



THE BECHTEL REPORT 2013

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Ivanpah Electric Generating System CA, USA

CIVIL
GOVERNMENT SERVICES
MINING & METALS
OIL, GAS & CHEMICALS
POWER

BUILD ON





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Every day, Bechtel builds on more than a century of achievements.

We build on a vision: to support our customers, to provide opportunities for our colleagues, and to serve our communities well.

We build on lasting values: an unwavering dedication to safety, ethics, quality, and respect for each other.

We build on experience: through innovation, performance, and collaboration.

Every day, we strive to build a better company, a better community, a better world.



This map includes augmented reality technology to turn a picture into a video. Visit the Apple or Google Play app store and search for "BecAura." Install the application and launch it. Scan the map and wait for the swirled pattern of dots. Keep your mobile device over the map until the video begins to play. At that point, double tap your screen to lock in the video. Now it's safe to move your device away and enjoy the video.

“We credit our discerning customers, supportive suppliers, and 53,000 colleagues for sustaining this success, and we celebrate their commitment to safety, quality, and customer satisfaction.”

THE BECHTEL REPORT 2013

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

We are pleased to report that Bechtel had a solid year in 2012. We continued to enter new markets and regions. We completed several very large projects, and we were awarded significant new opportunities. We continue to perform well on current projects, and our financial position is strong.

Revenue grew 15 percent in 2012 to \$37.9 billion. New work booked also was strong at \$24 billion, although lower than in 2011, when we experienced unprecedented expansion of our liquefied natural gas (LNG) work. We credit our discerning customers, supportive suppliers, and 53,000 colleagues for sustaining this success, and we celebrate their commitment to safety, quality, and customer satisfaction.

BUSINESS REVIEW

Among the notable projects completed last year were three major refinery expansions—in Texas, Illinois, and Thailand—and a large copper concentrator in Peru, the first of a series that we are executing under a 10-year customer alliance. In Abu Dhabi, Khalifa Port, the Middle East’s first semi-automated container terminal, entered commercial operations. We finished construction at one of two chemical agent-destruction plants in the United States, a significant milestone on a project that will have spanned nearly two decades. New project awards included two natural gas-fired power plants, the first LNG export facility in the United States, three new assignments in Chile, and an additional LNG train in Australia.



The opportunity to build an LNG export facility in the United States shows how much and how quickly our markets can change. Just a few years ago, we completed a receiving and regasification facility for the same customer, at the same site. This sudden reversal in the LNG chain is due to increased access to vast U.S. gas reserves through new developments in extraction technology and a very determined, entrepreneurial customer.

One of our most complex, current undertakings is the near-simultaneous execution of three Australian LNG liquefaction projects in Queensland. Our Oil, Gas & Chemicals (OG&C) unit’s first full year of work on these projects—reasonably close to one another on an island near Gladstone for three different customers—indicates that the execution synergies we foresaw in this concentrated approach are significant. At the same time, OG&C continued the strategic rebalancing of its portfolio last year. The unit formed a new business line focused on tank engineering and construction, built new alliances, and expanded our offshore and pipeline businesses with new contracts.

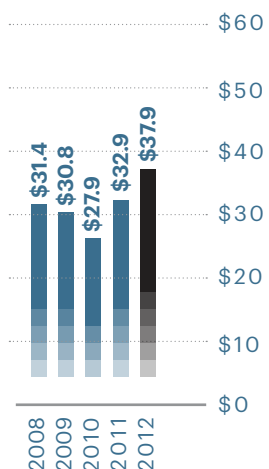
Our Mining & Metals (M&M) business unit is strengthening mature alliances with two key customers through top performance on copper and metallurgical coal projects. In 2012, M&M completed a sizeable copper concentrator in Peru and made significant progress on several coal-mine projects in Australia. While attending to multiyear agreements associated with this work, we are also pursuing opportunities to expand other long-term

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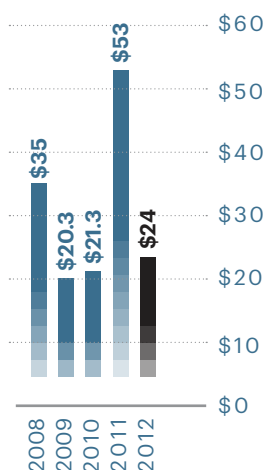
Riley Bechtel
Chairman & Chief Executive Officer

Bill Dudley
President & Chief Operating Officer

REVENUE
in billions of U.S. dollars



NEW WORK BOOKED
in billions of U.S. dollars



customer relationships. M&M is also focused on building capability in a broad range of commodities, including iron ore and gold, and expanding Bechtel's footprint in the Middle East and deeper into South America. In late 2012, Bechtel was selected to provide project management services for one of the largest and most complex gold mining projects in the world.

As we near completion of the first phase of the Dulles Corridor Metrorail project just outside Washington, D.C., our Civil Infrastructure business unit is carefully pursuing new transportation projects in North America, a market in transition. We also foresee growth in the UK and Middle East rail markets and for motorways in Eastern Europe. A new contract for an industrial city in Saudi Arabia complements our ongoing projects at Jubail and for Abu Dhabi's new industrial zone, Kizad. Civil's planning and project development team and the newly formed rail and port design team are collaborating with other Bechtel business units to offer customers fully integrated solutions.

Our government services business has increased bidding activity to build a more diversified portfolio. This repositioning is based on a broad base of capabilities—engineering, procurement, and construction; project management; laboratory and range operations; and emergency response and restoration. We are building experience and capacity for long-term, high-level waste remediation work in the United States and want to become the contractor of choice for environmental cleanup and nuclear plant decommissioning work in the UK. We are also positioned to provide acquisition and procurement support, program and site management, and related technical and operating services to allied governments.

As with OG&C, recent events show how our Power business unit's market can quickly change. In parallel with reduced demand for baseload nuclear and coal-fired power plants, we have witnessed a rising commitment to renewables. For example, as we completed a huge coal-fired plant in Illinois in 2012, we moved forward with three major solar plants in California and won a contract for subsea transmission cables that will deliver offshore wind-generated electricity to the U.S. East Coast. Power is considering expansion of its renewables and transmission businesses into South America, the UK, and further into Canada. Meanwhile, Bechtel's experience in upgrading aging nuclear facilities, in addition to our small modular reactor alliance, offers utility customers nuclear options beyond new large facilities.

During 2012, Bechtel maintained its position as one of the world's safest engineering and construction companies. Eighty percent of Bechtel projects completed the year without a single lost time incident. We strive for zero accidents on every project. Everyone

at Bechtel remains dedicated to safety. It is not merely one person's job, but everyone's job, to see that our colleagues return home safely at the end of each day. That is our steadfast goal.

BUILDING A BETTER BECHTEL

We entered 2012 with a strong vision for the future and a set of values that has withstood the test of time. We also introduced a vital effort to build a better Bechtel.

A better Bechtel means being the best employer we can be for our colleagues and providing them with opportunities for growth and rewarding careers. It means performing well as a business and demonstrating high levels of customer focus and satisfaction, while consistently delivering outstanding quality—on every project, every time.

