



news release

B&W and Bechtel Form Alliance to Commercialize World's First Generation III++ SMR Nuclear Plant

(WASHINGTON – July 14, 2010) – Babcock & Wilcox Nuclear Energy, Inc., (B&W NE) and Bechtel Power Corporation today announced they have entered into a formal alliance to design, license and deploy the world's first commercially viable Generation III++ small modular nuclear power plant. Based on B&W mPower™ small modular reactor (SMR) technology, this new alliance, to be known as Generation mPower, brings together two recognized and established energy industry leaders in engineering, manufacturing and construction. Both Bechtel and B&W are making a substantial commitment in forming Generation mPower. B&W NE is a subsidiary of The Babcock & Wilcox Company.

As a more practical clean energy option for power generation, the 125 megawatt B&W mPower SMR development program underway for the past two years has already gained wide recognition for its substantial electric utility involvement, cost competitiveness and innovative design.

"This alliance is about two companies maintaining America's historic leadership in the nuclear energy industry," said Chris Mowry, president of B&W NE. "The formation of our Generation mPower alliance demonstrates a new level of commitment by American industry to address the growing challenge of climate change in an economical and practical way with small modular reactor technology. It brings together industry leaders in the areas of nuclear technology, manufacturing and construction. We believe that Generation mPower positions us to collectively deliver greater certainty in nuclear project cost and schedule, which are necessary to enable broader, more timely deployment of nuclear power."

"The formation of Generation mPower is a turning point in the nuclear power plant industry – it has the potential to be a real game changer," said Jack Futcher, president of Bechtel's power business. "This alliance intends to advance the development and deployment of nuclear power in a way that makes nuclear power more accessible to utilities and more affordable to consumers. Bechtel brings the plant engineering, procurement and construction capability to complement B&W's expertise in nuclear engineering and manufacturing. Together, we have the resources, experience and expertise to deliver on the promise of a new clean energy option."

The alliance is expected to generate new jobs in engineering, manufacturing and utility operations in the United States and Canada. B&W will focus on designing and testing the nuclear steam supply system (NSSS) and nuclear island, including the design certification application development and submission, and NSSS production. Bechtel, backed by 60 years of experience in the nuclear power industry, will complement these responsibilities with integrated engineering and project management leadership.

Depending on regulatory approval and other factors, the first plant could be deployed as early as 2020.

A news conference about this announcement is available for viewing via webcast at 9:30 a.m. EDT today at <http://newseum.org/streaming/index.htm>.

About B&W

The Babcock & Wilcox Company is a leading technology innovator with an operating history of more than 140 years. Through our power generation systems segment we design, engineer, manufacture, supply, construct and maintain power generation systems and environmental control systems, primarily for large utility and industrial customers, and we provide related aftermarket parts and services. Through our government operations segment we manufacture nuclear components and provide various services to the U.S. government, including uranium processing, environmental site restoration services, and facility management and operating services. Based in Charlotte, N.C., B&W employs approximately 13,000 people directly and approximately 10,000 more in various joint ventures with other companies. Learn more at www.babcock.com.

About Bechtel

Bechtel is one of the world's premier engineering, construction, and project management companies. Since its founding in 1898, Bechtel has worked on more than 23,000 projects in 140 countries and all seven continents. Today, its 49,000 employees are teamed with customers, partners, and suppliers on hundreds of projects in nearly 50 countries. Bechtel has served the nuclear power market for over 60 years, has worked at more than 150 nuclear plants worldwide and has provided services to over 85% of the U.S. nuclear fleet. Today, Bechtel has more than 3,000 employees working on nuclear projects. For more information, visit www.bechtel.com.

Cautionary Statement Regarding Forward Looking Statements

This release contains forward-looking statements, including, without limitation, statements relating to our belief that Generation mPower positions the alliance to deliver greater certainty in nuclear project cost and schedule, the impact of Generation mPower on the nuclear power industry, utilities and consumers, our expectation that the alliance will generate new jobs, the focus of the alliance and its respective members on SMR, and the estimated timeframe for initial deployment. These forward-looking statements are based on current management expectations and involve a number of risks and uncertainties, including, among other things, the risk that B&W's mPower reactor may experience delays in or fail to obtain proper regulatory approvals, the SMR technology developed by the alliance may not be commercially viable, challenges within the operation of the alliance, and changes in the focus or plans of members of the alliance. If one or more of these or other risks materialize, actual results may vary materially from those expected. For a more complete discussion of these and other risk factors, please see B&W's registration statement on Form 10 filed with the Securities and Exchange Commission. B&W cautions not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. B&W undertakes no obligation to update or revise any forward-looking statement, except to the extent required by applicable law.

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