

STURGIS Project Update, September 16, 2016

Dear STURGIS Stakeholders,

We are pleased to share that we are continuing to make progress on the STURGIS decommissioning and dismantlement project and have successfully completed another major milestone.

The crews have been extensively focusing on dismantling the Reactor Containment Vessel canopy since our last project update. In order to safely remove this item, the canopy must be cut into multiple sections which will be removed one by one and then packaged for future recycling. On Thursday, August 30, 2016, the crews successfully completed lifting one of the first sections of the Reactor Containment Vessel canopy out of the Refueling Room area. (See attached photos)

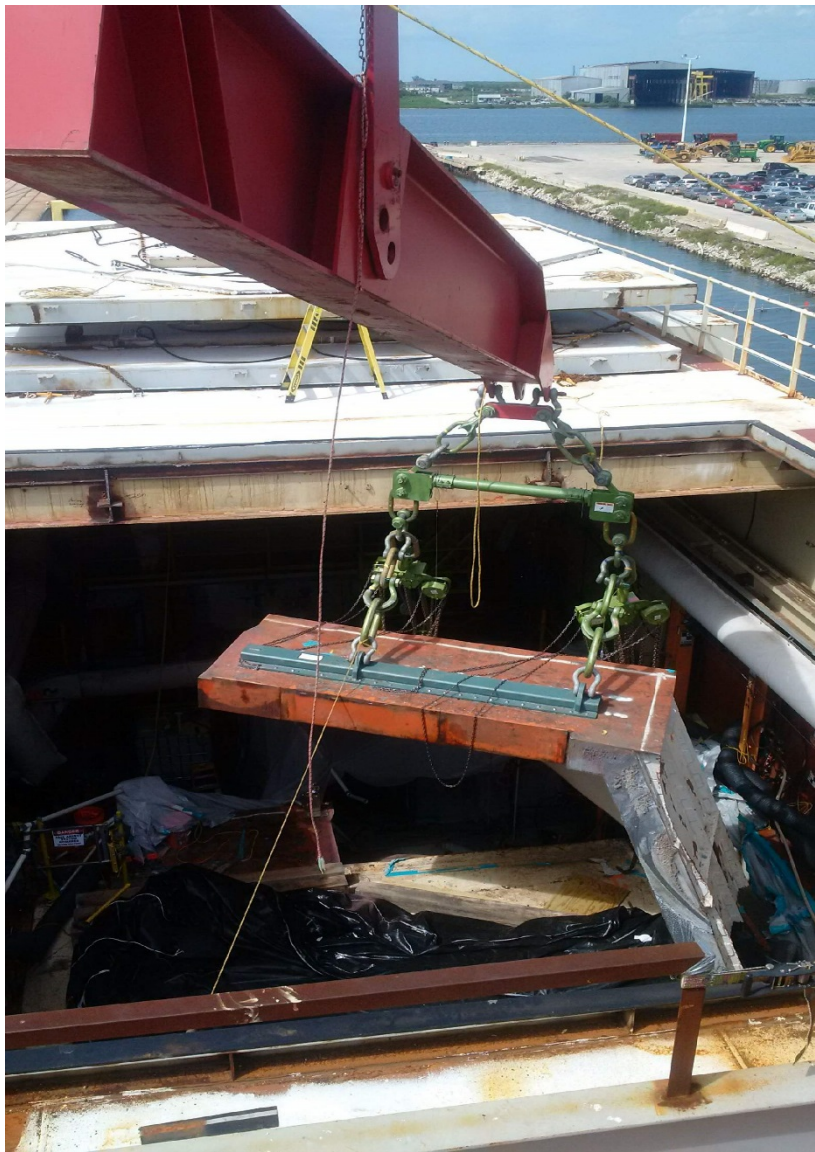
The canopy acted as a safety barrier and provided protection from radiation exposure for employees during the prior reactor operations. The first canopy section was removed from the Reactor Containment Vessel, scanned for radiological contamination, and then double-bagged for storage on the deck of the vessel until a determination regarding recycling can be finalized. The team will continue to try to remove the remainder of the canopy over the next 3-4 months. The lift was completed in accordance with all engineering and safety protocols and was executed without incident.

Environmental monitoring has been continuous since prior to the arrival of the STURGIS in Galveston and no evidence of radioactive material or increased radiation exposure from the STURGIS has been documented outside of the reactor containment area to date.

We'd also like to note that our team has been keeping an eye on the weather, including storms in the Gulf of Mexico. We have continued to keep our Hurricane Plan up to date and are in regular communication with our local partners in the Coast Guard and local first responders. Our teams stands ready to implement our detailed Hurricane Plan should the need arise.

We appreciate the continued support of our local partners and stakeholders as we carry out this project.

First Canopy Section Removed 30 August 2016



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