We made important investments and some progress in each of these areas during the year, and the momentum continues in 2013. We significantly strengthened our corporate university and introduced new tools to enhance access to learning opportunities for all colleagues. We made notable advancements in our stewardship program and provided our colleagues with more ways to give back to their communities. We laid the groundwork to overhaul our customer feedback processes to help us identify ways to better partner and align with our customers to ensure that we understand their unique requirements. We recommitted to our already solid focus on quality performance and delivery through an improved, comprehensive certification program for key project and functional experts.

LOOKING AHEAD

Our customers will continue to rely on us as integral to their success: by delivering their most valuable projects safely, on time, within budget, and to their quality requirements. We will work closely with them to find ever more innovative solutions to lessen the impact of their every challenge.

We believe that 2013 will be a strong year for Bechtel. We are well positioned in key markets, and we are confident that the long-term strategy of diversifying our offerings, maintaining geographic reach, and focusing on our customers' business objectives will continue to serve us well.

Riley Bechtel
Chairman & Chief Executive Officer

Bill Dudley
President & Chief Operating Officer

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.

OUR VALUES

Building on a family heritage that spans 115 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.

GLOBAL HIGHLIGHTS

1 KITIMAT MODERNIZATION PROJECT: Expanding and modernizing an aluminum smelter and associated hydroelectric tunnels in British Columbia for Rio Tinto Alcan.

2 HANNA REGION TRANSMISSION DEVELOPMENT: Expanding and upgrading electrical transmission systems in southeastern Alberta for ATCO.

3 SURMONT PHASE 2: Managing construction of a steam-assisted gravity drainage facility in Alberta for ConocoPhillips and Total.

4 HANFORD WASTE TREATMENT AND IMMOBILIZATION PLANT PROJECT: Building a facility to treat hazardous waste at a former nuclear production site in Washington state for the U.S. Department of Energy.

5 DAVIS-BESSE NUCLEAR POWER STATION: Replacing two steam generators and a reactor pressure vessel head at a 900-megawatt nuclear power plant in Ohio for FirstEnergy Corp.

6 NAVAL NUCLEAR PROPULSION PLANTS: Managing atomic power laboratories, as well as propulsion plant design and procurement, in New York and Pennsylvania for the U.S. Department of Energy and the U.S. Navy.

7 DULLES CORRIDOR METRORAIL PROJECT: Building an extension of the Metrorail for the Metropolitan Washington Airports Authority.

8 PRAIRIE STATE ENERGY CAMPUS: Completed in Illinois one of the nation's cleanest coal-fired power facilities for Prairie State Generating Company, LLC.

9 CHEMICAL AGENT-DESTRUCTION PILOT PLANT PROJECTS: Eliminating chemical weapon stockpiles at sites in Colorado and Kentucky for the U.S. Department of Defense.

10 U.S. NATIONAL RESEARCH INSTITUTIONS: Managing Lawrence Livermore and Los Alamos National Laboratories in California and New Mexico, respectively, for the U.S. Department of Energy.

11 RUSSELL CITY ENERGY CENTER POWER PLANT: Building a 619-megawatt natural gas-fired combined-cycle power facility in California using advanced emissions control technology for Calpine Corporation.

12 IVANPAH SOLAR ELECTRIC GENERATING SYSTEM: Designing and building a 392-megawatt solar thermal power complex in California for owners NRG Energy, Google, and BrightSource Energy.

13 CALIFORNIA VALLEY SOLAR RANCH: Building a utility-scale solar photovoltaic power-generating project in Southern California for SunPower Corp. and NRG Energy.

14 MCCARRAN INTERNATIONAL AIRPORT: Completed Terminal 3 as part of a 30-year, six-phase expansion in Las Vegas for Clark County Department of Aviation.

15 PANDA POWER PROJECTS: Constructing two 758-megawatt natural gas-fired combined-cycle facilities in Texas for Panda Power Funds.

16 U.S. NUCLEAR SECURITY ENTERPRISE: Managing the Y-12 National Security Complex in Tennessee and the Pantex Plant in Texas for the U.S. Department of Energy.

17 WATTS BAR NUCLEAR PLANT: Completing engineering and construction of Unit 2 at a nuclear generating station in Tennessee for the Tennessee Valley Authority.

18 SAVANNAH RIVER REMEDIATION PROJECT: Remediating radioactive and hazardous underground waste tanks in South Carolina for the U.S. Department of Energy.

19 PASCAGOULA BASE OIL PROJECT: Designing, procuring equipment and materials, and managing construction of a lubricants manufacturing facility at Chevron's refinery in Pascagoula, Mississippi.

20 SABINE PASS LNG: Constructing the first two trains of a natural gas liquefaction plant in Louisiana for Cheniere Energy Partners.

21 CORPUS CHRISTI LNG: Front-end engineering design for a greenfield three-train LNG plant and terminal in Texas for Cheniere Energy Partners.

22 LAS BAMBAS MINE: Constructing a greenfield copper concentrator project in the Peruvian Andes for Xstrata.

23 ANTAPACCAY MINE: Completed a new concentrator to expand copper mining operations in the Peruvian Andes for Xstrata.

24 LAGUNA SECA DEBOTTLE-NECKING PROJECT: Adding a ball mill to a copper concentrator at the Escondida Mine site in northern Chile for BHP Billiton.

25 METRO RIO PROJECT: Providing commissioning and technical services to deliver new rolling stock to the Rio de Janeiro subway system for Metro Rio.

26 SELLAFIELD PILE FUEL CLADDING SILO RETRIEVAL PROJECT: Designing and building silo doors and modules for retrieval, handling, and packaging of UK legacy radioactive waste for Sellafield Ltd.

27 CROSSRAIL: Managing construction of twin 13-mile (21-kilometer) tunnels and associated underground stations and systems on a new commuter railway for Crossrail Ltd.

28 CROSSRAIL AND READING PROGRAM: Upgrading on-network and station improvements for Network Rail.

29 GATWICK AIRPORT: Providing project management oversight for a capital investment program in the UK that includes an expansion of two terminals and improvements to the airfield for Gatwick Airport Limited.

30 CHORNOBYL SHELTER IMPLEMENTATION PLAN: Managing an integrated international team overseeing the design and construction of an enclosure for a nuclear reactor for the European Bank for Reconstruction and Development and the Ukraine Chornobyl Nuclear Power Plant.

31 KOSOVO MOTORWAY: Completing the 63-mile (102-kilometer) Morinë-Merdare Motorway project for the government of Kosovo.

32 WEST NILE DELTA GAS PLANTS: Providing EPC services for two onshore gas plants near Alexandria, Egypt, for BP Group.

33 GABON INFRASTRUCTURE: Completed the master plan and executing the build-out of national infrastructure to support sustainable economic development for the government of Gabon.

34 ANGOLA LNG PLANT: Completing start-up for a natural gas liquefaction plant for Angola LNG Limited, a consortium of Sonangol, Chevron, BP, Total, and ENI.

35 MOZAMBIQUE LNG: Awarded by Anadarko a front-end engineering design contract for the first natural gas liquefaction facility in Mozambique.

