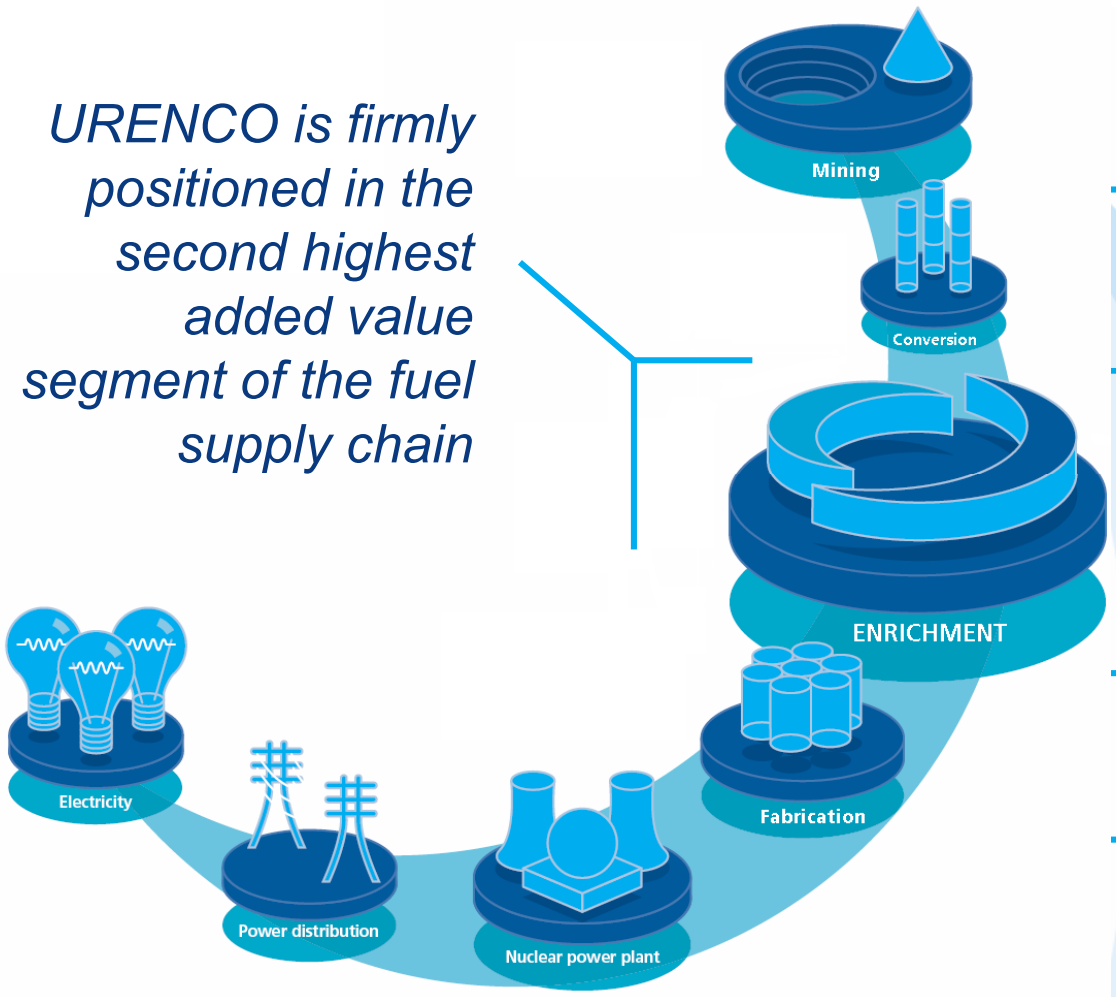
Seminar on Global Nuclear Fuel Supply
26 January 2009, IAEA, Vienna

Enrichment: Present and Projected Future Supply and Demand

Mark Elliott
Director, Marketing & Sales
URENCO

Nuclear Fuel Process

URENCO is firmly positioned in the second highest added value segment of the fuel supply chain



