



THE BECHTEL REPORT 2012

Know-how is the ability to get the job done right—safely, to or above quality standards, at or under budget, on or ahead of schedule, and in a way that meets or exceeds customer and community expectations and makes us proud. Few companies in our industry embody know-how to the extent that Bechtel does. It derives from our people, our culture, our processes, and our experience.

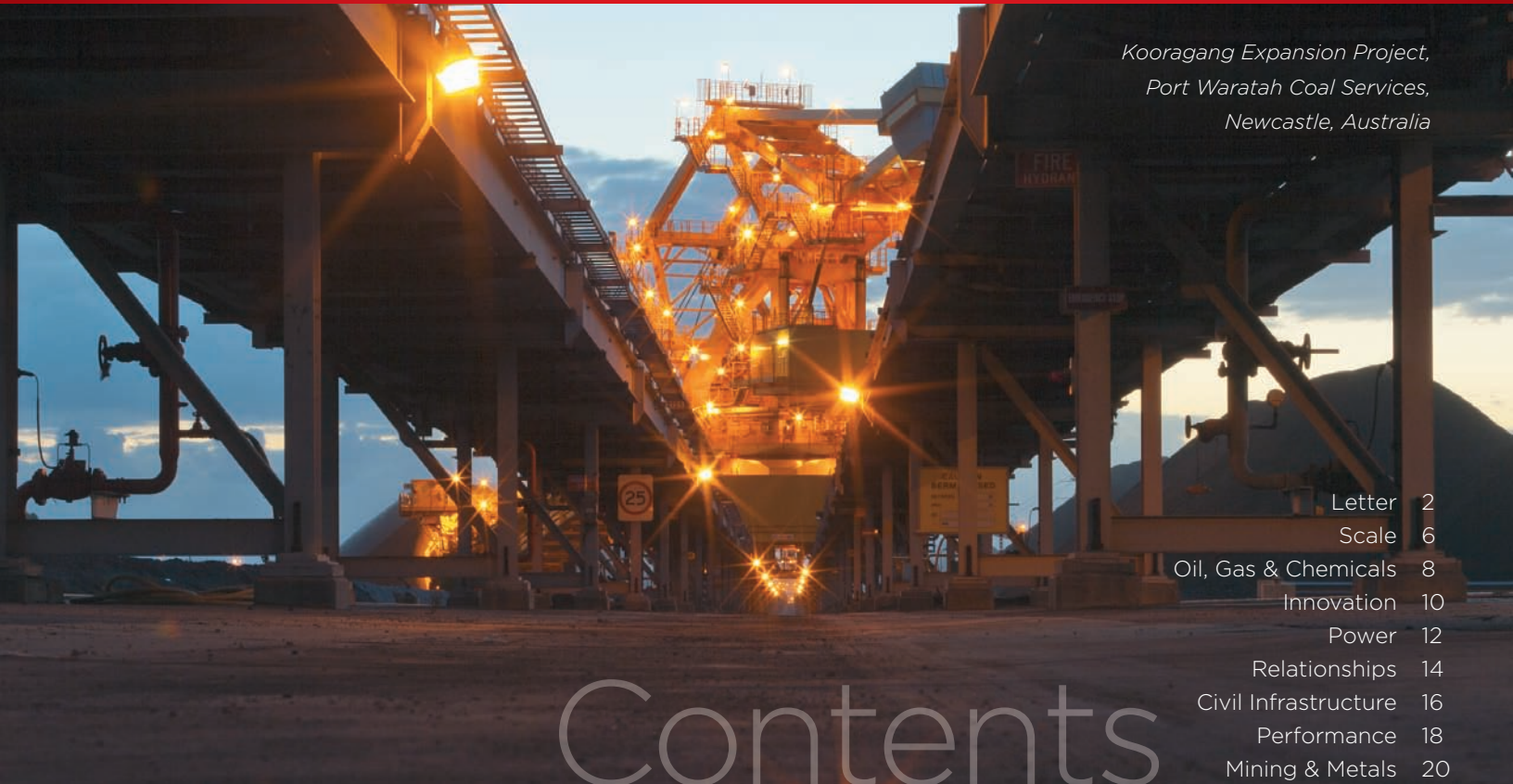
Know-how

*Pictured on front cover:
New Doha International
Airport, Government of
Qatar, Doha, Qatar*

This year's Bechtel Report showcases know-how in action through recent, exemplary projects that reprise themes from our long and varied history:

- Scale
- Innovation
- Relationships
- Performance
- Complexity
- People
- Responsibility

We believe that the work we have highlighted in this report captures the best of applied Bechtel know-how.



*Kooragang Expansion Project,
Port Waratah Coal Services,
Newcastle, Australia*

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The Bechtel



“For all of our customers, the certainty of safety, quality, cost, and schedule that we deliver is crucial.”

Pictured left to right:

Bill Dudley

President & Chief Operating Officer

Riley Bechtel

Chairman & Chief Executive Officer

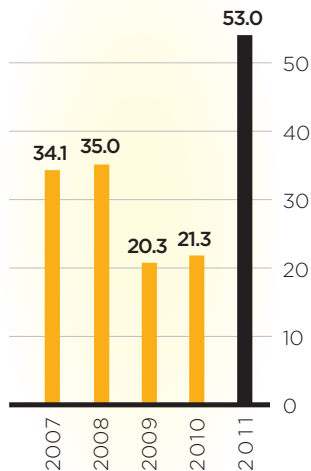
Report 2012

To our customers, colleagues, partners, suppliers, and friends:

We are pleased to report that Bechtel had a strong year in 2011 despite global economic uncertainty, political turmoil in some key markets, and constrained government budgets. We expanded our business in key geographic regions; our global business units each did well with their discrete challenges; and Bechtel, overall, delivered solid project performance and financial results.

New Work Booked

in billions of U.S. dollars



This robust performance led to an 18 percent increase in revenue, to \$32.9 billion from the \$27.9 billion we reported in 2010. New work booked rose to a record \$53 billion, more than doubling the previous year. These extraordinary numbers reflect the hard work, commitment, and applied know-how of our 53,000 total colleagues and the trust expressed by customers in our ability to deliver that know-how.

