

STURGIS Project Update, June 6, 2017

Dear STURGIS Stakeholders,

As part of our ongoing communications with the community regarding progress on the STURGIS decommissioning and dismantlement project, we wanted to provide an update regarding progress on site.

The site team has been making excellent progress. Over the last 6 weeks, the team has worked diligently to remove all of the large components from the vessel. The removal of the large components from the Reactor Containment Vessel provided access for the team to remove the Reactor Pressure Vessel. The Reactor Pressure Vessel was safely lifted into a specially designed shipping container within the containment area of the vessel. Once the Reactor Pressure Vessel was secure in the shipping container, it was lifted from the STURGIS onto a transport vehicle. The transporter successfully delivered the Reactor Pressure Vessel to Waste Control Specialists disposal facility, in Andrews County, Texas this week.

All components removed from the STURGIS including the Reactor Pressure Vessel have been safely delivered to Waste Control Specialists, the selected disposal facility. To date, we have safely shipped over 850,000 pounds of radioactive waste, which accounts for over 98% of the radioactivity from the vessel. At this time, all waste shipments have been received by the disposal facility without incident.

The team has also been able to recycle over 600,000 pounds of lead from various components removed and cleared for release from the vessel (no radioactivity).

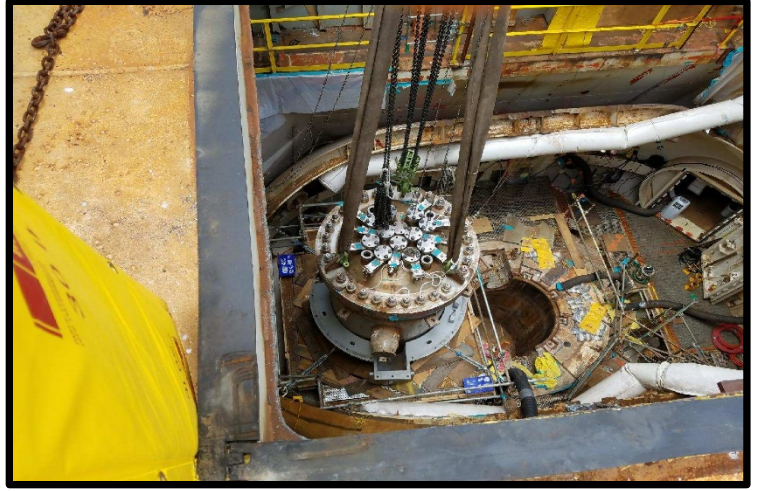
The removal of the Reactor Pressure Vessel and minimizing the remaining radioactivity on the vessel by the start of this year's hurricane season was a major goal for our team and we're delighted to be able to share this news with our stakeholders. Safety remains our top priority as we execute each phase of our work. We remain diligent on all safety matters, including completion of the project's hurricane preparedness coordination and planning for this year's hurricane season.

Over the next several months, the team will remove the remaining contaminated items, package and transport them to the disposal facility. After all of the radioactive materials have been removed, the team will access the hull bottom tanks to complete the required surveys to allow the vessel to be released for shipbreaking.

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

We continue to appreciate the support of our local partners and stakeholders that we have enjoyed as we carry out this project.

Safe Removal of the Reactor Pressure Vessel



Reactor Pressure Vessel is lifted and placed into a specially designed shipping container to its left within the Reactor Containment Vessel.



Once the Reactor Pressure Vessel was secure in its specially designed shipping container, it was lifted out of the STURGIS and loaded onto a transport vehicle for shipment to Waste Control Specialists, the selected disposal facility.