Value added per segment

40%

5%

35%

20%

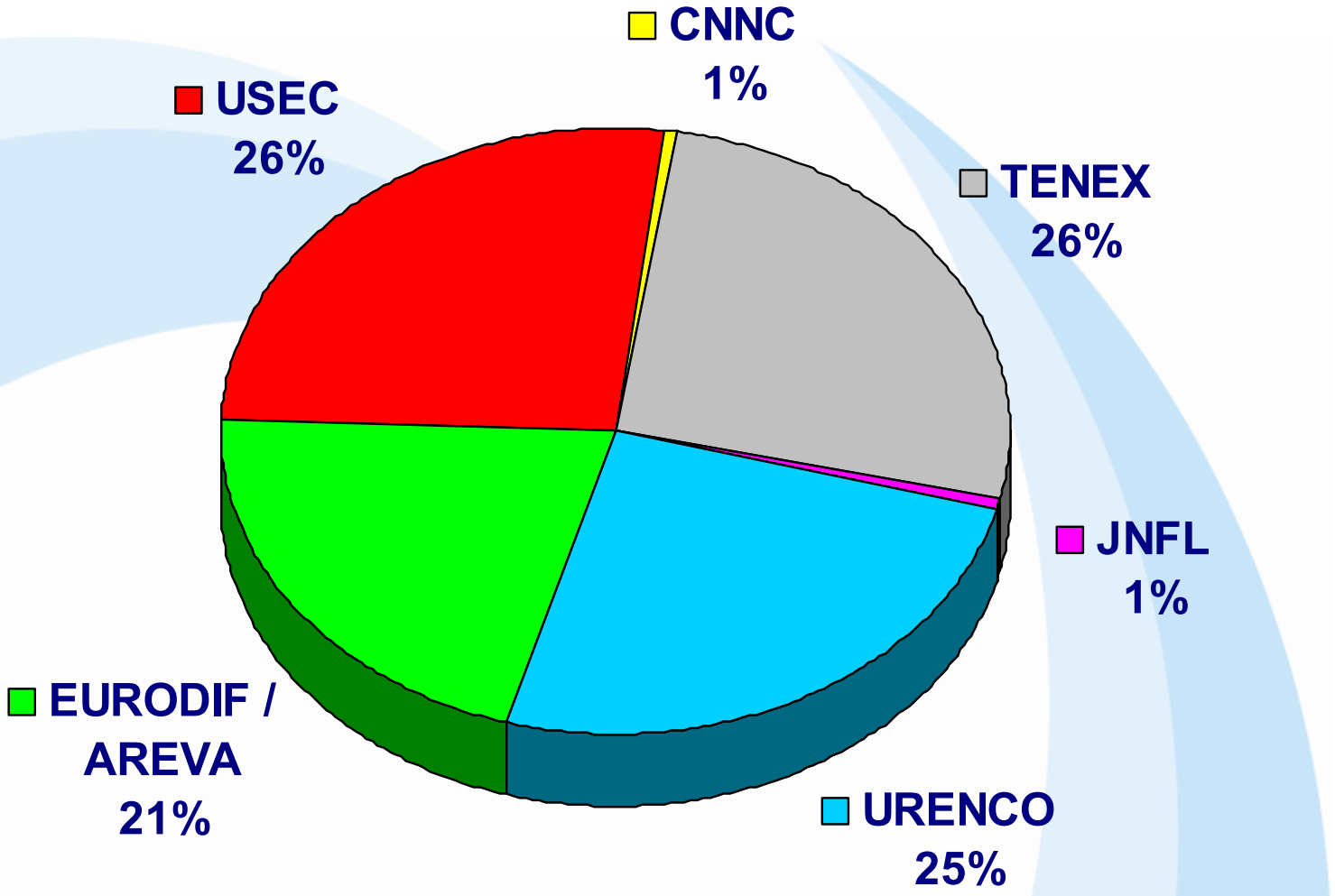
Demand for Enrichment Services

urenco

Demand for SWU is driven by:

- Load factors and reload patterns of operating plants
- Uprating MWe of operating plants
- Extended lifetimes
- Technical, economic or political shutdowns
- Ongoing and planned new build
- Timing of first cores for new reactors
- Fuel cycle lead times
- Uranium prices influencing tails assays
- MOX fuel utilization

