

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

September 23, 2016

Dear Claimants and Claimants' Counsel:

The Babcock & Wilcox Company Asbestos PI Trust Distribution Procedures provide for an annual Claims Payment Ratio of 62% for Category A claims and 38% for Category B claims. Category A consists of PI Trust Claims involving severe asbestosis or malignancies (Disease Levels IV – VIII) that were unliquidated as of the Petition Date. Category B consists of non-malignant Asbestosis or Pleural Disease (Disease Levels II and III) that were similarly unliquidated as of the Petition Date.

Pursuant to Section 2.5 of the Trust Distribution Procedures, during the first nine months of a given year, the PI Trust's payments to claimants in a Category shall not exceed the amount of any excess funds that were rolled over for such Category from the prior year plus 85% of the amount that would otherwise be available for payment to claimants in such Category.

The Trust's advisors have determined that, based upon the Maximum Available Payment for 2016, the Trust has paid out during the first nine months of 2016 85% of the amount available for payment to claimants in Category A in 2016.

Accordingly, pursuant to Section 2.5 of the TDP, Category A claims currently in the payment queue and subject to the 85% payment cap will begin to be paid in October 2016 to the extent permitted under TDP Section 2.5.

Yours very truly,

Trustees of The Babcock & Wilcox
Asbestos PI Trust