

CONVERDYN *News Wire* – OCTOBER 2003

An up-to-date information bulletin on the nuclear fuel cycle

Our Mission: We will be the premier provider of nuclear fuel cycle services with customer satisfaction as our primary focus – Unique, Innovative and Successful.

October 10, 2003

UPDATE ON METROPOLIS UF₆ OPERATIONS

The Metropolis conversion facility continues to address issues related to recent incidents that were reported to you in our last ConverDyn *News Wire* dated September 20, 2003.

Today the U.S. Nuclear Regulatory Commission finished conducting a full-scale review of all recent activities related to achieving and maintaining safe operations upon re-start. We are pleased to report that the NRC is in agreement with Metropolis' own findings. A final public report will be issued by the NRC within the next two months with their detailed findings and recommendations. Honeywell has also brought in outside experts to assist with the various incident analyses.

As a result of these in-depth internal and external reliability inspections and NRC reviews, it was determined that it would be inappropriate to resume operations prior to adequately making the necessary repairs and improvements. While this decision will, in the near term, add a short delay in resumption of full operations, a major benefit to our customers will be improved reliability to meet the higher sustainable rate of 14,000 mtU/UF₆ per year. Current market trends indicate that this additional production capacity will be needed in the near future.

At the present time the Metropolis facility has indicated that re-start of full operations will be delayed from early October to early November 2003. ConverDyn is now examining the impact of this decision on upcoming deliveries. While ConverDyn continues to make deliveries from in-process inventory, the delay in the anticipated startup will result in some necessary adjustments to delivery schedules. These will be discussed with the relevant organizations during the coming weeks.

The Metropolis plant continues to receive uranium ore concentrates from suppliers worldwide and make limited shipments of 48Y cylinders containing UF₆. The U₃O₈ sampling plant has resumed operations. ConverDyn will continue to provide updates on the status of the Metropolis facility on a timely basis.

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*In order to keep our customers, suppliers and friends current on important timely topics that require immediate communication – we send out the ConverDyn *News Wire* periodically. Comments and suggestions are welcomed as always*