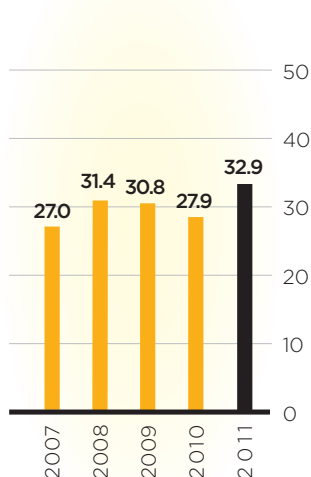
Strengthening Relationships

For all of our customers, the certainty of safety, quality, cost, and schedule that we deliver is crucial. Their view of our performance on these criteria is reflected in how often they entrust us with new and larger projects, and in the continuity and longevity of our relationships with them. Our 2011 results remind us of the importance of top performance to sustaining such long-term relationships.

Certainty of outcome will always be a key to our success. Customers continue to reward our proven performance—from multiproject arrangements with two mining customers to a new master agreement to build onshore gas plants. Last year was no exception, as existing customers awarded us new opportunities in challenging and remote locations in South America, Africa, Asia, and Australia.

Revenue

in billions of U.S. dollars



Just as we strive to be an integral part of our customers' successes, we also work to be a welcome partner in our communities. The rewards of a long-term commitment are evident in Queensland, Australia. In the almost 50 years since we were awarded our first project in Queensland, Bechtel teams have returned to build new facilities for mining, power, and oil and gas customers. In the process, we have supported local businesses and built lasting relationships. Among the more exciting developments in 2011 was the award of two additional liquefied natural gas (LNG) projects on Curtis Island, adjacent to our ongoing Queensland Curtis LNG project. To help meet the demand for skilled labor on all three of these projects, we arranged with Australia's government to hire 400 adult apprentices, one of the largest such employment events in Australia's history.

Queensland Curtis LNG project

“Just as we strive to be an integral part of our customers’ successes, we also work to be a welcome partner in our communities.”

*Ras Al Khair aluminum smelter*

New Markets, New Regions

As we strengthen relationships with existing customers, we are also looking for good opportunities to reach new customers and to expand into new markets and new regions. To that end, in 2011 our Oil, Gas & Chemicals unit created a separate business line to revitalize our offshore presence. OG&C also established a technology ownership, development, and licensing group to pursue alliances like our agreement with Linde AG to build and expand ethylene cracker plants in North America. The group also manages the ThruPlus® delayed coking technology we acquired last year from ConocoPhillips.

Following the completion of several large fossil projects, Power launched a new business called Fossil Generation Services to meet customers’ needs for small engineering assignments. Meanwhile, our Transmission business expanded its work in Alberta and was selected for a second ATCO Electric project. Power’s very successful year was marked near year-end with a groundbreaking for one of the world’s largest solar photovoltaic facilities, the second major solar project for its growing Renewables business line.

Our Civil unit registered several highlights, including a strategic win in Oman to maintain our presence in the Middle East’s aviation market as we near completion of Doha’s new international airport. With longtime partner ENKA, we completed two phases of the Kosovo Motorway a year ahead of schedule and on budget. In Saudi Arabia, we continue to provide effective project management at Jubail, where we have continuously worked since the early 1980s. We have also returned to Brazil, to assist Metro Rio with delivery of rolling stock for Rio de Janeiro’s subway.

As our Mining & Metals unit’s Australian colleagues helped OG&C become part of the Queensland community—in typical “One Bechtel” fashion—it was expanding into other markets and reporting its own record for new work booked. M&M teams have returned to Peru for the first time in nearly a decade for two projects. Teams also started early work in Minnesota for a copper, nickel, and strategic metals mine, as well as in Guinea for an iron ore project.

Our government business, Bechtel Systems & Infrastructure, Inc., sought greater diversity in its traditional defense and security markets and expanded its reach outside of the United States to be more responsive to our customers’ needs—as with the nuclear waste retrieval project at Sellafield, one of two UK projects won in 2011.

Safety as a Value

Bechtel places one job requirement above all others—safety. In 2011, we redoubled our safety efforts by intensifying our focus on leadership engagement, training, hazard recognition, and field assessments.

Although these efforts drove a 20 percent reduction in our lost time and recordable incident rates during 2011, further highlighting Bechtel as one of the safest engineering and construction companies in the world, we have *not* given up on zero accidents as our goal.

All of our business units reported impressive safety milestones in 2011. OG&C led the way with a remarkable effort on the Angola LNG project, which achieved 23 million consecutive hours without a lost time injury. M&M saw a 50 percent reduction in lost time injury rates and a 33 percent reduction in recordable rates, led by the Antapaccay project in Peru, with zero lost time injuries. Five Bechtel National projects were recognized by the U.S. Occupational Safety & Health Administration's VPP program, with the Ground-based Midcourse Defense program in Alaska receiving Star Status, OSHA's highest honor. Power continued on its path toward zero accidents with a 35 percent improvement in performance metrics, its best performance in 12 years. Civil's improvements were primarily driven by results on projects in Oman, Saudi Arabia, and the United Arab Emirates.

Numerous projects achieved zero accidents in 2011. While our performance improved, each project will continue its pursuit of zero accidents and will continue to recognize safety as its most important value.

"We will focus in 2012 on excellent application of our core engineering and construction processes; related proprietary knowledge; innovative technologies; and our talented, committed people—in two words, our 'applied know-how.'"

Building a Better Bechtel

Predicting the future is as difficult as ever. But we know for sure that successful performance depends squarely on our ability to earn the satisfaction and support of both our customers and workplace colleagues. We plan for the foreseeable future to invest significant time and resources to both in order to accelerate improvement. To deliver for customers, we need top talent all around our world engaged, committed, satisfied, growing, and evermore proud to be at Bechtel. To continue to attract, retain, motivate, and nurture this top talent, we will make Bechtel a great place to work. We will do that by providing good opportunities, personal development, world-class tools, and great company culture, all supported by capable, caring, committed, and engaged leadership, to enhance all of our careers and provide the foundation for Bechtel's future as the premier engineer-constructor.

