

## Third Quarter Spot Conversion & SWU Review

As summers go, last quarter marked a low point in terms of volume for both conversion and enrichment. Spot volume was almost non-existent during July and August, but as we ended the quarter activity started to pick up. Below is a brief summary of that activity.

**Conversion** – Over the past quarter, the number of spot deals that contained conversion declined to a total of five for about 580,000 kgU as UF<sub>6</sub>. This level of activity is down sharply from the second quarter's total of 2.4 million kgU under 15 transactions. Spot demand for both straight conversion and UF<sub>6</sub> declined at the beginning of last quarter, resulting in a flattening in spot prices until near the end of the quarter where the majority of the reported volume was booked.

In terms of form, the majority of the volume (77%) last quarter was as UF<sub>6</sub>, resulting in an overall two-thirds share for the year-to-date volume. Utilities bought about half of the quarterly volume, while suppliers purchased the remaining half.

As has been the case in all the markets this year, the preferred method of procurement has been through more quiet means, with off-market activity accounting for half of last quarter's volume and over three-quarters of the spot conversion activity thus far in 2004.

At the end of July, the spot conversion prices took a little breather, with neither price changing during June. Some movement in the North American (NA) price was witnessed in August and by the end of September, both prices increased to their current levels of \$9.00

per kgU (NA) and \$10.00 per kgU (EU). While the Metropolis plant continued to ramp up without any new problems since its restart, a strike at the Port Hope facility loomed over the market, finally resulting in an approximate loss of about 1,000 MTU of conversion production. This situation has not helped a market that already had serious inventory problems, and has once again reduced the gap between the NA and EU markets from \$1.50 to \$1.00 per kgU.

**Enrichment** – Since the mid-year review (*Ux Weekly*, Aug. 2, 2004), there has been very little activity in the spot enrichment market. In fact, since that time only one deal has been added to the database, bringing the annual volume to about 520,000 SWU under a total of five deals. This volume, while low, is already above last year's total volume of 495,000 SWU; however, last year saw a total of nine deals. While demand has remained low over the past two years, the decline in spot enrichment activity still relates to the extremely limited availability of secondary supplies.

After setting a record of holding at the same level (\$108 per SWU) for a total of 22 months, the Ux SWU Price finally moved off this plateau to the \$110 level at the beginning of the third quarter. The spot price has held at the \$110 level for 3 months; however, there are some indications that it could come under some upward pressures. Additional demand from the reduction of

**Ux U<sub>3</sub>O<sub>8</sub> Price: (10/11/04)**  
**\$20.25 (Unch.)**

**Ux LT U<sub>3</sub>O<sub>8</sub> Price: (9/27/04)**  
**\$23.00**

tails assays is already being felt as a result of the continued increases in U<sub>3</sub>O<sub>8</sub> and conversion prices.

**Fourth Quarter Outlook** – With the restart of the Port Hope facility and increased production from Metropolis, North American production is returning to normal levels. Assuming no additional disruptions, price levels in the NA market should stabilize over the coming months. As inventory levels are rebuilt, additional material may be available to the spot market and spot activity could once again increase.

In the enrichment market, the continued shift from a near-term focus to longer-term contracting has helped reduce the demand normally placed on the spot market. However, the recent trend of decreasing tails assays has already had the effect of increasing near-term demand in specific cases. This latest round of upward pressure on demand will most likely continue and translate into upward price pressures in both the spot and term enrichment markets.

<b>2004 Quarterly Spot Statistics</b> (million kgU, million SWU)				
<b>Conversion</b>	<b>1Q</b>	<b>2Q</b>	<b>3Q</b>	<b>YTD</b>
# Transactions	8	15	5	28
Leadtime (months)	5.9	5.1	3.2	5.0
Form: Conversion	0	1.12	0.13	1.25
UF <sub>6</sub>	0.76	1.25	0.45	2.46
EUP	0	0	0	0
Total Volume	0.76	2.37	0.58	3.71
<b>Enrichment</b>	<b>1Q</b>	<b>2Q</b>	<b>3Q</b>	<b>YTD</b>
# Transactions	2	2	1	5
Leadtime (months)	5.0	5.5	12.0	6.6
Form: SWU	0.19	0.18	0.15	0.52
EUP	0	0	0	0
Total Volume	0.19	0.18	0.15	0.52

