

HOLTEC HIGHLIGHTS

A Summary Report to Our Clients, Suppliers, and Company Personnel

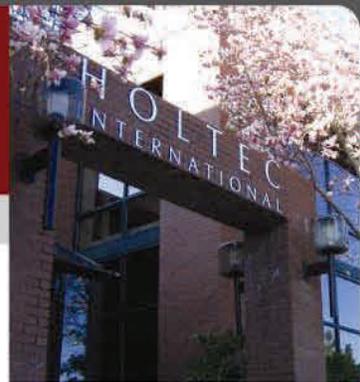
All-Star SMR-160 Team of U.S. Companies includes CB&I and SCE&G, both long-term team members dating back to the last FOA Grant Application

We are pleased to confirm that our wholly owned subsidiary, SMR, LLC submitted an application for the Funding Opportunity Announcement (FOA) to the DOE on July 1, 2013. The preceding two issues of this news bulletin headlined our strategic alliance with PSEG Power and the MOU with URS on the SMR-160 Development Project. In this issue, we proudly report that two other industry leaders, who were members of our 2012 FOA application, remain committed to the SMR-160 Team — CB&I and South Carolina Electric & Gas (SCE&G).

Under a new MOU, CB&I (which acquired Shaw in February 2013) will continue to support Holtec in the development of the SMR-160. CB&I is the only Architect-Engineer currently building new nuclear units in the U.S., with two Westinghouse *AP1000*[®] units under construction at each site for Plant Vogtle and V.C. Summer.

Additionally, CB&I is providing the engineering, procurement and project management services for four new *AP1000* nuclear units at two sites in China. With more than 50,000 employees, CB&I is the most complete energy infrastructure focused company in the world and a major provider of government services. The company possesses in-depth knowledge of the SMR-160 design, having served as a principal member of the SMR-160 Team in the previous FOA bidding cycle.

SCE&G, also a steadfast SMR-160 supporter since our 2012 bidding effort, is one of only two utilities currently building new nuclear units in the U.S. In contrast to 2012 when SCE&G backed both Holtec and another reactor developer, SCE&G is exclusively teamed with Holtec in this round of FOA.



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As with PSEG Power and URS, both CB&I and SCE&G have had a long-term active business relationship with Holtec International and a long history of successful cooperation on numerous projects. *"We should note that the combined resources of the SMR-160 Team constitutes over 80% of the professional work force in the U.S. presently engaged in new nuclear, which makes the SMR-160 development effort a truly national undertaking,"* said Dr. William S. Woodward, Holtec's top executive in charge of the SMR-160 Program.

The combined resources of CB&I and URS will help the SMR-160 Project shave at least one year from SMR-160's detailed design development schedule. Both companies are prominently mentioned in our FOA grant application to the DOE.

SCE&G, with its immersion in the construction of two new *AP1000* nuclear units at V.C. Summer, has provided a treasure trove of practical insight that is being woven into the SMR-160's design and is reflected in the grant application. SCE&G is a leading member of NuHub, a statewide coalition of major South Carolina institutions that, earlier this year, selected SMR-160 as its *exclusive technology choice* for support and future development.

SMR-160 is a 160 MW(e) PWR designed to be powered only by gravity under all operational modes. All of SMR-160's *safety significant* systems are passive; the plant does not need any source of external power to remain safe even under the most challenging scenarios such as station black-out or a loss-of-coolant accident. Holtec plans submittal of the Design Certification Application to the USNRC by December 2016.



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