We will focus in 2012 on excellent application of our core engineering and construction processes; related proprietary knowledge; innovative technologies; and our talented, committed people—in two words, our "applied know-how."



Riley Bechtel

Chairman & Chief Executive Officer



Bill Dudley

President & Chief Operating Officer

SCALE

With a history of megaprojects that includes the largest infrastructure, petrochemicals, mining, and power jobs of the 20th century, Bechtel ranks among the world's leading engineering and construction firms. Size itself is not our goal, yet our projects are often among the largest of their type, in a region, or for a customer. At various times, we have been under way on the biggest projects on five of the six major continents.

At the time it was awarded, the Angola LNG project on Africa's west coast was Bechtel's largest lump-sum project ever. It was also our first in this rapidly developing nation.

As host to its first large-scale onshore project, Soyo, Angola, offered minimal cargo and materials receiving facilities, vendors, and skilled labor. We worked with authorities to build a new dock and to expedite shipments through customs. We developed extensive training for local craft workers and a global recruiting program for positions that could not be filled locally. We provided, on average, 25 hours of training for each of the 8,000 local craft workers we hired.

Success on Angola LNG demanded teamwork, innovation, discipline, integration, and coordination at every step and between every function to assure alignment of project objectives with customer and community expectations in real time. The aggressive schedule meant an around-the-clock assignment for our design engineers. For that, we relied on a "virtual team" of coworkers in London, Houston, Tokyo, Shanghai, and New Delhi, united by a network of dedicated servers devised to ease their collaboration on CAD drawings and other documents simultaneously or in successive 24/7 shifts. Of course, innovative systems alone did not deliver success. Collaborative and disciplined engineering, procurement, construction, project controls, and project management supervision and leadership were essential to integrate, coordinate, and stay aligned in this deployed, simultaneous model.

Angola LNG exemplifies Bechtel applied know-how at its finest, winning two of our most prestigious internal honors in 2011—Construction Team of the Year and Safety Project of the Year. More important, we satisfied our Angola LNG customer sufficiently to win Chevron's trust for the award of its Wheatstone LNG project in 2011.



Trained for Performance

At the Angola LNG project, Bechtel worked with craft workers and subcontractors to instill our best-in-class quality and safety standards. Workers completed more than 200,000 hours of safety and health, basic skills, and English-language training—achieving 23 million consecutive job hours without a lost time incident.

Bechtel's largest lump-sum project ever when it was awarded, Angola LNG was completed in early 2012 and will deliver its first cargo this year.



WRB's Wood River refinery in Illinois was the first coker project to start up with support from Bechtel's ThruPlus technology team.



Engineering is nearly complete and construction is under way for the QCLNG project on Curtis Island, in eastern Australia, and at this module yard in Thailand, for QGC, a BG Group business.

The Motiva Crude Expansion project is nearing completion and will double capacity, creating North America's largest refinery.



To build on its robust LNG business, our Oil, Gas & Chemicals unit is actively diversifying in key downstream, offshore, and pipeline markets.

Oil, Gas & Chemicals

BUSINESS REVIEW

Bechtel's LNG prospects have never been brighter than they are in Australia.

On Curtis Island, in eastern Australia, we are building three world-scale plants to process the region's vast coal seam gas reserves. In 2011, we started work on two plants—for Australia Pacific LNG and GLNG—adjacent to our Queensland Curtis LNG project for QGC, a BG Group business, where work began in 2010. The proximity of these three projects and their concurrent execution present opportunities both for execution synergies and improved quality and significant labor, accommodation, logistical, and related challenges.

We also received full notice to proceed on the Wheatstone LNG project for Chevron Australia. Wheatstone is one of Chevron's largest projects to date, encompassing two trains with a combined capacity of 8.9 million tons per year and a gas plant for Australia's domestic market.

In the United States, Cheniere Energy, Inc., has invited us back to construct the first two trains of its Sabine Pass liquefaction plant on the same site as the LNG receiving terminal and regasification facility that we completed in 2009. We expect to receive full notice to proceed on the liquefaction project in 2012. When it opens in 2015, the new plant will be the first to export liquefied U.S. shale gas.

In downstream work, we completed the addition of three process units to the Wood River refinery in Illinois for WRB, a joint company of ConocoPhillips Company and Cenovus US Refineries LLC. We also neared completion of a major expansion of Motiva Enterprises' refinery in Texas. We made progress on Chevron's Pascagoula Base Oil Project in Mississippi. In May, we signed a 10-year agreement with BP Group to provide EPC services for new onshore gas plants worldwide. Teams in London and New Delhi are performing engineering for the first contract—BP's West Nile Delta project in Egypt. In Northern Alberta, Bechtel's Canadian affiliate, Bantrel, is in the early stages of constructing the Surmont Phase 2 steam-assisted gravity drainage facility—the largest ever built as a single train. This project is being built for ConocoPhillips and Total.

As upstream customers invest in larger and more complex offshore and deepwater field developments, we have expanded our capabilities, forming a separate business line to address deepwater subsea systems and floating production units.

Finally, OG&C is creating an integrated offering of shale gas field development, pipelines, and LNG liquefaction.

INNOVATION

Innovation remains a defining feature of Bechtel's work and, when properly coupled with discipline and compliance where innovation is not applicable, drives one of our most-treasured values—excellence. Whether we are inventing solutions to everyday challenges on projects or helping customers develop and bring new technologies to market, we draw upon the know-how of talented and innovative colleagues, including recognized industry experts and top scientists at the U.S. government laboratories we manage, as well as experts elsewhere in industry.

