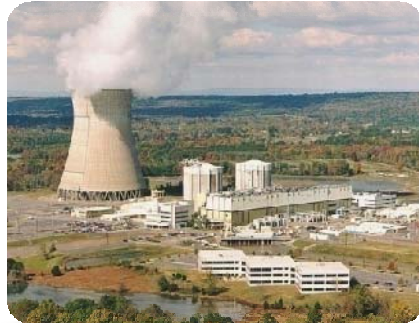


POWER GENERATION INDUSTRY BRIEFING

COMMERCIAL NUCLEAR ENERGY OVERVIEW

December 9, 2009



McDermott International

J. Ray McDermott



The Babcock & Wilcox Company

Government Operations

B&W Technical Services Group, Inc.



B&W Nuclear Operations Group, Inc.



Power Generation Systems

B&W Power Generation Group, Inc.



B&W Nuclear Power Generation Group, Inc.



babcock & wilcox nuclear power generation

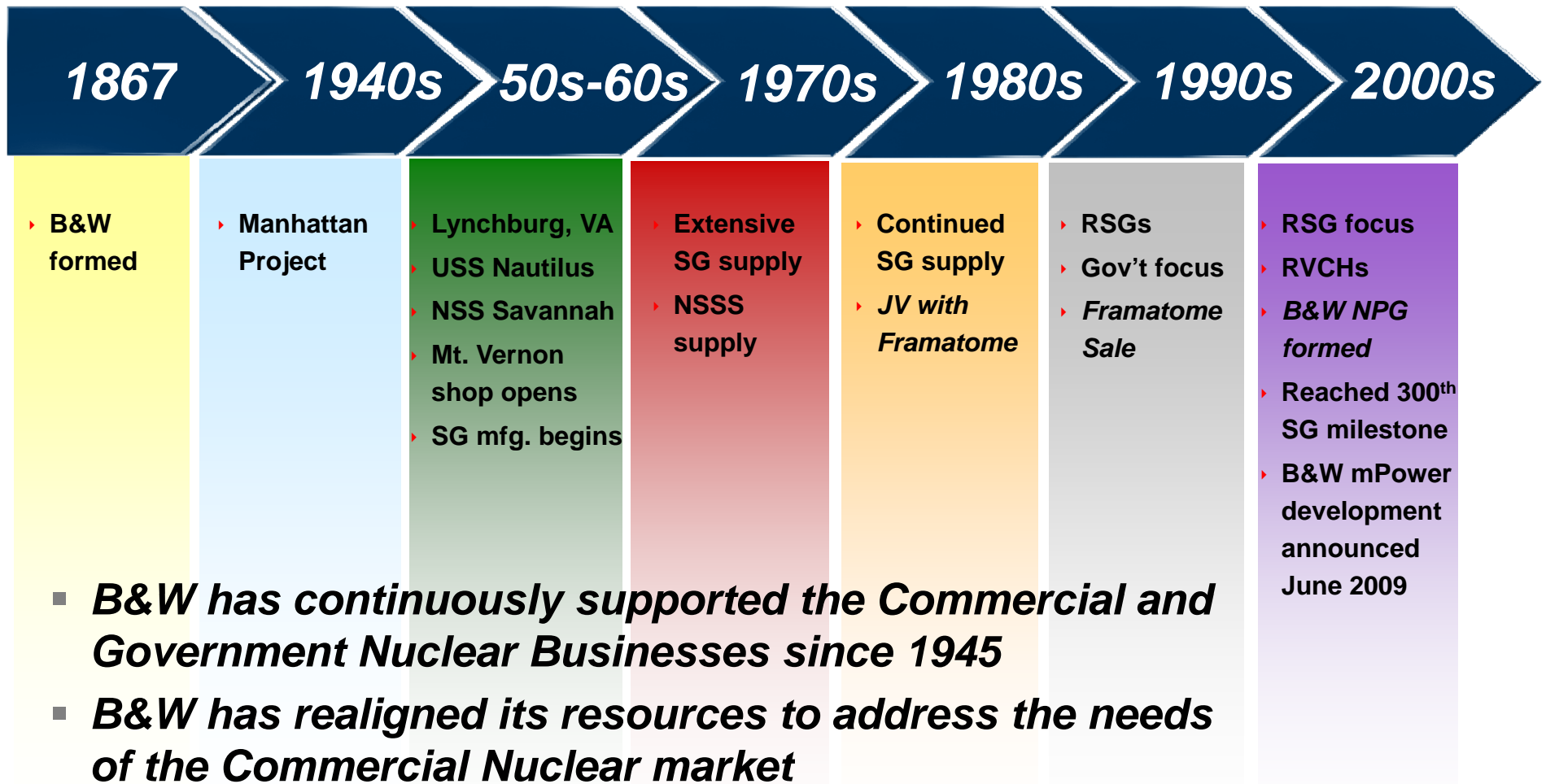
A Global Business



\$4.7B* sales. \$9.7B* backlog. 23,300 employees. 32 countries.

** Approximate equivalent 2008 revenues, including unconsolidated operations*

B&W Company Nuclear Milestones



The B&W Nuclear Power Generation Group

Established on January 1, 2007

- Nuclear Services
- Nuclear Components
- Nuclear Construction
- B&W mPower™ Design / Engineering



Lynchburg, VA HQ

Nuclear Manufacturing

- Design, manufacturing and NDE
- Automated robotic welding and machining
- Nuclear component supplier to U.S. Government Programs
 - PWR and CANDU technologies