36 WAAD AL SHAMAAL CITY DEVELOPMENT: Providing program management and front-end engineering and design as part of the King Abdullah project for the North Promise Industrial Mineral City for Saudi Arabian Mining Company (Ma'aden).

37 RAS AL KHAIR ALUMINUM SMELTER: Managing construction of the world's largest aluminum smelter for Ma'aden in Saudi Arabia.

38 JUBAIL AND RAS AL KHAIR: Overseeing ongoing expansion of the Jubail Industrial City and Ras Al Khair Minerals City in Saudi Arabia for the Royal Commission for Jubail and Yanbu.

39 HAMAD INTERNATIONAL AIRPORT (FORMERLY NEW DOHA INTERNATIONAL AIRPORT PROJECT): Completing for the government of Qatar construction of an international airport that features 41 contact gates and two of the world's longest runways capable of accommodating superjumbo jets.

40 KHALIFA PROJECTS: Commenced commercial operation at Khalifa Port and managed construction of a new port and industrial development in the United Arab Emirates for Abu Dhabi Ports Company.

41 MUSCAT INTERNATIONAL AIRPORT: Engineering, procurement, and construction for a 28-gate international airport terminal and associated facilities for the Ministry of Transportation and Communications of the Sultanate of Oman.

42 JAMNAGAR 3 OFFSITES AND UTILITIES: Providing engineering and technical procurement services for the offsites and utilities, captive power plant, and marine facilities for Reliance Industries Limited in India.

43 LIWAN 3-1 GAS DEVELOPMENT: Providing project management assistance for China's first deepwater gas development for Husky.

44 REAGAN TEST SITE: Managing on Kwajalein Atoll a U.S. Department of Defense missile defense and satellite surveillance site.

45 WHEATSTONE LNG: Building a two-train LNG plant and related facilities for Chevron.

46 WORSLEY EFFICIENCY AND GROWTH PROJECT: Increased capacity of an operating alumina refinery and bauxite mine in Western Australia for BHP Billiton.

47 QUEENSLAND LNG PROJECTS: Designing and building three natural gas facilities fed by coal-seam gas on Curtis Island in Queensland, Australia, for Australia Pacific LNG, Gladstone LNG, and Queensland Curtis (QC) LNG.

48 YARWUN ALUMINA REFINERY: Designed and built the second stage of an alumina refinery in Queensland, Australia, for Rio Tinto Alcan.

49 BRISBANE HUB PROJECTS: Delivering with BHP Billiton a pipeline of major coal mine projects—Hay Point 3 Expansion, Caval Ridge, Daunia, Broadmeadow, and South Walker in Australia's Bowen Basin.

50 KOORANG EXPANSION: Performing two contracts to expand coal receiving and shiploading facilities in Newcastle, New South Wales, Australia, for Port Waratah Coal Services.



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QUEENSLAND LNG PROJECTS

Australia

Bechtel is building three LNG plants on the same island in Queensland, bringing more than half a century of liquefaction technology experience to these important projects.

OIL, GAS & CHEMICALS

Bechtel's Oil, Gas & Chemicals (OG&C) business unit is a worldwide leader in oil, gas, petrochemical, and LNG plant construction. For decades, some of the largest companies have relied on Bechtel to execute their most important energy development and production investments.

We have built vast oil and gas developments and processing plants—onshore and off. Bechtel has built enough pipelines to effectively circle the Earth more than twice. We have constructed more than 375 refineries and chemical projects. In 2012, OG&C expanded its service offering to include tank engineering and construction, applying what we have learned on past projects to the requirements of other markets that Bechtel serves.

We deploy our own proprietary technologies and draw on strategic alliances with process licensors and vendors to optimize project delivery. Through Bechtel Hydrocarbon Technology Solutions, we offer consulting for oil and gas processing, including services for delayed coking unit design, sulfur removal and recovery, gas recovery, and more.



OIL, GAS & CHEMICALS BUSINESS REVIEW

In 2012, Bechtel maintained its global leadership in LNG while diversifying into new areas to further strengthen our ability to meet customers' evolving needs. We are extending our existing capabilities through renewed focus on petrochemicals and a new tank engineering and construction business; expanding our offshore and pipeline portfolios; and adding new technologies through acquisitions and alliances.

LNG is currently the centerpiece of our OG&C portfolio. In 2012, we made excellent progress at three LNG liquefaction plants in Queensland, Australia: Australia Pacific LNG, Gladstone LNG, and QC LNG. Those performance achievements were matched by our team at a fourth plant across the continent—Chevron's Wheatstone facility—with on-time earthworks activities on the site near Onslow, Western Australia. Cheniere Energy Partners awarded us full notice to proceed in 2012 for the two LNG liquefaction trains we are building at the Sabine Pass site in Louisiana. In Africa, our Angola project is in the final stages of startup, while Anadarko awarded us a contract for front-end engineering for the first LNG plant to be built in Mozambique.

In 2012, our onshore business line reached several project milestones and won new contracts. We turned over Chevron's Star Petroleum Refining Company project, which began producing low-sulfur gasoline and diesel fuel in time to meet Thailand's new fuel emissions standards. By the end of the year, we had passed the midway mark of construction at Chevron's Pascagoula Base Oil Project in Mississippi. In Alberta, Bechtel's Canadian affiliate, Bantrel, is well into construction of the Surmont Phase 2 steam-assisted gravity drainage facility for ConocoPhillips and Total.

Our longstanding customer, Reliance, has entrusted us with a third major project at its Jamnagar complex in India. We have begun engineering and procurement for offsites and utilities, marine facilities, and a power plant to support Jamnagar's new ethylene and

gasification complexes. In Egypt, our teams finished front-end engineering and started site work at BP's West Nile Delta natural gas processing project. We are also exploring natural gas field development projects in Oman.

In nearby Abu Dhabi, we perform project management for the Borouge 3 ethylene cracker and downstream derivatives plant expansion for an ADNOC-Borealis joint venture. We also are expanding our ability to offer differentiated front-end services to the industry through our technology licensing arm.

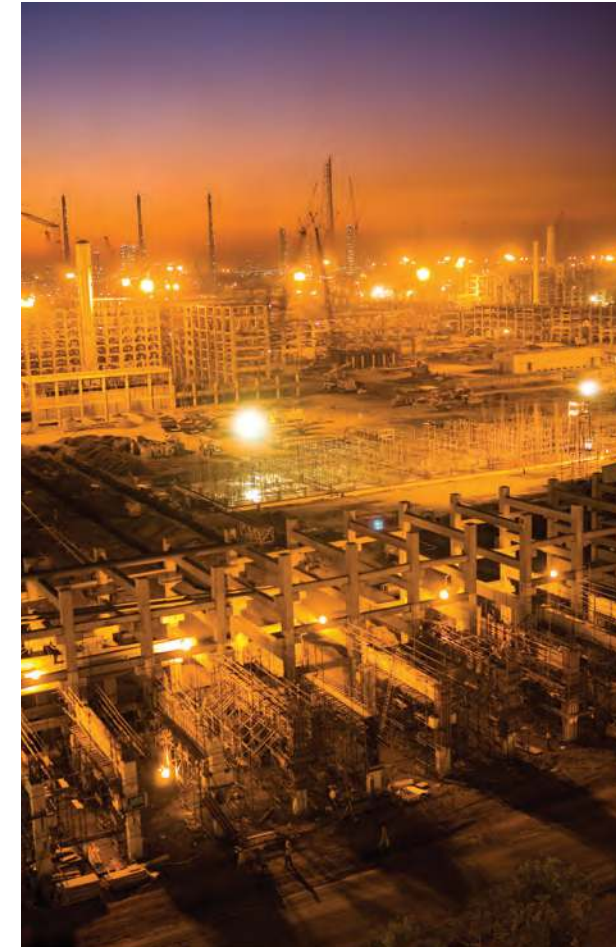
Our pipeline business line recently restarted work on TransCanada's Keystone Gulf Coast project in Oklahoma and Texas.