Developing new and cleaner alternative energy sources presents exciting opportunities for our customers and colleagues. At the Ivanpah Solar Electric Generating Facility in California's Mojave Desert, we are helping BrightSource Energy, Inc., deploy its cutting-edge, environmentally friendly LPT solar thermal technology at a vast generating complex on government-managed land. As EPC contractor, we are installing more than 170,000 solar heliostats to meet precise specifications. The heliostats' software-guided mirrors will track the sun's movement in two dimensions and reflect solar energy onto tower-mounted boilers, each weighing 2,200 tons (1,996 metric tons) and standing 459 feet (140 meters) aboveground. Ivanpah features a dry-cooling technology that reduces water use by more than 90 percent over competing technologies, an important step toward sustainable solar development in desert regions.

The three-phase Ivanpah project is our biggest step yet into renewable energy, but it is hardly our first. Bechtel's technical leadership in modern renewable power projects dates back to the first large-scale commercial solar thermal project, SEGS I, built in Southern California in 1984.

Bechtel was also a leader at the Solar Two Project in the 1990s, which demonstrated the viability of thermal storage at the scale needed for utility application, as well as the solar power tower concept and the heliostat technology on which Ivanpah is based.

Ideas into Action

Thousands of engineering, procurement, and construction innovations occur every day in Bechtel's world as committed, collaborative professionals resolve problems, find productivity improvements, and complete quality projects on or ahead of schedule and at or under budget while engaging, developing, and improving the lives of local citizens.



Ivanpah's first 126-megawatt plant will start generating electricity in early 2013. Completion of two more plants later next year will bring the facility's capacity to 392 megawatts, enough to power about 140,000 homes.



The Hanna Region Transmission Development Project will expand and upgrade an electrical transmission system in southeastern Alberta for ATCO Electric.



In 2011, Bechtel continued its work on a nationwide wireless network upgrade for AT&T Mobility.



For NextEra Energy, we are performing complex extended power uprates at the St. Lucie nuclear power plant in Florida (below) and two other nuclear facilities, increasing the plants' output with dozens of major power train modifications.



At 1,600 megawatts, Prairie State Energy Campus is the largest greenfield coal-fired generating station built in the United States in 20 years. When it enters service this year, it will be Illinois' cleanest coal-burning plant.



New renewable energy, communication, and transmission projects add balance and scope to the nuclear and fossil generation markets on which our Power business is built.

Power

BUSINESS REVIEW

Bechtel's Renewables business gained momentum in 2011 as we were selected for our first utility-scale solar photovoltaic project, SunPower's California Valley Solar Ranch near San Luis Obispo. The project is an impressive complement to our ongoing work at Ivanpah, which will be the world's largest solar thermal power facility. It is also a tribute to our success in streamlining extensive rollouts of the small, replicable tasks involved in solar array deployment and cell tower construction.

On-time completion of AT&T Mobility's large-scale next-generation wireless build-out in North America has our Communications business line well positioned for further network expansions. Our Transmission market segment achieved contract selections and early execution on two projects in Canada for ATCO Electric.

We are nearing completion of the 1,600-megawatt, clean-coal Prairie State Energy Campus project in Illinois, which will provide power to eight Midwest utilities. Our team at Prairie State has recorded numerous process improvements in safety, quality, and productivity. In other fossil work, we mobilized at Calpine Corporation's Russell City Energy Center project. This San Francisco Bay Area project showcases the combined-cycle technology tools and experience refined by our power engineers during the past two decades.

We have also added a business to our portfolio—Fossil Generation Services. The group draws on expertise companywide to help power plant owners with short-term engineering assignments. We expect that top performance on smaller-scale projects of this type will build our global power business while keeping us involved with U.S. customers. The new group has booked its first assignment in Texas, at the Sandow power plant operated by Luminant.

In Nuclear, we successfully completed outages in 2011 on three large power plant uprates for NextEra Energy and continued providing services for the completion of two domestic nuclear facilities: engineering and construction at Watts Bar Nuclear Generating Station and engineering at Bellefonte Nuclear Generating Station, both for TVA. Generation mPower, our alliance to design and deploy small modular reactors, has a letter of intent from TVA to build its first small reactor. We also provided on-the-ground support to Tokyo Electric Power Company during the Fukushima recovery in Japan.

APPLIED KNOW-HOW RELATIONSHIPS

Many of the civil and industrial projects Bechtel builds become lasting features of a city's or a nation's backbone. In the course of engineering, procurement, and construction, we strive to build enduring relationships with suppliers, partners, communities, and customers.

During our 50 years in Abu Dhabi, we have assisted with petrochemical, fossil and nuclear power, and desalination facilities, as well as other projects. In addition, we built gas developments that fueled a new industry. In the process, we helped to build local businesses and joint venture partners into national and international enterprises. In some cases, our efforts created healthy new competitors.

Since 2005, we have strengthened many such associations in Abu Dhabi, as we have helped reshape its industrial infrastructure—and its coastline—with our work on the Khalifa Port and Khalifa Industrial Zone Abu Dhabi (Kizad) for Abu Dhabi Ports Company. The project is the foundation for a more diversified economy and industrial base—literally. Our landfill effort for this megaproject covered the equivalent of 50 football fields with more than 8 feet (2.4 meters) of fill.

Similarly, our 25-year association with Turkish partner ENKA has developed fledgling businesses throughout Central and South Asia and the Middle East. Most recently, Bechtel-ENKA teams building motorways in Albania and Kosovo engaged hundreds of local suppliers and contractors, and introduced lasting improvements through safety, quality, and skills training programs for local workers.

We at Bechtel are delighted to have contributed to such progress and to the creation of jobs and sustainable businesses worldwide. The lasting relationships with suppliers and partners that grow out of these experiences are as much a source of pride for us as are the long-term customer relationships they help us to strengthen.



Building Skills and Goodwill

At Khalifa, as at many projects, Bechtel brings together workers of great diversity. In recent years, we have added cultural seminars to our traditional skills-oriented training. These seminars strengthen interpersonal relationships and increase awareness of the different ways in which workplace colleagues address important situations, including asking for and offering help, working together, communicating well, and sustaining alignment.



