The Global Nuclear Fuel Market

Supply & Demand 2007-2030

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World Nuclear Association

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Electricity market

- The only revenue into the nuclear fuel cycle comes from sales of nuclear electricity
- New investment in NPPs must be supported by assured sales of future power
- Revenue from electricity sales will support new investment in the fuel cycle and new generation
- The nuclear fuel cost is vital to the economics of nuclear plants in liberalized power markets

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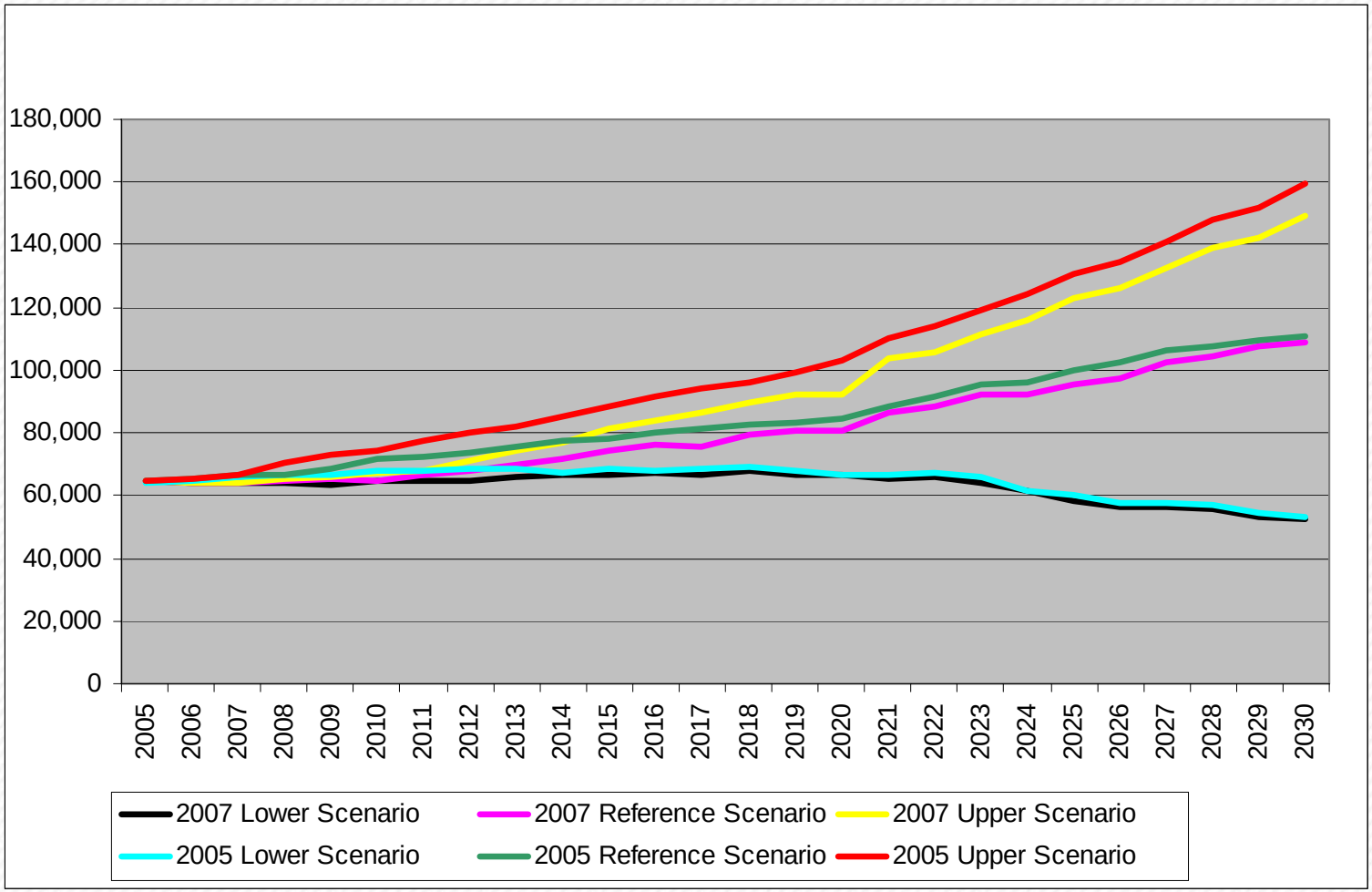
Uranium requirements – 2007 vs 2005



