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KBR, INC.

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BRACE KLAUDIA

FORM 4

(Statement of Changes in Beneficial Ownership)

Filed 11/22/06 for the Period Ending 11/21/06

Address	601 JEFFERSON STREET SUITE 3400 HOUSTON, TX 77002
Telephone	(713) 753-3834
CIK	0001357615
Symbol	KBR
SIC Code	1600 - Heavy Construction Other Than Bldg Const - Contractors
Industry	Construction Services
Sector	Capital Goods
Fiscal Year	12/31

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KBR, INC.

FORM 4
(Statement of Changes in Beneficial Ownership)

Filed 11/22/2006 For Period Ending 11/21/2006

Address	601 JEFFERSON STREET SUITE 3400
	HOUSTON, Texas 77002
Telephone	(713) 753-3011
CIK	0001357615
Industry	Construction Services
Sector	Capital Goods
Fiscal Year	12/31

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FORM 4

[ ] Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL
OMB Number: 3235-0287
Expires: January 31, 2008
Estimated average burden hours per response... 0.5

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(f) of the Investment Company Act of 1940

1. Name and Address of Reporting Person *	2. Issuer Name **and** Ticker or Trading Symbol	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)
Brace Klaudia	**KBR, INC. [KBR]**	
(Last) (First) (Middle) **601 JEFFERSON STREET, SUITE 3400**	3. Date of Earliest Transaction (MM/DD/YYYY) **11/21/2006**	_____ Director _____ 10% Owner __ **X** __ Officer (give title below) _____ Other (specify below) **Senior VP, Administration**
(Street) **HOUSTON, TX 77002** (City) (State) (Zip)	4. If Amendment, Date Original Filed (MM/DD/YYYY)	6. Individual or Joint/Group Filing (Check Applicable Line) _ **X** _ Form filed by One Reporting Person ___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Trans. Date	2A. Deemed Execution Date, if any	3. Trans. Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	**11/21/2006**		**A**		**15955** (1)	**A**	**$0**	**15955**	**D**	

Table II - Derivative Securities Beneficially Owned (*e.g.* , puts, calls, warrants, options, convertible securities)

1. Title of Derivate Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Trans. Date	3A. Deemed Execution Date, if any	4. Trans. Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction (s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Nonstatutory Stock Option (right to buy)	**$21.81**	**11/21/2006**		**A**		**6310** (2)		**11/21/2007**	**11/21/2016**	**Common Stock**	**6310**	**$0**	**6310**	**D**	
Nonstatutory Stock Option (right to buy)	**$21.81**	**11/21/2006**		**A**		**6373** (3)		**11/21/2008**	**11/21/2016**	**Common Stock**	**6373**	**$0**	**12683**	**D**	
Nonstatutory Stock Option (right to buy)	**$21.81**	**11/21/2006**		**A**		**6247** (4)		**11/21/2009**	**11/21/2016**	**Common Stock**	**6247**	**$0**	**18930**	**D**	

Explanation of Responses:

(1) Restricted Stock Units awarded pursuant to KBR, Inc. 2006 Stock and Incentive Plan and will convert at a 1-to-1 ratio. The restrictions on the stock will begin to lapse on November 21, 2007 at 20% per year over a five-year period.

(2) Stock Options awarded pursuant to the KBR, Inc. 2006 Stock and Incentive Plan.

(3) Stock Options awarded pursuant to the KBR, Inc. 2006 Stock and Incentive Plan.

(4) Stock Options awarded pursuant to the KBR, Inc. 2006 Stock and Incentive Plan.

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Brace Klaudia **601 JEFFERSON STREET** **SUITE 3400** **HOUSTON, TX 77002**			**Senior VP, Administration**	

Signatures

Michael A. Weberpal, Attorney-in-Fact **11/22/2006**

** Signature of Reporting Person — Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

***** If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

****** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.