

B&W Begins Front-End Engineering and Design Work for FutureGen 2.0 Carbon Capture Project

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CHARLOTTE, N.C.--(BUSINESS WIRE)--The Babcock & Wilcox Company (B&W) (NYSE:BWC) announced today that its subsidiary, Babcock & Wilcox Power Generation Group, Inc. (B&W PGG), has signed an agreement with the FutureGen Industrial Alliance to perform full front-end engineering and design work on the FutureGen 2.0 carbon capture and storage (CCS) project in Meredosia, Ill.

The agreement marks the start of the second phase of the three-phase U.S. Department of Energy (DOE)-funded project. The DOE has authorized up to \$49 million to fund B&W's Phase 2 engineering and design activities. Construction of the plant would follow in Phase 3, with an anticipated start in June 2014.

B&W PGG will design and supply a boiler island and oxy-coal combustion system, gas quality control system and provide the balance of plant engineering for the first-of-its-kind, near-zero emissions coal-fired plant.

The project's goal is to capture more than 90 percent of the carbon dioxide (CO₂) generated during the combustion process, reducing the plant's CO₂ footprint by more than 1 million tons annually.

"This agreement is an important next step in our progress toward making near-zero-emissions power generation from coal a reality," said B&W PGG President and Chief Operating Officer J. Randall Data. "We look forward to continuing our relationship with the FutureGen Industrial Alliance, the DOE and the project team in demonstrating the value of carbon-capture technology."

The oxy-coal combustion process – developed by B&W PGG and Air Liquide – uses oxygen mixed with recycled flue gas to replace the normal combustion air in a coal-fired boiler. As coal is burned, the resulting flue gas consists primarily of CO₂, which is well-suited for compression and storage.

The CO₂ captured from the FutureGen 2.0 plant will be transported and stored underground at a nearby storage facility.

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 12,000 people, in addition to approximately 10,400 joint venture employees. Learn more at www.babcock.com.

Cautionary Statement Regarding Forward Looking Statements

B&W cautions that this release contains forward-looking statements, including statements relating to our relationship with the FutureGen Industrial Alliance and the scope, timing and value, to the extent value may be viewed as an indicator of future revenues, of the CCS project agreement. These forward-looking statements involve a number of risks and uncertainties, including, among other things, adverse changes in government funding, lack of demand for or competitiveness of CCS technology, and delays or other difficulties executing the CCS project agreement. 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 and subsequent quarterly reports on Form 10-Q. B&W cautions not to place undue reliance on these forward-looking statements, which speak only as of the date this release, and undertakes no obligation to update or revise any forward-looking statement, except to the extent required by applicable law.

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