

Ux U₃O₈ Price: (4/20/09)
\$42.00 (+\$1.50)

Ux LT U₃O₈ Price: (3/30/09)
\$70.00

Yellow(cake) Journalism

Many of you may have seen the *Bloomberg* story last week entitled "Lehman Sits on a Bomb of Uranium Cake as Prices Slump." We did, since as part of our News Headlines service, we routinely track news stories relating to nuclear fuel and nuclear power. You could almost hear a collective groan go up in our company as we noted the sensationalistic nature of the title coupled with the general lack of a story from a uranium market perspective.

Nonetheless, the *Bloomberg* story sent off a chain reaction (pardon the pun) with which we had to contend. First, it prompted the *New York Post* to write its own story on the subject. Not to be outdone in the area of sensationalistic titles, the *Post* titled its story, "Lehman Has Tons of Nuke 'Wa\$te.'" It repeated the assertion that Lehman had enough uranium to make a bomb, and for good measure added the claim that nobody besides North Korea was willing to pay the price Lehman wants.

The *Post* contacted us and quoted (or rather misquoted) Jonathan Hinze, our Vice President, International Operations, after we asked that the information provided be kept off of the record. Aside from the quote, the story contained a number of other inaccuracies.

Next, *Fox News*, seeing the coverage in the *New York Post* and the fact that we were referenced, picked up on the story and contacted us. While we could understand the general interest in the story since Lehman was involved, we noted that for those of us in the nuclear industry, Lehman holding this material

was not a major story. We pointed out that 43 million pounds were transacted in 2008 and about 10 million so far in 2009 (see discussion on page 6), so while 450,000 pounds is not a trivial amount, it does not change the overall complexion of the market, and had largely been discounted. Furthermore, we noted that that the bomb reference in the story was completely gratuitous.

Still, Fox could not resist the bomb and toxic material reference in the lead-in to its Lehman story. However, Fox did clearly point out that the Lehman material was not going to be used to make a bomb and that the quantity was roughly enough to power a reactor for a year. In general, the story was well researched and put things in the proper perspective, living up to Fox's "fair and balanced" mantra.

Of course, the great irony of the timing of these stories is that the price of uranium is now increasing, a further affirmation that Lehman's holding of uranium is a non-story from the larger standpoint of where the uranium market is heading.

Our feeling is if reporters are intent on making the bomb connection, they should talk about how erstwhile bomb material is being consumed in U.S. nuclear reactors. It may be just as unnecessary for the point of the story, but at least it's a true statement. According to USEC's website, over 14,000 warheads had been eliminated by the Megatons to Megawatts program as of the end of last year. Or perhaps every story about uranium could equate the amount of uranium in question to how much CO₂ it

displaces when burned in a reactor. Although we don't read press stories about the coal market, we doubt that they preface everything by saying "the carbon-producing, atmospheric-polluting fuel" when talking about coal, although this could be changing with the recent EPA ruling (see story on page 2).

This is not the first (and certainly not the last) time that reporters will use sensationalistic titles or get things wrong about the uranium market. However, aspects of the past week's stories seemed especially egregious, and that is why we elected to write about it here.

Don't get us wrong; there are some great energy reporters out there. Ann Davis of *The Wall Street Journal* comes immediately to mind, and there are a number of others as well. For our part, we are glad to share our data and time with reporters doing stories on nuclear fuel and nuclear power. Often, this requires quite an education process that we are happy to undertake. And this education process is not trivial. For example, we have had to answer the following question: "What else is uranium used for (besides making bombs)."

We write off those organizations that misquote us, sensationalize or twist things that we say to their point of view. We happily continue to cooperate with those that are making an honest effort to cover this subject matter and present a balanced view. Given the dual-use nature of uranium, we believe that a higher standard should be in place for the way nuclear fuel issues are covered.

By the way, this is *on the record*.

News Briefs

In landmark decision, EPA finds CO₂ poses threat to public health

In a press release dated April 17, 2009, the Environmental Protection Agency (EPA) announced the signing of the *Proposed Endangerment and Cause or Contribute Findings for Greenhouse Gases* under the Clean Air Act, which finds that greenhouse gases contribute to air pollution which may affect public health and/or welfare. A total of six greenhouse gases are identified in the proposed finding, which was the result of the scientific review ordered in 2007 by the U.S. Supreme Court. The greenhouse gases identified are: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulfur hexafluoride (SF₆).

The proposed endangerment finding does not include regulations, and the EPA notes that such a finding does not set in motion any automatic regulations under the Clean Air Act. The EPA prefers legislation to create a framework for a clean energy economy, and this finding will likely pave the way for such legislation to be adopted, specifically measures to cap carbon emissions.

While the finding does not have an immediate, direct impact on nuclear power and uranium, it has already started to impact coal. On Saturday, *The Wall Street Journal* reported that Consol Energy Inc. is delaying the start of two coal mines due to the uncertainty surrounding the impact of the ruling on carbon emission abatement. It also notes that American Electric Power is analyzing which coal-fired plants it would need to close and how its rates may be affected by regulatory or legislative changes.

The finding also puts the United States into a better position to comply with a global climate change treaty. While President Clinton signed the Kyoto

climate change treaty, it was never submitted to the Senate for ratification. A new climate change treaty may emerge from a summit being held in Copenhagen in December.

