

B&W Introduces Scalable, Practical Nuclear Energy

B&W mPower™ Generation III++ reactor to be built in North America based on proven technology

(Washington, DC – June 10, 2009) – The Babcock & Wilcox Company (B&W) plans to deploy a North American-manufactured, scalable nuclear reactor using its unique history of more than 50 years of continuous reactor engineering and manufacturing. The B&W mPower reactor design is a passively safe Advanced Light Water Reactor (ALWR) with a below-ground containment structure. This optimized ALWR represents true Generation III++ nuclear technology that B&W believes can be certified, manufactured and operated within today's existing U.S. regulatory, industrial supply chain and utility operational infrastructure. B&W is a subsidiary of McDermott International, Inc.

The new reactor will incorporate important design and operational attributes that will make it attractive for both existing nuclear operating utilities as well as other customers seeking to diversify their power generation portfolio.

- The scalable nature of nuclear plants built around the B&W mPower reactor would provide customers with practical power increments of 125 MWe to meet local energy needs within power grid and plant site constraints.
- B&W expects the use of proven ALWR design features, together with a passive safety philosophy, to minimize plant licensing challenges, enhance safety performance and contribute to reliable plant operation.
- The Nuclear Steam Supply System (NSSS) would be manufactured in existing B&W facilities in North America and then rail-shipped to construction sites.
- The planned five-year operating cycle without refueling is intended to provide a low-cost approach to plant operations.
- Nuclear security and near-term management of used fuel would be improved through the underground containment design that accommodates storage of fuel for the planned 60-year life of the reactor.

“When we started looking at the best way to match up B&W’s nuclear manufacturing, engineering and licensing expertise with the emerging needs of the commercial nuclear renaissance, it was clear that we could lead the scalable, modular reactor field,” said Brandon Bethards, Chief Executive Officer of B&W. “As it comes to market, we believe this product will further enhance B&W’s value to our customers.”

B&W has formed a new business unit, B&W Modular Nuclear Energy, LLC, to lead the development, licensing and delivery of B&W mPower reactor projects. Christofer Mowry has been named President and Chief Executive Officer of B&W Modular Nuclear Energy, LLC. “Several technical and manufacturing innovations make this reactor a potential game-changer for the global clean energy market,” said Mowry. “We have attracted substantial customer involvement as we progress through important product configuration decisions. We believe this reactor will offer a practical, affordable near-term solution to the world’s growing demand for the clean, zero-emission operations base load power necessary to support the emergence of renewable energy solutions. This program has the potential to lead to more high-value engineering and manufacturing activity in our country, particularly at our facilities in Virginia, Ohio and Indiana, and also at our subsidiary in Canada.”

B&W has notified the NRC of its intent to submit an application for design certification of the reactor in 2011. The company has also assembled a global team of potential future customers to support the development of the reactor to make sure it meets customer and regulatory requirements in North America, Europe and elsewhere. A Letter of Intent has been received from Tennessee Valley Authority (TVA) to begin the process of evaluating a potential lead plant site for the B&W mPower reactor. A Memorandum of Understanding has been signed by B&W, TVA and a consortium of regional municipal and cooperative utilities to explore the construction of a fleet of B&W mPower reactors to meet the consortium’s need to diversify its power generation assets.

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About B&W

The Babcock & Wilcox Company (B&W), a major operating subsidiary of McDermott International, Inc., is a leader in advanced energy technology innovation and service, primarily in nuclear and fossil power. Providing quality products and technical services to commercial and government customers, B&W is focused on issues such as energy efficiency, clean air, global market competitiveness, and safe and secure resolution for nuclear waste. B&W has locations worldwide and employs more than 20,000 people. Visit us on the web at www.babcock.com.

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Cautionary Statement Regarding Forward Looking Statements

This press release contains forward-looking statements, including statements relating to our plans (and timing involved with those plans) to develop a scalable nuclear reactor, the anticipated design, capabilities and benefits of that reactor and our belief that the reactor may be game-changing. These statements are subject to numerous risks and uncertainties that could cause actual outcomes and results to be materially different from those projected or anticipated, including the risk that the development or licensing of the B&W mPower reactor may be adversely affected or delayed through the regulatory process or that changes in the global economy or in the energy industry may adversely affect the demand for such a reactor. The forward-looking statements contained in this press release speak only as of the date of this release and, except as required by law, we expressly disclaim any obligation to update those statements.