Building on Bechtel's core competency in project management and delivery, the company's offshore business line expanded its portfolio with new early work on two promising projects in the Gulf of Mexico for Chevron and ExxonMobil. At the same time, we are developing an integrated offering of capabilities that will include a floating LNG technology.

Last year, we established a new business line dedicated to tank engineering and construction, which undertook new projects to support two of the LNG plants that Bechtel is building in Queensland, Australia. This year, this business line will expand and offer services to our pipeline group, as well as to other Bechtel business units.



Pascagoula Base Oil Project, United States



Jamnagar 3 Offsites and Utilities, India

Liwan 3-1 Deepwater Gas Development, South China Sea



Queensland LNG Projects, Australia

BUILD ON EXPERIENCE

Liwan 3-1 Deepwater Gas Development

Bechtel partners with customers in ways that build on our talents and theirs —sometimes as part of an integrated project team. At the Husky Liwan 3-1 deepwater gas development project in the South China Sea, we are contributing our experience in managing vast, complex, and physically challenging execution to a team with its own offshore and platform construction expertise.

This fast-track project, critical to our customer's growth strategy, demands a rapid alignment of talent and knowledge to speed decisions and progress. Bechtel colleagues in Houston and throughout Southeast Asia manage project plans and coordinate schedules and deliveries of steel, pipe, and other subsea hardware with geographically and culturally diverse suppliers. In the process, we hold suppliers accountable for meeting customer delivery timelines and quality standards.

Our Liwan 3-1 team earned the highest customer satisfaction rating of any Bechtel project last year.



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RAS AL KHAIR SMELTER ▶
Saudi Arabia

Our Mining & Metals unit tapped Bechtel's decades of local experience and resources in Saudi Arabia as it works to complete the world's largest greenfield aluminum smelter—the cornerstone of a new minerals city.

MINING & METALS

For more than six decades, Bechtel's Mining & Metals (M&M) business unit has successfully completed hundreds of major projects around the world. Many of the largest natural resource companies rely on our processes, people, and proven performance to deliver their projects under the world's most logistically challenging conditions.

Our portfolio includes pioneering work on the world's largest copper concentrators and the most energy-efficient aluminum smelters. We upgrade bauxite and alumina facilities to increase production and reduce environmental impact. Our groundbreaking construction and expansion of mines and materials handling and export facilities is changing the face of Australia's coal industry.

Everywhere our customers' facilities are found—from deserts to rain forests, from mountaintops to sea-level sites—we pursue greater performance, strengthen local economies, and help our customers achieve their objectives.



MINING & METALS BUSINESS REVIEW

Strong performance on copper projects in 2012 strengthened Bechtel's longstanding customer relationships. We also expanded our presence worldwide to include facilities for other commodities such as iron ore and gold.

At the end of 2012, our M&M business unit achieved first hot metal at the Ras Al Khair smelter, one of several aluminum-related projects under way worldwide. We finished our major upgrade of the Worsley alumina refinery in Western Australia, along with an associated bauxite mine and improvements to a nearby port. In Queensland, we completed a successful 10-year engagement at the Yarwun alumina refinery for Rio Tinto Alcan. In British Columbia, we are expanding and modernizing a massive aluminum smelter for the same customer.

Our copper business continues to expand, with two new projects in the Chilean Andes. BHP Billiton's Organic Growth Project 1 (OGP) is a new concentrator adjacent to Escondida, the world's largest-producing copper mine. At OGP, we are decommissioning and demolishing an existing concentrator to allow access to high-grade ore that lies below. The second project in Chile is a copper and molybdenum concentrate plant for Teck Resources called Quebrada Blanca Phase 2. This project will more than double production at the site and extend the life of our customer's mine by more than 30 years.

Bechtel also continued work on seven coal-related projects in Australia's Bowen Basin for BHP Billiton. The largest is the Caval Ridge mine development, scheduled for first coal delivery in 2014. In support of these projects, we are increasing capacity of the nearby Hay Point Coal Terminal by adding a third berth and shiploader and making other infrastructure improvements. The South Walker Creek Project was successfully completed in 2012, under budget and on schedule, with no recordable or lost time incidents. In 2013, we will complete our latest project for Port Waratah Coal Services—a massive expansion of receiving and ship-loading facilities at one of Kooragang's coal-handling operations, at the port of Newcastle in southeastern Australia.

Hay Point Expansion Project, Australia



Kitimat Modernization Project, Canada



Antapaccay Mine, Peru



Yarwun 2 Alumina Refinery, Australia

BUILD ON INNOVATION

Bechtel-Xstrata Alliance

In 2007, Bechtel formed an innovative 10-year alliance with Xstrata Copper to deliver a global portfolio of copper concentrators using a standard plant design. Our joint goal: first-to-market advantage.

By replicating the plant design at multiple sites, Xstrata is saving time and using fewer resources. By forging multiproject, multiyear supplier relationships, Bechtel is arranging faster delivery of high-quality, critical-path equipment and materials. Through this mutually beneficial arrangement, Bechtel refines its processes and builds its team for upcoming projects, and Xstrata enjoys a faster time to market.

We completed the Alliance's first copper concentrator in 2012 at Antapaccay, Peru. Antapaccay progressed from prefeasibility studies to full commercial production in just five years. This impressive achievement and the success of the Alliance are encouraging positive changes in the way that engineering and construction is performed in the mining industry.

This year, we will build on our experience at Antapaccay, as the Alliance's second concentrator—and Bechtel's largest to date—moves forward at nearby Las Bambas.