The finding is subject to public comment for 60 days from being published in the Federal Register. Public hearings will be held in Arlington, Virginia, on May 18 and Seattle, Washington, on May 21. The EPA will stream audio from both public hearings. The EPA's press release is available online at:

<http://yosemite.epa.gov/opa/admpress.nsf/0/0EF7DF675805295D8525759B00566924>

Construction begins on first AP 1000 reactor in China

On April 19, construction officially commenced on China's first Westinghouse AP 1000 reactor at the site of the future Sanmen nuclear power plant in the Zhejiang province. The inauguration ceremony included the participation of several Chinese officials as well as representatives of partner companies involved in the project. Aris Candris, Westinghouse's President and CEO, mentioned that this key step ensures this first reactor unit will come online in 2013 and will help China meet its energy demand. Furthermore, Wang Binghua from China's State Nuclear Power Technology Corporation (SNPTC), emphasized the importance of the project for China to introduce third generation technology and achieve a high level of localization. According to a Westinghouse press release, the ceremony at Sanmen consisted of the first pour of 5,200 cubic meters of concrete (to serve as the foundation of the nuclear island), 950 tons of reinforcing steel and 1,000 anchor bolts.

A second reactor at the Sanmen site is expected to come online in 2014, and it is foreseen that this site will host up to six units. In addition to the Sanmen site the Haiyang nuclear power project in Shandong province should begin construction in September 2009 and is expected to also host six reactors.

Industry Calendar

- April 21-23, 2009
World Nuclear Fuel Cycle WNA/NEI
<http://www.world-nuclear.org/>
Sheraton on the Park
Sydney, Australia
- May 9-13, 2009
U2009 Global U Symposium
Colorado Mining Association
<http://www.u2009.org/>
Keystone Resort
Keystone, CO, USA
- May 18-20, 2009
Nuclear Energy Assembly
Nuclear Energy Institute
<http://www.nei.org/newsandevents/>
The Fairmont
Washington, D.C., USA
- May 31-June 3, 2009
WNFM 36th Annual Meeting
World Nuclear Fuel Market
<http://www.wnfm.com/>
Sheraton Grand Hotel
Edinburgh, Scotland, UK
- May 30-June 3, 2009
30th Annual CNS Conference
Canadian Nuclear Society
<http://www.cns-snc.ca/>
Calgary Telus Convention Centre
Calgary, Alberta, Canada
- June 10-11, 2009
AusIMM International Uranium Conference 2009
AusIMM
<http://www.ausimm.com.au/uranium2009/>
Darwin Convention Centre
Darwin, Australia
- June 29-30, 2009
4th European Nuclear Power Platts
<http://www.platts.com/>
Le Meridien Etoile
Paris, France
- June 30-July 1, 2009
Nuclear Development in CEE
IQPC Ltd.
<http://www.nucleardevelopment.co.uk/>
The Marriott Hotel
Warsaw, Poland
- September 9-11, 2009
WNA 34th Annual Symposium
World Nuclear Association
<http://www.world-nuclear.org/>
Central Hall Westminster
London, UK

Details are available at:
<http://www.uxc.com/c/data-industry/uxc-calendar.aspx>

India's Larsen & Toubro signs MoU with Atomstroyexport

In an April 15 press release, leading Indian engineering and construction firm Larsen & Toubro announced that it signed a memorandum of understanding (MoU) to cooperate with Russian firm Atomstroyexport in the development and construction of additional VVER reactors at the Kudankulam nuclear power plant in India. The agreement also includes potential cooperation in the construction of VVER reactors at other sites in India and other nations. According to the press release, "The MoU will form the basis of cooperation between the companies and address needs for equipment & other services arising from the agreement signed between India & Russia on 5 December 2008, for four additional reactors KK3-6 at Kudankulam, Tamil Nadu and other Russian reactors at new sites in India."

AREVA gets contracts worth over €150 million to supply pumps for Chinese reactors

On April 16, AREVA announced that its AREVA DOOFANG subsidiary has been awarded two contracts to supply 18 reactor coolant pumps for multiple 1,000 megawatt CPR-1000 reactors under construction at the Yangjiang and Ningde nuclear power plants in China. The contracts with China Nuclear Power Engineering Co. (CNPEC) have a combined value of over €150 million.

Production of the pumps is scheduled to begin this year, with delivery set to occur in stages between 2011 and 2013. In order to carry out the contracts, AREVA DOOFANG plans to boost the production capacity of its facility in Deyang, China. "These two contracts follow on from a similar order signed with CNPEC in 2008 and bear witness to the sound, longstanding relationship we have with our Chinese partner. Such contracts illustrate AREVA's ability to effectively work with the local nuclear industry, be it for the manufacture of major components or the supply of nu-

clear services," said AREVA Equipment business unit executive vice president Guillaume Dureau.