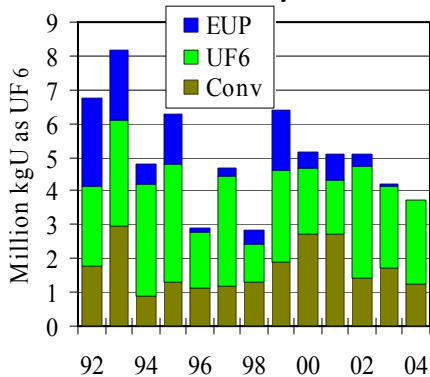
# News Briefs

## DOE-NNSA seeks expressions of interest on U.S. HEU

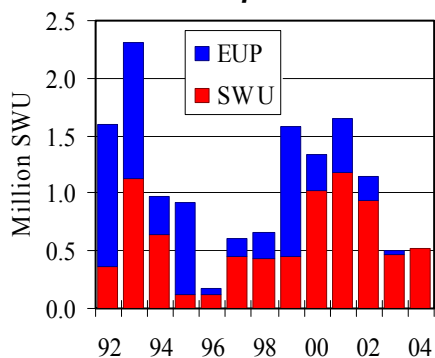
In a little noticed filing last Tuesday, the National Nuclear Security Administration is soliciting expressions of interest in 15 to 17.4 tonnes of U.S. HEU, part of which is in the form of HEU metal with assays as high as 75% U<sup>235</sup>. NNSA anticipates issuing a formal request for proposals (RFP) in the first quarter of fiscal 2005, with award in the fourth quarter of that fiscal year. NNSA expects to deliver the material at a roughly steady rate during calendar years 2006-2009. This HEU appears to be part of the 175 tonnes that DOE has already declared surplus, not new material.

USEC has been processing 50 tonnes of HEU at an average assay of about 40% for some years now. The new material would appear slated to be an extension of this blend-down program, not an increase in the annual blend-down rate. For perspective, 15 tonnes of HEU at 75% can be blended to make about 300 tEUP, containing 1.8 million SWU and 3,000 tonnes of uranium. This

### Annual Conversion Spot Volumes



### Annual SWU Spot Volumes



volume would probably be put into the market over a period of four or more years. As a result, it could continue the current rate of USEC-processed HEU of about 1.5 million pounds U<sub>3</sub>O<sub>8</sub> per year and 400 tSWU.

The rate at which the material might be sold may be subject to various limitations in existing and pending legislation. For more information please see: <http://www2.eps.gov/spg/DOE/PAM/HQ/DOE-SNOTE-041005-001/Synopsis.html>

## Sweden to close Barsebäck 2 in 2005

The Swedish government has decided to close the 600 megawatt Barsebäck 2 reactor next year as part of the nation's nuclear phase-out plan, according to an article in the *Financial Times*. Unit 1 at the Barsebäck nuclear plant was closed in 1999, but the planned closure of Barsebäck 2 has been pushed back several times due to concerns regarding the availability of alternate power sources. After Barsebäck 2 is shut down, Sweden will be left with 10 functional reactors.

The government recently abandoned negotiations on the nation's nuclear phase-out policy with the power industry, and the chief government negotiator, Bo Bylund, believes that the two sides were too far apart in their positions for further talks to be effective. Sweden's industry minister, Leif Pagrotsky, would not specify a schedule for when the nation's remaining reactors would close; however, the government could allow some of the nation's reactors to operate for an additional 30 or 40 years. "What is important for me is that step by step, year by year we are getting closer to our goal," said Pagrotsky. Nuclear power currently provides about half of Sweden's electricity.

