

An aerial night photograph of a massive construction site. The scene is dominated by several tall, yellow tower cranes and a large circular structure under construction, possibly a stadium or arena. The ground is covered with construction materials, including stacks of steel beams and concrete blocks. In the background, a large industrial facility or refinery is visible, illuminated by numerous lights. The sky is dark with a hint of twilight.

The
Bechtel
Report
2010

The Bechtel Report 2010



▲ | San Onofre
steam generator
replacement,
California, USA

◀◀ | Cover photo:
Liquefied natural
gas processing plant,
Angola

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TO OUR CUSTOMERS, EMPLOYEES,
PARTNERS, SUPPLIERS, AND FRIENDS

Welcome

For Bechtel, as for the rest of the business world, 2009 was an extraordinarily challenging year. The global recession, which started to affect our industry in the fourth quarter of 2008, took a toll last year as customers reined in capital spending. Some projects we had won were postponed, while others already in progress were slowed down or reduced in scope. In a few cases, we lost big projects when competitors underbid us in a cutthroat environment.

Despite the economic downturn, our company had a year about which we can be proud. We performed solidly on dozens of projects in 45 countries, completed a number of important jobs, and won significant new work.

As always, safety was our top priority in 2009. We challenged our 49,000 employees and subcontractor colleagues to renew their commitment to working safely on every project and in every office. They responded by again making us one of the safest engineering and construction companies in the world, with a record far better than the industry average. We are happy to report that 53 of our projects each achieved more than 1 million hours last year with no time lost because of an accident.

Our main business focus last year after safety was on quality—doing every job right the first time. Quality work is crucial to the success of every project, and it embodies our commitment to customer satisfaction. We are developing new ways to measure quality and integrate quality assurance into every project, from start to finish. In addition, we continue to refine our Six Sigma quality improvement program, now in its 10th year at Bechtel.

We also strengthened our sustainability program, which helps customers enhance communities and protect the environment. A key component of that effort is job training for local workers, giving them skills they can use long after a project is complete. In Soyo, Angola, for example, a worker enhancement program has trained several thousand Angolans in project safety, work ethics, and construction skills.

Forecasting the future is especially difficult in our industry, which is not on the same cycle as the overall economy. We are bracing for another tough year in 2010, but as economic growth resumes, we believe we are well positioned to win new work and maintain our standing as the world's premier engineering, construction, and project management company.



Riley Bechtel
Chairman & Chief Executive Officer



Bill Dudley
President & Chief Operating Officer

IN A GLOBAL RECESSION, BECHTEL DISTINGUISHED ITSELF WITH SOLID PERFORMANCE AND IMPORTANT NEW PROJECTS.

Business Review

A tunnel beneath the streets of London will be the centerpiece of a new railway for commuters. A long pipeline system will transport crude oil from Canada to refineries in the United States. A solar thermal power complex in California will help usher in a new era for renewable energy.

These vastly different projects have one thing in common—they are all part of Bechtel's diverse portfolio, which in 2009 again stood the company in good stead. Solid performance distinguished our business across the board as we helped customers build roads and rail systems, airports, refineries and gas processing plants, power plants, mines, and telecommunications networks while also managing important defense and energy work for the U.S. government.

Although the value of new work that we booked fell to \$20.3 billion from \$35.0 billion in 2008—a direct result of customer spending cutbacks in the global recession—our revenue from ongoing work was \$30.8 billion, close to 2008's record level.

Highlighting 2009 were a pair of new project awards that showcase our global reach and our acumen in multiple industries. Bechtel will be a key player on Crossrail, a new railway that will connect London to its eastern and western suburbs. A Bechtel team will be responsible for the 21-kilometer underground section beneath the city. The project continues a legacy of Bechtel rail work in the UK that in recent years has included the nation's first high-speed rail line and the renovation of its busiest rail corridor, stretching from London to Scotland.