Enrichment Market Shares: Worldwide – 2008 Estimate

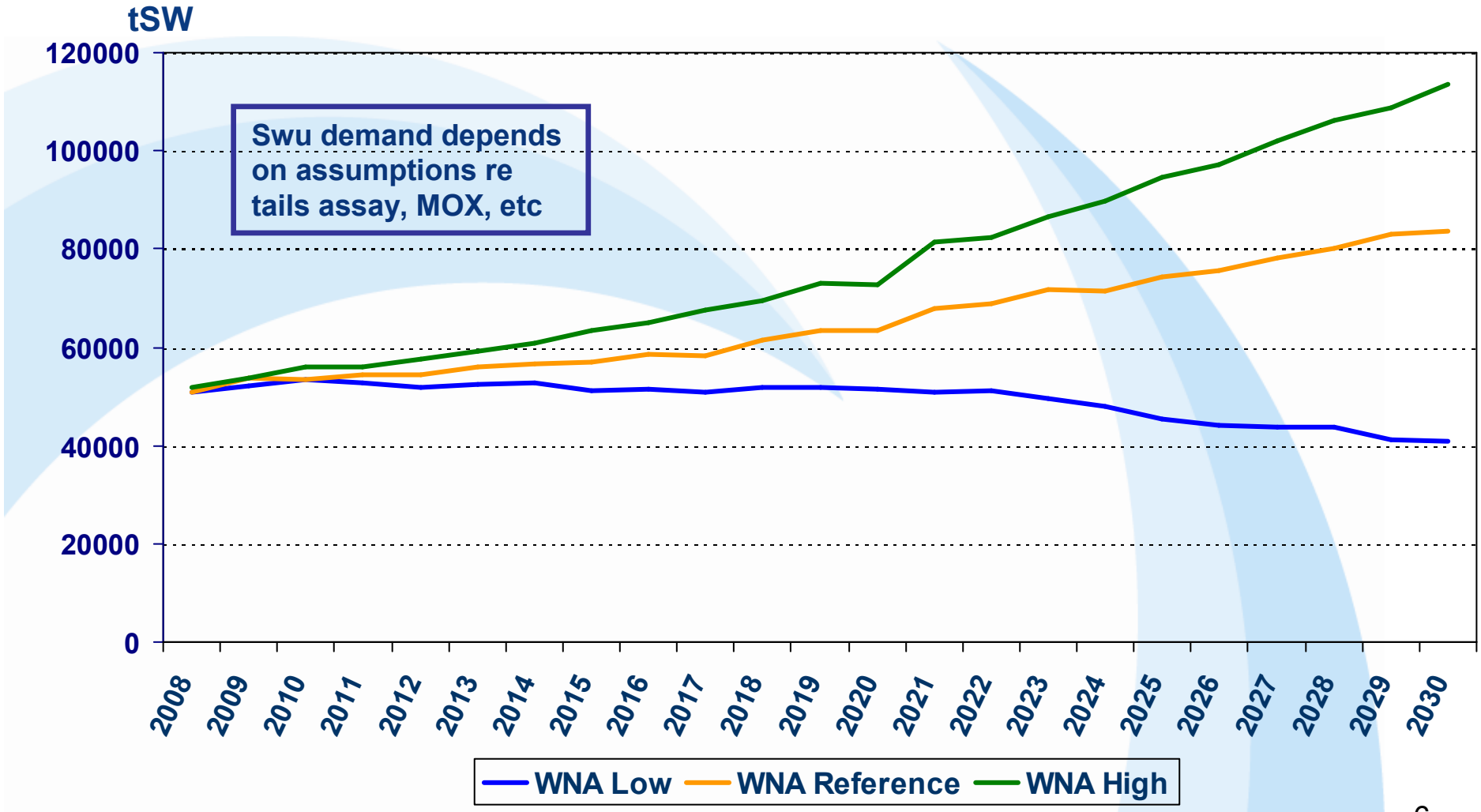


Enrichment – A Long Term View

Ongoing and future developments include:

- Replacement of old enrichment capacity (GDP and centrifuge) with new centrifuge capacity
- Major capital investment in capacity
- Investment will only be made if desired rate of return can be achieved
- Modular installation adjusted from time to time to match forecast SWU demand
- Ensuring long-term reliable supply and a competitive market