*During the next 20 years,
the new port at Taweelah
will become the largest
in the Gulf region.*

Our ongoing Morine-Merdare Motorway project for the government of Kosovo combines complex stakeholder management challenges with fast-track design management and construction.



In a 30-year, multiphased effort, Bechtel has minimized interference with daily operations while tripling the size of Las Vegas' McCarran International Airport for the Clark County Department of Aviation.



The innovative overhead truss cranes used at the Dulles Corridor Metrorail project in Virginia allowed us to assemble bridge spans as daily business in crowded suburbs continued without interruption.



With its stunning terminals, the New Doha International Airport project for the government of Qatar has helped create a regional landmark able to accommodate the new generation of superjumbo airliners.

In the competitive infrastructure market, Bechtel continues to deliver high-value solutions in North America; Europe; Africa; the Middle East; and, most recently, South America.

Civil Infrastructure

BUSINESS REVIEW

In 2011, Bechtel's Civil Infrastructure group expanded the depth and breadth of its worldwide scope with important project awards that build on an already regionally diverse portfolio.

As we made rapid progress toward completion of the New Doha International Airport in Qatar, our Aviation group won a contract to design and build a new passenger terminal at Muscat for Oman's Ministry of Transport and Communications. This strategically important win helps maintain our strong presence in the Middle East while complementing other aviation work worldwide. In Las Vegas, we are nearing completion of a new terminal at McCarran International Airport. At London's Gatwick Airport, we are helping Global Infrastructure Partners build a capital project management team as part of a major investment program.

Elsewhere in London, we are supporting the delivery of Transport for London's new east-west rail link called Crossrail, Europe's largest current infrastructure project. We also continue to provide project management services for upgrades at the adjacent Crossrail & Reading project for longtime customer Network Rail. At year's end, we replaced Reading Station's Cow Lane Bridge in just four days, a great achievement.

Under another new contract, our Rail team is assisting Metro Rio with delivery of rolling stock for Rio de Janeiro's subway system, marking Bechtel's return to Brazil.

Our Dulles Corridor Metrorail project team made substantial progress last year near Washington, D.C., extending the metro in Northern Virginia for the Metropolitan Washington Airports Authority.

In Kosovo, our record-breaking execution facilitated the opening of the first 24 miles (38 kilometers) of the Morine-Merdare Motorway, just 19 months after contract signing.

For the government of Gabon, we completed a national infrastructure plan and supported facilities construction for this year's Africa Cup of Nations football championships.

In Saudi Arabia, we continued to provide project management services for the Royal Commission for Jubail and Yanbu's Jubail Industrial City, where we have worked for more than 30 years.

APPLIED KNOW-HOW PERFORMANCE

Whether in the jungles of West Africa or on the harsh Alaska Range, on Russia's icy coastline or in the Mojave Desert, or deep in the Indian Ocean or atop an isolated South Pacific atoll, Bechtel's ability to combine decades of directly applicable experience, a company culture of proud "can-do" spirit, and local and industry expertise promotes certainty of outcome in terms of quality, schedule, and cost for our customers—no matter how high, hot, cold, wet, dry, or remote the location.

In 2011, we completed the Los Bronces copper concentrator expansion in Chile's Andes, a spectacular project. Los Bronces exemplifies the resourcefulness, ingenuity, and gritty determination on which Bechtel has built its reputation for accomplishing the most challenging work. This locale was among the most difficult we have ever tackled. Construction spanned 37 miles (60 kilometers). We forged one site, Confluencia, from a very small mountaintop 11,100 feet (3,383 meters) above sea level, and then endured a major earthquake in 2010. We tucked another plant site into a hillside far below. To link the two, we managed construction of a 34-mile (55-kilometer) pipeline down steep, rugged terrain; through hard-rock tunnels; and over deep canyons. At both ends of the project, we encountered new variations on familiar hazards: snowfall that could bury a truck, high winds, dramatic cliffs, and significant geotechnical challenges typical of mountain work. We brought everything—including men and women—great distances to some of the most inhospitable places on the planet and provisioned them with shelter, food, and other requirements hauled up very challenging mountain roads.

At its peak, Los Bronces required more than 14,000 workers. The work was arduous. The task was huge. For the Bechtel people involved, it was just another challenging opportunity to be stretched, to overcome, and to be satisfied by contributing to our proud history of accomplishment despite extraordinary obstacles.

The concentrator expansion high in the Andes more than doubled copper capacity for customer Anglo American's Los Bronces complex.



Zero Accidents: Our Unwavering Goal

Los Bronces posed health and safety challenges typical of remote work at high altitudes. Bechtel engaged our customer, our managers, and our colleagues and craft workers in a customized health and safety plan that led to one of the best safety performances ever on a major Chilean mining project.



In Australia, by year-end 2011 we had nearly completed a two-stage expansion for Rio Tinto Alcan that will more than double the Yarwun alumina refinery's capacity.



An iron ore concentrator and pellet plant expansion in Labrador City, Canada, for Iron Ore Company of Canada, involves a complex of mine-to-port projects.



The addition of a third berth to a coal terminal in Mackay, Australia, is one of several BHP Billiton projects managed by our innovative Brisbane Hub.



We made progress on a \$1.4 billion copper processing facility for Xstrata Copper in southern Peru, our first project in that country since 2002.



Our long heritage of megaprojects in Saudi Arabia continued with project and construction management of Ras Al Khair, the first-ever aluminum smelter in Saudi Arabia, for Ma'aden Aluminium Company.

Our Mining & Metals group is finding new ways toward ever-better performance as we help customers address the growing cost of digging deeper and refining lower grades of ore.

Mining & Metals

BUSINESS REVIEW

Bechtel's Mining & Metals group has a solid reputation for safely completing logistically challenging projects, often in remote areas, with great quality, on time and within budget. In 2011, we continued to develop closer customer relationships and build on our technical expertise and market reach. For two leading mining companies, we managed multiple projects under a program approach, which yields more efficient engineering, procurement, and construction; reduced third-party costs as scale leverage is achieved; and shorter time to market.