In California, we signed a landmark deal with BrightSource Energy to construct a 440-megawatt



Artist's rendition of a new Crossrail station in London

solar thermal power complex in the Mojave Desert. We also invested in the project, underscoring our commitment to renewable energy sources and new technologies.

Our Oil, Gas & Chemicals business unit led the way again in 2009, working on a variety of projects around the world. In the United States, we continued to expand several major refineries and a big receiving terminal for liquefied natural gas, and we made good progress on the Canada-to-United States Keystone Pipeline. In Angola, work is well along on a big processing plant for liquefied natural

gas, and in India, we completed a major refinery complex and an offshore gas development project.

Our Civil Infrastructure unit also had a good year. In addition to the Crossrail award, we continued work on the modernization of three historic lines of the London Underground. Work progressed on modern motorways in Albania and Romania, and the stunning New Doha International Airport is taking shape in Qatar. In the United States, excavation began for a major tunnel on a rail project that will link Washington, D.C., and its international airport.

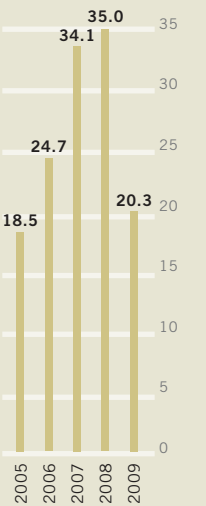
The BrightSource solar power project was not the only bright spot for our Power unit. Work moved ahead on a plant in Indiana that will use cleaner coal technology to reduce emissions, and several other plants under construction will feature advanced air quality control systems. In the nuclear sector, we signed a terms sheet for design and construction of a new reactor in Maryland. In other projects, we worked to increase generating capacity at several plants and strengthened our position as a leader in steam generator replacements.

Again in 2009, Bechtel was one of the top service providers to the U.S. government. A significant milestone came in Washington state, where work passed the halfway point on a huge plant that will treat hazardous liquid waste at a former nuclear production site. We also made good progress on projects to eliminate unused chemical weapons at defense sites in Colorado and Kentucky.

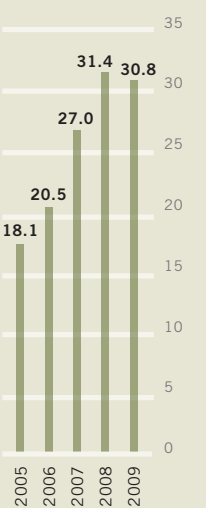
Our Mining & Metals unit kept busy last year despite a slump in commodity prices. In Australia, we have alumina refinery projects on both the eastern and western coasts, and in New South Wales, we are expanding the world's largest coal-loading operation. We also have a strong presence in Chile, where we are engaged in several big copper projects.

All in all, 2009 was a good year, especially in light of the economic turmoil that roiled every market in which we work. In the following pages, you'll learn about many of the projects that contributed to our success.