Centrica still discussing potential purchase of stake in British Energy with EDF

In an April 16 press release, Centrica plc, the owner of British Gas, confirmed reports that it is continuing to discuss the potential purchase of a minority stake in British Energy with EDF. Centrica is considering an equity swap where EDF could acquire Centrica's 51 percent stake in Belgian utility Société de Production d'Electricité (SPE) and Centrica could acquire a 25 percent stake in British Energy. Previous discussions between EDF and Centrica over the sale of the 25 percent stake in British Energy became strained over the issue of price, and the exchange of Centrica's stake in SPE could be a means to reach an agreement with EDF. Centrica said that it expects to conclude its discussions with EDF within a few weeks but also added that "there can be no certainty that any agreement will be reached."

E.ON could participate in construction of EPR in France

According to an April 14 article from *Bloomberg*, German utility E.ON is discussing the possibility of investment in France's second European Pressurized Reactor (EPR) with EDF. France's second EPR will be built at the Penly nuclear power plant and is scheduled to come online in 2017. The *Bloomberg* article cited an unnamed spokesman from E.ON.

Spain's ENSA to supply GE-Hitachi with components for ABWRs and ESBWRs

On April 14, GE-Hitachi announced that it signed an agreement with Spain's Equipos Nucleares SA (ENSA) for cooperation in the fabrication of reactor pressure vessels for Advanced Boiling Water Reactors (ABWRs) and Economic Simplified Boiling Water Reactors

(ESBWRs). "This strategic agreement adds to GEH's existing supply chain and allows us to support the demand we foresee in the near future," said GEH Senior Vice President for Nuclear Plant Projects Danny Roderick. ENSA has a facility located in Maliana on Spain's northern coast for the manufacture of heavy components for nuclear reactors.

DOE cancels U.S. component of Global Nuclear Energy Partnership

The U.S. Department of Energy has decided to abandon the U.S. portion of the planned Global Nuclear Energy Partnership. "The Department has already decided not to continue the domestic GNEP program of the last administration. The long-term fuel cycle research and development program will continue but not the near-term deployment of recycling facilities or fast reactors. The international component of GNEP is under interagency review," said a DOE deputy press secretary Jen Stutsman in an April 15 statement as quoted by *Nuclear Engineering International* magazine. The GNEP program has previously considered 11 sites in the U.S. for reprocessing of spent fuel.

Paladin opens Kayelekera uranium mine

On April 20, Paladin Energy Ltd. announced that its Kayelekera Uranium Mine in northern Malawi has officially opened. The mine has been commissioned successfully, and Paladin believes the project is on schedule for its full-scale ramp-up.

Paladin owns an 85 percent stake in the mine, and the government of Malawi owns the remaining 15 percent. The government's share in the mine is expected to benefit the entire country in terms of economic prosperity. Managing director of Paladin Africa, John Borshoff, told *AFP* at the mine's opening ceremony, "The mine will generate over 150 million (US) dollars in export earnings per year." The mine is expected to con-

tribute about ten percent of the country's gross national product, and is expected to contribute to roughly 20 percent of Malawi's export earnings.

Rio Tinto Q1 uranium production steady

On April 15 Rio Tinto announced first quarter production results and reported that uranium production for the quarter held steady at 3.4 million pounds U₃O₈. Rio Tinto's production from the Rössing uranium mine in Namibia revealed a production share of 1,477,000 pounds U₃O₈, which is up 11 percent compared to the first quarter of 2008, but is down 13 percent compared to the fourth quarter of 2008. Rio Tinto cites access to higher grade ore at Rössing for the increase in production over the same quarter of 2008.

Rio Tinto's majority share in Energy Resources Australia Ltd. (ERA) realized a production total of 1,883,000 pounds U₃O₈ from the Ranger Mine in the Northern Territory, Australia. The first quarter 2009 result from ERA's production is down six percent from the first quarter of 2008. The company cites lower head grade and lower mill recovery rates for the decrease in production over the first quarter of 2008.

Rio Tinto Chief Executive Tom Albanese said of the first quarter results, "First quarter production was in line with reduced demand... We have acted swiftly where necessary to reduce costs and conserve cash."

ERA releases first quarter operations review

On April 15, Energy Resources Australia Ltd. (ERA) announced the production numbers for the first quarter of 2009 from the Ranger Mine in the Northern Territory, Australia. Uranium oxide production for the first quarter of 2009 totaled 2,676,000 pounds U₃O₈, which was nine percent lower than the same quarter of 2008, and 26 percent lower than December 2008. ERA cited lower head grades and lower mill recovery

rates as the cause for the decline in production compared to these previous quarters.

Material mined for the first quarter was 4,475,868 tonnes, which is 73 percent higher than the material mined in the first quarter of 2008. ERA stated that this large increase in material mined was a result of purchase of additional mining equipment in the first half of 2008, and better access to the pit throughout the wet season.

Ore mined from the Ranger Mine totaled 399,463 tonnes, which is down 51 percent from the first quarter of 2008, and down 47 percent from the fourth quarter of 2008. ERA stated that the reduction in mined ore was due to the sequencing of waste and ore removal from the pit.

ERA's first quarter report included an update on the status of the exploration and expansion activities at the Ranger Mine. ERA is focused on the development of a heap leach facility for the extraction of 15,000 to 20,000 tonnes of U₃O₈ contained in low-grade mineralized material both in situ and on stockpile. Also, ERA has conducted exploration drilling in the Ranger 3 Deeps area, which has defined a zone of contiguous high-grade mineralization east of the currently operating open pit. Drilling in the first quarter used 12 drill holes for a total of 3,748 meters drilled at an expenditure of A\$2.2 million. Highlights of the drill program include 24 meters grading 0.46% U₃O₈, 17 meters grading 0.42% U₃O₈, and 41 meters grading 0.56% U₃O₈.