Enrichment Demand: Worldwide Forecasts



Enrichment Demand: Worldwide Forecasts

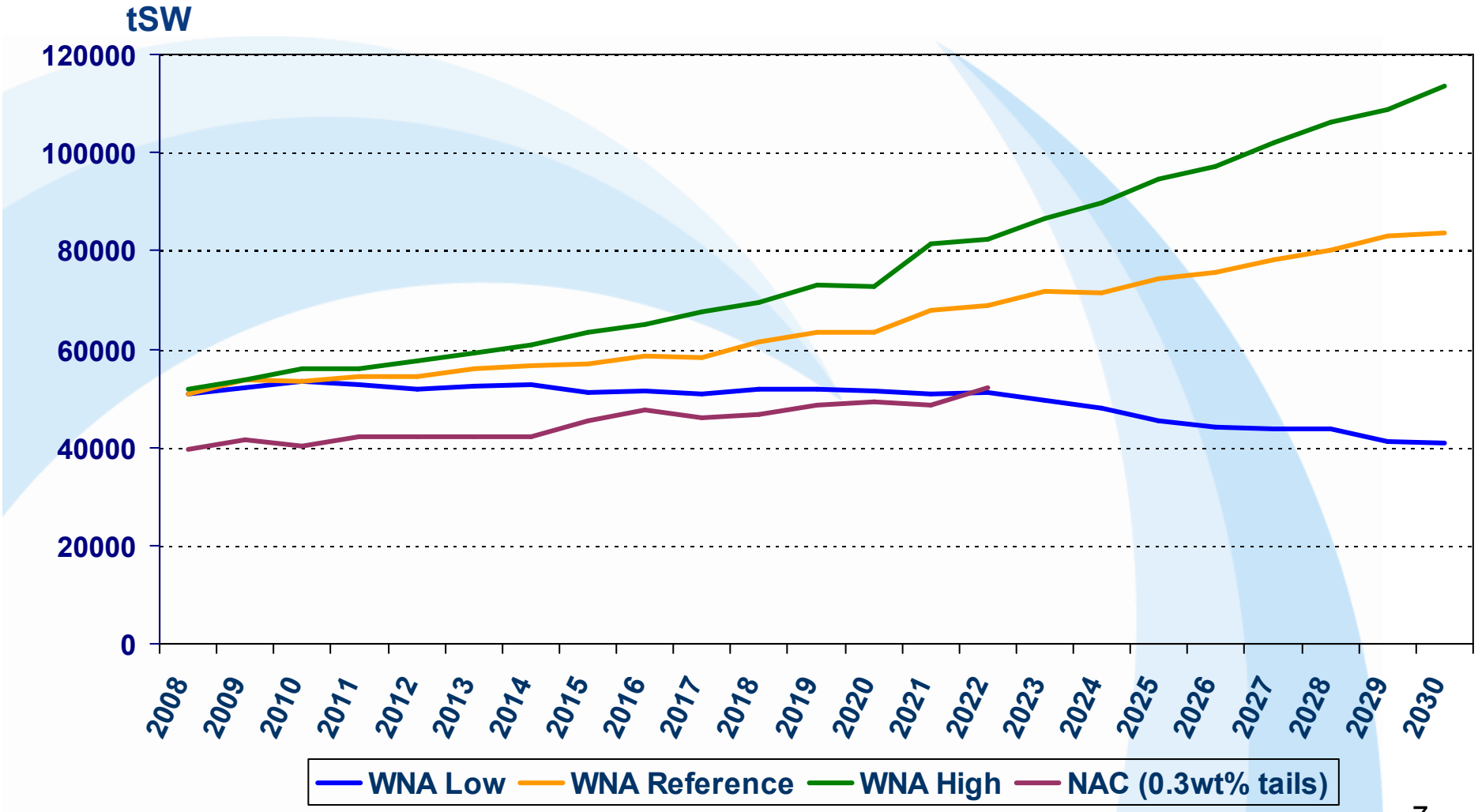