## Minister seeks to postpone reactor closure; cabinet approves sale of SE to Enel

Slovakia's economy minister, Pavol Rusko, believes the nation should press

## Industry Calendar

- November 14-18, 2004  
**ANS Winter Meeting**  
American Nuclear Society  
<http://www.ans.org/>  
Washington, D.C., USA
- November 25-26, 2004  
**European Nuclear Assembly 2004**  
Foratom  
<http://www.foratom.be/>  
Brussels, Belgium
- January 26, 2005  
**NEI Fuel Supply Forum**  
Nuclear Energy Institute  
<http://member.nei.org/>  
The Willard Inter-Continental  
Washington, D.C., USA
- April 12-15, 2005  
**World Nuclear Fuel Cycle Conf.**  
World Nuclear Association  
<http://www.world-nuclear.org/>  
Nuclear Energy Institute  
<http://member.nei.org/>  
The Westin Riverwalk  
San Antonio, Texas, USA

Details on these events available at:  
[www.uxc.com/fuelcycle/industry-calendar.html](http://www.uxc.com/fuelcycle/industry-calendar.html)

the European Union to agree to allow a postponement of the closure of a reactor at the Bohunice nuclear plant until 2008. Slovakia agreed to close the unit in 2006 as part of its agreement for entry into the European Union. However, another reactor at Bohunice is required to close in 2008, and Rusko believes it would be safer to close both units at the same time since some of their systems are connected. "In my opinion we should definitely do everything possible to postpone the closure of the two blocs to 2008. That seems to me as the best solution for Slovakia, also from the perspective of this plant's security," said Rusko in a quote to the *Associated Press*. Both Slovakia's government and the EU must approve a change to the closure date. Rusko believes that the cabinet will make a decision on whether to seek EU approval for an extension before the end of this month.

In a related matter, the Slovak cabinet has agreed with Rusko's recommendation to choose Enel as the buyer for a 66

percent stake in Slovenske Elektrarne, Slovakia's leading electric utility and the operator of all its nuclear plants. Enel will have three weeks in which it will have the exclusive right to sign an agreement to purchase the SE stake. However, the agreement is conditional on the Italian government reducing its share in Enel to less than 50 percent. Italy's government currently owns 50 percent of Enel but has plans to offer as much as 20 percent of the company on the stock market. "I am authorized to interrupt the negotiations if the planned sale of 20 percent of Enel does not occur, and if it remains a company majority owned by the state," Rusko told the *Financial Times*. However, Rusko added that he believes it would be highly unlikely that Italy would cancel its plans to sell a portion of its stake in Enel.

### European Commission grants approval for Areva to purchase stake in Urenco division

On October 6, the European Commission (EC) approved Areva's plan to purchase a 50 percent stake in Urenco's Enrichment Technology Company, which is the firm's research, design and manufacturing arm. The purchase will enable Areva to gain access to Urenco's technology for use in a centrifuge plant that is to replace the Georges-Besse gaseous diffusion facility.

In June, the EC began an in depth review of Areva's plan to purchase half of the Urenco division after France, Germany, and Sweden expressed concerns

that the planned acquisition could reduce competition in the enrichment market and possibly lead to higher SWU prices. "The Commission has been able to authorize the operation after receiving guarantees that Areva and Urenco will act in an independent fashion, notably for deciding future capacities," said a statement from the EC.

As one of the conditions of allowing the deal to go forward, EURATOM will monitor the exchange of commercial information between the Enrichment Technology Division and both Areva and Urenco as well as the prices the two companies set for SWU. Both firms have also agreed to give up their rights to veto each other's plans for capacity increases. Areva plans to begin construction on its new centrifuge plant in 2005 with completion of the plant's first phase expected in 2007.

### NRC accepts USEC's American Centrifuge Plant license application for detailed review

The U.S. Nuclear Regulatory Commission (NRC) announced October 7 that it has determined that USEC's American Centrifuge Plant license application is complete and acceptable for a detailed review. Acceptance by the NRC comes seven months ahead of USEC's original schedule and completes the seventh milestone in USEC's June 2002 agreement with the U.S. Department of Energy to deploy the new centrifuge technology.

