

## First Quarter Spot U<sub>3</sub>O<sub>8</sub> Review

Inventory building and discretionary buying has been the order of the day over the past quarter. Both spot volume and price are up for the quarter, and current activity indicates that these trends will continue into the second quarter. Below is a summary of the activity witnessed in last quarter's spot uranium market.

**Volume** – A total of 28 deals for over 9.7 million pounds U<sub>3</sub>O<sub>8</sub> equivalent have been booked during the first quarter of 2005 (see table on page 2). This volume represents over half of that booked during all of 2004, and is the highest quarterly volume since the third quarter of 1997 (see chart on page 2). The quarter started slow with only five transactions for 1.2 million pounds in January, but activity quickly accelerated with 12 deals in February and another 11 deals last month, with volumes of 3.7 million and 4.8 million pounds, respectively. Last month's total was the highest monthly volume since September 1997.

**Form** – Purchases of U<sub>3</sub>O<sub>8</sub> increased near the end of the first quarter; how-

ever, this form only accounts for 41% of the overall volume. UF<sub>6</sub> activity still is above its historical average, and has increased from its 50% share last year to 56% in the first quarter. After being absent for the past seven quarters, a couple of EUP deals were reported last quarter accounting for the remaining 3% of volume.

**Method** – While some buyers are sending out more formal requests, some of these requests have been limited to shorter supplier lists. Whether buyers are approaching suppliers either formally or more informally, it appears that most buyers want to at least keep their activity quiet. As such, volume that we classify as off-market continues to be high, accounting for 92% of the first quarter's volume or about 8.9 million pounds U<sub>3</sub>O<sub>8</sub>e (see chart on page 5).

**Need** – Another important feature of the current market is that discretionary buying has accounted for over 70% of the volume this quarter. We classify discretionary buying as those purchases for material that is not put into the pipeline in the case of utilities or not delivered into pre-existing contracts in the case of suppliers.

There are a number of motives for the increase in discretionary buying, but all have to do with expectations of higher prices in the future. An increasing number of utilities have been trying to take advantage of the current gap between the spot and term

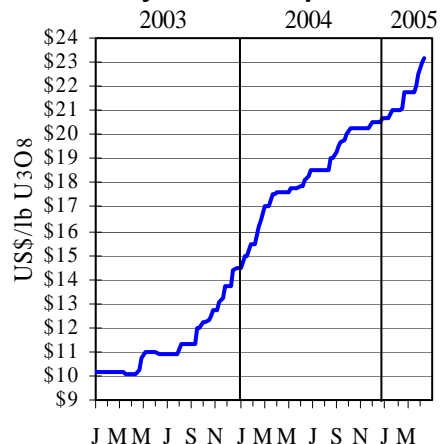
Ux U<sub>3</sub>O<sub>8</sub> Price: (4/11/05)

\$23.20 (+0.20)

Ux LT U<sub>3</sub>O<sub>8</sub> Price: (3/28/05)

\$27.00

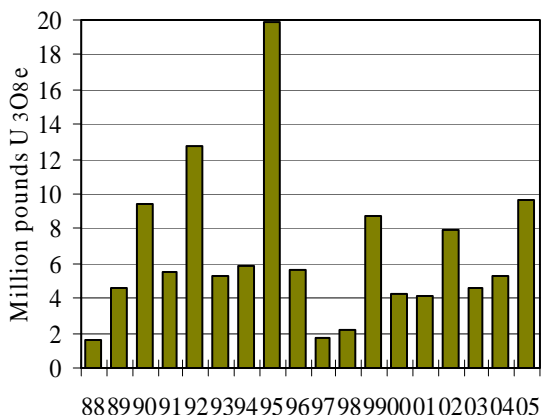
### Ux Weekly Uranium Spot Prices



markets by pursuing buy and hold strategies. Traders also see such arbitrage possibilities as well as believe in the general appreciation of the spot price. A relatively recent phenomenon has been the entry of investors, who believe in the upside of uranium prices and have shifted some of their attention from holding uranium stocks to taking a position in the commodity.