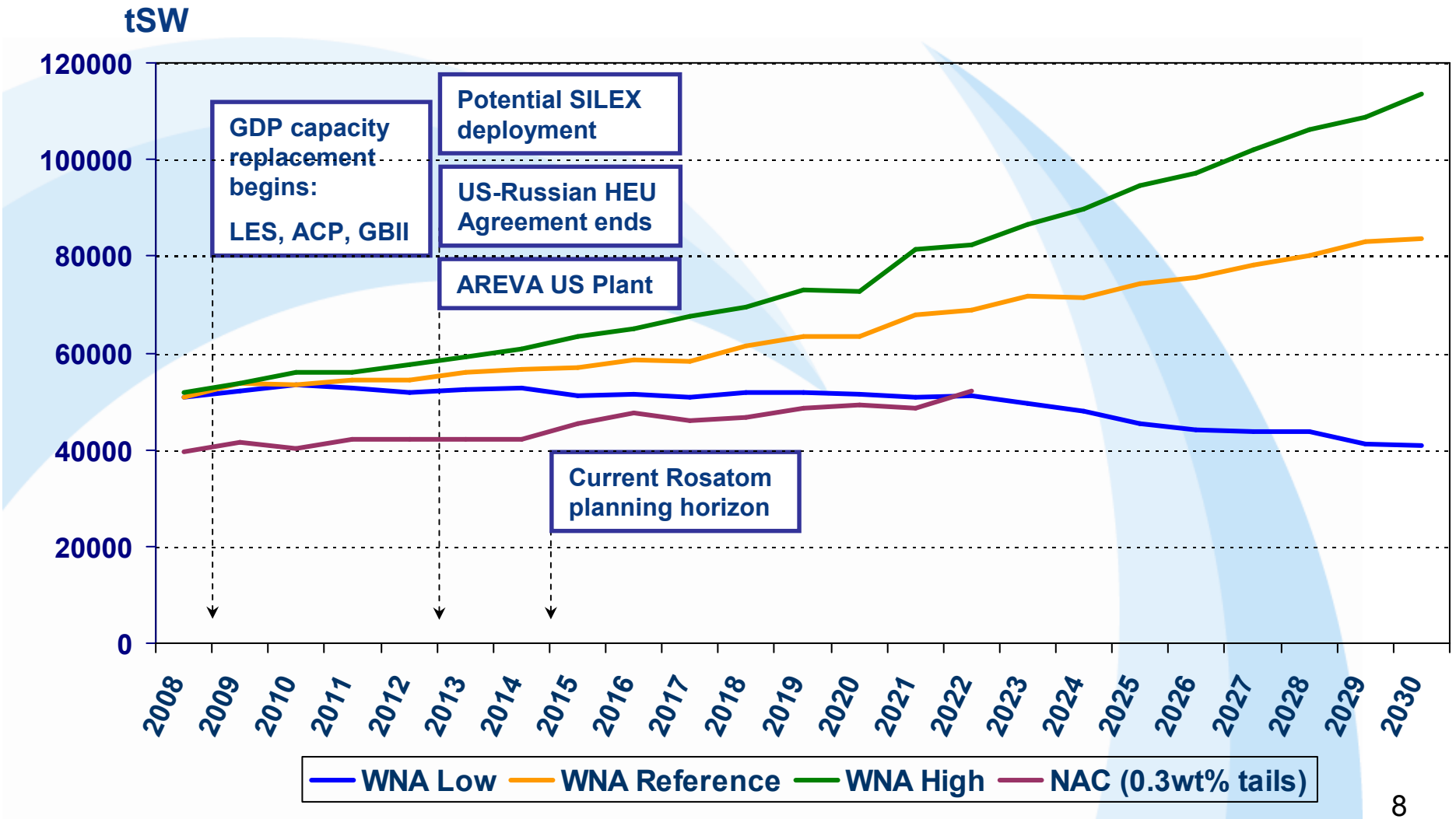
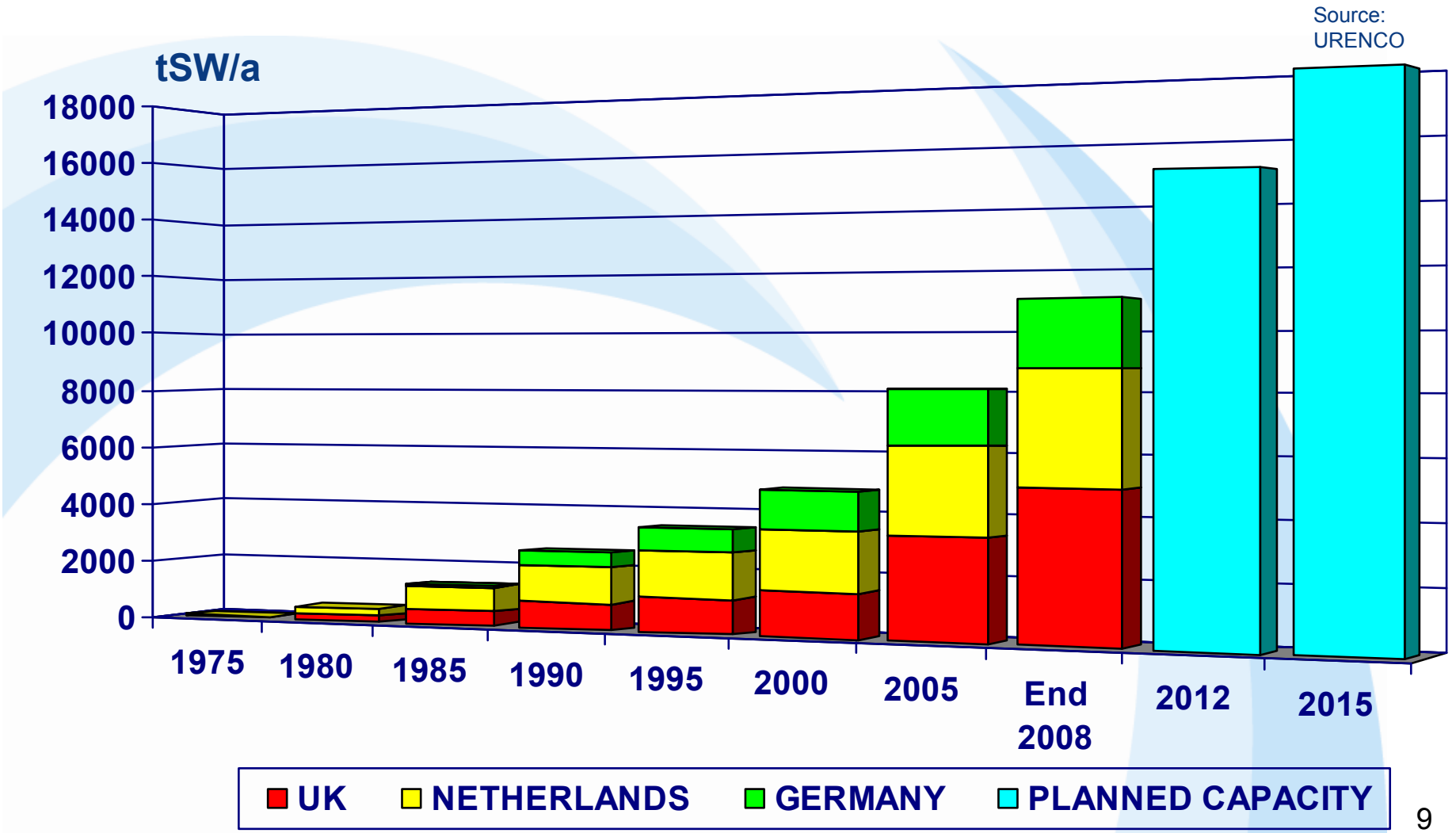


