



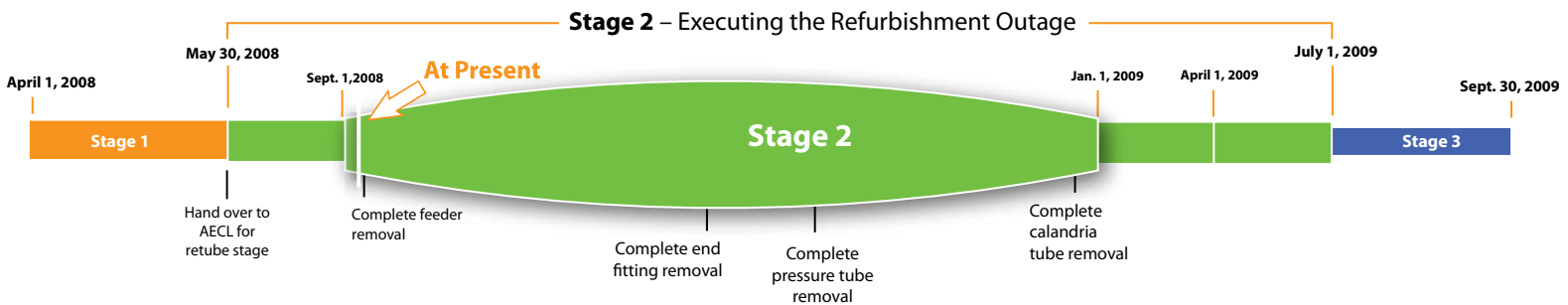
Refurb Report



September 3, 2008

Feeder Removal Work Continues

Work crews continue to work diligently to remove the feeders from the reactor, as pictured below. Due to the complex layout of the feeders, the crews are following a particular removal sequence so that they can access the feeders while working in tight quarters with other crews. It is expected that the feeder removal will now be completed in early September.



There is a steep learning curve that goes with these complicated jobs being undertaken for the first time. Modifications are being made to the jobs to allow us to carry them out as efficiently and safely as possible. We are seeing improved progress daily. We are now preparing for the next phase of Stage 2, which is the disassembly of the reactor. The disassembly includes removing end fittings, pressure tubes and calandria tubes and is expected to be completed by the end of December 2008.

In preparation for the refurbishment outage, additional workers were fully trained and qualified to ensure we could deliver the project safely. This expanded workforce is in place and continues to focus on the job at hand while demonstrating commitment to conventional and radiation safety standards.

The Station's quality control programs ensure we operate safely and according to regulatory requirements and continue to do so for the 25 years following refurbishment. An example of that is the pressure boundary program that manages the design, procurement, storage, installation, testing and operation of components in the Station. This program is currently being updated to keep the integrity of the systems and ensure its safe operation post-refurbishment.

Throughout this refurbishment outage, we have enjoyed continued support from our surrounding communities. Our employees are proud members of our local communities and give back to the communities in different ways. Recently, a number of employees participated in the Fundy Fishermen's Day and the Saint John Dragon Boat Festival, a fundraising effort of St. Joseph's Hospital Foundation.

