

B&W Subsidiary Acquires Nuclear Fuel Services

Purchase of critical U.S. nuclear fuel supplier expands B&W capabilities

(LYNCHBURG, Va. – January 5, 2009) – A subsidiary of The Babcock & Wilcox Company has completed the acquisition of Nuclear Fuel Services, Inc. (NFS), a provider of specialty nuclear fuels and related services. The acquisition enhances B&W's position as a leading provider of nuclear manufacturing and services for government and commercial markets. B&W is a subsidiary of McDermott International, Inc.

"We are pleased to close this transaction and welcome the employees of NFS to our company," said Brandon Bethards, Chief Executive Officer of B&W. "NFS expands our nuclear offerings and is a great addition to our operations. We are excited about the opportunities this acquisition will bring and our plans to capitalize upon them."

David Kudsin will serve as the new President of NFS. He has been employed by B&W or one of its affiliates for 33 years, most recently serving as Director of the Specific Manufacturing Capability Project at the Idaho National Laboratory. "I'm very excited about coming to the East Tennessee area," said Kudsin. "We are looking forward to working with everyone at NFS to continue to provide high quality products to our customers and further the ongoing safety enhancements at the site. B&W recognizes that NFS is a great place to work and a vital community partner, and we are proud to join with the NFS team to make sure both of those things remain true."

Outgoing NFS President Dwight Ferguson will serve as Principal Adviser to the President through April 2009, at which time he will retire, as he had previously announced. "It has been an honor to be part of NFS for 21 years, and I anticipate that the Erwin plant will continue to play an even greater role in America's energy future under new ownership," said Ferguson. "We've worked with B&W's transition team over the past few months to assure a smooth and orderly transition."

B&W will continue existing activities at the facility, as well as pursue new business opportunities that complement the plant's capabilities. NFS will operate as a wholly owned, indirect subsidiary of B&W.

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. The company is headquartered in Lynchburg, Va., and located on the Internet at www.babcock.com.

About NFS

Located in Erwin, Tennessee, NFS operates a fuel production facility to support America's fleet of nuclear-powered submarines and aircraft carriers. It also converts Cold War-era government stockpiles of highly enriched uranium into commercial nuclear reactor fuel. NFS is licensed by the Nuclear Regulatory Commission and employs more than 700 workers. The company is located on the internet at www.nuclearfuelservices.com.

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