While there has been more news recently about investor purchasing, activity over the past quarter from this buying group, which accounted for about a quarter of the overall volume, appeared to be leveling off. However, the recent entry of the Uranium Participation Corporation, run by Denison Mines with Sprott Securities Inc. underwriting the offering, represents a new, more formalized participation of the investor community in the nuclear fuel trade industry. It will be important to see how these developments affect the market going forward. For now, it is clear that these new participants are bringing additional liquidity to the market, as they represent

### Comparison of 1<sup>st</sup> Quarter Spot Volumes



both new buyers and, once having taking their positions, sellers of uranium.

**Buyers** – As discussed above, investors continue to be a new buying group on the spot market, but their overall volumes are still relatively low compared to other buying groups. At the head of this list is traders, which have continued to lead on the buy side, accounting for at least 44% of the volume. Utilities were responsible for 31% of last quarter's volume. Producers, which had represented a large segment of spot demand over the past three years, have not accounted for any of the purchases booked thus far this year. However, when this buying group reenters the market, it will add additional pressure on supply.

**Sellers** – Taking a look at the seller's side, we have seen a group of sellers including producers, traders, and others providing supplies for spot delivery. Traders again lead the list on the sell side, accounting for 70% of the sales. Producers, which resumed making spot sales last year as prices increased dramatically, continued this trend in the first quarter, supplying almost 30% of the volume. And, like producers on the buyer side, utilities have been absent as

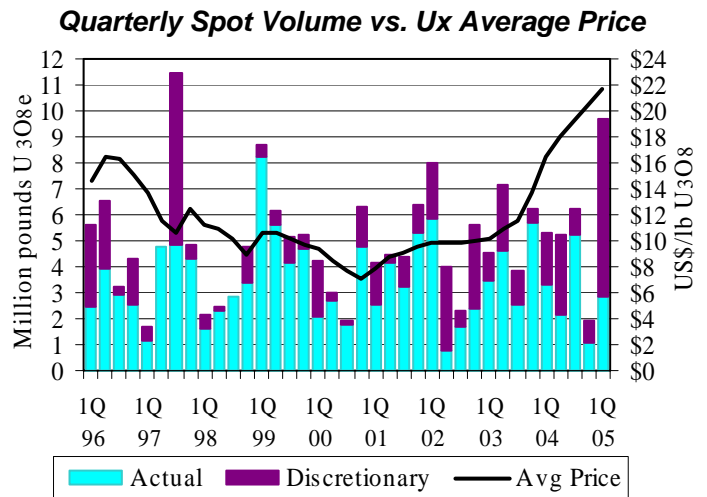
sellers so far this year.

**Price** – As activity rose during the quarter, suppliers reacted by increasing offer prices. The Ux U<sub>3</sub>O<sub>8</sub> Price started the year at \$20.70 per pound, increasing five times during the quarter to end at \$22.50 per pound. Increased spot demand and the sustained gap with the term price have continued to add upward pressure on the spot price.

**Spot Outlook** – At least initially, the second quarter appears to be following the trend set over the past couple of months with respect to spot volume. A number of buyers, including a group of utilities, currently have active requests totaling over five million pounds U<sub>3</sub>O<sub>8</sub>e and are either awaiting or evaluating offers for spot delivery. While the overall volume for the second quarter might not meet that of the first quarter, we could still surpass last year's total volume by mid-year. Keeping track

of the term market will also help in gauging the movement in the spot market.

The level of spot volume is the key to future price levels. In our predictions at the beginning of the year, we said that spot price could increase by \$2 over the upcoming quarter if demand were relatively active. As discussed, activity has been robust and, at \$23.20, price has increased \$2.50 so far this year, and continues to be under upward pressure. Much of the continued movement in spot volume and price depends on attitudes towards inventory building, which to a large extent depends on expectations about future prices.



