

Price Transparency in the Uranium Market – A Producer's Perspective

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- ◆ **price transparency**
 - ◆ **defined, impact, history**
- ◆ **price reporting**
- ◆ **recent market developments**
- ◆ **future market alternatives**
- ◆ **conclusions**

Price Transparency – Defined

- ◆ **fully informed**
 - ◆ **price changes**
 - ◆ **level of active interest**
 - ◆ **timely**

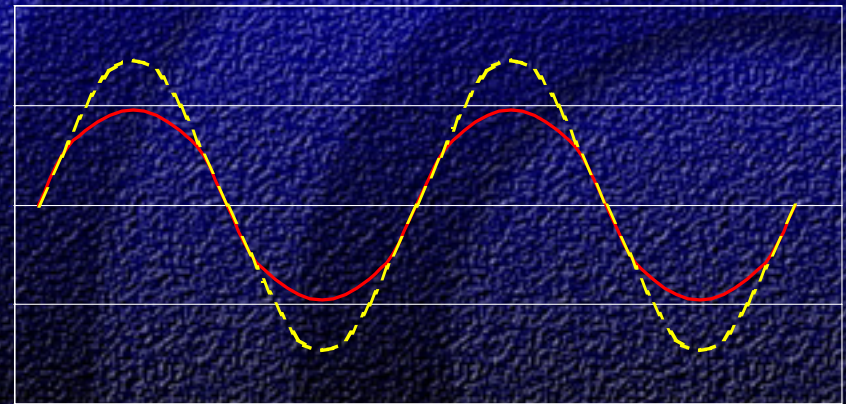


Price Transparency – Does it matter?

