

CONVERDYN News Wire – October 2011

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 20, 2011

Competitive American Tails Upgrade Partnership

ConverDyn and URENCO USA are pleased to jointly announce the Competitive American Tails Upgrade Partnership (CATUP).

The two companies have created CATUP in order to be responsive to potential U.S. Department of Energy (DOE) interest in upgrading and managing stocks of depleted uranium. The main objectives of CATUP are:

- Offer superior value to DOE and the American taxpayer through competitive bidding for services and exchange of natural uranium for depleted uranium
- Employ American fuel cycle assets
- Avoid disruptions to nuclear fuel markets

Following the successful 2005 pilot program under which over 8,000 metric tons of depleted uranium were upgraded, DOE may be interested in pursuing a longer term commercial upgrade program consistent with its uranium inventory management policy.

By employing American conversion and enrichment assets combined with inventories of uranium concentrates secured by CATUP, the partnership is prepared to immediately work with and on behalf of DOE to help convert unusable depleted uranium into a valuable energy asset, as well as reduce the volume of depleted uranium that will ultimately need to be disposed of.

ConverDyn's Illinois facility, owned and operated by Honeywell International Inc. will convert the already secured uranium concentrates. The converted natural uranium will then be exchanged for depleted uranium from DOE. CATUP will sample, clean and re-package DOE's depleted uranium for upgrading at URENCO USA in New Mexico. This approach will promote significant direct job retention and growth in Illinois and New Mexico, stimulate new capital investment in modern U.S. nuclear fuel cycle infrastructure, and help protect U.S. uranium mining interests from unpredictable and excessive DOE inventory sales.

When DOE determines that a commercial tails upgrade program is appropriate in the context of its ongoing cleanup of World War II era gaseous diffusion plants and associated depleted uranium management, CATUP is prepared to offer competitive commercial terms for DOE's consideration.