<b>Uranium Spot Market Statistics</b>																
(Million pounds U <sub>3</sub> O <sub>8</sub> equivalent)																
	2002					2003					2004					2005
	1Q	2Q	3Q	4Q	Yr.	1Q	2Q	3Q	4Q	Yr.	1Q	2Q	3Q	4Q	Yr.	1Q
<b>Total Volume</b>	8.0	4.0	2.3	5.6	19.8	4.5	7.2	3.8	6.2	21.7	5.3	5.2	6.2	1.9	18.6	9.7
# Transactions	30	11	7	21	69	11	24	12	22	69	22	17	21	9	69	28
Leadtime (mths)	5.8	4.4	4.6	6.5	5.7	3.9	5.0	3.8	7.9	5.5	5.7	5.6	5.5	1.7	5.1	5.6
<b>Form</b>																
U <sub>3</sub> O <sub>8</sub> Total	5.0	2.2	0.6	2.6	10.4	2.9	4.4	3.8	4.0	15.2	3.3	2.0	3.1	1.0	9.3	3.9
UF <sub>6</sub> Total	2.2	1.8	1.7	3.0	8.6	1.6	2.7	0	2.2	6.5	2.0	3.3	3.1	0.9	9.3	5.4
EUP Total	0.8	0.0	0	0	0.9	0.1	0	0	0	0.1	0	0	0	0	0	0.3
<b>Need</b>																
Actual	5.9	0.8	1.7	2.4	10.7	3.4	4.6	2.6	5.7	16.3	3.3	2.1	5.2	1.1	11.8	2.8
Discretionary	2.1	3.2	0.6	3.3	9.2	1.1	2.6	1.3	0.5	5.5	1.9	3.1	1.0	0.8	6.8	6.9
<b>Method</b>																
On-market	3.2	3.7	2.3	3.3	12.5	3.9	3.5	2.8	2.0	10.2	0.8	0.7	0.8	0	2.2	0.8
Off-market	4.7	0.3	0	2.3	7.3	0.6	3.7	1.0	4.2	9.5	4.5	4.6	5.4	1.9	16.4	8.9
<b>Buyers</b>																
U.S.	2.1	1.5	0.5	2.1	6.2	2.3	2.2	1.3	4.5	10.2	2.2	4.5	3.0	0.9	10.6	4.6
Non-U.S.	5.9	2.5	1.8	3.5	13.7	2.3	5.0	2.5	1.8	11.5	3.1	0.7	3.2	1.0	8.0	5.1
<b>Sellers</b>																
U.S.	1.3	0.4	0.3	1.8	3.8	0.6	1.5	0	1.3	3.3	1.1	0.7	1.9	0.9	4.6	3.5
Non-U.S.	6.7	3.6	2.0	3.8	16.1	3.9	5.7	3.8	5.0	18.4	4.2	4.5	4.3	1.0	14.0	6.2

# News Briefs

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## **USEC completes ninth milestone in agreement with DOE**

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On April 6, USEC Inc. achieved the ninth of 15 scheduled milestones in its agreement with the U.S. Department of Energy in demonstrating and deploying next-generation uranium enrichment technology, as it began manufacturing centrifuge machine components for use in the American Centrifuge Demonstration Facility in Piketon, Ohio. The centrifuge components are being manufactured in Oak Ridge Tennessee by USEC's team and its contractors, Honeywell, Boeing and Alliant Techsystems. "Later this year, initial centrifuges will be linked to form the Lead Cascade to demonstrate their ability to produce enriched uranium," said USEC chairman and CEO James R. Mellor.

On April 8, USEC also announced that it has signed a contract with ATK Space Systems, a division of Alliant Techsystems, for the development and manufacture of carbon fiber centrifuge rotor tubes for use in the centrifuge machines in USEC's American Centrifuge Demonstration Facility. The contract with ATK runs through March 2007 and includes labor, parts and equipment, and other support costs for the carbon fiber centrifuge rotor tubes used in the centrifuge machines.

In related news, Ronald F. Green, senior vice president responsible for the American Centrifuge program since 2003, will leave USEC to become chairman of an energy technology company. In his place, USEC has appointed senior vice president Philip G. Sewell to lead the American Centrifuge program. Sewell will report directly to the CEO.