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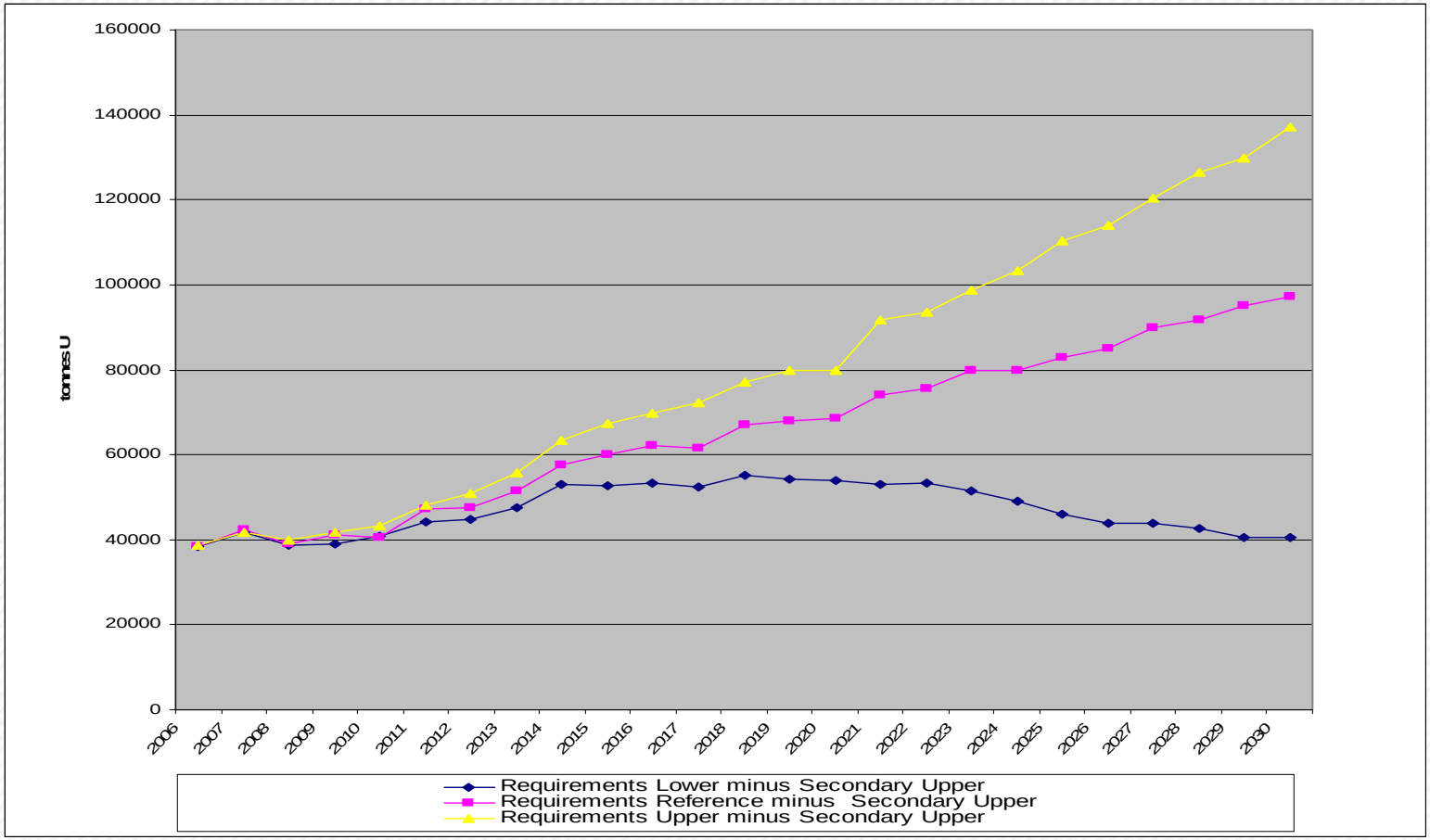
Implied requirement for primary uranium production



