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B&W to acquire Nuclear Fuel Services

Purchase of critical U.S. nuclear fuel supplier expands B&W capabilities

LYNCHBURG, Va. – August 11, 2008 – The Babcock & Wilcox Company (B&W), a subsidiary of McDermott International, Inc. [NYSE: MDR], announced today that an affiliate of B&W has entered into a definitive agreement to acquire Nuclear Fuel Services, Inc. (NFS) of Erwin, Tenn., a provider of specialty nuclear fuels and related services. The acquisition supports B&W's strategic goal of being a leading provider of nuclear manufacturing and service businesses for government and commercial markets.

"NFS is a great addition to the B&W portfolio of businesses, complementing the products and services we currently provide," said John A. Fees, B&W Chief Executive Officer. "B&W and NFS have been major contributors in both the government and commercial nuclear industries for the past five decades. This acquisition better aligns both companies in delivering the future applications of nuclear energy."

Dwight Ferguson, NFS Chief Executive Officer and President, said, "This partnership expands NFS' ability to provide enhanced service to our customers, adding greater value to our diverse stakeholders. NFS has worked alongside B&W for many years. We are pleased to add our capabilities to those of the B&W group of companies and believe this will allow NFS to better leverage the growth opportunities that are in today's market for the Erwin Plant."

"The combined expertise resulting from this acquisition will enhance our opportunities for business growth and elevate our service to our customers," Fees continued. "Moving forward, B&W's continuous improvement culture and proven safe conduct of operations will support and enhance NFS' regulatory performance initiatives."

B&W plans to continue existing activities at the Erwin, Tenn., facility.

The transaction is contingent upon obtaining regulatory approvals and satisfying other closing conditions. The transaction is expected to be completed by the end of 2008. Details of the financial terms are not being disclosed.

About B&W

The Babcock & Wilcox Company (B&W), a major operating group of McDermott International, Inc. [NYSE: MDR], is a leader in advanced energy technology innovation and service, primarily in nuclear and fossil power. Providing quality products and technical services to commercial and government customers, B&W is focused on issues such as energy efficiency, clean air, global market competitiveness, and safe and secure resolution for nuclear waste. B&W has locations worldwide and employs more than 20,000 people. The company is located on the Internet at www.babcock.com.

About NFS

NFS is America's leader in the conversion of Cold War-era government stockpiles of highly enriched uranium into commercial nuclear reactor fuel. The company also operates a fuel production facility to support America's fleet of nuclear-powered submarines and aircraft carriers. NFS, a privately held company with more than 700 employees, owns and operates a nuclear fuel fabrication facility licensed by the U.S. Nuclear Regulatory Commission in Erwin, Tennessee.

In accordance with the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995, B&W cautions that statements in this release that are forward-looking and provide other than historical

information involve risks and uncertainties that may impact the actual results realized from the proposed acquisition. The forward-looking statements in this release include statements regarding the timing for closing the transaction and expected benefits from this acquisition. Those statements are made based on various underlying assumptions and are subject to numerous uncertainties and risks, including, without limitation, difficulties in integrating NFS with B&W's operations and delays or other difficulties in satisfying closing conditions, including the receipt of regulatory approvals.

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