

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

October 28, 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.

In the event there are insufficient funds in any year to pay the liquidated claims within either or both of the Categories, the Trust Distribution Procedures ("TDP") provide that available funds allocated to the particular Category be paid to the maximum extent to claimants in that Category based on their place in the FIFO Payment Queue described in Section 5.1(c) of the TDP, which shall be based upon the date of claim liquidation. Claims for which there are insufficient funds allocated to the relevant Category shall be carried over to the next year, where they shall be placed at the head of the FIFO Payment Queue.

The Trust's advisors have determined that, based upon the Maximum Available Payment for 2016, the Trust has paid out 62% of the total amount available to Category A claims in 2016. Accordingly, pursuant to Section 2.5 of the TDP, during the remainder of 2016, Category A claims will be carried over to 2017 when they will be placed at the head of the FIFO Payment Queue. Any delay in the payment of Category A claims pursuant to Section 2.5 of the TDP will not affect the Payment Percentage you would otherwise receive for such claim pursuant to the rules governing Payment Percentage in the TDP.

Yours very truly,

Trustees of the
The Babcock & Wilcox Asbestos PI Trust