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Key assumptions - demand

- Significant demand for new electricity generating capacity
- Reference case assumes that nuclear's position – economics, environment & public acceptance – continues to improve
- Positions in United States, Russia, China & India are important
- Tails assay (Western reactors) assumed to fall to 0.22% by 2010, but recover to 0.25% for 2015-2030

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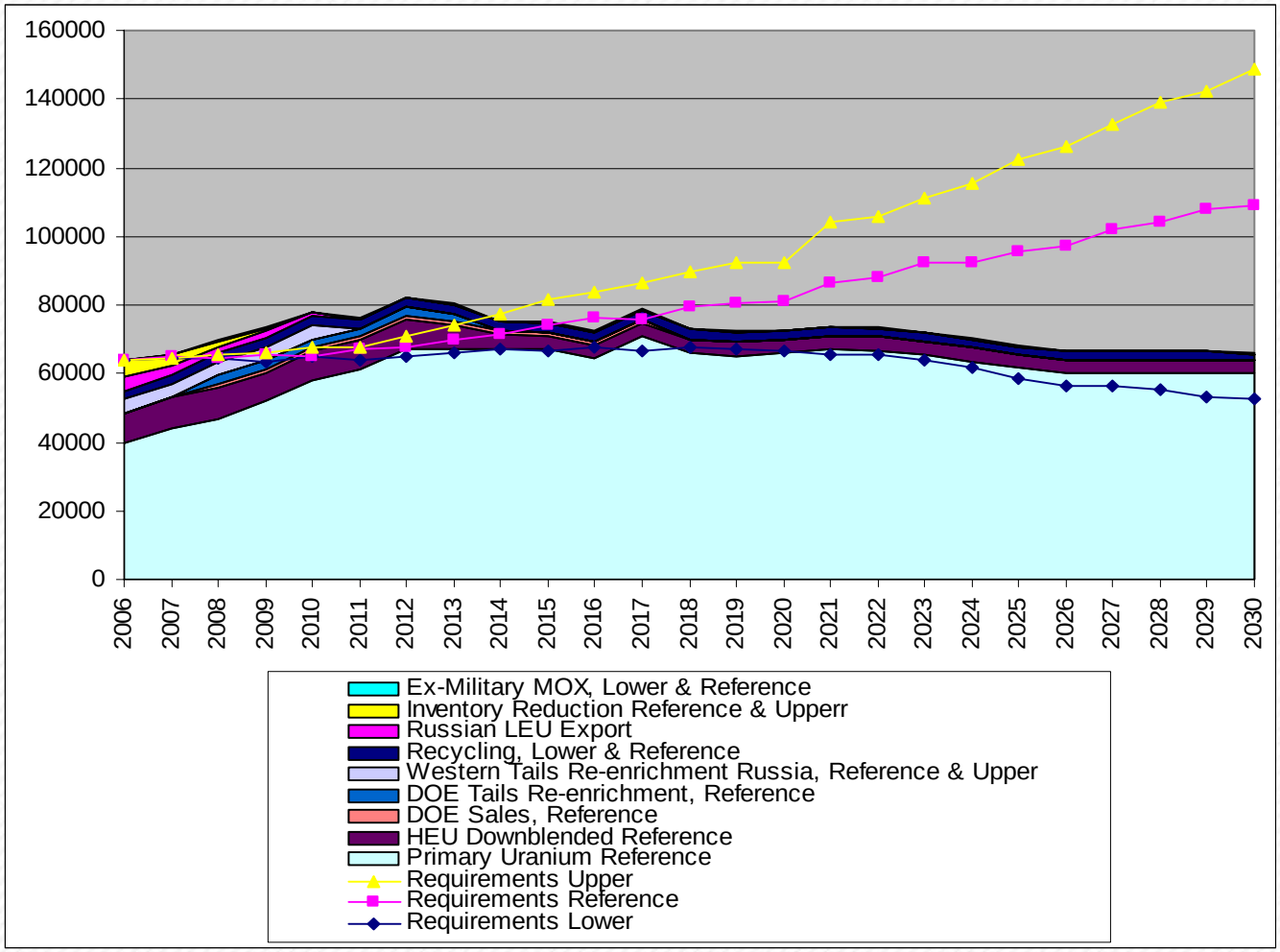
Reference case supply