 - Operating fleet replacement components
 - Advanced Light Water Reactor (ALWR) supplier



Only supplier manufacturing reactors 50+ continuous years

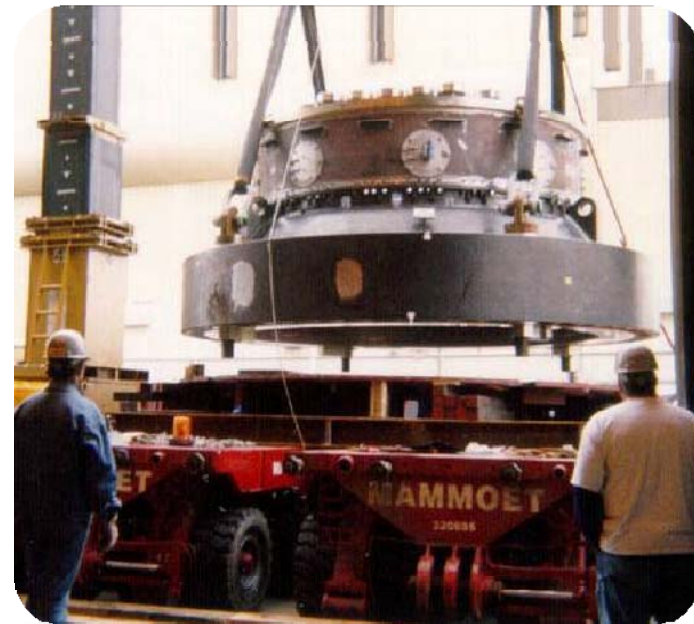
Mount Vernon, Indiana

Nuclear Component Manufacturing Facility



220,000 SF of Mfg
Largest Lift Capacity
on the Ohio River

1000 Tons



**MADE
IN THE
U.S.A.**

B&W Canada

Cambridge, Ontario



Manufacturing

- **Steam Generators**
- **Pressurizers**
- **Heat Exchangers**
- **Spent Fuel Canisters**



Engineering Services

Barberton and Euclid, Ohio Facilities

Nuclear Operations Group – *Barberton, Ohio*

Infrastructure: 69 acres (30 ha) with 548,000 ft² (50,909 m²) of manufacturing area and 119,000 ft² (11,055 m²) of office space

Engineering and manufacturing capabilities:
Applied to producing heavy equipment components

Manufacturing Capabilities:

- Heavy Lift Cranes
- Precision Machining
- Stress Relieving
- Manual, Automatic and Robotic Welding Processes
- Non-Destructive Examination, Ultrasonic Testing, Magnetic Particle Testing/Liquid Penetrant, Eddy Current
- Workforce: Approx. 600