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CROSSRAIL ▶
United Kingdom

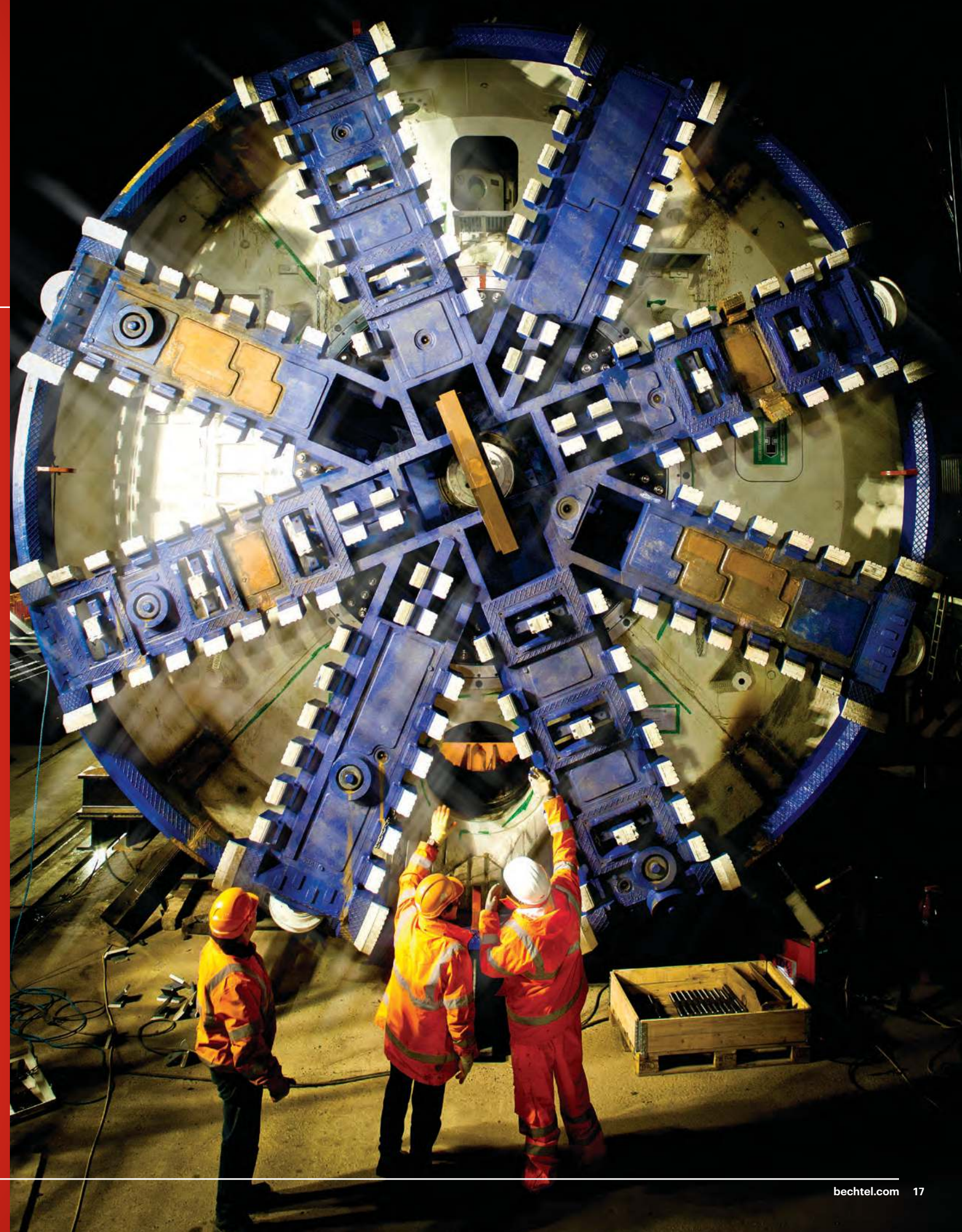
Bechtel's team on the Crossrail project in London has five tunnel-boring machines, with three more coming online for a total of eight, operating under the congested central city. The machines will excavate and line Crossrail's twin-bore 13-mile (21-kilometer) tunnels through clay, sand, chalk, and gravel throughout 2013.

CIVIL INFRASTRUCTURE

With decades of experience and a great depth of talent behind it, the Bechtel name has become synonymous with successful, multiyear megaprojects. We have tackled some of the world's toughest infrastructure assignments, working in crowded city centers and barren deserts, from the Arctic to the equator.

Our Civil Infrastructure business unit brings this expertise to every project, delivering rail systems; roads; bridges; aviation, hydroelectric, and water facilities; tunnels; and ports, as well as forward-looking development plans for cities, regions, and even nations. We are a leader in local content strategies that support the sustainability objectives typical of our projects. We help create business-building opportunities for local firms, prepare local workers for lasting employment, and leave behind a legacy of world-class safety and quality values.

By applying our knowledge and sharing what we have learned, we believe that we not only serve our customers, we support the common good.



CIVIL INFRASTRUCTURE BUSINESS REVIEW

The UK, North America, and the Middle East remain growing and important markets for Bechtel's infrastructure business as we deliver current projects and pursue new opportunities in sub-Saharan Africa, Eastern Europe, and South America.

Large rail systems continue to be a mainstay of our Civil Infrastructure business unit. In the UK, our integrated team, with customer Network Rail, won multiple industry awards for exemplary project execution. This included work to upgrade stretches of the existing rail network to integrate with Crossrail, London's new east-west commuter connection.

Across the Atlantic, just outside Washington, D.C., our colleagues at the Dulles Corridor Metrorail project made substantial progress in 2012, completing an elevated guideway structure over a high-density business district in Northern Virginia. We are now focused on finishing stations and systems testing and commissioning as we near completion.

Industrial cities continue to be a strong market sector for civil construction, especially in the Middle East. We expanded our presence in Saudi Arabia with a master planning services contract for the Waad Al Shamaal City Development, and, subsequently, in December, we were awarded a contract to oversee the engineering and construction of the planned city and industrial complex. This project will include commercial buildings, housing, schools, and other infrastructure. Nearby, we continue our 35-year commitment to one of the world's largest civil engineering projects, with an expansion of industrial and residential areas at Jubail Industrial City for the Royal Commission for Jubail and Yanbu. In addition, we are managing the build-out of the Ras Al Khair Minerals City for the same customer.

In Abu Dhabi, Bechtel completed six years of program management—and our 50th year in the United Arab Emirates—as Abu Dhabi Ports Company launched commercial operations at its new Khalifa Port. The port is the gateway to Kizad, another Bechtel project, which will be one of the largest greenfield industrial zones in the world.

Efforts to advance our work in national infrastructure planning are being rewarded with new opportunities with the government of Gabon. In 2012, we began a large-scale build-out of infrastructure projects, while balancing Gabon's commitment to sustainable development. These projects include expanding access to clean water and improving roads, power, and housing. In Mongolia, the National Development and Innovation Committee approved our master plan for Sainshand Industrial Complex.

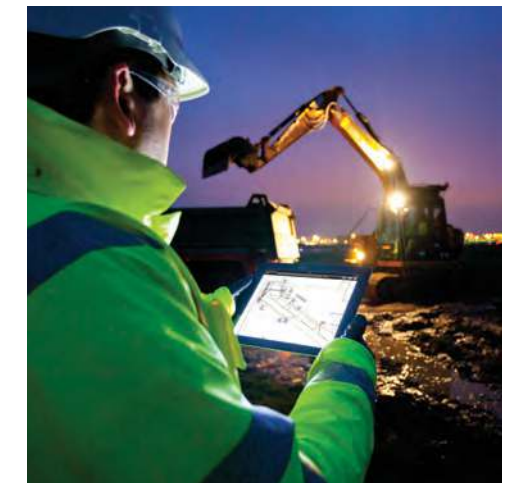
Progress continued at Hamad International Airport (formerly New Doha International Airport Project) in Qatar. In Las Vegas, we capped three decades and six phases of construction at McCarran International Airport with the newly opened Terminal 3. In London, our Gatwick Airport project team is helping make Gatwick the airport of choice for travelers at the world's largest single runway airport.

