogg, Brown & Root, Inc. Retirement and Savings Plan. There were no transfers into or out of the Plan during 2009.

Allstates Technical Services, Inc. 401(k) Retirement Plan

Notes to Financial Statements (continued)

7. Subsequent Events

Effective January 1, 2010, transfers to related plans are no longer allowed. Additionally, effective June 1, 2010, the Company matching contribution will no longer be paid on a per pay period basis, but paid on an annual basis once profitability is determined.

Management of the Company evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through October 12, 2010, which is the date the financial statements were available to be issued.

Supplemental Schedule

Allstates Technical Services, Inc. 401(k) Retirement Plan

EIN: 20-3897734 Plan No.:001

Schedule H, Line 4i
Schedule of Assets (Held at End of Year)

December 31, 2009

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value	(e) Current value
*	KBR Employee Benefit Master Trust	Investment in net assets of KBR Employee Benefit Master Trust	\$ 14,590,981
*	Participant loans	Interest rates range from 5.25% to 10.25%	192,022
			<u>\$ 14,783,003</u>

* Indicates party-in-interest to the Plan

Column (d) is not presented as all investments are participant directed.

Allstates Technical Services, Inc. 401(k) Retirement Plan

Financial Statements and Supplemental Schedule

*As of December 31, 2009 and 2008
and for the year ended December 31, 2009
with Report of Independent Auditors*

Allstates Technical Services, Inc. 401(k) Retirement Plan

Financial Statements and Supplemental Schedule

As of December 31, 2009 and 2008 and for the year ended December 31, 2009

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Report of Independent Auditors

KBR Benefits Committee
Allstates Technical Services, Inc. 401(k) Retirement Plan

We were engaged to audit the financial statements and supplemental schedule of Allstates Technical Services, Inc. 401(k) Retirement Plan as of December 31, 2009 and 2008 and for the year ended December 31, 2009, as listed in the accompanying contents. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified by State Street Bank & Trust Company and Vanguard Fiduciary Trust Company, the trustees of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the plan administrator that State Street Bank & Trust Company held the Plan's investment assets as of December 31, 2009 and executed investment transactions from October 1, 2009 through December 31, 2009 and that Vanguard Fiduciary Trust Company held the Plan's investment assets as of December 31, 2008 and executed investment transactions from January 1, 2009 through September 30, 2009. The plan administrator has obtained a certification from the trustees as of December 31, 2009 and 2008 and for the year ended December 31, 2009, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the trustees, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Black + Pinckard LLC

October 12, 2010

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(205) 824-2252

Allstates Technical Services, Inc. 401(k) Retirement Plan

Statements of Net Assets Available for Benefits

	December 31	
	2009	2008
Assets		
Plan interest in Master Trust, at fair value	\$ 14,921,843	\$ —
Investments, at fair value	—	15,110,117
Receivables:		
Participant contributions	23,341	—
Company contributions	3,376	—
	<u>26,717</u>	<u>—</u>
Net assets available for benefits at fair value	<u>14,948,560</u>	<u>15,110,117</u>
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	<u>(138,840)</u>	<u>—</u>
Net assets available for benefits	<u>\$ 14,809,720</u>	<u>\$ 15,110,117</u>

See accompanying notes.

Allstates Technical Services, Inc. 401(k) Retirement Plan

Statement of Changes in Net Assets Available for Benefits

	Year ended December 31 2009
Additions	
Investment income:	
Interest and dividends	\$ 261,923
Net appreciation in fair value of mutual funds	1,808,128
Plan interest in Master Trust net appreciation in fair value of investments	490,200
	<u>2,560,251</u>
Contributions:	
Participant	1,472,926
Company	88,027
	<u>1,560,953</u>
Total additions	4,121,204
Deductions	
Distributions to participants and beneficiaries	4,385,301
Administrative expenses	36,300
	<u>4,421,601</u>
Net decrease	(300,397)
Net assets available for benefits:	
Beginning of year	15,110,117
End of year	<u>\$ 14,809,720</u>

See accompanying notes.

Allstates Technical Services, Inc. 401(k) Retirement Plan

Notes to Financial Statements

December 31, 2009

1. Description of the Plan

The following description of Allstates Technical Services, Inc. 401(k) Retirement Plan (the Plan) provides only general information. Participants should refer to the Plan document for a complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering all eligible employees of Allstates Technical Services, Inc. (the Company). On July 1, 2008, the Company was acquired by KBR, a Houston-based engineering, construction and services company (KBR). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Plan Amendment

Effective October 1, 2009, the Plan was amended to provide for after-tax contributions. Additionally, assets were transferred to the KBR Employee Benefit Master Trust (Master Trust) held by State Street Bank & Trust Company on that day.