Marine Mechanical Corporation - *Euclid, Ohio*

Acquired: 2007

Capabilities: Provides design engineering, manufacturing, testing of electro-mechanical equipment for U.S. Government Programs

Capabilities are transferable to commercial nuclear applications



Quality Assurance Program

Nuclear QA program

- ASME N, NA, NPT, N3 stamps
- 10CFR50 Appendix B
- CSA N285 pressure boundary
 - Manufacturing
 - Site Work
- CSA Z299.1
 - ISO 9001
 - Nuclear and Fossil Site Work
 - Fossil Equipment Manufacturing
- ASME Sections I, VIII, and IX
- CSA B51 (ASME B31.1)
- CWB



B&W NPG-Construction Services



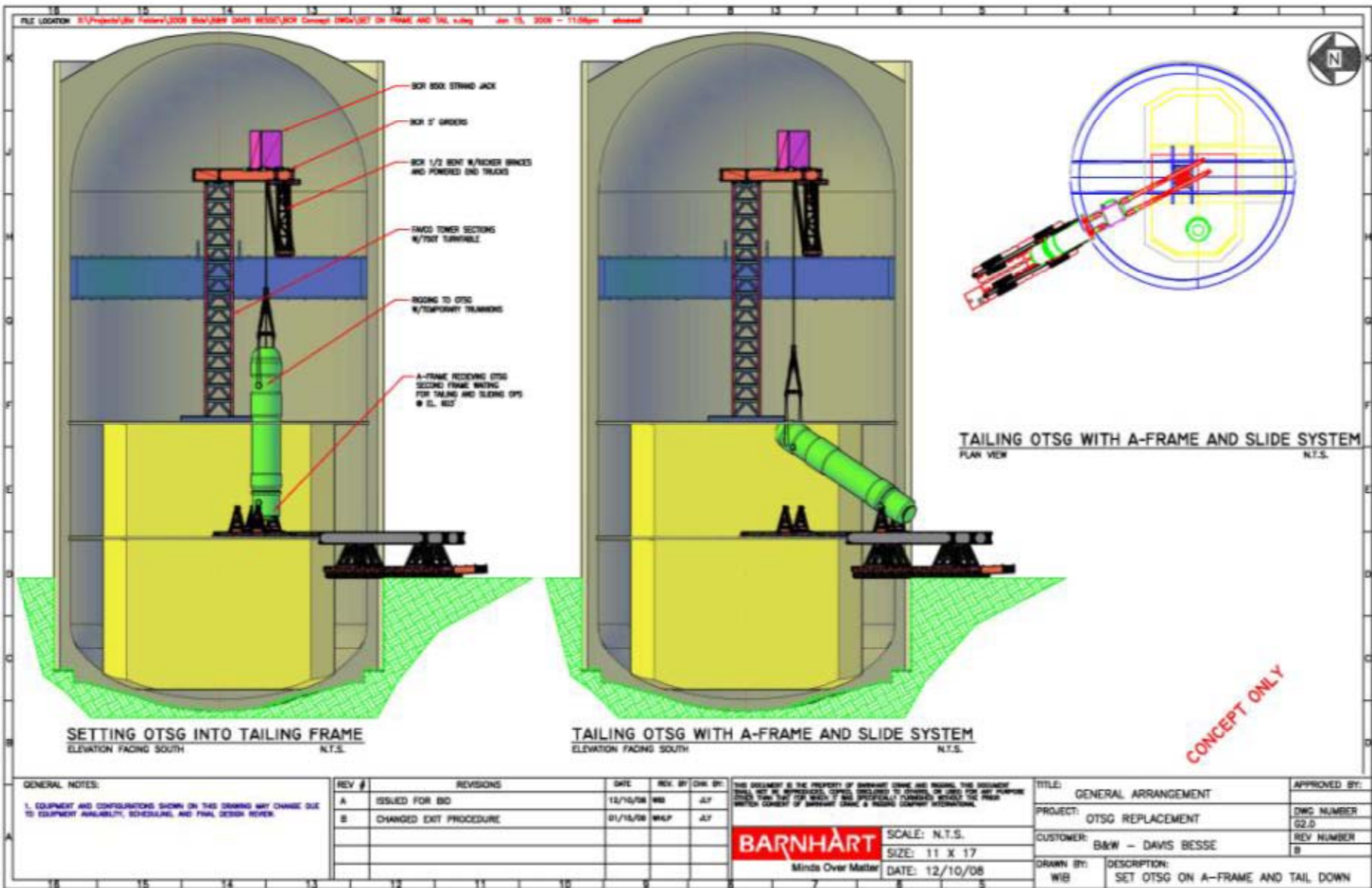
