

B&W conversion services,

B&W Conversion Services, LLC
1020 Monarch Street, Suite 300
Lexington, KY 40513

Date: April 29th, 2011
To: B&W Conversion Services, LLC Pension Plan for Grandfathered Employees (formerly the Uranium Disposition Services, LLC Pension Plan for Grandfathered Employees) Participants
From: Brenda Nichols, Human Resources Generalist
Subject: B&W Conversion Services, LLC Pension Plan for Grandfathered Employees Funding Notice

Sponsors of qualified pension plans, such as the B&W Conversion Services, LLC Pension Plan for Grandfathered Employees, are required each year to provide plan participants with certain information about the funded status of their plan. The attached "*Annual Funding Notice for the B&W Conversion Services, LLC Pension Plan for Grandfathered Employees (formerly the Uranium Disposition Services, LLC Pension Plan for Grandfathered Employees)*" meets this annual requirement. This cover memo should help you better understand the Funding Notice.

No Impact on Your Accrued Benefits

The benefits you have already earned under the B&W Conversion Services, LLC Pension Plan for Grandfathered Employees have not changed.

If you are a retiree or beneficiary and are currently receiving benefits from the Plan, your rights to those benefits have not changed.

This Notice is *not* a notice of any intention on the company's part to change in any way the terms of the B&W Conversion Services, LLC Pension Plan for Grandfathered Employees or to terminate the plan.

Understanding the Annual Funding Notice

A pension plan is designed to provide plan participants with a benefit at retirement based on the plan's formula. In order to ensure sufficient funds exist to pay for these future retirement benefits, B&W Conversion Services, LLC makes contributions to a trust fund and that money is set aside for plan benefits and invested based on the plan's investment policy. The timing of contributions is determined by federal guidelines and based on calculations made by outside experts, called actuaries, who look at both how much is in the trust (assets) and future obligations for benefits (liabilities). The Plan's investment and funding policies are outlined in the attached Notice.

The asset and liability measures used by our outside experts to determine the company's annual contribution to the Plan for 2008, 2009 and 2010 are summarized in the "*Funding Target Attainment Percentage*" section on page 1 of the Notice. These values are as of January 1 of the respective year.

As you can see, our Plan was 66.76% funded as of January 1, 2010. However, since most retirement obligations are for payments that will occur many years from now, we have time to make up this deficit through both contributions and future investment returns.

At the top of page 2 of the Notice, the "*Fair Market Value of Assets*" section discloses the Plan's assets and liabilities as of December 31, 2010. These values are calculated differently than those used to determine the Funding Target Attainment Percentages shown on page 1.

Our Commitment to Your B&W Conversion Services, LLC Pension Plan for Grandfathered Employees Benefits

While we have not yet determined the Plan's funded status as of January 1, 2011, we want to assure you that we have every intention of continuing to fund our Plan as required by law.

ANNUAL FUNDING NOTICE
For the
B&W Conversion Services, LLC
Pension Plan for Grandfathered Employees
(formerly the Uranium Disposition Services, LLC
Pension Plan for Grandfathered Employees)

Introduction

This notice includes important funding information about your pension plan ("the Plan"). This notice also provides a summary of federal rules governing the termination of single-employer defined benefit pension plans and of benefit payments guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a federal agency. This notice is for the plan year beginning January 1, 2010 and ending December 31, 2010 ("Plan Year").

Funding Target Attainment Percentage

The funding target attainment percentage of a plan is a measure of how well the plan is funded on a particular date. This percentage for a plan year is obtained by dividing the Plan's Net Plan Assets by Plan Liabilities on the Valuation Date. In general, the higher the percentage, the better funded the plan. The Plan's funding target attainment percentage for the Plan Year and 2 preceding plan years is shown in the chart below, along with a statement of the value of the Plan's assets and liabilities for the same period.