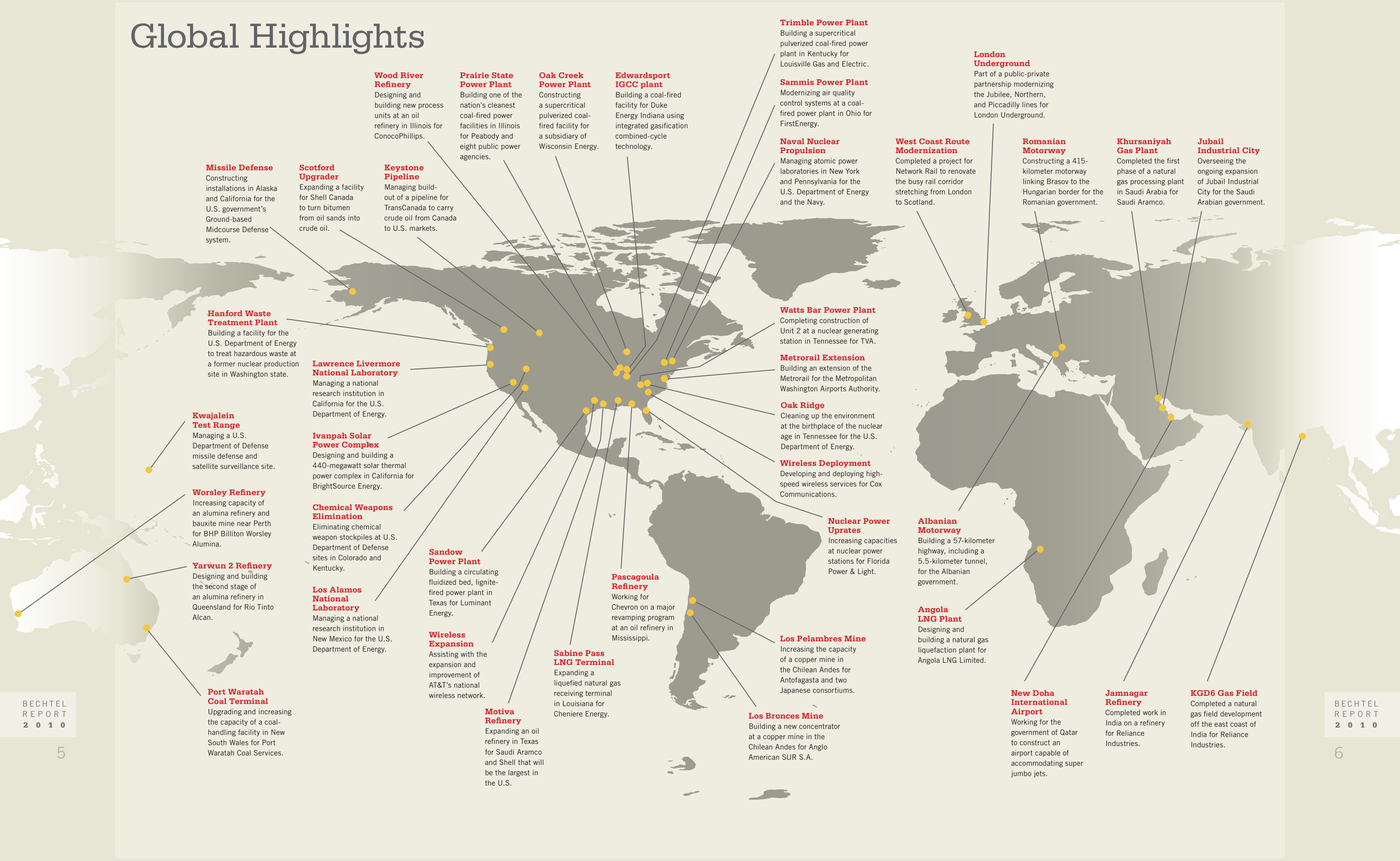
New work booked in billions of U.S. dollars



Revenue in billions of U.S. dollars



Global Highlights



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

Scottford Upgrader
Expanding a facility for Shell Canada to turn bitumen to crude oil.

Keystone Pipeline
Managing build-out of a pipeline for TransCanada to carry crude oil from Canada to U.S. markets.

Wood River Refinery
Designing and building new process units at an oil refinery in Illinois for ConocoPhillips.

Prairie State Power Plant
Building one of the nation's cleanest coal-fired power facilities in Illinois for Peabody and eight public power agencies.

Oak Creek Power Plant
Constructing a supercritical pulverized coal-fired facility for a subsidiary of Wisconsin Energy.

Edwardsport IGCC plant
Building a coal-fired facility for Duke Energy Indiana using integrated gasification combined-cycle technology.

Trimble Power Plant
Building a supercritical pulverized coal-fired power plant in Kentucky for Louisville Gas and Electric.

Sammis Power Plant
Modernizing air quality control systems at a coal-fired power plant in Ohio for FirstEnergy.

