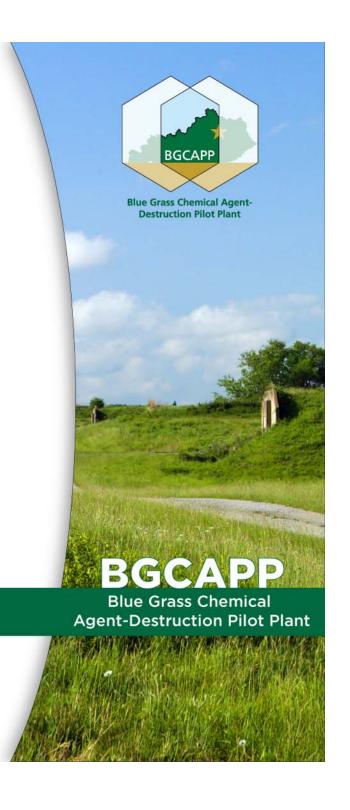
Monthly Status Briefing

September 2009



A PARTNERSHIP FOR SAFE CHEMICAL WEAPONS DESTRUCTION



Project Background



- The Blue Grass Chemical Agent-Destruction Pilot Plant (BGCAPP) will safely destroy 523 tons of chemical agent in rockets and artillery projectiles stored at the Blue Grass Army Depot in Richmond, Kentucky.
- The technology selected by the Department of Defense to destroy the Blue Grass chemical weapons stockpile is neutralization followed by Super Critical Water Oxidation (SCWO).
- The Program Manager, Assembled Chemical Weapons Alternatives (ACWA), headquartered at Aberdeen Proving Ground, Maryland is responsible for managing all aspects of the safe and environmentally sound destruction of the chemical weapons stockpiles in both Kentucky and Colorado.
- The Bechtel Parsons Blue Grass Team, a joint venture of Bechtel National, Inc. and Parsons Infrastructure and Technology Group, along with teaming partners Washington Demilitarization Company, Battelle Memorial Institute, General Atomics and General Physics, is the systems contractor selected to design, build, systemize, pilot test, operate and close the BGCAPP.



Safety



- Currently applying for OSHA Voluntary Protection Program (VPP) Star Status:
 - OSHA recognizes workplaces with excellent safety and health management systems.
 - Promotes them as model workplaces.
 - VPP emphasizes reliance on the cooperation and trust inherent in partnership.



Bechtel Parsons Blue Grass employees have surpassed 4.3 million job hours and 2,282 days without a lost-time injury*





Current Project Staffing





- Total employment is 612
- Non-manual personnel 418:
 - Richmond, KY: 300 (71 local hires)
 - Other Locations: 118
- Manual personnel 194:
 - Richmond, KY 152
 - Other locations 42



Economic Impact



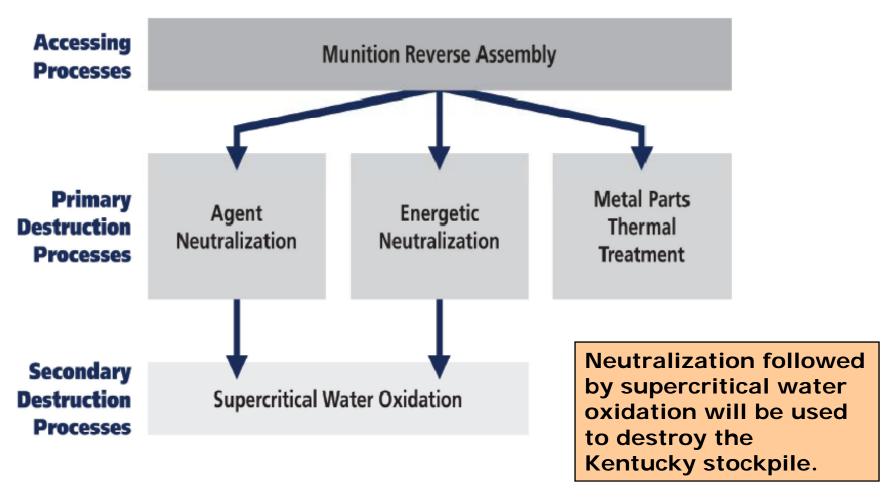
 ACQUISITIONS: More than \$40 million spent with Kentucky companies since project inception

PAYROLL

- Non-manual payroll approximately \$32 million per year, generating about \$2 million in state and local payroll taxes
- Craft payroll averaging more than \$100,000 per week
- LEASING: Annual lease payments of more than \$400,000 for office and warehouse space