Eligibility

Upon completion of thirty consecutive days of employment, employees are eligible to participate in the Plan on the first day of the next calendar month. Non-highly compensated employees and salaried employees who are participants in the Plan are eligible to receive Company contributions upon completion of ninety consecutive days of employment.

Contributions

Each year, participants may contribute a percentage of pretax annual compensation, not to exceed federal limits. Participants who have attained age 50 before the end of the Plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans.

Allstates Technical Services, Inc. 401(k) Retirement Plan

Notes to Financial Statements (continued)

1. Description of the Plan (continued)

Contributions (continued)

The Plan allows for Company matching contributions, as determined by the Company, to eligible participants. In 2009, the Company matched 100 percent of the first three percent and 50 percent of the next two percent of pretax annual compensation. Company discretionary profit-sharing contributions are determined by the Company each year and are allocated as of the close of the Plan year among active eligible participants. No such contribution was made in 2009. Participants direct the investment of their contributions and Company contributions into various investment options offered by the Plan.

Administrative Expenses

Certain administrative expenses, including accounting and trustee fees are paid by the Company.

Vesting

Participants are immediately vested in their voluntary contributions plus actual earnings thereon. Vesting in the Company contribution portion of their accounts plus earnings thereon is based on years of continuous service. The Plan utilizes the five year graded vesting method and a participant is 100 percent vested after five years of credited service.

Payment of Benefits

On termination of service due to death, disability, retirement, or separation of service, a participant may elect to receive a lump-sum amount equal to the value of the participant's vested interest in his or her account, or annual installments over a fixed period of time, not to exceed the life expectancy of the participant or the beneficiary. In-service withdrawals, including hardship withdrawals, may be available as defined by the Plan document.

Participant Loans

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50 percent of their vested account balance. Loan terms range from one to five years. The loans are secured by the balance in the participant's account and bear interest at the prime rate at the time of borrowing, plus two percent. Principal and interest are paid ratably through payroll deductions.

Allstates Technical Services, Inc. 401(k) Retirement Plan

Notes to Financial Statements (continued)

1. Description of the Plan (continued)

Participant Accounts

Each participant's account is credited with the participant's contribution, the Company's matching contribution, Plan earnings or losses from that account's investment activities, and allocations of Company discretionary contributions and forfeitures. Allocations are based on participant compensation, as defined in the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Forfeitures

Forfeitures of terminated participants' nonvested accounts are reallocated to active participant accounts. No forfeitures were allocated to participant accounts during 2009.

Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA. In the event of Plan termination, participants would become 100 percent vested in their Company contributions.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Plan have been prepared on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Allstates Technical Services, Inc. 401(k) Retirement Plan

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Investment Valuation and Income Recognition

The Master Trust was established to hold the investment assets of plans sponsored by KBR. Investments, and the income thereon, are allocated to participating plans based on each plan's participation in the investment options within the Master Trust. Accordingly, the Plan's investment gain for the year ended December 31, 2009 includes its allocable share of the Master Trust's interest and dividends and net appreciation in fair value of investments since October 1, 2009.

Financial Accounting Standards Board (FASB) *Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. ACS 820 clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosure about the use of fair value measurements in an effort to make the measurement of fair value more consistent and comparable. Various inputs are used in determining the value of the Plan's investments. Valuation techniques used to measure fair value under ASC 820 must maximize the use of observable inputs and minimize the use of unobservable inputs. In addition, ASC 820 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The three levels of the fair value hierarchy under ASC 820, including the types of Plan investments that fall under each category and the valuation methodologies used to measure fair value, are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 - Inputs to the valuation methodology are other than quoted market prices in active markets that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices that are in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable inputs (i.e. projections, estimates, interpretations, etc.) that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Allstates Technical Services, Inc. 401(k) Retirement Plan

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Investment Valuation and Income Recognition (continued)

The inputs and methodology used for valuing securities are not an indication of the risk associated with investing in those securities.

Investments in mutual funds held in the Master Trust after October 1, 2009 and by the Plan prior to the transfer of assets to the Master Trust are stated at fair value based on quoted market prices as of the last trade date of the year. Investments in mutual funds as of December 31, 2008 were valued using level 1 inputs.

Common stock is stated at fair value based on quoted market prices.

The Plan considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Participant loans are valued at their outstanding balances, which approximates fair value.

Investments in corporate, government bonds and mortgage backed securities are stated based on yields currently available on comparable securities of issuers with similar credit ratings.

Collective trust funds are valued based on quoted prices as determined daily based on the underlying market value of the mutual funds and other securities in the accounts. Net change in fair value of the accounts includes interest, dividends and realized and unrealized gains and losses on investments in the accounts. Investments in collective trusts which indirectly invest in fully benefit-responsive investment contracts are stated at fair value determined by the trust and published in the trusts' audited financial statements. However, contract value is the relevant measurement attribute for fully benefit-responsive contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the contracts. Accordingly, the 2009 statement of net assets available for benefits presents the fair value of the investments in the fully benefit responsive collective trusts, as well as the adjustment to record the investments at contract value for purposes of determining the Plan's net assets available for benefits. Investment income is presented on a contract value basis, determined daily.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividend income is recorded on the ex-dividend basis.