- *Install Replacement Components*



- *Maintenance Services*



- *New Build*



B&W NPG-Construction ROTSG Installation Project Proposal

NPG-Construction

Opportunity

5-Section

Westinghouse

AP1000

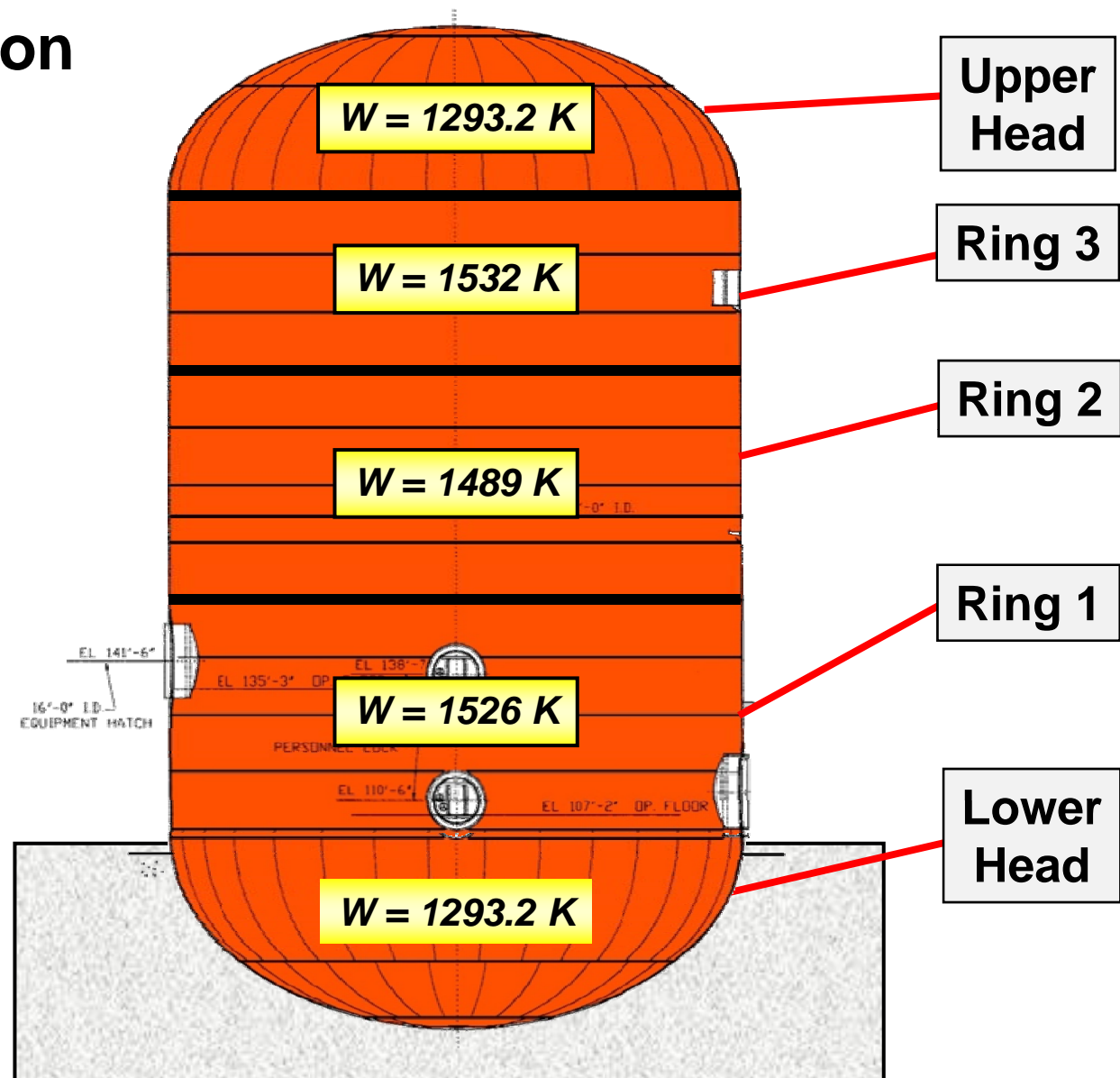
Containment

1-3/4 in thick

130 feet diameter

200 feet tall

Carbon Steel



babcock & wilcox nuclear power generation

McDermott's Morgan City, LA

Heavy Component Fabrication Facility



***Modularization Feasibility
with waterway barge access***

NPG Nuclear Services

Steam Generators

- Robotics & Tooling
- Full Scope Repair
- Secondary Side Applications

Technology Center