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## **China now plans to increase nuclear capacity to 40,000 megawatts by 2020**

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The Chinese government has decided to raise its goal for nuclear output in the year 2020 from 36,000 megawatts to

40,000 megawatts and now plans to build 40 new reactors, according to the Commission of Science, Technology and Industry for National Defense. The nation also has found more suitable plant sites in inland regions and plans to consider building more reactors in these areas, where previously, the nation wanted to concentrate its nuclear construction in eastern and coastal regions. "But for the next 10 years or so, the government will put its priority in eastern and coastal regions," China Atomic Energy Authority deputy director Zhang Fubao told *China Daily*.

The decision to accelerate nuclear power development could be seen as an acknowledgement by the government that China is becoming overly dependent on coal, which now provides almost 70% of its electricity but is causing significant pollution. In order to meet its new nuclear energy goal, China will have to begin construction on an average of two to three new reactors each year.

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## **Lifespans for two Russian reactors to be extended**

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According to a report from *Itar-Tass*, Unit 1 at the Leningrad nuclear power plant in St. Petersburg, Russia will now be able to operate until at least 2018 following the completion of upgrades intended to extend the reactor's lifespan. In June, operation at the Leningrad nuclear plant's Unit 2 will be halted so that the reactor can be refurbished. The refurbishment will enable Unit 2 to operate for about 15 years past its originally designed lifespan. Unit 1 at Leningrad began commercial operation in 1974 and has a capacity of 925 megawatts. Unit 2 began commercial operation in 1976 and also has a capacity of 925 megawatts. Both reactors were originally designed for 30 years of operation.

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## **Bulgaria's Belene given the green light**

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The Bulgarian government has decided to proceed with plans to build the Belene nuclear power plant to compensate for

the closure of reactors at Kozloduy. Energy Minister Miroslav Sevlievski said, "The new nuclear power plant will be constructed at Belene and will consist of two pressurized water reactors of 1,000 megawatts each." The preliminary cost estimate associated with building the new plant ranges between 2.4 to 2.6 billion euros. The first of the two reactors is expected to be operational by 2011 and the second by 2013. An international tender for chief contractor will be opened by May 10, 2005.

Sevlievski said that candidates will be sought to build a turnkey NPP, although prospective contractors could carry out either the nuclear or conventional part of the plant. The government's participation in the project and the possible need for state guarantees are not yet clear. The project will likely be implemented as a public-private partnership.

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## **Japanese prefecture set to grant approval for Mox plant**

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By the end of April, the governor of Japan's Aomori prefecture will reportedly grant approval for construction of the nation's first Mox fuel rod manufacturing plant at Rokkashomura. Approval from the central government will also be required before construction can begin. The facility, which will be built alongside a nuclear fuel recycling plant that extracts plutonium from spent fuel, will likely produce 130 metric tons of Mox fuel per year. The estimated cost of construction is ¥120 billion (US\$1.11 billion). Japan Nuclear Fuel Ltd. originally asked the prefecture's government for permission to begin construction of the plant in 2001, but the government postponed the request due to a series of incidents at the company's recycling facility, which was under construction at the time.

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## **New UK general election set for May 5**

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On April 5, British Prime Minister Tony Blair confirmed that the nation will hold its general election on May 5 in the face

of declining support for the ruling Labor party. Surveys recently published in the *Guardian* give Labor a narrow lead of 2 to 3 percent. The possibility of building new reactors is likely to be seriously considered whether Labor or the Conservative party wins the election. Several UK newspapers have recently reported that the Labor party plans pushing for the construction of new reactors in order to meet the nation's commitment to reducing global warming.

Meanwhile, Conservative MP Tim Yeo, who serves as the shadow environment secretary, has promised that if his party is elected, the government would decide on a future direction for nuclear power within a year. "Nuclear energy has high costs in up-front development and waste disposal, but as the price of oil rises and the environmental costs of fossil fuels are captured in their price, it may become more competitive," said Yeo in a speech to the Center for Policy Studies. "In Britain, there should be an urgent debate in which the advocates of nuclear power can address the concerns of the public on economic outturns, operational safety and waste disposal."