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Key assumptions - supply

- Secondary supplies will remain an important, but diminishing, component of supply beyond 2020
- Primary supply must increase to ensure market balance
- Current, Under Development and Planned Mines will be targeted to meet demand in the period to 2020
- Additional Prospective Mines, already identified, may be required beyond 2020

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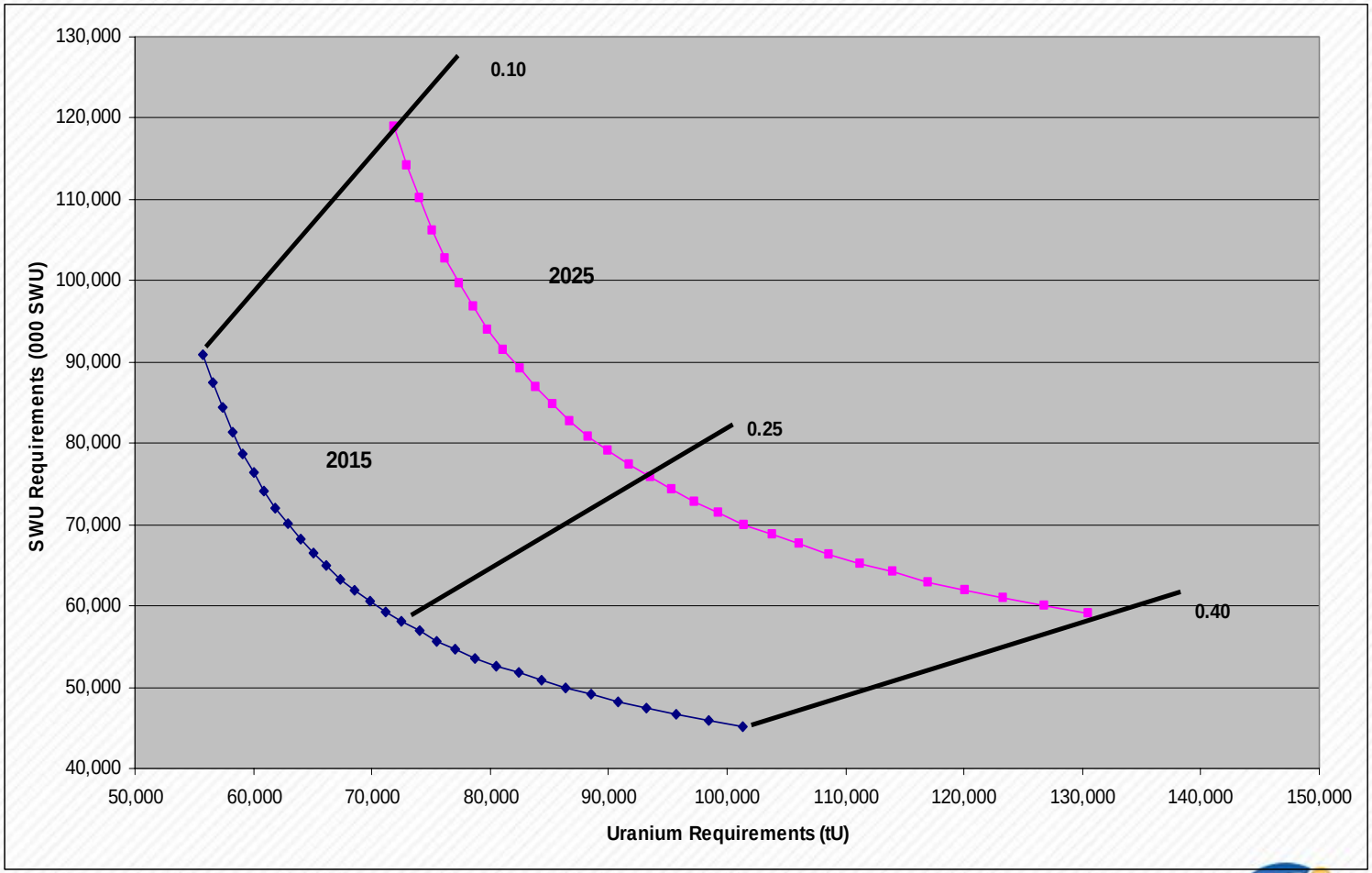
Combinations of U & SWU requirements