In Kosovo, we opened two additional sections of the Morinë-Merdare Motorway, a vital link in that country's expanding transportation network. Our work with longtime partner Enka won a prestigious International Road Federation award last year.

Jubail Industrial City, Saudi Arabia



Gatwick Airport, United Kingdom



National Infrastructure Program, Gabon



Dulles Corridor Metrorail Project, United States

BUILD ON VISION

Gabon National Infrastructure Program

In 2009, the government of Gabon introduced a new vision for the African nation's economic development, called Le Gabon Emergent. With sustainability at its heart, Le Gabon Emergent will make the most of the country's natural resources and develop the impressive potential of its people. At the same time, it will expand clean water supplies, roads, power, and housing nationwide, as well as create a foundation for a "green" Gabon. The country's leaders needed the best long-term contractor to bring it all to life. They chose Bechtel.

This was an opportunity for Bechtel to demonstrate its ability to align with such sweeping aspirations. Our colleagues worked to understand the government's social, economic, and environmental goals. We combed city, village, and countryside alike to assess existing infrastructure. We returned with a master plan as bold as the leaders themselves to guide investment and construction priorities.

In 2013, as we manage the large-scale construction of roads, water, power infrastructure, schools, hospitals, and housing, our team is also helping to elevate safety and quality standards in local construction, employing area workers and professionals, and advancing our customer's vision.



LAWRENCE LIVERMORE NATIONAL LABORATORY 
United States

At Lawrence Livermore and Los Alamos National Laboratories, Bechtel leads teams that support critical U.S. government national security and technology missions, applying our project and business management talent as well as our core engineering, procurement, and construction management expertise.

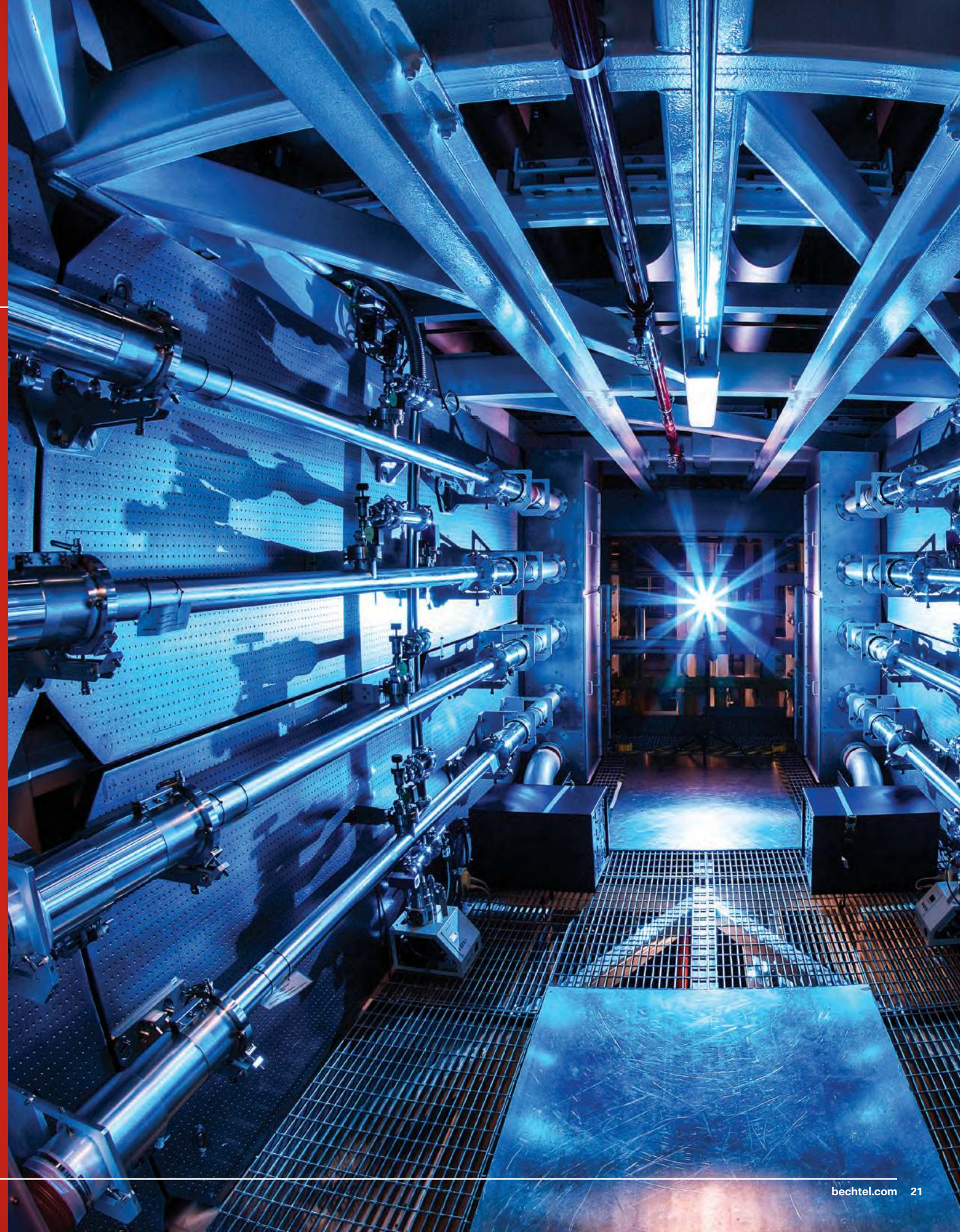
CIVIL
GOVERNMENT SERVICES
MINING & METALS
OIL, GAS & CHEMICALS
POWER

GOVERNMENT SERVICES

The one-of-a-kind challenges facing government agencies often demand complex, first-of-a-kind solutions. At such scale and scope, these solutions must come from a contractor with the exceptional depth and breadth of experience found at Bechtel.

Our government services work encompasses many of the largest and most visible projects for the U.S. Departments of Defense (DOD) and Energy (DOE). Among them are DOE's largest environmental management project and two complex DOD facilities to safely eliminate obsolete chemical weapons. We also provide engineering, construction, and logistics services for defense and homeland security projects, and we manage and operate vital government facilities, including premier research and development institutions.

Years of ongoing quality and safety achievements have earned Bechtel a position among the U.S. government's top-performing contractors. As we bring this experience into new markets in the United States, the UK, and beyond, we continue to adapt to help our customers meet the world's changing security, environmental, and energy requirements.



GOVERNMENT SERVICES BUSINESS REVIEW

While strengthening our core businesses—reducing environmental risks and improving national security—Bechtel’s government services unit prepares for greater diversification and a broader geographic reach.

Adding to a portfolio that includes DOE’s two premier laboratories, our nuclear security and allied governments business line won an additional long-term contract at the beginning of 2013. This new award builds on our ongoing successful assignments at the Y-12 National Security Complex in Tennessee and at the Pantex Plant in Texas. The new contract consolidates the management and operations at both facilities and includes responsibility for nuclear manufacturing and assembly operations that are crucial to the safety and reliability of the U.S. nuclear weapons stockpile.