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### ***NRC approves Texas Genco purchase of stake in South Texas Project***

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The Nuclear Regulatory Commission has granted authorization to Texas Genco LLC to purchase a 13.2 percent stake in the South Texas Project nuclear plant from American Electric Power (AEP). In addition, the NRC also approved CenterPoint Energy's plan to sell its interest in Texas Genco Holdings, Inc. to Texas Genco LLC. When these transactions are complete, Texas Genco LLC will become 44 percent owner in the South Texas Project.

City Public Service of San Antonio has also received NRC approval to acquire AEP's remaining 12 percent stake in the plant, which will raise the company's share in the facility from 28% to 40%. Early last year, AEP made an agreement

to sell its 25.2 percent stake in South Texas Project to Cameco, but both Texas Genco and City Public Service of San Antonio exercised their rights of first refusal to purchase AEP's stake in the plant. Another part owner in the plant, Austin Energy chose to keep its 16 percent share in the plant at the same level. South Texas project has two 1,250 megawatt pressurized water reactors.

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### ***NMC files license renewal application for Palisades***

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On March 31, Nuclear Management Company (NMC) filed a license renewal application for the Palisades nuclear power plant, according to press releases from Consumers Energy and the U.S. Nuclear Regulatory Commission. The NRC is now evaluating the information received to determine if the application is suitable for docketing. The plant, which is owned by Consumers Energy and operated by NMC, is currently licensed to operate until 2011, and if license renewal is granted, it would be able to operate until 2031. Palisades has a single 789 megawatt pressurized water reactor. "Palisades generates about 18 percent of Consumers Energy's electricity and has been supplying customers with safe, low-cost energy since 1971. A proactive maintenance program, major capital investments, and continuous training have contributed to the safe and reliable operation of the plant," said the company's senior vice president of nuclear, fossil and hydro operations, Robert Fenech.

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### ***NRC to look more closely into operation at Perry nuclear plant***

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According to an *Associated Press* article, the Nuclear Regulatory Commission is planning a review of operation at FirstEnergy's Perry nuclear plant due to concerns over a gradual decline in safety performance that has occurred over the last few years. In late May, when the NRC concludes its inspections, it could order FirstEnergy to take corrective action. If problems at the plant are

## **Industry Calendar**

- April 19-20, 2005  
**Uranium Market Outlook Conf.**  
Australian Journal of Mining  
<http://www.theajmonline.org/>  
IBC Conferences Asia  
<http://www.informa.com.au/>  
Swissotel Beijing  
Beijing, China
- June 5-7, 2005  
**WNFM 32<sup>nd</sup> Annual Meeting**  
World Nuclear Fuel Market  
<http://www.wnfm.com/>  
Diplomat Hotel  
Prague, Czech Republic
- June 20-24, 2005  
**Uranium Production and Raw Materials for Nuclear Fuel Cycle**  
IAEA/NEA/NEI/WNA/UN-ECE  
<http://www-pub.iaea.org/>  
Vienna, Austria
- July 27, 2005  
**NEI Nuclear Fuel Supply Forum**  
Nuclear Energy Institute  
<http://member.nei.org/>  
The Willard Inter-Continental  
Washington, D.C., USA

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

found to be serious enough, the NRC could decide to take it offline, but it is more likely that the agency would instead increase its oversight of the facility. Over the past few months, Perry has experienced a series of minor technical problems including a short outage in December because of an electrical problem and another brief outage in January due to a coolant pump failure.

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### ***No short-term plans for Areva to buy Olympic Dam from BHP***

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In responding to French daily *Les Echos*, which reported that Areva is still eyeing Olympic Dam, an Areva spokesman said that his company has no short-term plans to buy the mine and that "the subject is not currently on the agenda." The spokesman added that Areva has "never hidden" its strategy of strengthening its uranium mining activities.

Areva said it would be interested in Olympic Dam if BHP Billiton sought partners for the mine, but said it has thus

far not been approached by the Australian company. Some French press reports have previously said that Areva may offer more than 1 billion euros for a stake in Olympic Dam.