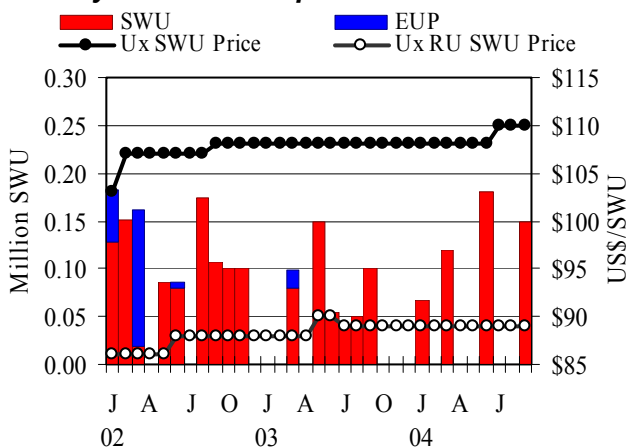
The NRC determined that the USEC application, which was submitted on August 23, contained sufficient information for the agency to begin its detailed review and has formally "docketed" the application. A copy will be available on the NRC's Agencywide Document Access and Management System (ADAMS) using accession number ML042800551 through their website at <http://www.nrc.gov/reading-rm/adams/web-based.html>. The NRC has established a 30-month schedule for reviewing the application and will hold a hearing on the application as part of its review and invites those who may be affected by the proceeding to seek permission to participate in the hearing. USEC is hopeful the NRC will be able to complete its review and issue the construction and operating license in approximately 24 months.

USEC's license application seeks a license term of 30 years and authorization to produce enriched uranium up to an assay level of 10 percent. The commercial plant would have an initial production capacity of 3.5 million SWU per year. USEC's environmental report submitted with the license application also evaluates the potential expansion of the American Centrifuge Plant to an annual production capacity of 7 million SWU.

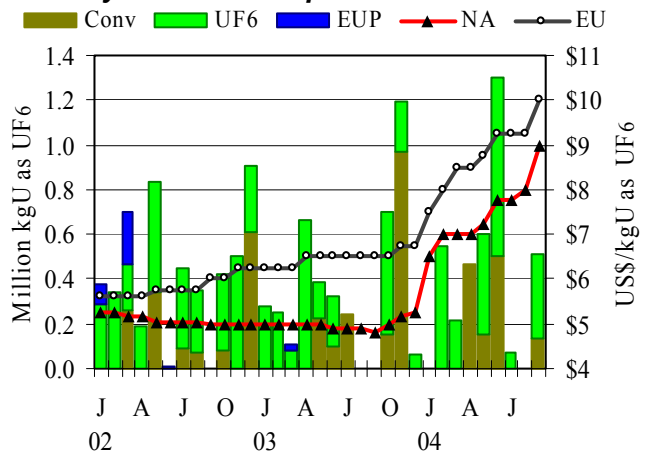
### Brazil agrees on IAEA inspection of its nuclear facilities

Brazil has agreed to allow the International Atomic Energy Agency (IAEA) to

Monthly Enrichment Spot Volume vs. Ux Prices



Monthly Conversion Spot Volume vs. Ux Prices



**WATCH THE STOCKS**

This information provides a quick glimpse of current and historical stock prices and trends for companies in the nuclear fuel supply industry. **Note:** This information is meant for reference only and should not be used as a basis for buy/sell decisions.