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

West Coast Route Modernization
Completed a project for Network Rail to renovate the busy rail corridor stretching from London to Scotland.

Romanian Motorway
Constructing a 415-kilometer motorway linking Brasov to the Hungarian border for the Romanian government.

Khursaniyah Gas Plant
Completed the first phase of a natural gas processing plant in Saudi Arabia for Saudi Aramco.

Jubail Industrial City
Overseeing the ongoing expansion of Jubail Industrial City for the Saudi Arabian government.

Hanford Waste Treatment Plant
Building a facility for the U.S. Department of Energy to treat hazardous waste at a former nuclear production site in Washington state.

Lawrence Livermore National Laboratory
Managing a national research institution in California for the U.S. Department of Energy.

Ivanpah Solar Power Complex
Designing and building a 440-megawatt solar thermal power complex in California for BrightSource Energy.

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

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

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

Worsley Refinery
Increasing capacity of an alumina refinery and bauxite mine near Perth for BHP Billiton Worsley Alumina.

Yarwun 2 Refinery
Designing and building the second stage of an alumina refinery in Queensland for Rio Tinto Alcan.

Port Waratah Coal Terminal
Upgrading and increasing the capacity of a coal-handling facility in New South Wales for Port Waratah Coal Services.

Sandow Power Plant
Building a circulating fluidized bed, lignite-fired power plant in Texas for Luminant Energy.

Wireless Expansion
Assisting with the expansion and improvement of AT&T's national wireless network.

Motiva Refinery
Expanding an oil refinery in Texas for Saudi Aramco and Shell that will be the largest in the U.S.

Sabine Pass LNG Terminal
Expanding a liquefied natural gas receiving terminal in Louisiana for Cheniere Energy.

Pascagoula Refinery
Working for Chevron on a major revamping program at an oil refinery in Mississippi.

Watts Bar Power Plant
Completing construction of Unit 2 at a nuclear generating station in Tennessee for TVA.

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

Oak Ridge
Cleaning up the environment at the birthplace of the nuclear age in Tennessee for the U.S. Department of Energy.

Wireless Deployment
Developing and deploying high-speed wireless services for Cox Communications.

Nuclear Power Upgrades
Increasing capacities at nuclear power stations for Florida Power & Light.

Los Pelambres Mine
Increasing the capacity of a copper mine in the Chilean Andes for Antofagasta and two Japanese consortiums.

Los Bronces Mine
Building a new concentrator at a copper mine in the Chilean Andes for Anglo American SUR S.A.

Albanian Motorway
Building a 57-kilometer highway, including a 5.5-kilometer tunnel, for the Albanian government.

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

New Doha International Airport
Working for the government of Qatar to construct an airport capable of accommodating super jumbo jets.

Jamnagar Refinery
Completed work in India on a refinery for Reliance Industries.

KGD6 Gas Field
Completed a natural gas field development off the east coast of India for Reliance Industries.



> | The Dulles Metrorail extension, Virginia, USA



OIL, GAS, LNG,
PETROCHEMICALS,
AND PIPELINES

Oil, Gas & Chemicals



Bechtel's Oil, Gas & Chemicals business performed well in all areas in 2009, once again setting the pace for the company and reinforcing our leadership in the liquefied natural gas sector.

In Angola, engineering is complete and early construction has begun on a large LNG liquefaction plant. In southern Louisiana, we completed the first stage of the Phase 2 expansion of a major terminal for receiving and regasifying LNG. Work began on front-end engineering and design for four new LNG facilities in Australia—three in Queensland and one in Western Australia.

In India, we completed two projects—the expansion of the massive Jamnagar export refinery complex on the west coast (which we originally completed in 2000) and the KGD6 offshore gas development in the Bay of Bengal. In Saudi Arabia, we completed the first phase of the Khursaniyah gas plant near Jubail.