- Nuclear Materials & Inspection Services



Balance of Plant

- Inspection & Repair
- Heat Exchanger Assessment
- Procedure Development
- Level III NDE / QDA



Component Lifecycle

- Manufacture
- Engineering & Construction
- Inspection/Maintenance
- Lifecycle Management

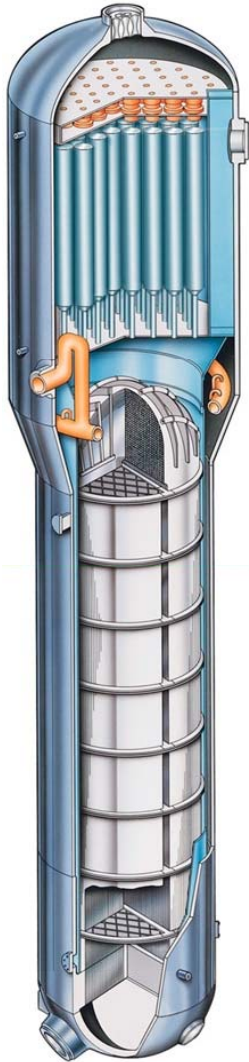
Specialty Machining

- EDM & MDM Systems
- Sample Removal, Venting, Cal Standards

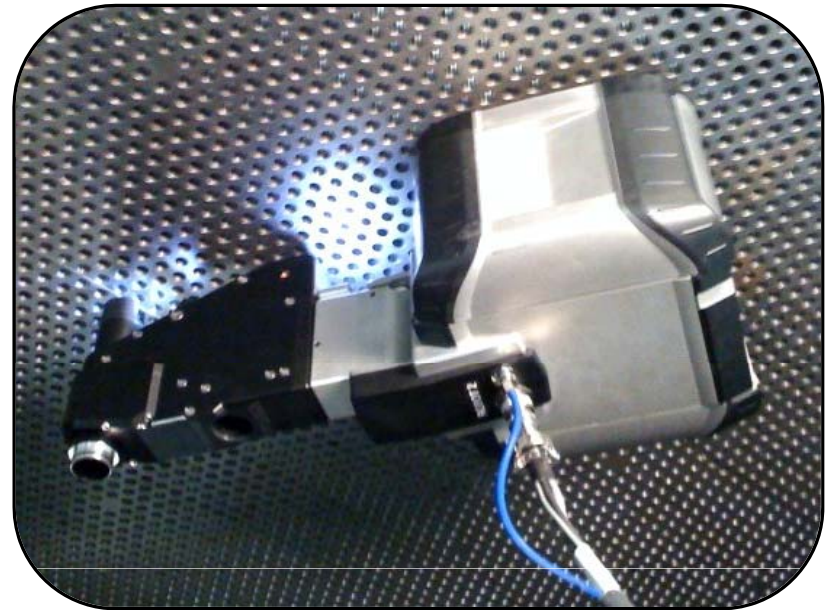


Steam Generator Services

Primary & Secondary Side



- Full Scope Life Cycle Management Services
- Tube Eddy Current and Ultrasonic Inspections
- Visual Inspections
- Water Lancing
- Repairs
- Mods
- Outage Support