Chart 1407.3B

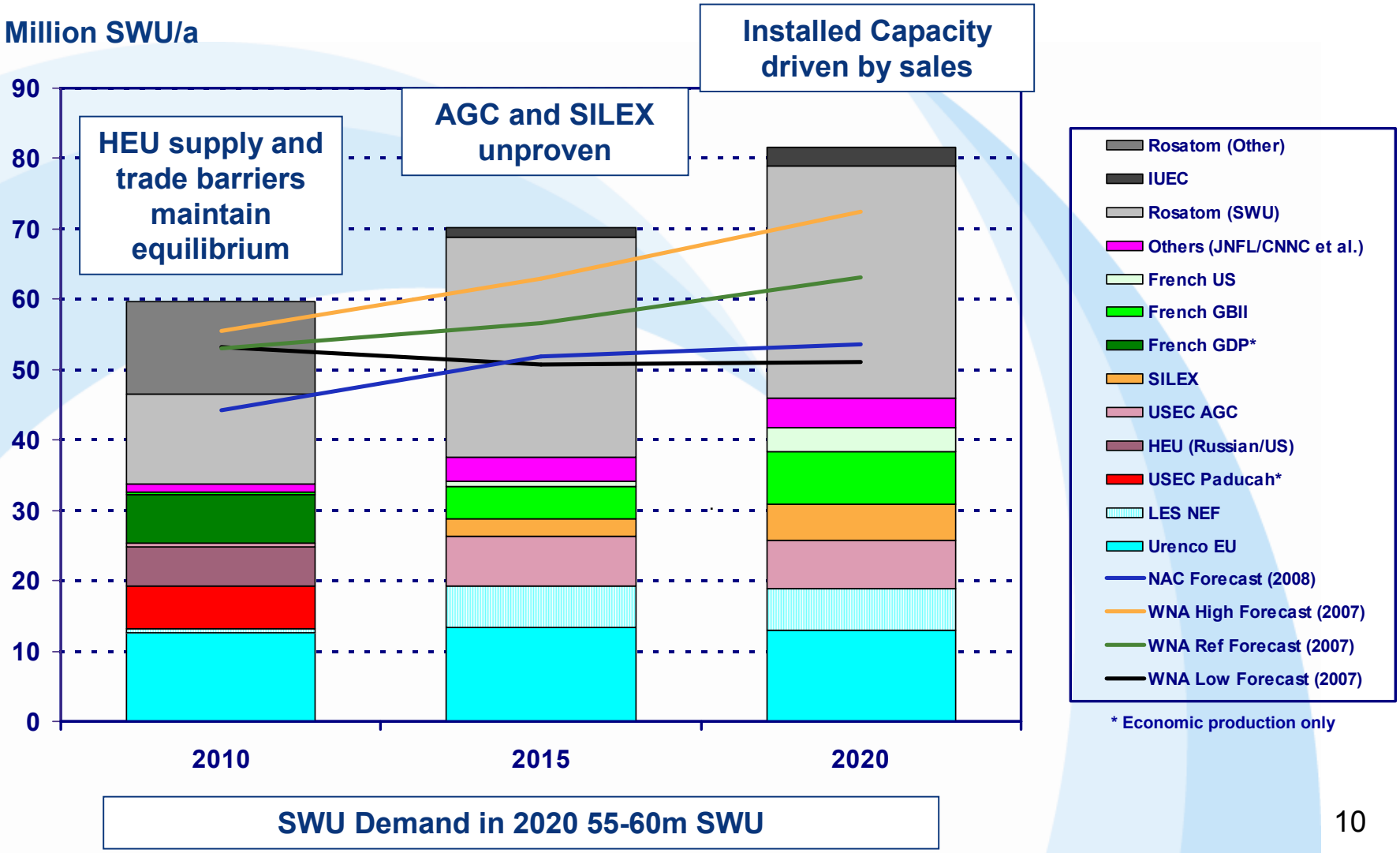
Enrichment Demand: Worldwide Forecasts



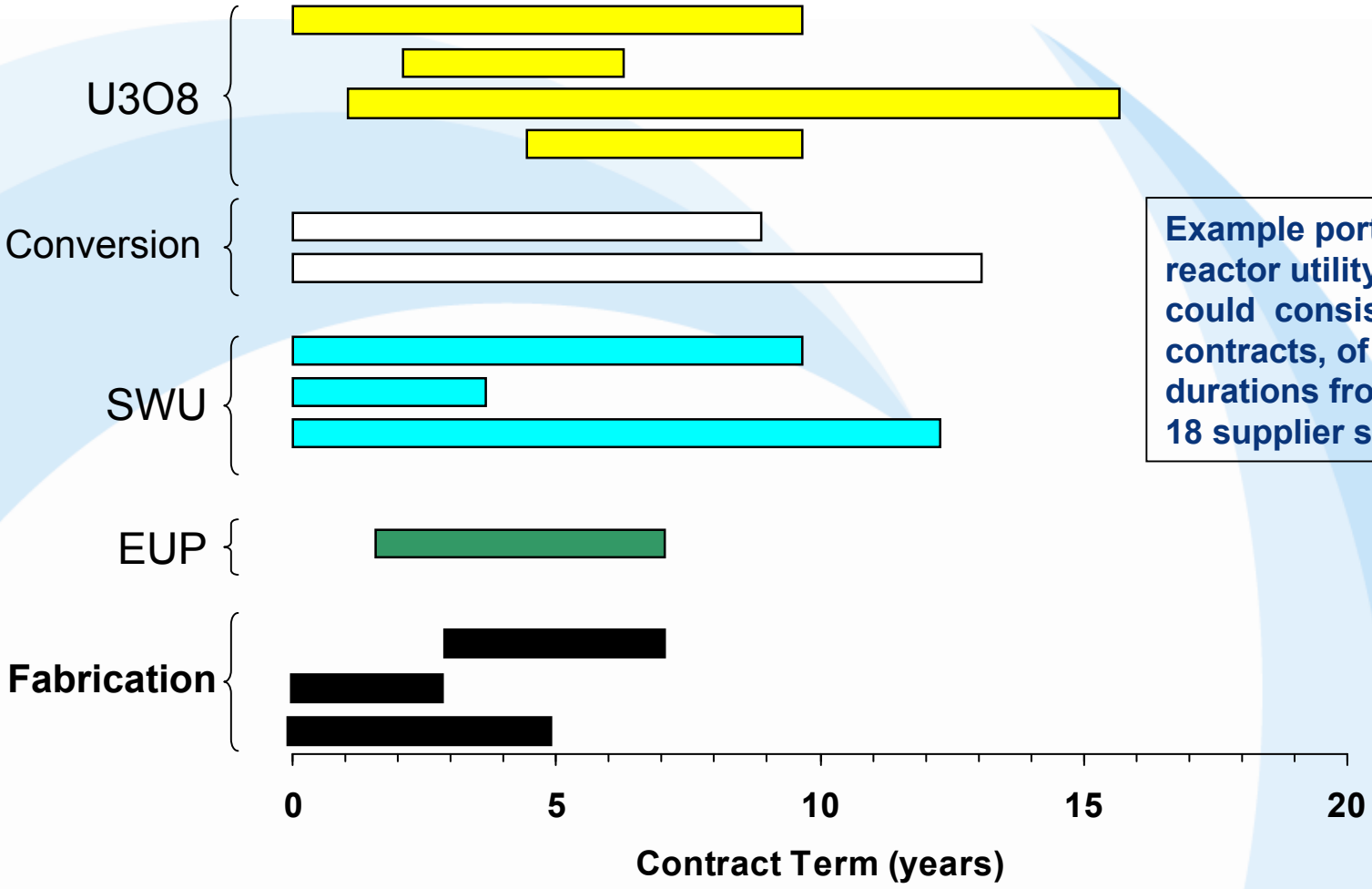
URENCO Capacity Build-up: 1975 - 2015



Forecast Supply/Demand Balance: All Planned Supply Sources

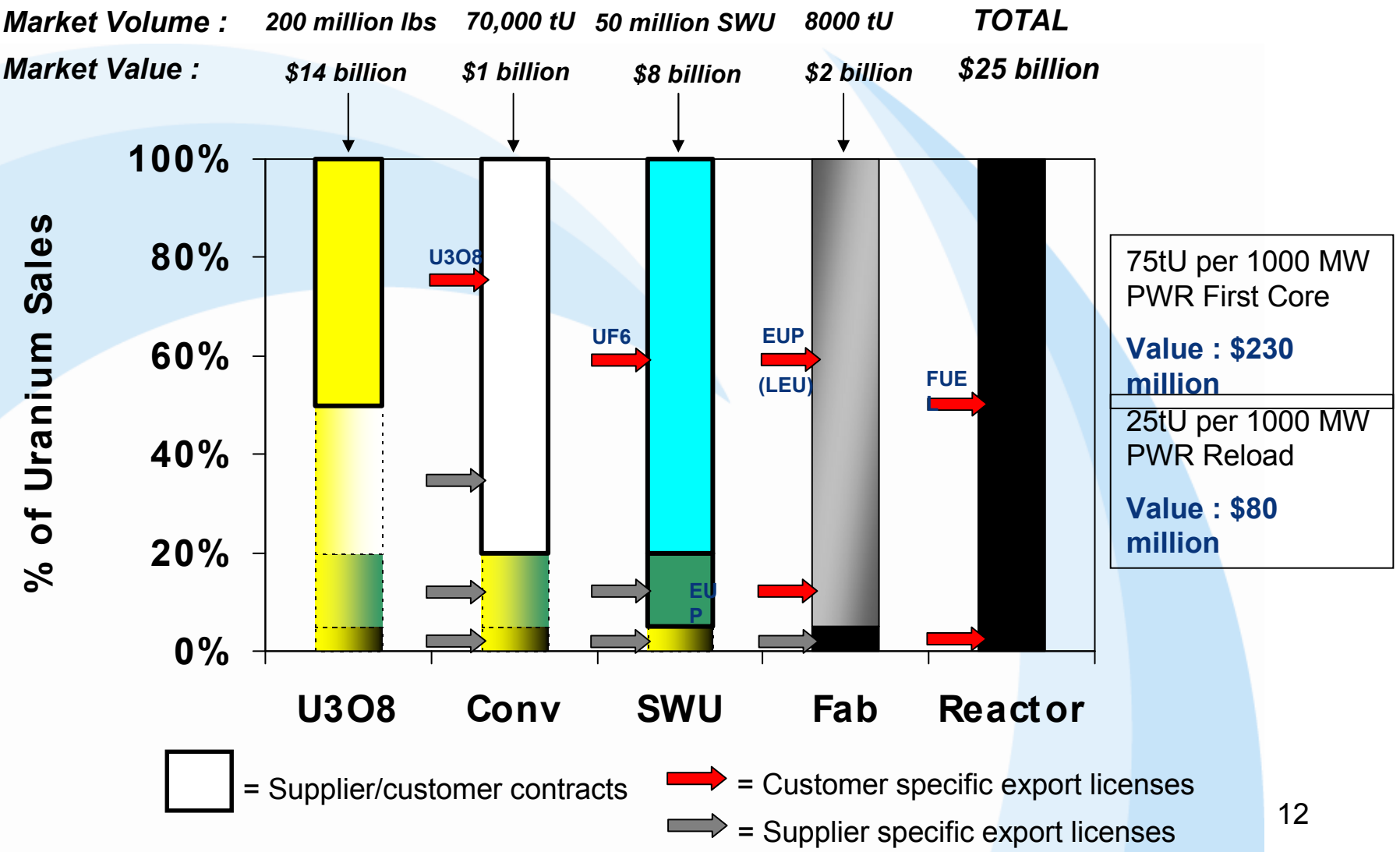


Typical Utility Supply Portfolio



Example portfolio for a 3-4 reactor utility (in operation) could consist of 13 contracts, of various durations from as many as 18 supplier states.

Contracting for Uranium versus Primary Exports



Summary

- Long-term fuel cycle contracts provide reliable supply at predictable cost
- By 2015 all operating enrichment capacity may be based on centrifuge
- Enrichment capacity expansion will be modular and adjusted to meet demand in a competitive market
- Two primary sources of technology (ETC or Russia) can provide all required capacity worldwide
- Sufficient enrichment capacity can be installed on time to meet forecast SWU demand for existing and new NPP worldwide