Denison to sell 19.9% stake to KEPCO

Denison Mines Corp. signed a memorandum of understanding on April 14 in which Denison agreed to sell a 19.9 percent stake in the company to Korea Electric Power Corp. (KEPCO). Furthermore, Denison will also sell to KEPCO 20 percent of its annual production through the year 2015. The transaction is valued at US\$78.5 million. In

addition to these terms, Denison will sell between 510,000 and 690,000 pounds of enriched uranium to KEPCO annually at a price based on industry standard terms.

Denison CFO James Anderson told *Reuters*, "(The deal) would reduce our debt levels to almost negligible. So we should be able to meet the covenants." Under the agreement, KEPCO will be allowed to appoint two directors to Denison's board. Furthermore, KEPCO has the right of first offer to acquire up to 20 percent of any assets Denison acquires with a partner or sells.

Hathor announces drill results

On April 15, Hathor Exploration Limited announced results of the completion of the 2009 winter drill program on the Roughrider Zone on the Midwest North-East Property in northern Saskatchewan. During the winter 2009 drill campaign, Hathor drilled 89 diamond drill holes for a total of over 30,000 meters, which returned highlights including 12 meters grading 10.18% U₃O₈, 18.5 meters grading 3.43% U₃O₈, and 10 meters grading 1.38% U₃O₈.

Hathor is pleased with these latest results from the winter 2009 round of drilling on the property. Hathor is scheduled to recommence drilling activity on the property later this spring to further test for strike length extensions and extensions of sandstone-hosted mineralization. The Midwest NorthEast property is 90 percent owned by Hathor Exploration and ten percent by Terra Ventures Inc.

Uranerz Doughstick Uranium Property amenable to leaching

On April 16 Uranerz Energy Corporation announced results from core samples taken from the company's wholly owned Doughstick property and from the company's 81 percent owned South Doughstick property in the Pumpkin Buttes Uranium District, located in the central Powder River Basin of Wyoming. Uranerz concluded that both properties are amenable to leach mining methods with

high rates of uranium recoverability from both properties.

In tests conducted on the properties, a solution of sodium bicarbonate was used as a complexing agent, and then hydrogen peroxide was used as the uranium oxidizing agent to test the ore's potential uranium recovery rate. The South Doughstick property yielded a uranium recovery percentage of 87.8%, and the Doughstick property revealed a uranium recovery percentage of 77.1%. Uranerz Production Manager Glenda Thomas said of the study's results, "Uranerz is extremely pleased with the uranium recovery results for South Doughstick and Doughstick. The 88 and 77 percent results are greater than the 73 percent that Uranerz used in its Preliminary Economic Assessment of the Nichols Ranch ISR Project."

African Energy enters Earn-In agreement with Aldershot Resources

African Energy Resources Ltd. announced on April 14 that its wholly owned subsidiary, African Energy Resources Zambia Ltd., has entered into an Earn-In Agreement with Aldershot Resources Ltd. for two prospecting licenses in the Kariba Valley in southern Zambia. The licenses are adjacent to African Energy's Kariba Valley JV project and cover an area of 754 square kilometers.

The terms of the Earn-In Agreement state that African Energy may earn a 51 percent interest in the project by spending A\$500,000 within three years of signing the Agreement. African Energy also has the option to increase its interest to 70 percent through the completion of a Prefeasibility Study to yield an updated inferred resource estimate.

Raytec sells uranium properties

On April 16 Raytec Metals Corp. announced that it has entered into an agreement to sell a 100 percent interest in two properties in Canada to Solitare

Minerals Corp. The two properties are known as the "C and D Blocks" uranium properties, which are located in the eastern rim of the Athabasca Basin. The C Blocks contain seven claims totaling 3,886 hectares, and the D Blocks prospect contains three claims totaling 9,310 hectares. Under the terms of the agreement, Solitare will issue 500,000 common shares upon closing of the transaction, with an additional 500,000 common shares to be issued to Raytec before six months of the date of closing. The transaction is subject to TSX-Venture Exchange approval.

IAEA's Director General delivers speech at Ministerial Conference in China

Organized by the International Atomic Energy Agency, an "International Ministerial Conference on Nuclear Energy in the 21st Century" is taking place in Beijing, China from April 20 to 22. The objectives of the conference include, among others, providing a forum for discussion about the role of nuclear energy in meeting energy demands and to discuss the conditions for the use of nuclear energy in developed and developing countries.

During his opening address, the IAEA's Director General, Mohamed ElBaradei, discussed the current status of nuclear energy developments worldwide, the role of the IAEA in supporting countries interested in nuclear energy, and issues that are important for the future of the IAEA. Concerning the status of nuclear energy, Mr. ElBaradei mentioned that Asia remains the focus of nuclear energy, especially countries such as China and India. He also stressed the importance of addressing increasing energy demands in order to provide millions of people with electricity and modern energy systems. He also highlighted that there is no development without energy.