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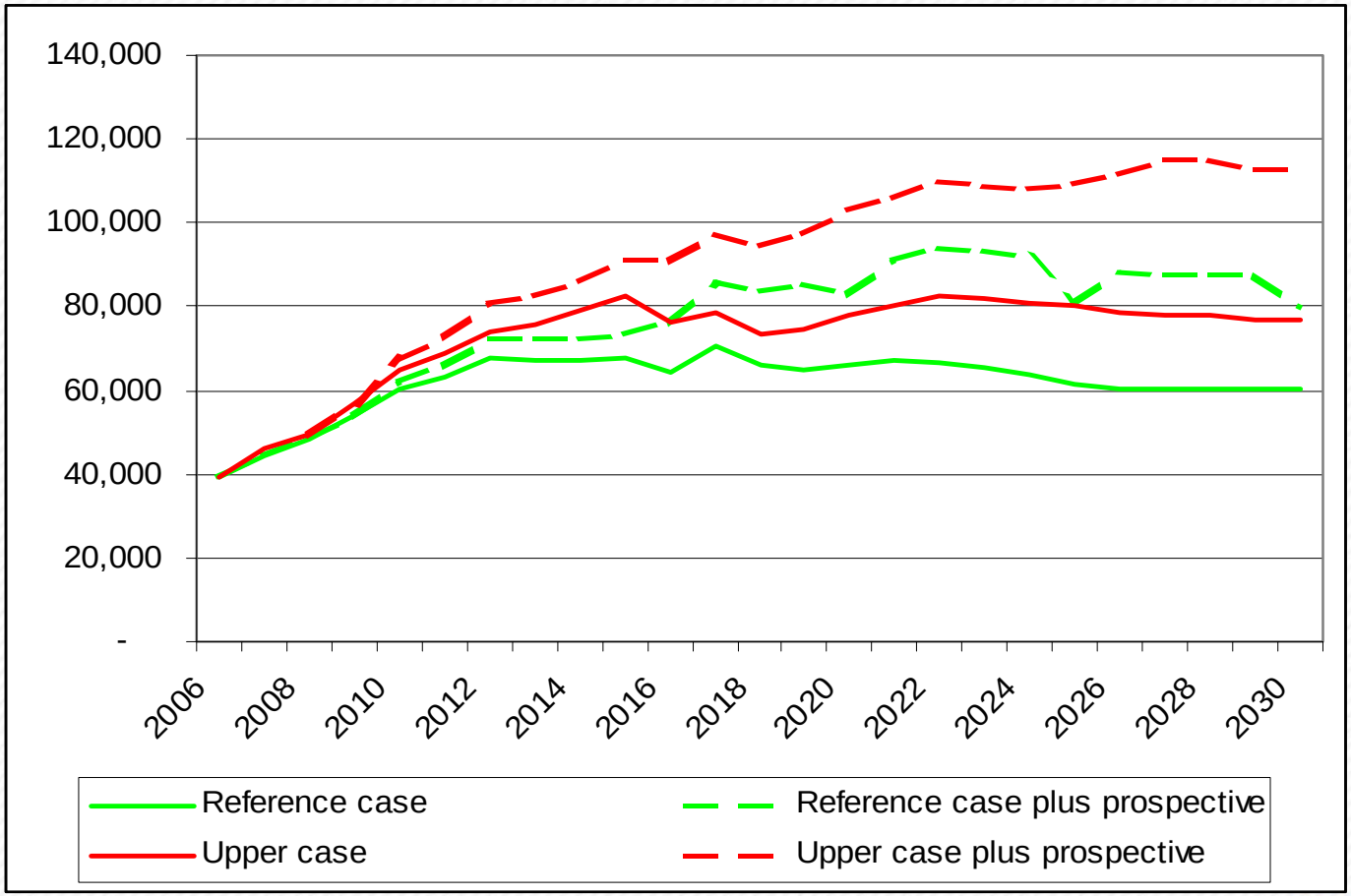
Primary uranium production with prospective mines added



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Conclusions

- **Uranium reserves are today more than adequate to fuel any conceivable expansion of nuclear power**
- **The nuclear fuel market will be more than adequately supplied in the period to 2020**
- **Prospective uranium mines will be required beyond 2020**
- **Market forces are bringing new uranium projects into production**

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