Company	Symbol	\$	52-Wk Range	Sept 8	Oct 8	% Change
Cameco Corp.	CCJ	U	37.71 - 86.50	68.86	83.63	21.4% ▲
Cameco Corp.	CCO.TO	C	50.40 - 109.07	89.00	105.00	18.0% ▲
Clan Resources	CLU.V	C	0.25 - 1.55	0.75	1.55	106.7% ▲
Denison Mines	DEN.TO	C	4.30 - 11.00	7.22	9.49	31.4% ▲
Energy Rsc.	ERA.AX	A	2.800 - 6.210	4.70	5.70	21.3% ▲
Fronteer Devlp.	FRG.TO	C	0.30 - 1.45	0.77	1.35	75.3% ▲
Hornby Bay Exp.	HBE.V	C	0.14 - 0.77	0.52	0.71	36.5% ▲
Intl Uranium Corp.	IUC.TO	C	0.61 - 5.15	3.84	4.15	8.1% ▲
JNR Resources	JNN.V	C	0.05 - 1.46	0.78	1.15	47.4% ▲
Laramide Rsc.	LAM.V	C	0.145 - 1.08	0.37	0.80	116.2% ▲
Paladin Rsc.	PDN.AX	A	0.012 - 0.610	0.38	0.48	26.3% ▲
Sthn Cross Rsc.	SRX.TO	C	0.48 - 1.94	1.19	1.05	-11.8% ▼
Strathmore Minl.	STM.V	C	0.23 - 1.50	0.96	1.29	34.4% ▲
UEX Corp.	UEX.TO	C	0.075 - 2.75	1.48	2.34	58.1% ▲
Uranium Resrcs.	URIX.OB	U	0.10 - 0.83	0.42	0.77	83.3% ▲
U.S. Energy Corp.	USEG	U	2.11 - 3.68	2.16	2.36	9.3% ▲
USEC Inc.	USU	U	6.81 - 11.14	8.55	10.64	24.4% ▲
WMC Resrcs. Ltd.	WMC	U	11.94 - 18.66	13.60	16.10	18.4% ▲

inspect some of its nuclear facilities, and an accord will be signed soon, according to diplomats convened on October 6. The tentative compromise would allow IAEA inspectors to see parts of the centrifuges at Resende in mid-October to vindicate Brazil's claim that it doesn't have uranium enriched to weapons-grade levels and that it hasn't diverted nuclear material to other places.

Brazil has refused to allow IAEA inspectors to view its centrifuges at Resende, saying that the plant's advanced technology could be stolen by other countries should outsiders be allowed into it. Last Tuesday, U.S. Secretary of State Colin Powell told Brazilian business leaders in Sao Paulo that Washington is not worried about Brazil's nuclear program, but urged Brazil to resolve its dispute with the IAEA as soon as possible.

### **Kansai Electric ready to restart 3 units**

Japan's Kansai Electric Power Co. said on October 8 that it was ready to restart three nuclear reactors in Fukui prefecture after having replaced pipes. A company spokesman said it informed the Fukui local government on Friday that it had replaced pipes in Mihama Unit 1 and Unit 2, as well as in Ohi Unit 1.

Kansai Electric plans to restart the units after receiving approval from the local and central government. The three units were temporarily shut down following the accident at Mihama Unit 3 on August 9, in which steam from a leaking pipe killed five workers.

### **Uranium company stock prices continue to rise**

The last time that UxC ran its uranium stock price table was in *The Ux Weekly*,

March 15, 1999, issue on page 4. At that time, the Ux U<sub>3</sub>O<sub>8</sub> Price had declined from its high of \$16.60 on July 22, 1996 to a low of \$8.75 on November 23, 1998, before rebounding to \$10.60 per pound. With the sustained U<sub>3</sub>O<sub>8</sub> price increases over the past two years, investors are once again taking notice of the world's uranium companies. As shown in the table to the left, the latest iteration of the stock price table has a number of new entries.

### **Juniors announce more exploration plans**

Trend Mining Company announced October 6 that it has signed an option to purchase mining claims totaling approximately 17 square kilometers in the Athabasca Basin of Saskatchewan in an area known as Diabase Peninsula. The new acquisition is located adjacent to, and southwest of, Trend's previously announced Cree Lake project. The company intends to conduct surface geological and geochemical studies along with geophysical surveys across the adjoining Diabase Peninsula and Cree Lake projects before locating drill targets in 2005.