Mr. ElBaradei pointed out to that there are potential risks in the expansion of nuclear energy. To address these risks,

he mentioned that high safety and security standards should be maintained to facilitate the further use of nuclear energy. Also, there exist nonproliferation concerns since a number of countries have mastered uranium enrichment and plutonium separation capabilities. To address these concerns, Mr. ElBaradei argued for the establishment of multinational mechanisms to assure access to nuclear fuel and reactor technology for all countries. He supported the establishment of fuel banks and reaffirmed his belief that a multinational approach for the fuel cycle would eventually ensure the safe, secure, and peaceful use of nuclear energy.

Mr. ElBaradei also explained the role of the IAEA in helping countries with their nuclear energy plans. He mentioned that the IAEA performs several tasks including, advising countries on whether nuclear energy is the right choice to meet their needs, advising on the necessary infrastructure for a nuclear energy program (human resources, regulations, etc), and organizing workshops to further discuss country-specific issues. Finally, Mr. ElBaradei mentioned that the IAEA requires the necessary financial resources and legal authority to work properly in all the areas of the IAEA's work. In this regard, he mentioned the proposal of the U.S. Administration that the IAEA's budget should be doubled within four years.

Jordan and Japan sign nuclear cooperation agreement

On April 14, Jordan's Minister of Planning and International Cooperation, Suhair Al-Ali, signed a nuclear cooperation agreement in Tokyo for nuclear cooperation with the head of Japan's Agency for Natural Resources and Energy, Toru Ishida. The agreement calls for Japan to provide Jordan with assistance in the establishment of nuclear-related regulations, nuclear safety advice, and training of personnel. It is valid for five years and can be renewed for an additional five years.

The Market

Uranium

After last Monday's first reported spot price increase for the year, offers have slowly risen throughout the past week. Based on today's information regarding the most competitive offers now available, the Ux U₃O₈ Price increases \$1.50 for the week to \$42.00 per pound. Over the past week, several deals have been reported as awarded, with each reflecting an increase in pricing levels starting at last week's reported price and ending with today's indicator. Over the past two weeks, there have been several buyers willing to show bids close to, or even slightly above, the reported price indicators, another indication that the market may have found its bottom for the time being.

We have previously discussed that there were at least several buyers that had been waiting for a marked price turn before moving back into the market. It will be interesting to see how these buyers now react to the last two week's price movements. For the year, the primary buyer group has been the utilities, which is a shift from this group's activity over the past two years, but

utilities have been fairly active since the financial collapse in September of last year. More recently, though, traders, producers, and even the financial community have shown some renewed life on the buy side.

So far this year, there has been a slow but consistent increase in activity since the drop in demand posted back in December. As shown in the chart below, January now shows just shy of two million pounds of awarded volume (similar to the level as reported in December). February's level increased to about 2.5 million pounds U₃O₈ equivalent, but both January and February posted a limited number of deals (five and seven, respectively). Market activity started to increase in March with 14 deals totaling 2.7 million pounds U₃O₈e. Consequently, the first quarter's volume now totals 7.2 million pounds U₃O₈e under 26 transactions. At three million pounds U₃O₈e, April has moved ahead of last month's level under a total of 12 spot transactions; however, there is still almost two weeks to go before this month's tally ends. Thus far for the year, we have recorded a total of 38 spot transactions involving just over 10 million pounds U₃O₈.

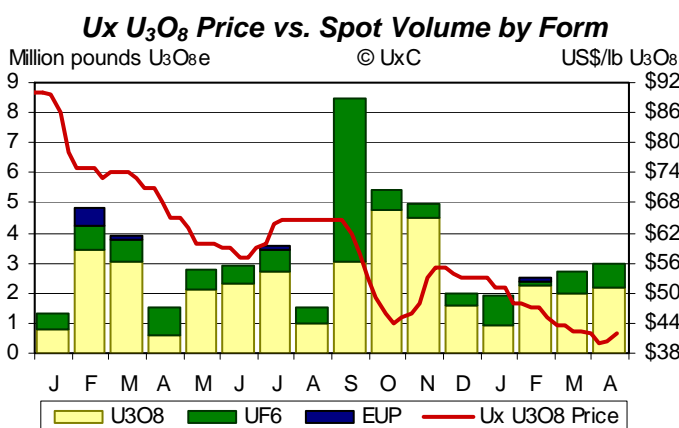
Ux Price Indicators (€Equiv**)			
Weekly (4/20/09)		1 US\$ = .77400€	
Ux U₃O₈ Price	\$42.00	€32.51	
Mth-end (3/30/09)		1 US\$ = .75745€	
U₃O₈	Spot	\$42.00	€31.81
	Long-Term	\$70.00	€53.02
Conversion	NA Spot	\$8.50	€6.44
	NA Term	\$12.25	€9.28
	EU Spot	\$10.00	€7.57
	EU Term	\$13.75	€10.41
U₆ Spot	NA Price	\$118.00	€89.38
	NA Value*	\$118.24	€89.56
	EU Value*	\$119.74	€90.69
SWU	Spot	\$160.00	€121.19
	Long-Term	\$159.00	€120.43
EUP	NA Spot**	\$2,205	€1,670
	NA Term**	\$2,985	€2,261