### **Erdene announces strategic alliance with IUC in Mongolia**

Erdene Gold Inc. (Erdene) announced April 5 that it has signed a Memorandum of Agreement with International Uranium Corp. (IUC) to provide IUC with the option to acquire a 65% interest in Erdene Gold's Mongolian uranium assets by spending C\$6 million over four years, starting in 2005. Erdene will be operator of the first year program. Additionally, IUC will be investing C\$1 million in Erdene through the purchase of its common shares by way of private placement. IUC President Ron Hochstein said, "I am excited by the potential the Erdene properties adds to our central Mongolian uranium asset base and look forward to the start-up of exploration in the next few weeks."

The IUC-Erdene joint venture will control in excess of 1.3 million hectares in the central sedimentary basins, which are located in proximity to the Trans-Mongolian Railway. Uranium mineralization occurs in Cretaceous age sediments derived from weathered crystalline basement rocks with grades typically in the 0.05 to 0.5% U<sub>3</sub>O<sub>8</sub> range and forming in relatively thin tabular bodies. These deposits occur at depths of less than 150 meters and pilot plant testing has confirmed that in situ leach mining is applicable.

### **Southern Cross confirms less uranium but higher grade at Goulds Dam**

In an April 7 press release, Southern Cross Resources Inc. announced a revised Indicated Mineral Resources estimate for its Goulds Dam prospect of 1.7 million tonnes at 0.12% U<sub>3</sub>O<sub>8</sub> for 2,000 t U<sub>3</sub>O<sub>8</sub> (~4.4 million pounds U<sub>3</sub>O<sub>8</sub>). This new resource estimate is based on drilling completed in November 2004

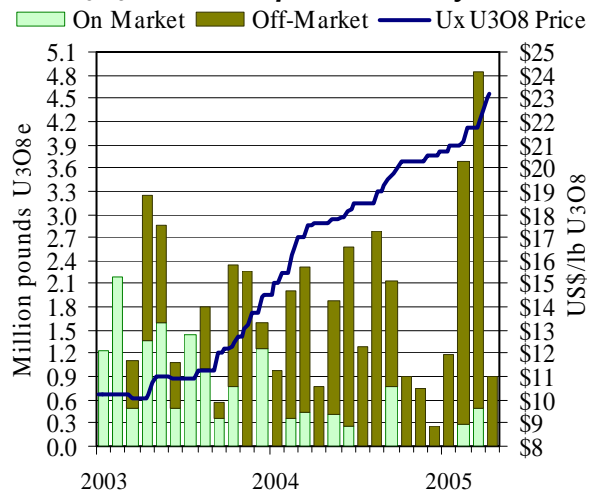
using Prompt Fission Neutron (PFN) logging to directly measure uranium grades and it supersedes the previous 2001 estimate of 5.6 million tonnes at 0.045% for 2,500 t U<sub>3</sub>O<sub>8</sub> (~5.5 million pounds U<sub>3</sub>O<sub>8</sub>) which relied on historical drilling using less accurate gamma logging. The current estimate is based on a 0.03% U<sub>3</sub>O<sub>8</sub> grade cut-off and 0.10 m% U<sub>3</sub>O<sub>8</sub> grade thickness secondary cut-off.

Southern Cross states that despite a 20% reduction in contained uranium compared to the 2001 resource estimate, the revised resource has greater economic potential being double the ore grade in less than one third of the volume, which provides the opportunity for better extraction efficiency and lower operating costs.

Southern Cross Chairman and CEO Mark Wheatley added, "We are pleased to confirm the presence of a resource which is comparable in

grade to the Honeymoon deposit. Although the updated resource size is less than the previous resource estimate, as already flagged by the announcement in December 17, 2004 – the real story is that there is a higher resource which has increased potential to be mined. While Goulds Dam is too small to be mined on its own, any new discoveries in the under-explored region could potentially allow future development which would also be subject to EIS and other permitting requirements."

