

STURGIS Project Update, September 14, 2018

Dear STURGIS Stakeholders,

As part of our ongoing communications with the community regarding the STURGIS decommissioning and dismantlement project, we wanted to share our most recent major milestone as we near completion of our work in Galveston.

All components of the deactivated nuclear reactor and associated radioactive waste that was formerly aboard the STURGIS have been safely removed and transported, without incident, to Waste Control Specialists, a disposal facility, in Andrews County, Texas. As a reminder, 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 at any point during the project.

To date, our crews have safely removed and shipped more than 1.5 million pounds of radioactive waste from the STURGIS since being towed to Galveston for decommissioning in the spring of 2015. As part of this effort, more 600,000 pounds of lead was recycled. Our crews, which included a local staff of up to 50 workers who logged more than 325,000 hours on this complex and unique effort.

Our crews have spent the past several weeks conducting final radiological surveys in order to confirm that the STURGIS can be released from radiological controls.

Now that we have completed these radiological release surveys, the team is finalizing plans for the tow of the STURGIS from Galveston to Brownsville, Texas for shipbreaking. We anticipate finishing the necessary documentation and planning to be ready to tow the STURGIS from Galveston to Brownsville the week of September 24th. The tow is planned to take about three days. The team will closely monitor the weather in the area to ensure conditions are safe prior to beginning the tow.

Once in Brownsville, we anticipate the shipbreaking will be completed in early 2019. Based on current estimates, we anticipate that we will be recycling approximately 5,500 tons of steel and other assorted metals from the ship.

As a reminder, after the STURGIS is towed to Brownsville, the U.S. Army Corps of Engineers and contractors will remain on site in Galveston for approximately four (4) weeks for site demobilization and final surveys of the facility to ensure no contamination is left on the dock from the project.

During our time in the Port of Galveston, the STURGIS project had an estimated \$20 million positive economic impact to Galveston. We want to take this opportunity to again thank the local Galveston community and our local partners and stakeholders for their continued support throughout this complex project. The local support our team received greatly contributed to the success of this project. We will continue to provide occasional updates through the final shipbreaking of the STURGIS in Brownsville.