There has been a quiet undercurrent of demand this year as evidenced by the posted spot volumes. This activity has resulted in notable quantities of spot material that was overhanging the market being cleared, and in most cases moved into utilities' hands. Additional material is still available, but sellers do not appear to be as anxious to hold down price to make a deal. There has also been mention in the press of the 450,000 pounds U₃O₈ being held in two lots by Lehman Brothers as overhanging the market (see discussion on page 1). However, this material has not been

UxC Market Statistics				
Monthly (Apr)	Spot		Term	
	Volume	# Deals	Volume	# Deals
U ₃ O ₈ e (million lbs)	3.0	12	0	0
Conv. (thousand kgU)	W	4	0	0
SWU (thousand SWU)	0	0	0	0
2009 Y-T-D	Spot		Term	
	Volume	# Deals	Volume	# Deals
U ₃ O ₈ e (million lbs)	10.1	38	W	W
Conv. (thousand kgU)	>1,100	16	W	W
SWU (thousand SWU)	W	W	W	W

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

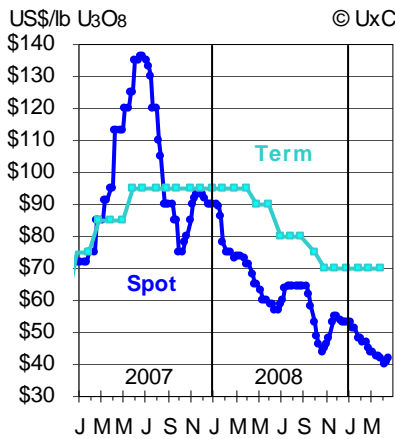
UxC Leading Price Indicators	
Three-month forward looking price indicators, with publication delayed one month. Readings as of Mar 2009.	
Uranium (Range: -17 to +17)	-3 [up 1 point]
Conversion (Range: -16 to +16)	+6 [unchanged]
Enrichment (Range: -18 to +18)	+7 [unchanged]
Platts Forward Uranium Indicator	\$39.00-\$42.50
A forward two-week outlook.	As of 4/20/09 (US\$/lb)



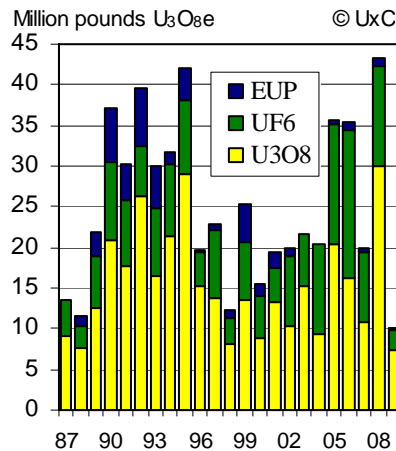
Little League Parents

At one point during a game, the coach said to one of his young players, "Do you understand what cooperation is? What a team is?" The little boy nodded in the affirmative. "Do you understand that what matters is that we play together as a team?" The little boy nodded yes. "So," the coach continued, "when a strike is called, or you're out at first, you don't argue or curse or attack the umpire. Do you understand all that?" Again the little boy nodded. "Good," said the coach. "Now go over there and explain it to your parents."

Ux U₃O₈ Prices



Annual Spot Uranium Volumes



offered recently, and if it had, could have easily been taken off the market by any one of a number of buyers that have picked up much larger lots over the past two months. Where price moves next still appears to be more of a function of demand, and whether or not that demand can be sustained at levels that

Ux Price Indicator 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 U₃O₈ Price (Spot) includes conditions for delivery timeframe (≤ 3 months), quantity (≥ 100,000 pounds), and origin considerations, and is published weekly. The Ux LT U₃O₈ Price (Long-Term) includes conditions for escalation (from current quarter), delivery timeframe (≥ 24 months), and quantity flexibility (up to ±10%) considerations. The Ux Conversion Prices consider offers for delivery up to twelve months forward (Spot) and base-escalated long-term offers (LT) for multi-annual deliveries with delivery in North America (NA) or Europe (EU). The Ux NA UF₆ Price includes conditions for delivery timeframe (6 months), quantity (50-150,000 kgU), and delivery considerations. *The Ux NA and EU UF₆ Values represent the sum of the component conversion and U₃O₈ (multiplied by 2.61285) spot prices as discussed above and, therefore, do not necessarily represent the most competitive UF₆ spot offers available. The Ux SWU Price (Spot) considers spot offers for deliveries up to twelve months forward for other than Russian-origin SWU. The Ux LT SWU Price (Long-Term) reflects base-escalated long-term offers for multi-annual deliveries. **The Ux Spot and Term EUP Values represent calculated prices per kgU of enriched uranium product based on a product assay of 4.50% and a tails assay of 0.30%, using spot and term Ux NA and appropriate spot and term price indicators and are provided for comparison purposes only. All prices, except for the weekly Ux U₃O₈ Price, are published the last Monday of each month. (Units: U₃O₈ = US\$ per pound, Conversion/UF₆: US\$ per kgU, SWU: US\$ per SWU, EUP: US\$ per kgU) 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.

keep the motivated sellers in check.