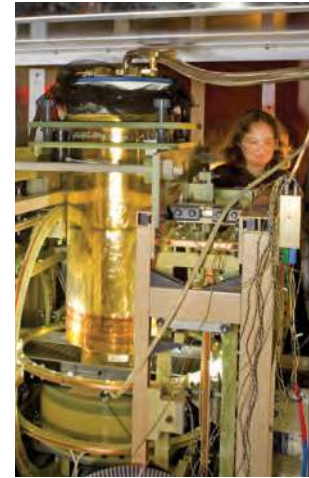
Key DOE contracts for our environmental management business line continue. We made good progress last year at both the Hanford Waste Treatment Plant project in the state of Washington and at our environmental management contract at the nearby River Corridor Closure project. In New Mexico, our team at the Los Alamos environmental cleanup project completed a record number of transuranic waste shipments. At the DOE’s former nuclear weapons production facility in South Carolina, we closed two Cold War-era hazardous waste tanks and surpassed 25 million consecutive hours without a lost time incident. Our Chernobyl Shelter Implementation Plan team in Ukraine has finished foundation work and begun erecting the enormous arch structure that will safely confine the nuclear reactor damaged in 1986.

In the UK, our colleagues at the Sellafield nuclear reprocessing site progressed the design,

fabrication, and installation of modular equipment to retrieve, handle, and package legacy radioactive waste from aging storage silos.

Our defense and security business line successfully completed missile defense projects in California and Alaska, concluding more than 15 years of engineering, procurement, and construction. This work positions Bechtel for additional opportunities, as missile defense systems expand into Europe and other allied countries. In the tropical climes of the Pacific Ocean, we ended our 10th year at the Reagan Test Site with successful support of the largest missile defense real-fire flight test in history. We made significant construction progress at our Pueblo and Blue Grass Chemical Agent-Destruction Pilot Plant projects. Pueblo achieved construction completion and is now in the systemization phase.

The Naval Nuclear Propulsion Program has achieved significant milestones over the past year. The first reactor core was certified for loading into the newest U.S. aircraft carrier, the *Gerald R. Ford*. 2012 also saw the commissioning of the 9th Virginia Class submarine (the USS *Mississippi*), the christening of the 10th (the USS *Minnesota*), and the graduation of the 50,000th sailor from the Naval Nuclear land-based prototypes that we operate in upstate New York. In addition, the U.S. Navy officially designated the next generation submarine reactor plant S1B—with B standing for Bechtel.



Los Alamos National Laboratory, United States



Chemical Agent-Destruction Pilot Plant Project-Pueblo, United States

Chernobyl Shelter Implementation, Ukraine



Hanford Waste Treatment and Immobilization Plant Project, United States

BUILD ON QUALITY

Pueblo Chemical Agent-Destruction Pilot Plant

At this U.S. Department of Defense project in Colorado, Bechtel engineers, field supervisors, and experts in materials science put their heads together to solve a unique design challenge.

During early planning for the primary structure at the Pueblo plant, Bechtel engineers discovered that the commonly used high-strength concrete planned for the structure’s walls would not be adequate to meet the blast-resistant design standards. Using it would likely leave voids—weak points—within the walls that could entail costly rework and project delays.

Faced with this situation, our engineers worked with materials experts to develop a solution: Use self-consolidating concrete (SCC) instead of conventional concrete. A staple of precast construction, SCC, with its low viscosity, would address the challenge and deliver significant performance advantages.

Our design team presented its concept with a test wall; our field team delivered on the concept with the real thing. In early 2013, we completed construction on the plant. We are now replicating this solution on a similar project, Blue Grass, in Kentucky.



CIVIL
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POWER

HANNA REGION TRANSMISSION DEVELOPMENT

Canada

The inherent risks of installing high-voltage transmission lines at great heights and the potential impact of tower construction on sensitive Alberta pastureland demand Bechtel's industry-leading safety and environmental performance.

POWER

Worldwide demand for energy has never been greater, and Bechtel's Power business unit is well positioned to help its energy customers meet their complex needs. Throughout nearly seven decades of designing and constructing fossil- and nuclear-fueled power plants, we have remained agile, adopting and adapting to new technologies to lead the evolution of the power construction market.

We are at the forefront in renewable and alternative sources of energy such as solar thermal, solar photovoltaic, and wind, as well as the use of advanced technologies for emissions retrofits. Today, we are still the industry leader in nuclear plant construction, upgrading and extending the lives of nuclear power plants while preparing for the industry's resurgence with small modular reactors.

We remain active in communications and transmission infrastructure. We continue to build and upgrade transmission lines, which help carry new and existing sources of power, and we support the construction of communications towers driven by the significant growth in data traffic across the globe.



POWER BUSINESS REVIEW

New and ongoing projects in Bechtel's renewables, communications and transmission business lines bring balance to the Power unit's portfolio of nuclear- and fossil-fueled design and construction work.

In 2012, our Power business unit continued to execute its strategy to expand existing business while also pursuing opportunities in new markets and regions. Recognizing the increased interest in wind-generated power and transmission, we augmented our capability in these markets through a joint agreement with Subsea 7, one of the world's largest subsea contractors. The nonexclusive arrangement enables us to accelerate our entry into the wind market off the shores of Germany and the UK. In early 2013, we began work on one of the first offshore electricity transmission systems of its kind in the United States for Atlantic Wind Connection.

In renewables, Power maintained the momentum gained on solar projects in recent years. In addition to activation of more than half of the capacity of California Valley Solar Ranch solar photovoltaic facility for NRG Energy and SunPower, we finished our first phase of work at EDF Renewable Energy's Catalina photovoltaic plant. Our Ivanpah Solar Thermal Electric Generating System, the world's largest concentrating solar power plant, is more than 75 percent complete. In December, we celebrated the installation of the 100,000th heliostat at Ivanpah with project owners NRG Energy, Google, and BrightSource Energy.

We continue to work toward completion of the Tennessee Valley Authority's Watts Bar Unit 2 nuclear project and provide engineering and construction services at three Xcel Energy nuclear plants located at two sites in Minnesota. In Ohio, our nuclear business line is also focused on engineering and planning in support of next year's steam generator replacement at FirstEnergy Corp.'s Davis-Besse plant. In Kansas, we are replacing deteriorated service-water

pipings systems, as well as underground and aboveground pipe at the Wolf Creek Generating Station. Finally, in Florida and Wisconsin, our nuclear team has maximized the power output of six nuclear plants at three sites during some of the largest planned outages in commercial nuclear history.

In late 2012, the U.S. Department of Energy approved a cost-share funding proposal by our alliance with Babcock & Wilcox (B&W), Generation mPower, which would accelerate market adoption of small modular reactors for commercial power generation. Generation mPower also signed a memorandum of understanding with FirstEnergy for deploying small modular reactors in its service area. In July, we signed a letter of intent with the Tennessee Valley Authority for designing, licensing, and constructing up to four small modular reactors at the power authority's Clinch River site in Tennessee.