Clan Resources Ltd. announced in

### **Ux Price Definitions**

*The Ux Prices indicate, subject to the terms listed, the most competitive offers available for the respective product or service, of which The Ux Consulting Company, LLC (UxC) is aware. The Ux U<sub>3</sub>O<sub>8</sub> Price includes conditions for delivery timeframe, quantity, and origin considerations, and is published weekly. The Ux LT U<sub>3</sub>O<sub>8</sub> Price includes conditions for escalation, delivery timeframe, and quantity flexibility considerations. The Ux Conversion Prices consider spot offers for delivery up to twelve months forward with delivery in North America (NA) or Europe (EU). The Ux UF<sub>6</sub> Values represent the sum of the conversion and U<sub>3</sub>O<sub>8</sub> components as discussed above and, therefore, do not necessarily represent the most competitive UF<sub>6</sub> offers available. The Ux SWU Price considers spot offers for deliveries up to twelve months forward for other than Russian-origin SWU while the Ux RU SWU Price pertains to the delivery of Russian-origin SWU. The Ux LT SWU Price reflects base-escalated term offers for multi-annual deliveries. The LT U<sub>3</sub>O<sub>8</sub>, Conversion, UF<sub>6</sub>, SWU, and LT SWU prices are published the last Monday of each month. The Ux Prices represent neither an offer to sell nor a bid to buy the products or services listed. The Euro price equivalents are based on exchange rate estimates at the time of publication and are for comparison purposes only.*

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late September that it arranged for a non-brokered private placement of 2.2 million units at a price of C\$1 per unit for gross proceeds of C\$2.2 million. The proceeds will be used for general working capital and exploration expenditures.

Meanwhile, CanAlaska Ventures Ltd. announced October 7 that it completed its first phase of property acquisitions and has acquired approximately 48,000 hectares or 480 square kilometers of prospective uranium claims in the Athabasca Basin of Saskatchewan. President Peter Dasler said, "before commencing its staking program, CanAlaska carried out a comprehensive due diligence program taking into account existing geological and geophysical data, and as a result, has identified and acquired projects that are well located which it is believed have considerable potential." Staking is expected to continue through the fall and winter periods.

In other news, CMKM Diamonds, Inc. (CMKX) announced it has reached an agreement with United Carina Resources Corp., whereby it can earn a 50% interest in recently acquired uranium properties in the Athabasca Basin of Saskatchewan. Terms of the agreement call for CMKX to pay \$100,000 on

signing and spending \$500,000 on exploration during the first year. A further \$100,000 is payable on the first anniversary and \$750,000 is to be spent during the second year of the agreement. The properties consist of approximately 35,800 acres located in the Wollaston-Hatchet Lake area of Saskatchewan. United Carina said previous work on the claims outlined several conductive zones, which yielded assays in excess of 1% U<sub>3</sub>O<sub>8</sub>.

**Westinghouse wins contract to replace Diablo Canyon steam generators**

On October 7, Westinghouse won a contract to replace eight steam generators at Pacific Gas & Electric's Diablo Canyon Nuclear Power Plant Units 1 and 2. Under terms of the contract, Westinghouse will supply a technically advanced version of its field-proven Model 54F steam generator, which will be manufactured by ENSA. The contract extends through September 2008 and is valued in excess of \$100 million.

**U.S. weapons-grade plutonium arrives in France**

On October 8, a shipment of 140 kilograms (308 pounds) of weapons-grade plutonium reached its destination at the Cadarache recycling facility in southeastern France. The plutonium left Charleston on September 20 on board a BNFL owned ship and arrived at the French port of Cherbourg on October 6. From there, the material was sent to Areva subsidiary Cogema's La Hague facility about 18 kilometers (12 miles) distance from Cherbourg where it was

treated and transferred to a road container for shipment to Cadarache, where the material is to be made into Mox fuel rods over a period of four months and then sent to the MELOX plant for final assembly. The U.S. government has contracted Areva to produce 4 Mox fuel assemblies from the plutonium that will be used at the Catawba nuclear plant in order to test U.S. plans for converting weapons grade plutonium into Mox fuel. The Mox fuel is scheduled for delivery to the U.S. in early 2005.