Attention to quality at our Brisbane Hub with BHP Billiton was central to landing new projects in Australia's Bowen Basin—home to nearly two-thirds of the world's seaborne metallurgical coal. In 2011, the hub completed its first project, expansion of the Crinum North coal mine, under budget and ahead of schedule. Work continued on seven other coal projects, including ongoing expansion of the world's largest coal-handling facility, in New South Wales.

Copper continued as a mainstay of our business. Our Xstrata-Bechtel alliance brought us back to Peru for the first time since 2002, for two large projects. We recently completed the challenging Los Bronces copper concentrating facility for Anglo American, and we are adding a ball mill to the Laguna Seca copper concentrator at the Escondida Mine site in northern Chile for BHP Billiton. In 2012, we look to extend our copper business into Argentina, Colombia, and Brazil.

Meanwhile, we maintained our leadership in alumina and aluminum, expanding the Yarwun alumina refinery near Gladstone, Australia, and managing construction of the Ras Al Khair aluminum smelter in Saudi Arabia.

Last year was also marked by our growth into other commodities and countries, with new early work for an iron ore development in Guinea for Société des Mines de Fer de Guinée Ltee; for a copper, nickel, and strategic metals mine in Minnesota for Twin Metals Minnesota LLC; and for Iron Ore Company of Canada's facility in northern Canada.

COMPLEXITY

In engineering and construction, complexity takes many forms. It often means new construction amid operating facilities. It might include expanding highways or airports, upgrading communications networks, or adding capacity to power plants, mining facilities, or oil refineries. It might involve the first application of a new process technology or the substantial scale-up of a technology for the first time.

Just as often, complexity demands that we help align stakeholder interests to finish a megaproject. We did it for the Channel Tunnel—a job that involved two languages, two governments, three railways, scores of subcontractors, and 220 banks.

We are doing it again at a project to permanently enclose a damaged nuclear reactor.

As leader of an integrated international team since 1998, Bechtel's early work on the Chernobyl Shelter Implementation Plan involved selecting the right design to confine the fragile "sarcophagus" erected after the accident in 1986. The solution is unique: a weatherproof arch three football fields across and 10 stories high. Construction requires assembling the arch at a safe distance away, then sliding it into place on



Making the Team

Complex projects offer an opportunity for coworkers to build and lead diverse teams toward a common goal of top-quality performance. At Chernobyl, our team encompasses multiple partners from many nations.

giant skids. As the arch takes shape during the next two years, we will strive to assure that tens of thousands of schedule milestones are met and documented.

A complex alignment-assurance job underlies these technical challenges. Bechtel has multiple customers at Chernobyl and we must meet the expectations of numerous government agencies and international regulatory authorities. We also report to 25 donor entities and oversee design compliance and licensing through Ukraine's Cabinet of Ministers. It must all happen on a multicultural, multilingual project site.

Prioritization, focus, and communication are key on a program this complex as we help stakeholders understand and comply with the strict parameters governing this historic job, and work together toward a common goal.

Bechtel is part of an integrated international team undertaking a complex project to safely confine the damaged Chernobyl nuclear reactor in Ukraine.



The U.S. Army Corps of Engineers recognized our innovative use of self-consolidating concrete to create blast-proof wall segments at two chemical demilitarization facilities, in Pueblo, Colorado, and in Richmond, Kentucky, below.

The U.S. Department of Energy's massive Hanford Waste Treatment Plant Project will immobilize radioactive liquid waste in a stable, glass-like form to protect the Columbia River from contamination.



Bechtel National entered its 10th year providing site operations, maintenance and mission assistance, and logistical support for the Reagan Test Site in the remote Marshall Islands.

Our government services unit is creating an international business even better aligned with customers' missions and evermore responsive to their needs.

Government Services

BUSINESS REVIEW

Although most of Bechtel's U.S. government work has historically been for the Energy and Defense departments, we are bringing private sector practices to a more diverse set of government customers with four new, market-focused business lines.

In environmental management, we now provide EPC services for the retrieval, handling, and packaging of legacy waste from silos at the UK's Sellafield nuclear reprocessing site. The opportunity developed because of our recognized expertise on nuclear projects in the United States and our 60-year history in the UK. Other work by this group includes designing and building the world's largest radioactive waste treatment plant, as well as environmental cleanup and remediation, decommissioning, and closure of high-level waste facilities in Washington state, New Mexico, and South Carolina.

Meanwhile, our defense and security business line neared mechanical completion at a weapons depot in Pueblo, Colorado. Pueblo is one of our two U.S. Department of Defense projects designed to safely treat and dispose of obsolete chemical agent in accordance with demilitarization treaties (the other being the Blue Grass facility in Kentucky). Other current defense work includes the Ground-based Midcourse Defense program in Alaska, where we completed infrastructure construction and earned our customer's highest performance award last year. We also continued to provide management services for a test range in the Marshall Islands.

Key contracts for our national security and allied governments group include management and operation services at Los Alamos and Lawrence Livermore National Laboratories—two of the U.S. government's premier research and development institutions. This group also manages and operates two nuclear manufacturing and assembly plants charged with ensuring U.S. nuclear stockpile safety and reliability.

Completing our portfolio are two laboratories and an engineering organization managed by our U.S. Naval Programs team that support research and development, design, acquisition management, reactor operator training, and spent fuel management for nuclear propulsion systems.

Bechtel's people share a common passion for new challenges and the pride that comes from doing things well that others cannot do, sometimes in places where others will not go.

APPLIED KNOW-HOW PEOPLE

For all of the impressive achievements in these pages, we know that the know-how and performance of the people we bring to each new project are paramount.