unavailable or delayed information

corporate impact

industry impact

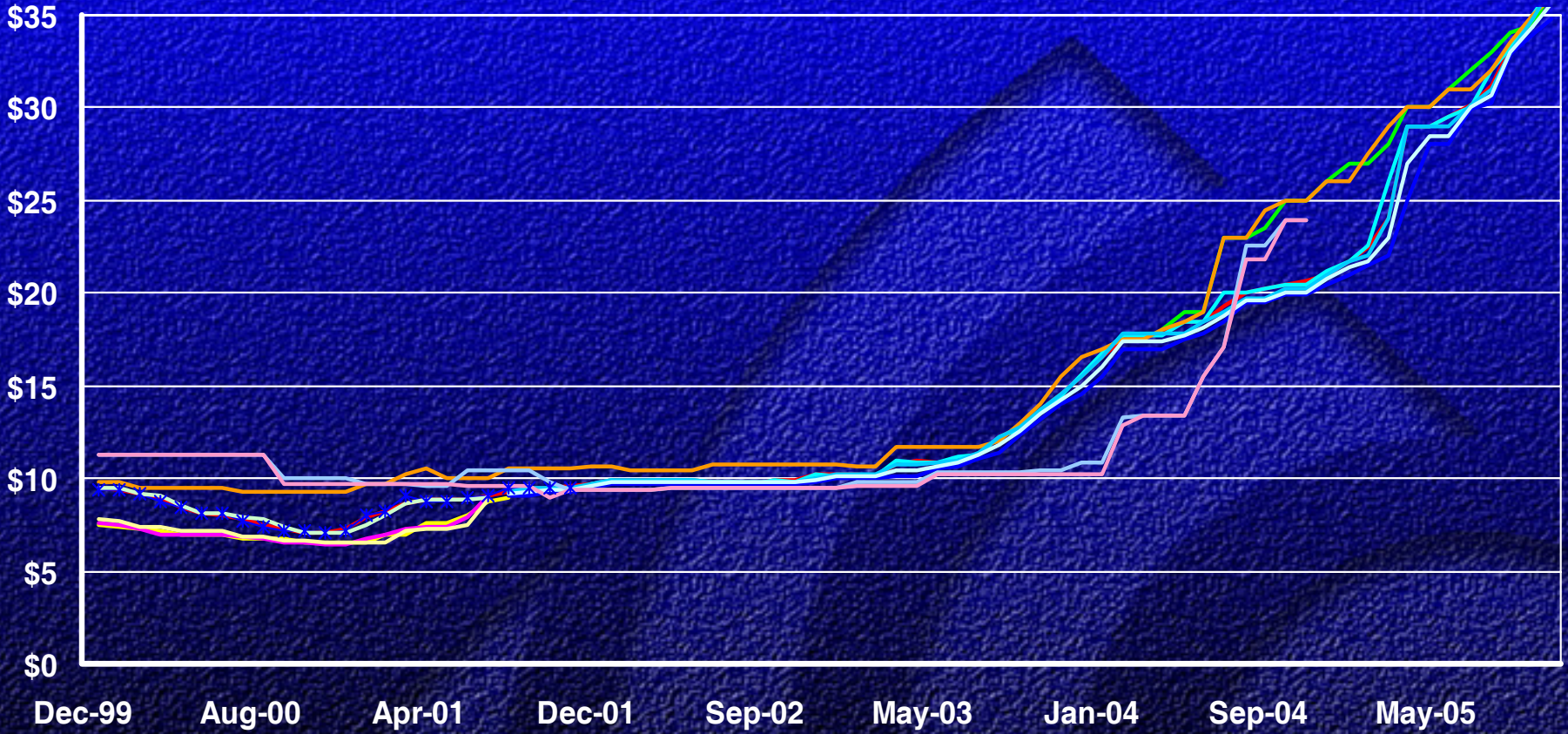


Price Transparency – History



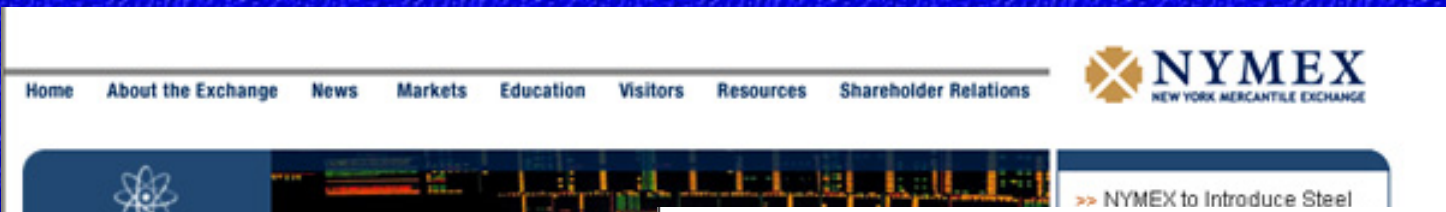
- ◆ **physical characteristics of a commodity**
 - ◆ **complex fuel cycle**
 - ◆ **proliferation issues**
- ◆ **market system largely unchanged in 40 years**
 - ◆ **bilateral contracts**
 - ◆ **“standard” terms**

Price Transparency?



- Ux Spot Price
- TradeTech NEV
- TradeTech Longterm
- Nukem Midpoint
- UPIs Base Price
- Ux CIS
- TradeTech NEV Restricted
- Nukem Low
- Nukem Restricted
- UPIs US Base Price
- Ux Long Term
- TradeTech NEV Unrestricted
- Nukem High
- Nukem Unrestricted

Recent Market Developments



Uranium Futures

Financial

8/21/2007 Session Expanded

| | Last | Open High | Open Low | Hi |
|-----------------|------|-----------|----------|-----|
| <u>Aug 2007</u> | n/a | n/a | n/a | n/a |
| <u>Sep 2007</u> | n/a | n/a | n/a | n/a |
| <u>Oct 2007</u> | n/a | n/a | n/a | n/a |
| <u>Nov 2007</u> | n/a | n/a | n/a | n/a |

tullett prebon information

SwapMarker™ SwapMarker Plus™ MortgageMarker™ TreasuryMarker™ MoneyMarker

Uranium

India
Philippines
Uranium

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Physical Uranium

TFNF3 (c) 2007 Tullett Prebon Information 31-Aug-2007 22:33 GMT

SPOT(IMP) \$89.15

TULLETT PREBON ENERGY - NUCLEAR FUEL
PHYSICAL URANIUM (U3O8) US\$/Lbs

| TENOR | US CONVERTER | | | EU CONVERTER | | | CA CONVERTER | | |
|---------|--------------|-----|------|--------------|-----|------|--------------|-----|------|
| | BID | ASK | SIZE | BID | ASK | SIZE | BID | ASK | SIZE |
| Spot | / | / | / | / | / | / | / | / | / |
| Oct '07 | / | / | / | / | 95 | x100 | / | / | / |
| Dec '07 | / | 98 | x150 | / | / | / | / | / | / |
| Jun '08 | / | / | / | / | / | / | / | / | / |
| Dec '08 | / | 130 | x40 | / | / | / | / | / | / |
| Jun '09 | / | / | / | / | / | / | / | / | / |
| Dec '09 | / | / | / | / | / | / | / | / | / |
| Jun '10 | / | / | / | / | / | / | / | / | / |

All Sizes in '000Lbs

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http://www.uranium.com - Market Screen for kirk