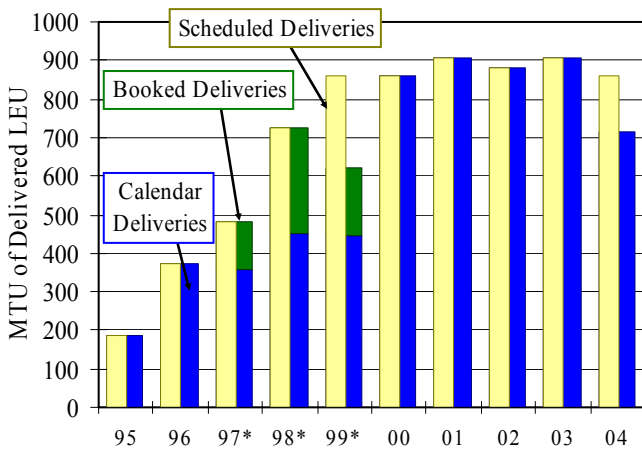
**U.S. Senate resolution introduced to recognize nuclear power's importance**

In an October 6 press release, the U.S. Senate Committee on Energy & Natural Resources announced that committee chairman Pete Domenici joined with several other Senators to introduce a bipartisan resolution that acknowledges the key role of nuclear power for the nation's energy policy and urges increased investment in nuclear power. "Our nation will require 40 percent more energy by 2020, requiring the use of all available energy sources—wind solar, hydro, natural gas, coal and nuclear energy... This resolution recognizes nuclear energy's important contributions to our nation, such as maintaining our energy independence and protecting the environment," said Domenici. "We must continue to support research, development and construction of new nuclear power plants today so that nuclear energy can continue providing these benefits in the future."

**Megatons to Megawatts program passes 9,000 warheads eliminated**

On October 5<sup>th</sup>, USEC announced that its Megatons to Megawatts program surpassed a milestone in the permanent elimination of 9,000 Russian nuclear warheads. As shown in the chart and table to the left, this program has resulted in over 41 million SWU being supplied to the commercial market.

**Russian LEU Deliveries as of Sept. 30, 2004**



\* Booked deliveries were delivered in following calendar year.

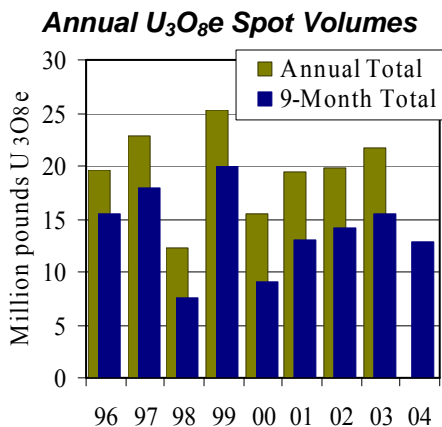
<b>Megatons to Megawatts Program Status</b>				
As of Sep 30, 2004	HEU (MTU)	LEU (MTU)	SWU (000 SWU)	Warheads (Number)
Year-to-date	24.2	716	4,449	967
Program-to-date	225.7	6,648	41,516	9,026

# The Market

## Uranium

Formal spot activity has declined over the past year; however, as shown in the chart below, off-market activity has continued to occur, bringing this year's total volume to 12.8 million pounds U<sub>3</sub>O<sub>8</sub> equivalent. As shown in the chart to the right, this year's 9-month volume is right at the 12.9 million-average posted over the previous four years and in line with the activity levels since 1996. While currently there are no formal requests for spot delivery, off-market discussions continue, however, at a slightly lower rate than a couple of weeks ago. Going forward, we expect to see spot activity pick up during the fourth quarter. Over the past week, little activity has been reported and the spot price takes a breather for the week after increasing in each of the last six weeks. No new demand or transactions are reported. The Ux U<sub>3</sub>O<sub>8</sub> Price remains unchanged this week at \$20.25 per pound.

In the term market, a non-U.S. utility is evaluating offers for up to 1.8 million pounds U<sub>3</sub>O<sub>8</sub> with delivery over the 2005



to 2007 time period. A U.S. utility is also looking for material with term delivery starting in 2005.

## Conversion

As discussed on page 1, the market is now looking forward to see how the work resumption at Port Hope and continued production at the Metropolis facility will help stabilize the conversion market going forward. In the meantime, no new demand or transactions are reported on either the spot or term conversion markets over the past week.