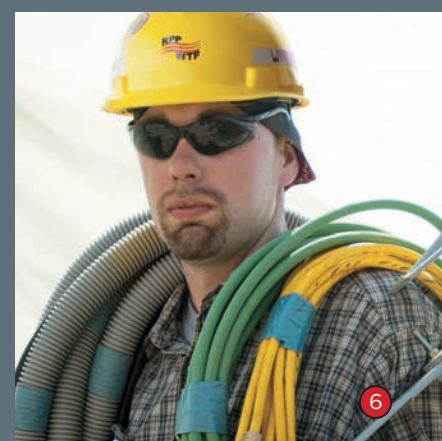
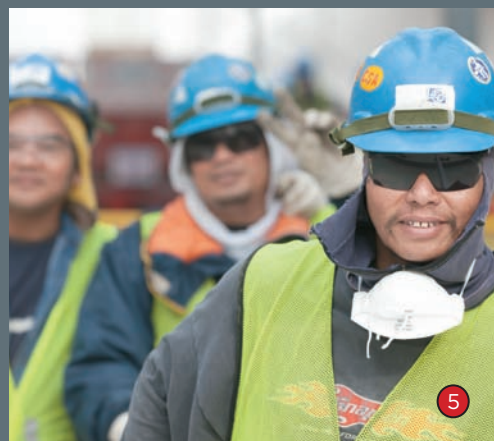
For that reason, we are always looking for colleagues of character with a taste for challenge and accomplishment—people with the ability to see a good solution to a vexing problem and who bring to their work ways to make the most of the knowledge, experience, resourcefulness, discipline, and creativity that they and their colleagues have to offer. We continue to work to create a robust culture of trust and accountability that values diverse talents, experience, and ideas. We continue to invest in individuals and build teams to help our colleagues learn from each other and flourish and to allow us as a company to accomplish the challenging assignments for which we are renowned.

In 2012, we will continue to invest in our people by expanding our already extensive skills development platform, exploring new ways of recognizing and rewarding achievements, and offering the most exciting career development opportunities in our industry so our know-how can shine and so we each can be proud of what we do—and of Bechtel.

Know-how is not an end but the means by which we, as teams of Bechtel people, achieve great things for our customers. Well applied, it creates accomplishment, reward, satisfaction, and enduring pride.

These images represent the following projects:

- Yarwun alumina refinery expansion* 1
- Ivanpah Solar Electric Generating Facility* 2
- Motiva refinery expansion* 3
- St. Lucie nuclear power plant* 4
- Ras Al Khair aluminum smelter* 5
- Hanford Waste Treatment Plant Project* 6
- Russell City Energy Center* 7



APPLIED KNOW-HOW RESPONSIBILITY

Bechtel's socially responsible and responsive business practices have long been essential to everything we do globally, locally, and during our decision-making processes. Our core values promote the long-term preservation of resources and improvement of the quality of life in communities where we work. Our ultimate foundation is an unshakeable commitment to safety, integrity, performance, and good citizenship.

Sustainability

While many firms view sustainability through mainly an environmental lens, we also focus on social sustainability, which helps customers gain project acceptance by bringing positive development impact to surrounding communities. We train local workers and companies in the skills needed to work with us, to supply our projects, and to become better qualified for ongoing work with others as they grow their individual and organizational "toolkits"; resumes; and, ultimately, their applied know-how.

In 2011, we made substantial progress toward reducing the carbon footprint of our projects and offices. Our priority objectives better integrate environmental stewardship into our business planning and execution, reduce energy and resource consumption and waste generation, and encourage the use of greener materials. Office Depot recognized Bechtel in 2011 with its Leadership in Greener Purchasing Award.

We have also sharpened our philanthropic goals to bring positive change to communities where we work and live, and to encourage our people to share their passion for engineering with the next generation of students and otherwise support K-12 science, technology, engineering, and math education. We continue to promote volunteerism among our colleagues.

During the early works of the Kitimat Modernization Project in Kitimat, British Columbia, Canada, we have supported Rio Tinto Alcan's training and employment initiative for Haisla First Nation workers as well as their mentorship and capacity-building programs for Haisla Nation businesses. In 2011, 151 aboriginal people were employed on the project, with nearly 400 now in our database for employment. 1

Our Angola LNG project team hired more than 8,000 local workers during the course of the project and provided them with more than 200,000 hours of training. In addition to acquainting them with the project's high quality and safety standards, the training leaves them well equipped for operations roles in the plant, and for work on future oil and gas projects in the area. 2

Through our targeted support of FIRST Robotics, Bechtel is helping high school students gain hands-on experience in teambuilding, fundraising, marketing, and business leadership as they design and build robots. 3

Bechtel coworkers often join together for volunteer fundraising activities, such as the 2011 American Diabetes Association Tour de Cure bike ride. 4

Bechtel's support for Engineers Week 2011 helped introduce some 350 Houston-area Boy Scouts and Girl Scouts to the exciting possibilities of a career in engineering. 5

Members of the Angola LNG project team. 6





Project Highlights

1 Missile Defense

Constructing installations in Alaska and California for the U.S. government's Ground-based Midcourse Defense program.

2 Kitimat Modernization Project

Expanding and fully modernizing Rio Tinto Alcan's aluminum smelter in Kitimat, British Columbia, Canada.

3 Hanford Waste Treatment Plant Project

Building a facility for the U.S. Department of Energy to treat hazardous waste at a former nuclear production site.

4 ATCO Transmission Projects

Expanding and upgrading electrical transmission systems in southeastern Alberta, Canada.

5 Russell City Energy Center

Building a 600-megawatt natural gas-fired combined-cycle power facility using advanced emissions control technology.

6 McCarran Airport

Completing Terminal 3 at Las Vegas' McCarran International Airport as part of a 30-year, multi-phased expansion.

7 Lawrence Livermore National Laboratory

Managing a national research institution in California for the U.S. Department of Energy.

8 Los Alamos National Laboratory

Managing a national research institution in New Mexico for the U.S. Department of Energy.

9 California Valley Solar Ranch

Building a utility-scale solar photovoltaic power-generating project in Southern California.

10 Ivanpah Solar Electric Generating Facility

Designing and building a 392-megawatt solar thermal power complex in California for BrightSource Energy.