We also continued to execute major projects in North America. The first phase of the Keystone Pipeline is nearly complete, and engineering has started for an expansion project. The combined system will be able to transport more than 1 million barrels of crude oil per day from Alberta, Canada, to U.S. refineries in the South and the Midwest, including Wood River refinery in Illinois, where we are engineering and constructing new process units.

Refinery expansion projects are progressing in Pascagoula, Mississippi, for Chevron, and in Texas—where Motiva's expanded Port Arthur facility will be the largest refinery in the United States. In Alberta, Canada, work continued on the Scotford project, which will convert oil sands bitumen to crude oil.

^^ | Motiva refinery expansion,
Texas, USA

^ | Wood River refinery
expansion, Illinois, USA

< | Khursaniyah gas plant,
Saudi Arabia

DEFENSE, SPACE,
DEMILITARIZATION, ENERGY
MANAGEMENT, AND
ENVIRONMENTAL WORK

Government Services

In 2009, Bechtel again played a key role in both national security and large-scale environmental cleanup for the U.S. government.

Our ability to tackle big, complex projects was exemplified at a former nuclear production site in Washington state, where construction passed the halfway point on a huge plant to convert highly radioactive liquid waste to a stable glass-like substance for safe and permanent storage.

At U.S. defense sites in Colorado and Kentucky, work progressed on facilities designed to eliminate stored chemical weapons dating back to World War II. In Tennessee, we began the second decade of environmental cleanup at Oak Ridge, the birthplace of the nuclear age. And in Idaho, we are managing the cleanup of hazardous waste from plutonium processing work during the Cold War.

We continued to help manage and operate two premier national laboratories in Livermore, California, and Los Alamos, New Mexico. The labs are more efficient and secure than ever before, making it easier for them to ensure the viability of the nation's nuclear stockpile while also promoting breakthrough research in science.

We also are managing the nation's top atomic power laboratories in Pennsylvania and New York. The labs provide research and development for nuclear propulsion systems and related services to the U.S. Navy.

Other important ongoing defense work included construction of missile fields in Alaska and silos in California for the Ground-based Midcourse Defense system, and management of the missile test range on Kwajalein Island in the South Pacific.



▲ | Hanford waste treatment facility, Washington state, USA

<< | Blue Grass chemical demilitarization, Kentucky, USA

< | Los Alamos National Laboratory, New Mexico, USA

FERROUS, NONFERROUS,
PRECIOUS, AND LIGHT
METALS, AS WELL AS
INDUSTRIAL MATERIALS

Mining & Metals

Repeat work for satisfied customers continued to be a Bechtel hallmark in 2009, especially for our Mining & Metals unit.

Three current projects in Australia follow successful earlier jobs. In Queensland, we are building the second stage of an alumina refinery that we completed in 2004, more than doubling its production capacity. In New South Wales, we are expanding the world's largest coal-loading terminal for the third time in a decade. And in Western Australia near Perth, we have returned to expand the Worsley alumina refinery and bauxite mine and construct a new mine.

Another example of good work leading to more work can be found in the Andes of Chile, where Bechtel is engaged in its fourth project at the Los Pelambres copper mine. The current expansion will increase the mine's capacity by more than 20 percent. We also are constructing a new copper concentrator at the Los Bronces mine in the Chilean Andes, at an altitude of more than 3,000 meters.

Perhaps the most telling examples of repeat work are the new Brisbane Hub we created with BHP Billiton to plan and execute coal and alumina projects, and our alliance with Xstrata on copper concentrator work. Bechtel was selected by these two multinational mining giants based on the consistency of our performance and the value added when we transfer hard-won expertise from project to project.

In 2009 we also began work on the Ras Az Zawr aluminum smelter in Saudi Arabia (our first aluminum project in that country), following successful smelter projects in Oman and Bahrain.