Allstates Technical Services, Inc. 401(k) Retirement Plan

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Investment Valuation and Income Recognition (continued)

The following table sets forth by level, within the fair value hierarchy, the Master Trust's investments at fair value as of December 31, 2009:

	Level 1	Level 2	Level 3	Total
Cash equivalents	\$ —	\$ 2,307,129	\$ —	\$ 2,307,129
Equity securities:				
Non-U.S. companies	97,634,387	—	—	97,634,387
U.S. companies	441,828,872	163,700	—	441,992,572
Bonds:				
Government bonds	—	32,478,264	—	32,478,264
Corporate bonds	72,386,922	73,066,562	—	145,453,484
Mortgage backed securities	—	19,268,870	—	19,268,870
Collective trust funds	493,027,660	578,741,948	—	1,071,769,608
Mutual funds	273,328,858	—	—	273,328,858
Participant loans	—	—	15,552,658	15,552,658
Total assets	\$ 1,378,206,699	\$ 706,026,473	\$ 15,552,658	\$2,099,785,830

The following table sets forth a summary of changes in the fair value of the Master Trust's level 3 assets for the year ended December 31, 2009:

	Participant Loans
Balance, beginning of the year:	\$ 14,286,645
New issuances	7,631,400
Loan repayments	6,365,387)
Balance, end of the year:	\$ 15,552,658

The Plan's investments in Master Trust investment securities are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for benefits.

Allstates Technical Services, Inc. 401(k) Retirement Plan

Notes to Financial Statements (continued)

3. Investment Information

All investment information disclosed in the accompanying financial statements and supplemental schedule, including investments held at December 31, 2009 and 2008, and net appreciation in fair value of mutual funds, plan interest in Master Trust net appreciation in fair value of investments and interest and dividends for the year ended December 31, 2009, was obtained or derived from information provided to the plan administrator and certified as complete and accurate by State Street Bank & Trust Company and Vanguard Fiduciary Trust Company, the trustees.

Investments that represent five percent or more of the Plan's net assets are as follows:

	2009	2008
Vanguard:		
LifeStrategy Growth Fund	\$ —	\$ 1,440,309
Prime Money Market Fund	—	2,979,681
Total Bond Market Index Fund	—	1,325,528
Wellington Fund	—	2,987,948
Windsor II Fund	—	2,794,093
Investment in KBR Employee Benefit Master Trust	14,921,843	—

4. Tax Status

The Plan has not received a determination letter from the Internal Revenue Service stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (IRC). However, the Plan administrator believes that the Plan is qualified and, therefore, the related trust is exempt from taxation.

5. Interest in Master Trust

At December 31, 2009, the Plan's interest in the net assets of the Master Trust was approximately .68 percent. Investment income and expenses are allocated to the Plan based upon its pro rata share in the net assets of the Master Trust.

Allstates Technical Services, Inc. 401(k) Retirement Plan

Notes to Financial Statements (continued)

5. Interest in Master Trust (continued)

The value of investments held in the Master Trust at December 31, 2009 is as follows:

Assets:

Investments at fair value:

Cash equivalents \$ 2,307,129

Equity securities:

Non-U.S. companies 97,634,387

U.S. companies 441,992,572

Bonds:

Government bonds 32,478,264

Corporate bonds 145,453,484

Mortgage backed securities 19,268,870

Collective trust funds 1,071,769,608

Mutual funds 273,328,858

Participant loans 15,552,658

Total investments 2,099,785,830

Receivables:

Due from broker 228,336

Interest and dividends 4,679,383

Taxes 171,469

Other 10,255

Total receivables 5,089,443

Total assets at fair value 2,104,875,273

Liabilities:

Due to broker 906,090

Administrative expenses 586,154

Other payables 917

Total liabilities 1,493,161

Adjustments from fair value to contract value for fully benefit-responsive investment contracts

50,358,849

Net assets available for benefits

\$2,153,740,961

Allstates Technical Services, Inc. 401(k) Retirement Plan

Notes to Financial Statements (continued)

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Investment income for the Master Trust for the year ended December 31, 2009 is as follows:

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Expenses	<u>(7,355,295)</u>
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Allstates Technical Services, Inc. 401(k) Retirement Plan

Notes to Financial Statements (continued)

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Supplemental Schedule

Allstates Technical Services, Inc. 401(k) Retirement Plan

EIN: 20-3897734 Plan No.:001

Schedule H, Line 4i
Schedule of Assets (Held at End of Year)

December 31, 2009

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