

The Babcock & Wilcox Company Asbestos PI Trust  
c/o Wilmington Trust Company  
1100 N. Market Street  
Wilmington, DE 19890-1625

August 8, 2011

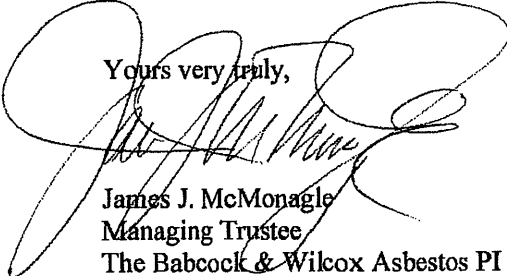
Re: The Babcock & Wilcox Company Asbestos PI Trust

Dear Claimants and Claimants' Counsel:

Section 4.2 of the Trust Distribution Procedures requires that the Trustees of The Babcock & Wilcox Company Asbestos PI Trust reconsider the payment percentage if they deem such reconsideration to be appropriate. Upon the recommendation of the Trust's advisors, the Trustees deem such reconsideration to be appropriate at this time, and have directed the Trust's advisors to provide a report and recommendations regarding a reconsidered payment percentage.

The Trustees will redetermine the payment percentage not less than thirty days from the date of this letter. Assuming the claimant received a release prior to the announcement of a proposed payment percentage change, each claimant will have until the later of (i) the date of the proposed payment percentage change or (ii) thirty days following receipt of that release to return the release. Please be aware that failure to return a release within thirty days of receipt could adversely affect your rights.

Yours very truly,



James J. McMonagle  
Managing Trustee  
The Babcock & Wilcox Asbestos PI Trust