

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

July 1, 2009

Dear Claimants and Claimants' Counsel:

The Trustees are required under Section 4.2 of the Trust Distribution Procedures to reconsider the payment percentage at least every three years, commencing on January 1, 2010 or at shorter intervals upon the request of the Trust Advisory Committee or the Future Claimant's Representative. Additionally, Section 4.2 of the Trust Distribution Procedures also requires that the Trustees 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.

The Trustees have directed the Trust's advisors to provide a report and recommendations regarding the payment percentage, and will consider the matter when that information is received. There can be no assurance as to when the report and recommendations will be received or, once received, when the Trustees will reach a conclusion about the appropriateness of the current payment percentage.

Yours very truly,

A handwritten signature in black ink, appearing to read "J. McMonagle", with a horizontal line extending to the right and a small mark resembling "TF" at the end.

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