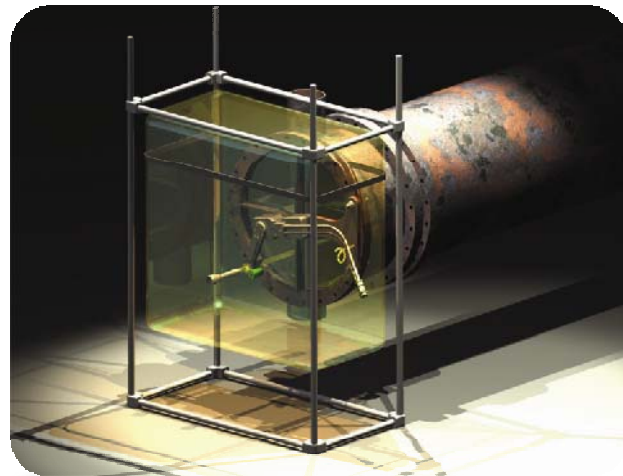


INTECH, inc

Acquired 2008

NDE Services

- Eddy Current Inspections
- Remote Field Inspections
- Heat Exchanger Assessment
- Procedure Development
- Level III Services
- QDA Analysts



Specialty Machining

- EDM & MDM Systems
- Sample Removal, Venting, & Calibration Standards



Steam Generators

- Tube Plugging
- Plug Removal
- Sludge Lancing
- Direct and Remote Visual Inspections



NPG Lynchburg Technology Center



Nuclear Laboratory Services



Hot Cell Facility



Hot Machine Shop



Radioisotope and Analytical Chemistry



Nondestructive Evaluation and Inspection Systems



Fatigue and Fracture Laboratory

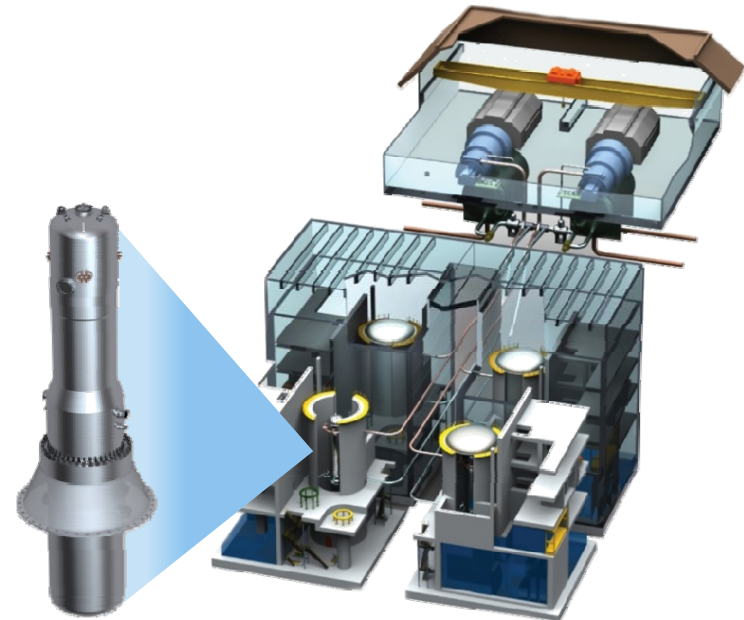
babcock & wilcox modular nuclear energy



***A practical, scalable, modular
Pressurized Water Reactor***

Scalable Nuclear Plant: Practical, Affordable

- Fully independent reactor modules
- 1-8 modules/plant, 125-1,000 MWe
- Underground containment building
- Low-impact, air-cooled condenser
- Scalable to grid, site, load-growth
- Three-year construction schedule



500 MWe Configuration

Cost certainty ... Schedule certainty ... Capital efficient

Nuclear Power Generation – Summary



- **Manufacturing**
 - Replacement Market
 - New-Build
- **Construction Services**
 - Outage Support
 - Steam Generator Installation
 - New Build
- **Nuclear Services**
 - SG Inspection & Maintenance
 - Lab Services
 - Heat Exchangers
 - BOP Inspections

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