The second of two units entered commercial operation at our fossil business line's Prairie State Energy Campus project in Illinois for eight Midwest utilities in the U.S. Also, the company's thermal business line broke ground for two highly efficient natural gas-fueled, combined-cycle power plants in Texas for Panda Power Funds. We also continued construction and commissioning in California of the 619-megawatt Russell City Energy Center, which is now more than 80 percent complete, for Calpine.

Our transmission business line is nearing completion of a major transmission line project, the Hanna Region Transmission Development project in Alberta, Canada. The team has also overseen the completion of work on three substations and continues to manage work on the remaining nine.

Watts Bar 2 Nuclear Plant, United States



Ivanpah Solar Electric Generating System, United States



California Valley Solar Ranch, United States



Russell City Energy Center Power Plant, United States

BUILD ON PERFORMANCE California Valley Solar Ranch Project

Bechtel's productivity innovations are helping create a brighter future for solar power. At one of the largest photovoltaic plants under construction anywhere, we applied our Six Sigma process improvement methodology and brought online more than half of this solar plant's generating capacity.

Throughout 2012, our team at the California Valley Solar Ranch facility installed thousands of SunPower® TO Trackers, which include solar panels mounted on tracking technology supported by pylons driven into the ground. From the beginning, members of the team viewed the repetitive nature of their work as an ideal target for Bechtel's Six Sigma process improvement tools.

Working closely with SunPower, Bechtel team members studied every step, from materials handling to transportation to installation. Time and motion studies pared work down to a simple one-pass process that delivers placement accuracy while shaving seconds off each installation.

Seconds became hours, and hours became days. The project team drove 130,000 piles and put in place half a million panels. This year, we will complete work on the 250-megawatt solar plant, one of the largest of its kind under construction worldwide. Our performance innovations here and at similar projects will lead our customers and their industry toward more affordable, large-scale solar developments.

BUILDING PEOPLE WHO BUILD THE FUTURE ▶

Bechtel

We value the contributions of our 53,000 colleagues. We want them to thrive at Bechtel. We want them to arrive home safely at the end of every day. We want them to feel proud to work for a company that is an industry model of ethical behavior, responsible stewardship, and sound resource management.



BUILD ON THE POWER, PASSION, AND PRIDE OF OUR PEOPLE

There is something special about Bechtel: our people. Every day, they help build a better world. New airports, industrial projects, and entire cities take shape in their hands. They build safer roads, cleaner power plants, and refineries that use resources more efficiently. They have remediated environmental catastrophes, conducted critical energy research, and helped to create a more secure planet.

Our colleagues have kept us in business for more than 115 years. It is only through their extraordinary individual efforts that we have achieved so much as a company. Those achievements reinforce our bonds with customers, with each other, and with our communities.

It is through our people that we express who we are and what we stand for.



BUILDING A BETTER BECHTEL

As an industry leader, Bechtel knows that delivering quality performance starts with maintaining a highly skilled, highly motivated workforce. To that end, we have provided new and expanded learning opportunities through our corporate university. Three new schools within the university enable our people to sharpen their skills in leadership, business services, and our core processes. We have also built upon an already extensive platform for development and certification as well as emphasized mentoring and stretch assignments to prepare a new generation of leaders for more demanding roles.

We encourage ongoing conversation among colleagues to address concerns and further the development of an engaging, motivating work environment. This process of constantly building a better Bechtel through our people has led to strategic investments in learning, recognition, mentorships, and other growth opportunities that enable our teams to reach their full potential.

BUILD ON: COMMUNITIES

Improving the quality of life in the communities where we live and work is a core Bechtel value. Our stewardship efforts—sustainability, philanthropy, and volunteerism—are central to bringing this value to life.

All over the world, we use innovative solutions to maintain sound social, economic, and environmental sustainability practices. We support local growth, skills training, and supply chain development; minimize our construction footprint; maximize resource efficiency; and protect the environment.



In 2012, Bechtel renewed our commitment to capturing the competitive advantage of being a great place to work.

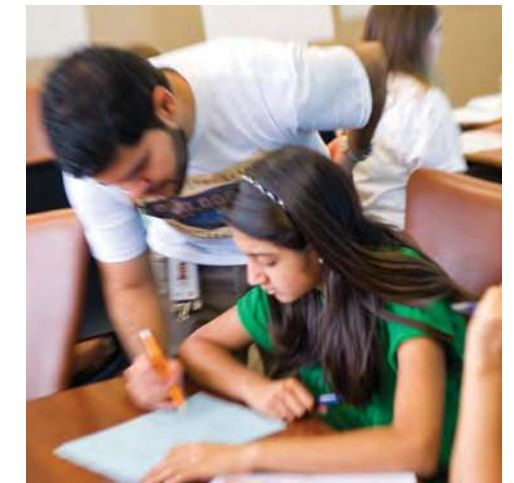
Bechtel colleagues volunteer with Junior Achievement® and similar organizations worldwide.



FIRST® LEGO® League volunteers help the youngest students learn engineering principles as they play.



National Engineers Week Foundation introduces students to the rewards of an engineering profession.



Bechtel colleagues volunteer to support community-driven infrastructure improvements worldwide through Engineers Without Borders.

In Australia, we introduced one of the largest adult construction apprenticeship programs in the country's history. In Angola, we trained more than 8,300 local workers on Bechtel's project processes and safety culture to prepare them for future work on oil and gas projects in the region. In Gabon, we are promoting social infrastructure and economic development as we support this emerging nation's long-term investment strategy.

Our design and construction sustainability efforts on the Crossrail project in the UK are helping our customer obtain certification for their railway stations, tunnels, portals, and shafts from independent and internationally recognized industry bodies. In our work with the U.S. federal government, our efforts to reduce waste and resource consumption on several projects in which we are involved have been recognized with some 19 sustainability awards.

We have also partnered with the International Business Leaders Forum, the International Petroleum Industry Environmental Conservation Association, and others to explore ways of improving social performance throughout the oil and gas industry.



Young people team with Bechtel FIRST® Robotics volunteers to build robots for competition.

Ocean Exploration Trust brings volunteers, students, and teachers aboard exploration vessels.



BUILD ON: THE FUTURE

Bechtel plans and acts for the future—for the long-term good of our company, our customers, and our world. Last year, we formed partnerships with five nonprofit organizations that deepen our impact in the communities where we live and work.

Bechtel volunteers now engage in the global work of these partners, touching the lives of children through education—especially in the areas of science, technology, engineering, and mathematics. Volunteers coach kids as they build their own robots and model bridges. They introduce teens to business and personal finance. They work alongside future oceanographers on a research vessel in the Aegean Sea.

We celebrate the engineering profession through our partnership with National Engineers Week Foundation, which promotes the rewards of the engineering profession to students. To spark students' interest in science and technology, we collaborate with FIRST® Robotics, a team-building program in which young people use science and math to build robots for competition.

In our work with Junior Achievement® (INJAZ in the Middle East and Young Enterprise in the UK), we lead students toward workforce readiness and financial literacy. Through Engineers Without Borders, volunteers apply their passion and skills in engineering and construction to further much-needed infrastructure improvement projects. With Ocean Exploration Trust, volunteers bring the world of oceanographic exploration to students and teachers around the world.

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