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



### **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 U<sub>3</sub>O<sub>8</sub> Price (Spot)** includes conditions for delivery timeframe (6 months), quantity (100-300,000 pounds), and origin considerations, and is published weekly. The **Ux LT U<sub>3</sub>O<sub>8</sub> 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 UF<sub>6</sub> Price** includes conditions for delivery timeframe (6 months), quantity (50-150,000 kgU), and delivery considerations. \*The **Ux NA and EU UF<sub>6</sub> Values** represent the sum of the component conversion and U<sub>3</sub>O<sub>8</sub> (multiplied by 2.61285) spot prices as discussed above and, therefore, do not necessarily represent the most competitive UF<sub>6</sub> spot offers available. The **Ux SWU Price (Spot)** 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 spot delivery of Russian-origin SWU. The **Ux LT SWU Price (Long-Term)** reflects base-escalated long-term offers for multi-annual deliveries. All prices, except for the weekly Ux U<sub>3</sub>O<sub>8</sub> Price, are published the last Monday of each month. (Units: U<sub>3</sub>O<sub>8</sub> = US\$ per pound, Conversion/UF<sub>6</sub>: US\$ per kgU, SWU: US\$ per SWU) 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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# The Market

## Uranium

One of the expected topics of discussion at this week's combined NEI/WNA Nuclear Fuel Cycle Conference will be the resurgence of the spot market. As discussed in the cover story, activity in the spot uranium market is well ahead of its pace compared to previous years. So far this year, spot volume has topped 10 million pounds U<sub>3</sub>O<sub>8</sub> equivalent. Further, a number of buyers are currently active in the market either with formal requests or through informal discussions, with over five million pounds of demand identified. This group includes two non-U.S. utilities which have notable spot requests with offers due April 15<sup>th</sup>. Both are seeking about 1.6 million pounds U<sub>3</sub>O<sub>8</sub>e, one as U<sub>3</sub>O<sub>8</sub> and the other as UF<sub>6</sub>. Another non-U.S. utility has offers due April 12<sup>th</sup> for between 100-300,000 pounds U<sub>3</sub>O<sub>8</sub> with delivery in December.

The brisk pace of spot activity has not let up as we enter April, with three deals being completed this month for about 900,000 pounds and several deals that are reported nearing the final evaluation

stages. Price continues to be under upward pressure, with suppliers raising their offer prices, some more than others, depending on their future outlook for prices and other considerations. Currently, the most competitive offer for delivery six months out stands at \$23.20, and thus the Ux U<sub>3</sub>O<sub>8</sub> Price increases \$0.20 this week to this level.

In the term market, two non-U.S. utilities have offers due April 15<sup>th</sup>. The first is looking for about 2.9 million pounds U<sub>3</sub>O<sub>8</sub> with delivery in 2007-2009, while the other is requesting almost four million pounds with delivery in 2011 to 2015. Another non-U.S. utility is preparing to enter the term market with a formal request. A number of other buyers are evaluating offers involving an additional 25 million pounds U<sub>3</sub>O<sub>8</sub>e with delivery over the 2006-2013 time period.

## Conversion

Conversion activity continues on both the spot and term markets. On the spot side, several buyers are actively, but quietly, pursuing both conversion services and UF<sub>6</sub>. A non-U.S. utility has offers due April 15<sup>th</sup> for up to 600,000 kgU of conversion contained in UF<sub>6</sub> with