Topic: Market is now open

1 participants
kirk

<Market Bot>

| Date | Location & # | Bid to Buy | Offer to Sell | Location & # |
|--------|--------------|---------------|---------------|--------------|
| Jun 06 | CD 364 | 40.01 40.93 | | CMX 75 |
| Dec 06 | CAM 320 | 39.12 40.91 | | CAM 121 |
| Jun 07 | CAM 297 | 39.14 40.87 | | CAM 805 |
| Dec 07 | CAM 45 | 39.15 40.78 | | ANY 21 |
| Jun 08 | CAM 591 | 39.23 40.67 | | CD 580 |
| Jun 09 | CD 62 | 39.25 40.87 | | CMX 658 |
| Jun 10 | ANY 574 | 39.34 40.78 | | CAM 216 |
| Jun 11 | CAM 79 | 39.43 40.81 | | ANY 408 |
| Jun 12 | CD 334 | 39.54 41.01 | | CAM 220 |

If you wish to accept a " Bid to Buy " or an " Offer to Sell " (subject to mutually agreeable contractual terms and conditions and Counterparty Matrix match) please double click on one of the NYNCO brokers to the right, enter the Lot Number and send an IM. A NYNCO Broker will then IM and/or call you to finalize the transaction.

Done

Future Market Developments



- ◆ **bilateral market**
- ◆ **limited trading**
- ◆ **commodity market**

Bilateral Market

- ◆ continuation of current market practices
 - ◆ non-standard, bilateral agreements
 - ◆ similar price structures and commercial terms
 - ◆ manual price reporting
 - ◆ it “works” (?)





Limited Trading

- ◆ **cooperative information sharing**
- ◆ **blend of bilateral and trading structures**
 - ◆ **publicly posted buy/sell prices**
 - ◆ **regular auctions**
 - ◆ **industry trading group**

Limited Trading

| | Posted Prices | Auctions | Trading Group |
|-------------------------|---------------|----------|---------------|
| Transparency | LOW | MED | HIGH |
| Liquidity | LOW | LOW | MED |
| Standardization | MED | MED | HIGH |
| Industry Support Needed | LOW | MED | HIGH |
| Development Potential | LOW | LOW | HIGH |

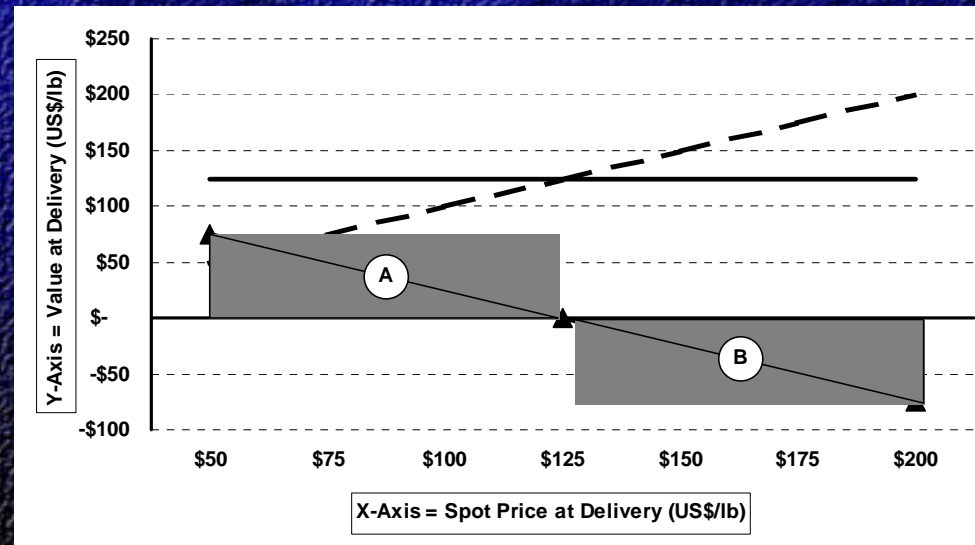


Commodity Market

- ◆ **transparency, liquidity**
- ◆ **pure supply/demand price drivers (spot and forward)**
- ◆ **implementation:**
 - ◆ **trading/supplier partnerships**
 - ◆ **develop industry trading group to include financial settlement**

Commodity Market

- ◆ price management
 - ◆ risk reduction
- ◆ physical and financial settlement
- ◆ separate supply and price decisions
- ◆ act on individual market view



Conclusion

- ◆ **Vision**
- ◆ **Leadership**
- ◆ **Action**