Currently in the market is a non-U.S. utility that is evaluating offers for about 1.3 million kgU as UF<sub>6</sub> of conversion services with delivery over the 2004-

Ux Prices (€Equivalent)		
<b>Weekly (10/11/04)</b>		
U <sub>3</sub> O <sub>8</sub>	\$20.25	€16.32
Quantities:	1-300,000	1 US\$ =
Delivery:	6 months	.80594€
<b>Month-end (9/27/04)</b>		
U <sub>3</sub> O <sub>8</sub>	\$20.00	€16.26
NA Conv.	\$9.00	€7.32
EU Conv.	\$10.00	€8.13
NA UF <sub>6</sub> Val	\$61.26	€49.80
EU UF <sub>6</sub> Val	\$62.26	€50.62
SWU	\$110.00	€89.44
RU SWU	\$89.00	€72.36
LT U <sub>3</sub> O <sub>8</sub>	\$23.00	€18.70
Base Esc: From current quarter 1 <sup>st</sup> Del; Flex: ≤ 18 months; ±10%		
LT SWU	\$107.00	€87.00

2007 time period. A U.S. utility is looking for conversion services or UF<sub>6</sub> with delivery starting in the 2005 time frame.

## Enrichment

While one U.S. utility is evaluating term offers for enrichment services with deliveries starting in the 2005-2006 time-frame, another U.S. utility is making its final selections with regard to its request for 1.2 million SWU with delivery split over the 2006 to 2009 time period. No other activity is currently reported.

UxC Market Statistics				
Monthly (Oct)	Spot		Term	
	Volume	# Deals	Volume	# Deals
U <sub>3</sub> O <sub>8</sub> e (million lbs)	0	0	0	0
Conv. (thousand kgU)	0	0	0	0
SWU (thousand SWU)	0	0	0	0
2004 Y-T-D	Spot		Term	
	Volume	# Deals	Volume	# Deals
U <sub>3</sub> O <sub>8</sub> e (million lbs)	12.8	49	38.7	23
Conv. (thousand kgU)	3,371	28	9,500	13
SWU (thousand SWU)	518	5	10,214	13

Key: N/A – Not available. W – Withheld due to client confidentiality.

## UxC Leading Spot Price Indicators

Three-month forward looking spot price indicators, with publication delayed one month. Readings as of Sept. 1, 2004.

Uranium (Range: -17 to +17)	+10 [unchanged]
Conversion (Range: -16 to +16)	+11 [up 1 point]
Enrichment (Range: -18 to +18)	+4 [up 1 point]

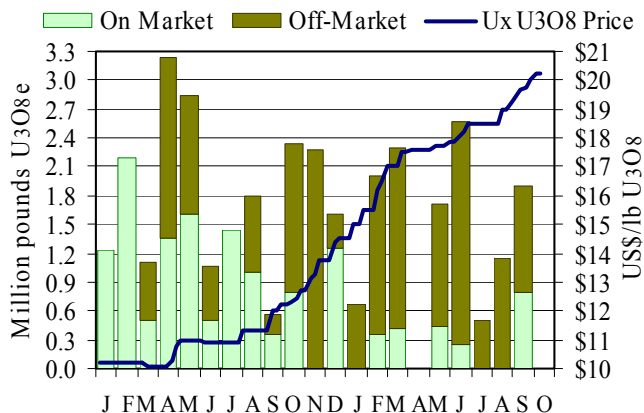
**NuclearFuel** Price Range - 10/11/04 (US\$/lb) **\$20.00-\$20.80**

**RWE NUKEM** Spot Uranium (US\$/lb U<sub>3</sub>O<sub>8</sub>) **\$19.50-\$19.75**

Price Ranges Spot Conversion (US\$/kgU) **\$8.50-\$9.25**

As of 9/30/04 Spot SWU (US\$/SWU) **\$89.00-\$108.00**

## Ux U<sub>3</sub>O<sub>8</sub> Price vs. Spot Activity by Method



A young man and a priest are playing together. At a short par-3 the priest asks, "What are you going to use on this hole, my son?"

The young man says, "An 8-iron, father. How about you?"

The priest says, "I'm going to hit a soft seven and pray."

The young man hits his 8-iron and puts his ball on the green.

The priest tops his 7-iron and dribbles the ball a few yards.

The young man says, "I don't know about you father, but in my church when we pray, we keep our head down."