Destruction Technology







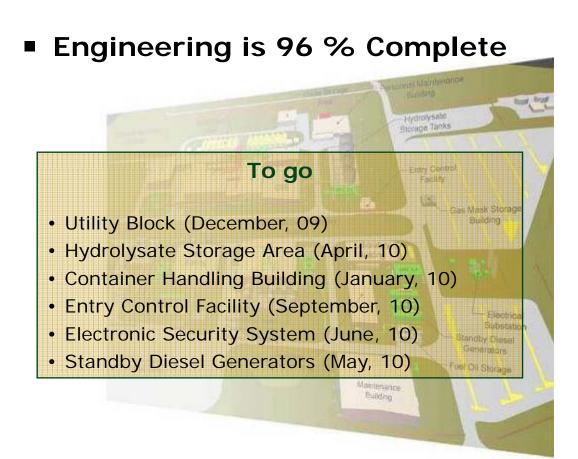


Status of Design Packages



Complete

- ✓ Munitions Demilitarization Building
- ✓ Control and Support Building
- ✓ Super Critical Water Oxidation Process Building
- √ Laboratory
- ✓ Underground Utilities
- ✓ Access Control Building
- ✓ Gas Mask Storage Building
- ✓ Maintenance Building and Personnel Support Building
- ✓ Maintenance Building
- ✓ Integrated Control System
- ✓ Fire Protection System
- ✓ Above Ground Utilities
- ✓ MDB Filter Area
- ✓ Lab Filter Area







Department of Defense Explosives Safety Board (DDESB) Approves Blast Design



- DDESB approved design of blast containment areas in Munitions Demilitarization Building (MDB) in August
- Removes the remaining limits on future MDB blast area work
- Construction is currently proceeding





Construction Status - Complete



- Perimeter Fencing
- Access Road
- Access Control Building and Associated Facilities
- 138kV transmission line and electrical substation
- High-mast lighting
- Personnel Support Building
- Maintenance Building
- Control and Support Building horizontal concrete
- Mock wall to demonstrate construction techniques



Construction – Work in Progress

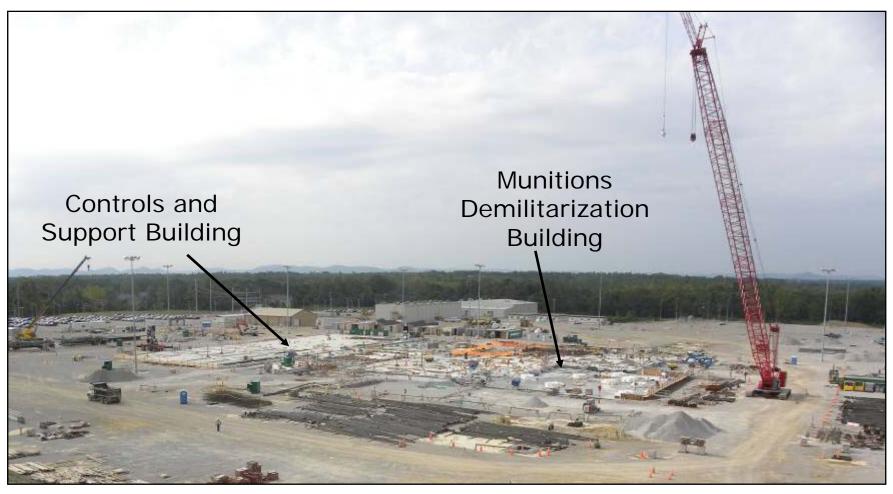
- Munitions Demilitarization Building non-blast horizontal concrete
- Water storage tanks
- Structural steel delivery and staging
- Equipment receipt/placement





Site Overview









Mock Wall







A "mock wall" was constructed to demonstrate special construction techniques for heavily reinforced concrete walls. Testing includes core samples (left) and cutting into the wall for visual inspection

Water Storage Tanks







Two 250,000-gallon tanks will supply water to the plant. Workers at right are preparing for hydrostatic testing.





Structural steel







Structural steel for the Controls and Support Building is arriving and being staged for installation to begin in September.





Equipment receipt and placement





Large air-handling units are positioned for final placement.

Cranes for equipment placement















Cranes of up to 275-ton capacity and 200 feet tall will be used to place structural steel and process equipment.

Congressional visit



U. S. Senator Mitch
McConnell (right center) and
Congressman Ben Chandler
(right) are briefed on
construction progress by
Bechtel Parsons Project
Manager Mark Seely (left)
and ACWA Site Project
Manager Jeff Brubaker (left
center) during a site visit
August 25.







Blue Grass Chemical Agent-Destruction Pilot Plant





BGCAPP Site Plan January 11, 2008 24915-00-P5-00-00003 Rev. 4