➤ | Port Waratah coal terminal expansion, Australia



▲▲ | Los Bronces copper mine expansion, Chile

▲ | Worsley alumina expansion, Australia





RAIL SYSTEMS, ROADS,
BRIDGES, TUNNELS,
AIRPORTS, AND PORTS

Civil Infrastructure



Bechtel's Civil Infrastructure unit turned in another strong performance in 2009, with solid execution on projects in Europe, the Middle East, the United Kingdom, and the United States.

In the UK, we wrapped up the modernization of the West Coast Main Line, a rail corridor stretching from London to Scotland. In London a Bechtel public-private partnership continued its project to renovate three lines of the Underground.

We also added to our rail portfolio in the UK with two major project awards. A Bechtel

team will be responsible for a 21-kilometer tunnel beneath London—the centerpiece of Crossrail, a new railway linking the city to its eastern and western suburbs. Bechtel also will perform work on Network Rail's portion of Crossrail, upgrading track and renovating the busy Reading station.

In the United States, construction began on an extension of the Metrorail line that will permit seamless rail travel between Washington, D.C., and Dulles International Airport. The project reached its first major milestone in October, when excavation began on a tunnel under Tysons Corner, Virginia.

In Eastern Europe, work continued on new highways in Albania and Romania that are expected to help spur economic growth and tourism. The Albanian project, featuring a 5.5-kilometer twin-bore tunnel and 27 bridges in a mountainous region, is set for completion in 2010.

In the Middle East, we made progress on the huge New Doha International Airport in Qatar—one of the first facilities designed for super jumbo jets—and the Khalifa Port and Industrial Zone in the United Arab Emirates.



^^ | London Underground modernization

▲ | Dulles Metrorail extension, Virginia, USA

< | Albanian Motorway



ELECTRIC POWER GENERATION
USING FOSSIL AND NUCLEAR
FUELS, RENEWABLE SOURCES,
AND NEW TECHNOLOGY, AND
TELECOMMUNICATIONS NETWORKS

Power

In 2009, Bechtel's work reinforced our longstanding leadership in fossil and nuclear power generation while placing us in the forefront of the move toward renewable energy and new technology.

Highlighting the year was the award of a contract to design and build a 440-megawatt solar thermal power complex for BrightSource Energy, an innovative company leading the way in this exciting field. The project, located in California's Mojave Desert, will be among the largest of its kind in the world.

Technology also is key to designing cleaner, more efficient fossil fuel plants. In Indiana, work is progressing on what will be the largest coal-fired plant employing integrated gasification combined-cycle (IGCC) technology to dramatically reduce emissions. Plants under construction in Illinois and Kentucky feature advanced air quality control systems, and in Ohio, the environmental retrofit of the Sammis plant is heading toward completion. In eastern Wisconsin, work is nearly complete on a 1,230-megawatt coal-fired plant.

Bechtel underscored its prominence in nuclear power by extending the life cycles of some aging plants, modernizing others, and helping to develop the next generation of clean, efficient plants. The year featured the signing of a terms sheet for the design and construction of Calvert Cliffs 3 in Maryland—one of the first new nuclear plants in a quarter of a century. We are working on the completion of Watts Bar Unit 2 in Tennessee and on a program to increase the power capacities of two nuclear facilities in Florida and one in Wisconsin. We also are replacing aging steam generators at plants in California, Florida, and Ohio.



▲ | BrightSource Energy's innovative technology

◀◀ | San Onofre steam generator replacement, California, USA

◀ | IGCC power plant, Indiana, USA

> | Prairie State Energy Campus,
Illinois, USA



Vision + Values

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.



VALUES

Building on a family heritage that spans more than 110 years, we will continue to be privately owned by active management and guided by firmly held values.

Ethics. Uncompromising integrity, honesty, and fairness are 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.

< | New Doha International Airport, Qatar

Leadership

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Chief Executive Officer

Bill Dudley

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Chief Operating Officer

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Vice Chairman

Peter Dawson

Chief Financial Officer

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▲ | Scotford Upgrader,
Alberta, Canada

As of March 2010

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For more information about Bechtel and its projects, visit bechtel.com