11 Chemical Weapons Elimination

Eliminating chemical weapon stockpiles at U.S. Department of Defense sites in Colorado and Kentucky.

12 Motiva Refinery

Completing the expansion of a Texas oil refinery, the largest in the United States.

13 Sabine Pass LNG

Constructing the first two trains of a natural gas liquefaction plant in Louisiana for Cheniere Energy.

14 NextEra Power Upgrades

Increasing capacities at nuclear power stations in Florida and Wisconsin.

15 Wood River Refinery

Completed design and construction of new process units at an oil refinery in Illinois.

16 Prairie State Energy Campus

Nearing completion of one of the nation's cleanest coal-fired power facilities in Illinois.

17 Davis-Besse

Replacing two steam generators and a reactor pressure vessel head at a 908-megawatt nuclear power plant for FirstEnergy.

18 AT&T Mobility

Deploying wireless network cell sites of 4G LTE throughout the United States.

19 Dulles Corridor Metrorail Project

Building an extension of the Metrorail for the Metropolitan Washington Airports Authority.

20 Watts Bar Power Plant

Completing engineering and construction of Unit 2 at a nuclear generating station in Tennessee for TVA.

21 Naval Nuclear Propulsion

Managing atomic power laboratories in New York and Pennsylvania for the U.S. Department of Energy and the Navy.

22 Iron Ore Company of Canada Concentrator Expansion

Expanding an iron ore concentrator and pellet plant complex in Labrador City, Canada.

23 Las Bambas Concentrator

Constructing a greenfield copper concentrator project in the Peruvian Andes for Xstrata.

24 Antapaccay Mine

Designing and building a new concentrator to expand Xstrata's copper mining operations in the Peruvian Andes.

25 Laguna Seca Mine

Adding a ball mill to a copper concentrator at the Escondida Mine site in northern Chile.

26 Los Bronces Mine

Completed a new concentrator at a copper mine in the Chilean Andes for Anglo American SUR S.A.

27 Metro Rio

Assisting Metro Rio with delivery of rolling stock for the Rio de Janeiro subway.



28 Crossrail & Reading Program

Upgrading on-network and station improvements for Network Rail.

29 Crossrail

Managing construction of a 13-mile (21-kilometer) tunnel and other work on a new commuter railway for Transport for London.

30 Kosovo Motorway

Completing the 63-mile (102-kilometer) Morine-Merdare Motorway project.

31 Romanian Motorway

Constructing a motorway segment for the Romanian government, linking Brasov to the Hungarian border.

32 Chernobyl Shelter Implementation Plan

Managing an integrated international team overseeing enclosure of a damaged nuclear reactor.

33 Yajva Power Plant

Completed engineering and procurement for a combined-cycle power plant in Russia for OGK-4.

34 BP West Nile Delta

Providing EPC services for a new onshore gas plant near Alexandria, Egypt.

35 Gabon Infrastructure

Completing a plan to modernize national infrastructure for the government of Gabon.

36 Angola LNG Plant

Designing and building a natural gas liquefaction plant for Angola LNG Limited.

37 Ras Al Khair Smelter

Building a greenfield aluminum smelter in Saudi Arabia as part of a new industrial city.

38 Jubail

Overseeing ongoing expansion of Jubail Industrial City in Saudi Arabia for the Royal Commission for Jubail and Yanbu.

39 New Doha International Airport

Working for the government of Qatar to construct an airport capable of accommodating superjumbo jets.

40 Khalifa Projects

Finalizing construction of a new port and industrial development in the United Arab Emirates.

41 Muscat Airport

Engineering, procurement, and construction for a 28-gate international airport terminal and associated facilities in Oman.

42 SPRC Clean Fuels

Constructing gas and diesel process units in Thailand for Star Petroleum Refining Company.

43 Liwan Gas Development

Project management assistance for China's first deepwater gas development for Husky Oil China Ltd.

44 Wheatstone LNG

Building a two-train LNG plant and related facilities for Chevron Australia.

45 Worsley Efficiency & Growth Project

Increasing capacity of an operating alumina refinery and bauxite mine for BHP Billiton Worsley Alumina.

46 Kwajalein Test Range

Managing a U.S. Department of Defense missile defense and satellite surveillance site.

47 Brisbane Hub Projects—Hay Point Expansion 3, Caval Ridge, Daunia, Broadmeadow, and South Walker Creek

Delivering a pipeline of major coal projects with BHP Billiton in Australia's Bowen Basin.

48 Queensland LNG Projects

Designing and building three natural gas liquefaction facilities fed by coal seam gas in Queensland, Australia.

49 Yarwun Alumina Refinery

Designing and building the second stage of an alumina refinery in Queensland, Australia, for Rio Tinto Alcan.

50 Kooragang Expansion

Performing two contracts to expand coal receiving and shiploading facilities in Newcastle, Australia.

VISION + VALUES

OUR VISION: To be the world's premier engineering, construction, and project management company.

- **Customers and partners will see us as integral to their success.**

We will anticipate their needs and deliver on every commitment we make.

- **People will be proud to work at Bechtel.**

We will create opportunities to achieve the extraordinary, and we will reward success.

- **Communities will regard us as responsible—and responsive.**

We will integrate global and local perspectives, promote sound management of resources, and contribute to a better quality of life.

VISION

OUR VALUES: Building on a family heritage that spans more than 114 years, we will continue to be privately owned by active management and guided by firmly held values.

- **Ethics.**

Uncompromising integrity, honesty, and fairness are at the heart of our company.

- **Excellence.**

We set high standards. We apply advanced technology, and we continually innovate and improve. We thrive on challenge and accomplishment.

- **Fair return.**

We earn a return that fairly rewards the value we deliver.

- **Mutual respect.**

We work by our Bechtel Covenants, which encourage openness, teamwork, and trust. We value an inclusive culture based on diverse backgrounds, experience, and views.

- **Safety.**

Zero accidents is our unwavering goal—people's lives depend on it.

- **Sustainability.**

We plan and act for the future—for the long-term good of our company, our customers, and our world.

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