In the term market, several utilities continue to evaluate offers including a U.S. utility that is out for 250,000 pounds U₃O₈ per year with delivery in the period of 2010 to 2014. The utility will also consider other quantities depending on form, such as UF₆ or EUP, as well as an option for potential spot delivery of up to 250,000 pounds as EUP in 2009. Another U.S. utility is evaluating offers for 456,000 kgU as UF₆ or U₃O₈ equivalent (about 1.2 million pounds U₃O₈e). The material is to be used for an initial core and delivery is split into four lots in 2011 and 2012. A non-U.S. utility is looking for uranium totaling just over 2.6 million pounds U₃O₈ with delivery in 2014 to 2018, and optional years from 2019 to 2025, which would add another 3.7 million pounds U₃O₈ to the request. Another non-U.S. utility is seeking sizeable quantities for delivery also beyond 2020. Other utilities are also active with additional demand or expected to enter the market over the next two months.

U₃O₈ Physical Forwards Market

Both bids and offers on shown by Tullett Prebon and MF Global have increased over the past week, with the most aggressive near-term bid now \$41 (either May or June delivery at ConVerDyn for 100,000 pounds), and the most aggressive offer at \$44 (June delivery for both). These increases have mirrored the

change in offers and bids discussed above for the market in general. As shown on page 8, the forward price curves published by both of these companies have also increased.

Over the past week, the fund implied price (FIP) has shot up, with the FIP published by MF Global hitting \$42 as of Monday, equal to the current spot price.

U₃O₈ Futures Market

The NYMEX futures market for uranium experienced no change this week. Total contracts for the month of April stand at 6 contracts (1,500 pounds U₃O₈), and total contracts for 2009 stand at 1,854 (463,500 pounds U₃O₈). Open interest also remains unchanged at 2,656 (664,000 pounds U₃O₈).

Conversion & UF₆

A number of utilities are now seeking or evaluating offers for either conversion services or UF₆. Several of these include spot or near-term delivery of conversion. After increasing slightly late last year, the spot conversion prices have flattened, and more recently, there have been reports of competitive offers involving deconversion deals. The availability of UF₆ inventories and desire of some to hold U₃O₈ have increased the opportunities recently to sell off the contained conversion in deconversion deals, offering several buyers attractive pricing to pick up spot conversion.

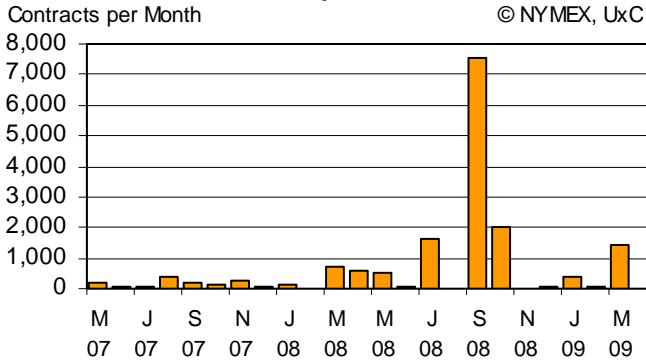
The Platts Forward Uranium Indicator price range belongs to Platts, a McGraw Hill Company, and is published with permission. Definitions of these prices are available from their original source.

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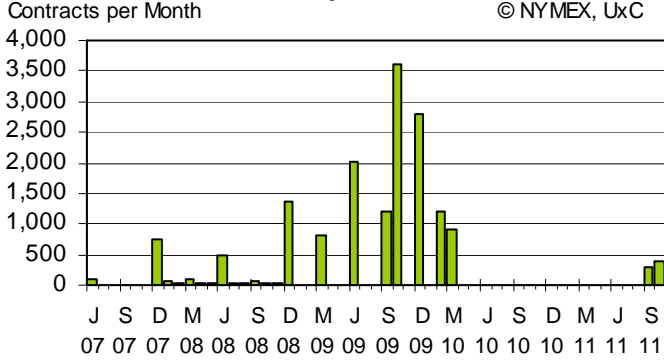
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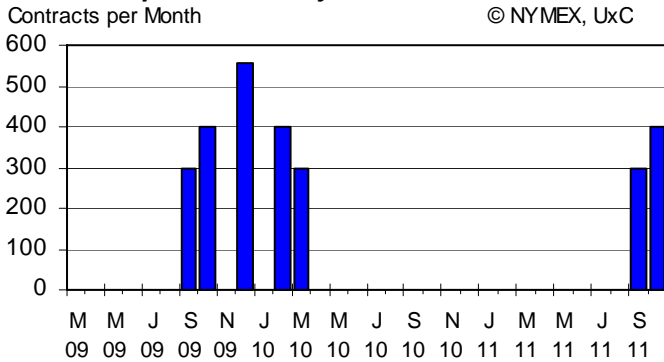
NYMEX Ux Futures Activity
Total Contracts by Transaction Month