	2010 Plan Year	2009 Plan Year	2008 Plan Year
1. Valuation Date	January 1, 2010	January 1, 2009	January 1, 2008
2. Plan Assets			
a. Total Plan Assets	\$3,730,296	\$3,029,513	\$1,425,795
b. Funding Standard Carryover Balance	2,399	1,688	2,253
c. Prefunding Balance	0	0	0
d. Net Plan Assets (a) – (b) – (c) = (d)	\$3,727,897	\$3,027,825	\$1,423,542
3. Plan Liabilities	\$5,583,902	\$3,709,730	\$2,906,475
4. At-Risk Liabilities	N/A	N/A	N/A
5. Funding Target Attainment Percentage (2d)/(3)	66.76%	81.62%	48.98%

In accordance with the Plan's investment policy, the Plan's assets were allocated among the following categories of investments, as of the end of the Plan Year. These allocations are percentages of total assets:

Asset Allocations	Percentage
1. Interest-bearing cash	4.8%
2. U.S. Government securities	_____
3. Corporate debt instruments (other than employer securities):	_____
Preferred	_____
All other	_____
4. Corporate stocks (other than employer securities):	_____
Preferred	_____
Common	_____
5. Partnership/joint venture interests	_____
6. Real estate (other than employer real property)	_____
7. Loans (other than to participants)	_____
8. Participant loans	_____
9. Value of interest in common/collective trusts	_____
10. Value of interest in pooled separate accounts	_____
11. Value of interest in master trust investment accounts	_____
12. Value of interest in 103-12 investment entities	_____
13. Value of interest in registered investment companies (e.g., mutual funds)	74.7%
14. Value of funds held in insurance co. general account (unallocated contracts)	_____
15. Employer-related investments:	_____
Employer Securities	_____
Employer real property	_____
16. Buildings and other property used in plan operation	_____
17. Other	20.5%

Right to Request a Copy of the Annual Report

A pension plan is required to file with the US Department of Labor an annual report (i.e., Form 5500) containing financial and other information about the plan. Copies of the annual report are available from the US Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1513, Washington, DC 20210, or by calling 202.693.8673. Or you may obtain a copy of the Plan's annual report, by making a written request to the plan administrator.

Summary of Rules Governing Termination of Single-Employer Plans

Employers can end a pension plan through a process called "plan termination." There are two ways an employer can terminate its pension plan. The employer can end the plan in a "standard termination" but only after showing the PBGC that the plan has enough money to pay all benefits owed to participants. The plan must either purchase an annuity from an insurance company (which will provide you with lifetime benefits when you retire) or, if your plan allows, issue one lump-sum payment that covers your entire benefit. Before purchasing your annuity, your plan administrator must give you advance notice that identifies the insurance company (or companies) that your employer may select to provide the annuity. The PBGC's guarantee ends when your employer purchases your annuity or gives you the lump-sum payment.

If the plan is not fully-funded, the employer may apply for a distress termination if the employer is in financial distress. To do so, however, the employer must prove to a bankruptcy court or to

Even if certain benefits are not guaranteed, participants and beneficiaries still may receive some of those benefits from the PBGC depending on how much money the terminated plan has and how much the PBGC collects from the employer.

Corporate Information on File with PBGC

The law requires a plan sponsor to provide the PBGC with financial information about the sponsor and the plan under certain circumstances, such as when the funding target attainment percentage of the plan (or any other pension plan sponsored by a member of the sponsor's controlled group) falls below 80 percent (other triggers may also apply). The sponsor of the Plan, B&W Conversion Services, LLC, and each member of its controlled group, if any, was subject to this requirement to provide corporate financial information and plan actuarial information to the PBGC. The PBGC uses this information for oversight and monitoring purposes.

Where to Get More Information

For more information about this notice, you may contact Brenda Nichols by mail at B&W Conversion Services, LLC, 1020 Monarch Street, Suite 100, Lexington, KY 40517, by phone at 859-685-9251 or by email at bcnichols@duf6.com. For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 27-0676517. For more information about the PBGC and benefit guarantees, go to PBGC's website, www.pbuc.gov, or call PBGC toll-free at 1-800-400-7242 (TTY/TDD users may call the Federal relay service toll free at 1-800-877-8339 and ask to be connected to 1-800-400-7242).