

B&W and FirstEnergy Announce MOU Regarding Economic, Site Selection and Licensing Studies for B&W mPower™ Small Modular Reactor

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Sens. Sherrod Brown and Rob Portman Voice Support for Plans

CHARLOTTE, N.C.--(BUSINESS WIRE)--Jul. 25, 2012-- The Babcock & Wilcox Company (B&W) (NYSE: BWC) and FirstEnergy Corp. (NYSE: FE) announced today that FirstEnergy and a B&W subsidiary, Generation mPower LLC (GmP), have signed a Memorandum of Understanding regarding studies on the potential deployment of the B&W mPower™ small modular reactor in FirstEnergy's service territory.

FirstEnergy and GmP plan to work together to perform an independent financial review of mPower economics, evaluate several alternative potential sites for construction of B&W mPower plants, complete a preliminary pre-licensing analysis, and assess the need and timing for prospective deployment of B&W mPower plants in the FirstEnergy generation fleet.

The B&W mPower SMR is an advanced 180 MWe utility-scale nuclear reactor that incorporates robust, inherently safe protection systems and a fully underground containment structure. The mPower design maximizes the use of proven, mature systems and components within an innovative plant architecture that reduces construction risks and minimizes ownership costs.

"Our agreement today is an outgrowth of the company's involvement with B&W's consortium to promote the development of small modular reactors," said James H. Lash, president of FirstEnergy Generation and Chief Nuclear Officer. "Completing these studies will help us determine how B&W small modular reactors may be part of our long term generation planning."

Christofer M. Mowry, President and Chief Executive Officer of GmP said, "This cooperative effort with FirstEnergy demonstrates growing interest in our B&W mPower SMR as a clean, efficient and affordable power generation option. B&W has a long history of working in Ohio, and our employees in the state have an important role in the development of safer, more secure nuclear technology. We appreciate FirstEnergy's industry leadership, and look forward to working closely with them to complete these studies."

"This agreement between FirstEnergy and Generation mPower represents another significant step towards making Ohio a hub for advanced manufacturing and next-generation energy," Sen. Sherrod Brown (OH) said. "This agreement, which will draw on highly skilled Ohio workers from design and manufacturing to deployment, is critical to sustained job creation and international competitiveness in clean energy. I applaud FirstEnergy and Babcock & Wilcox, two companies with a significant presence in Ohio, for moving forward on American-made advanced power generation options for Ohio, the rest of the nation, and the world."

"Sustained economic growth and job creation in the United States will require a domestic supply of safe, reliable, and cost-effective energy," said Sen. Rob Portman (OH). "One or more small modular reactors in our state could not only provide this energy need, but would continue to support advanced energy careers in Ohio. I applaud FirstEnergy and Generation mPower for their commitment to advanced energy development and our nation's energy security."

About B&W

Headquartered in Charlotte, N.C., The Babcock & Wilcox Company is a leader in clean energy technology and services, primarily for the nuclear, fossil and renewable power markets, as well as a premier advanced technology and mission critical defense contractor. B&W has locations worldwide and employs approximately 12,700 people, in addition to approximately 10,400 joint venture employees. Learn more at www.babcock.com.

About FirstEnergy

FirstEnergy is a diversified energy company dedicated to safety, reliability and operational excellence. Its 10 electric distribution companies comprise one of the nation's largest investor-owned electric systems. Its diverse generating fleet features non-emitting nuclear, scrubbed baseload coal, natural gas, and pumped-storage hydro and other renewables, and has a total generating capacity of nearly 23,000 megawatts.

Cautionary Statement Regarding Forward Looking Statements

B&W cautions that this release contains forward-looking statements related to the Memorandum of Understanding and GmP's plans with FirstEnergy thereunder. These forward-looking statements involve a number of risks and uncertainties, including, among other things, that transactions currently contemplated by GmP and FirstEnergy may change materially during further good faith efforts to negotiate a mutually acceptable definitive agreement or that a definitive binding agreement may not be entered into if GmP and FirstEnergy fail to reach agreement on any material term. If one or more of these or other risks materialize, actual results may vary materially from those expressed. For a more complete discussion of these and other risk factors, please see B&W's filings with the Securities and Exchange Commission, including its annual report on Form 10-K for the year ended December 31, 2011. B&W cautions not to place undue reliance on these forward-looking statements, which speak only as of the date hereof, and undertakes no obligation to update or revise any forward-looking statement, except to the extent required by applicable law.

Source: The Babcock & Wilcox Company

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