

CONVERDYN *News Wire* – MARCH 2004

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.

March 28, 2004

UPDATE ON METROPOLIS UF₆ OPERATIONS

ConverDyn is pleased to report that the Metropolis conversion facility started up the ore preparation process today, which is the first stage of the process to convert U₃O₈ to UF₆. Subsequent to the public meeting with the NRC that was held on March 18, 2004 at the Massac County Courthouse in Metropolis, representatives from Honeywell and the Metropolis plant conducted a detailed Readiness Assessment that lead to the decision by the NRC to approve the phased start up of UF₆ operations.

The phased start up process will continue for the next two weeks with the goal of filling UF₆ cylinders during the week of April 5, 2004. NRC inspectors will continue to be present during the remainder of the start-up process to ensure a safe and smooth resumption of the UF₆ line.

ConverDyn intends to have new delivery schedules available for its customers and to enrichment delivery locations by the end of April 2004. While ConverDyn has worked closely with all customers, enrichers and other parties to mitigate the long term effects of the loss of six months' production during 2003 and 2004, delivery delays are likely to continue for some period of time until the inventories exhausted by the extended shutdown are re-built. The time required to replenish the inventory pipeline is currently anticipated to take up to two years, and will depend on how quickly UF₆ production can be ramped up as well as other factors such as return of borrowed UF₆, delivery deferrals, etc.

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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