Total Contracts by Settlement Month



Open Interest by Settlement Month

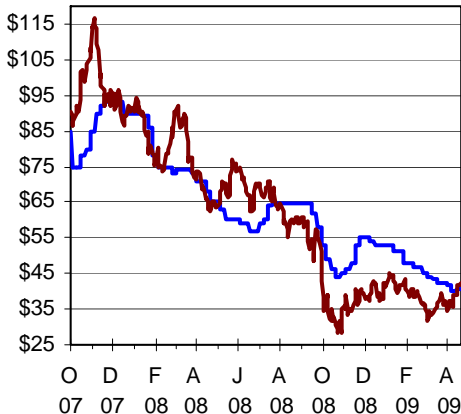


Fund Implied Price (FIP) 4/20/09
 (US\$/lb U₃O₈)

Tullett Prebon	MF Global
\$41.70	\$42.00

Ux U₃O₈ Price vs. Tullett Prebon FIP

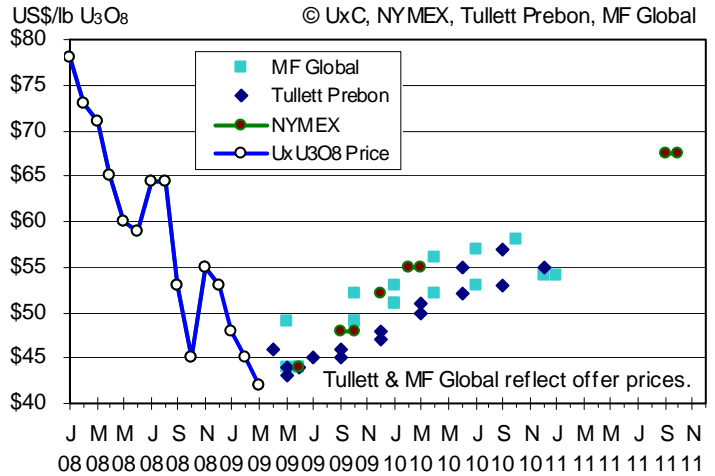
— Ux U₃O₈ Price — Tullett Prebon FIP



NYMEX UxC Uranium U₃O₈ (UX) Futures Activity

Prices as of 4/20/09		Activity for 5/7/07-4/17/09			
Settlement	Price	Volume	Open	High	Low
Mar 2008	\$71.00	97	N/A	\$119.00	\$80.00
Apr 2008	\$65.00	41	N/A	\$119.00	\$75.00
May 2008	\$60.00	42	N/A	\$119.00	\$75.00
Jun 2008	\$59.00	478	N/A	\$119.00	\$56.00
Jul 2008	\$64.50	41	N/A	\$117.00	\$63.00
Aug 2008	\$64.50	40	N/A	\$117.00	\$75.00
Sep 2008	\$53.00	81	N/A	\$117.00	\$84.00
Oct 2008	\$45.00	40	N/A	\$117.00	\$70.00
Nov 2008	\$55.00	40	N/A	\$117.00	\$75.00
Dec 2008	\$53.00	1,352	N/A	\$117.00	\$42.00
Mar 2009	\$42.00	800	N/A	N/A	N/A
Jun 2009	\$44.00	2,001	1	\$67.00	\$67.00
Sep 2009	\$48.00	1,200	300	N/A	N/A
Oct 2009	\$48.00	3,600	400	N/A	N/A
Dec 2009	\$52.00	2,812	555	\$85.00	\$85.00
Feb 2010	\$54.00	1,200	400	N/A	N/A
Mar 2010	\$54.00	900	300	N/A	N/A
Sep 2011	\$67.50	300	300	N/A	N/A
Oct 2011	\$67.50	400	400	N/A	N/A
Totals:		16,436*	2,656	*Includes from May 2007.	

Ux, NYMEX, MF Global, & Tullett Prebon U₃O₈ Prices



Tullett Prebon Physical Forwards Activity as of 4/20/09

COD: Convertor Delivered – Bid / Ask Offer Ranges US\$/lb U₃O₈ (* form as UF₆)

Delivery	USA-ConverDyn	Europe-Comurhex	Canada-Cameco
Apr 2009	/	/	/ \$46x100K
May 2009	/ \$43x100K	/ \$44x100K	/
Jun 2009	\$41x100K / \$44x100K	/	/
3Q09	/ \$46x100K	/ \$45x250K	/
4Q09	\$40x100K / \$47x100K	/ \$48x250K	/
1Q10	/ \$50x100K	/ \$51x100K	/
2Q10	/ \$52x100K	/ \$55x100K	/
3Q10	/ \$53x150K	/ \$57x100K	/
4Q10	/ \$55x150K	/	/

MF Global Physical Forwards Activity as of 4/20/09

Delivery	USA-ConverDyn	Europe-Comurhex	Canada-Cameco
Apr 2009	/	/	/
May 2009	\$41x100K / \$43.00x100K	\$38x100K /	/ \$49x100K
Jun 2009	\$41x100K / \$44.50x100K	\$38x100K / \$44x100K	/
3Q09	/	/	/ \$52x100K
4Q09	\$40x100K / \$49x100K	/ \$49x100K	/ \$53x100K
1Q10	/ \$51x100K	/ \$51x100K	/
2Q10	/ \$52x100K	/ \$56x100K	/
3Q10	/ \$53x100K	/ \$57x150K	/
4Q10	\$49x175K* / \$54x100K	\$49x175K* / \$58x100K	/
1Q11	\$50x175K* / \$54x200K	\$50x175K* /	/