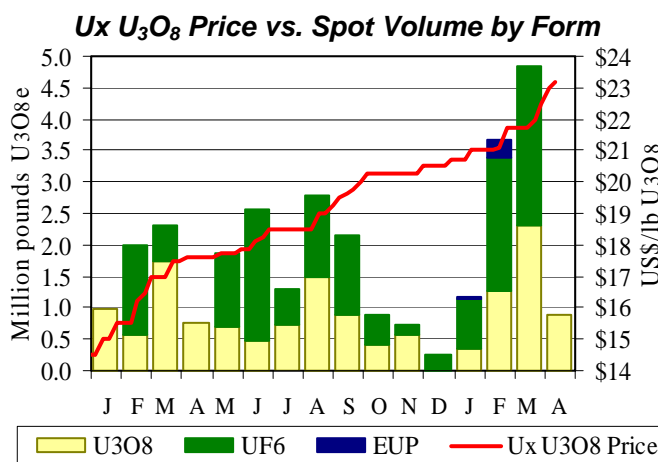
Ux Price Indicators (€Equiv**)			
<b>Weekly (4/11/05)</b>		1 US\$ = .77327€	
<b>Ux U<sub>3</sub>O<sub>8</sub> Price</b>	<b>\$23.20</b>	<b>€17.94</b>	
<b>Mth-end (3/28/05)</b>		1 US\$ = .77599€	
<b>U<sub>3</sub>O<sub>8</sub></b>	Spot	<b>\$22.50</b>	€17.46
	Long-Term	<b>\$27.00</b>	€20.95
<b>Conversion</b>	NA Spot	<b>\$12.00</b>	€9.31
	NA Term	<b>\$11.75</b>	€9.12
	EU Spot	<b>\$12.00</b>	€9.31
	EU Term	<b>\$12.25</b>	€9.51
<b>UF<sub>6</sub> Spot</b>	NA Price	<b>\$70.00</b>	€54.32
	NA Value*	<b>\$70.79</b>	€54.93
	EU Value*	<b>\$70.79</b>	€54.93
<b>SWU</b>	Spot	<b>\$112.00</b>	€86.91
	Long-Term	<b>\$109.00</b>	€84.58
	RU Spot	<b>\$89.00</b>	€69.06

delivery split over the 2005-2006 time period. A non-U.S. utility is evaluating offers for 6.25 million kgU as conversion services with delivery in the 2006-2008 time period.

## Enrichment

Two non-U.S. utilities are evaluating offers, one for 1.25 million SWU with delivery in 2010-2014 and the other for 720,000 SWU with delivery in 2007-2013. Offers remain active for a non-U.S. buyer that was out for about 1.4 million SWU contained in EUP.

UxC Market Statistics				
Monthly (Apr)	Spot		Term	
	Volume	# Deals	Volume	# Deals
U <sub>3</sub> O <sub>8</sub> e (million lbs)	0.9	3	0	0
Conv. (thousand kgU)	0	0	0	0
SWU (thousand SWU)	0	0	0	0
2005 Y-T-D	Spot		Term	
	Volume	# Deals	Volume	# Deals
U <sub>3</sub> O <sub>8</sub> e (million lbs)	10.6	28	W	3
Conv. (thousand kgU)	3,523	20	W	2
SWU (thousand SWU)	180	4	11,355	5
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. 1, 2005.				
<b>Uranium</b> (Range: -17 to +17)			<b>+10</b> [unchanged]	
<b>Conversion</b> (Range: -16 to +16)			<b>+10</b> [down 1 point]	
<b>Enrichment</b> (Range: -18 to +18)			<b>+6</b> [unchanged]	
<b>NuclearFuel</b> Price Range 4/11/05 (US\$/lb)	<b>\$23.50-\$25.00</b>			
<b>RWE NUKEM</b> Spot Uranium (US\$/lb U <sub>3</sub> O <sub>8</sub> )	<b>\$21.50-\$22.00</b>			
Price Ranges Spot Conversion (US\$/kgU)	<b>\$10.75-\$11.75</b>			
As of 3/28/05 Spot SWU (US\$/SWU)	<b>\$89.00-\$108.00</b>			



## 24 Pigs

A young lawyer, just out of Law School, was pleading his first case in South Carolina. A train had killed twenty-four pigs, and the young attorney was trying to impress the jury with the magnitude of the injury. "Yes, ladies and gentlemen of the jury, twenty-four pigs. Imagine, twenty-four pigs. Twice the number there are in the jury box."

## Stuntmen

A van carrying a dozen movie stuntmen on the way to a film location in the mountains spun out of control on the icy road, crashed through a guard-rail, rolled down a 90-foot embankment, turned over several times, and burst into flames. There were no injuries.