

URENCO USA Update

Presented to:
Radioactive &
Hazardous Materials Committee
7/28/17

Presented by:
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UUSA President & CEO

URENCO USA Company Update



- Overview of URENCO USA (UUSA)
- Contributions to the Local Economy
- What are some of our challenges and opportunities?
- What's next for the nuclear industry and UUSA?

An Overview of URENCO USA

URENCO USA Overview



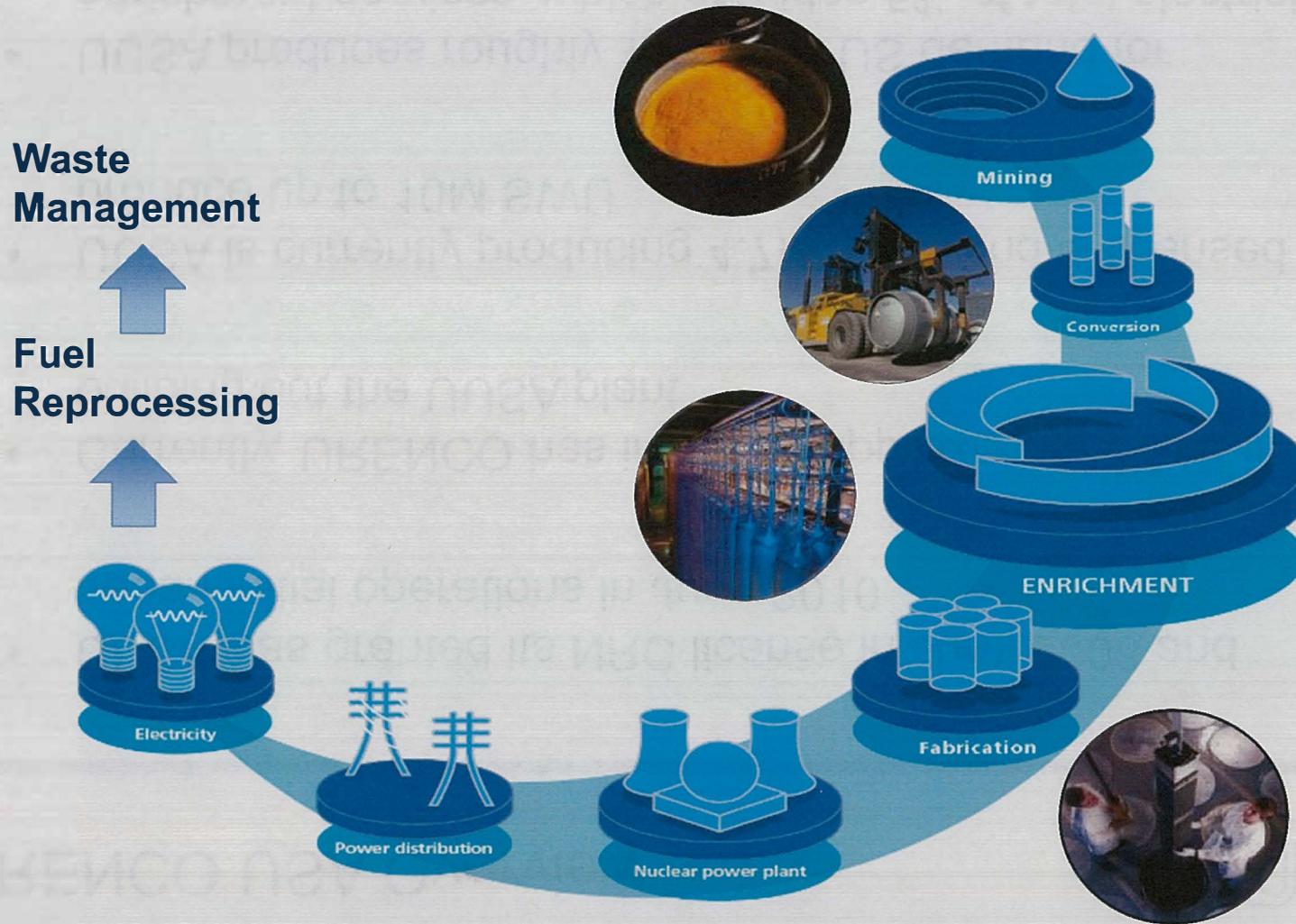
- UUSA is one of four facilities that make-up the URENCO fleet and is the newest, most efficient plant
- UUSA enriches uranium which is a key step in the nuclear fuel cycle
- UUSA is the only commercial uranium enrichment plant in North America
- UUSA was the first nuclear project in the US in almost 30 years and the first to use the Nuclear Regulatory Commission's (NRC) Construct-Operate License

URENCO USA Overview

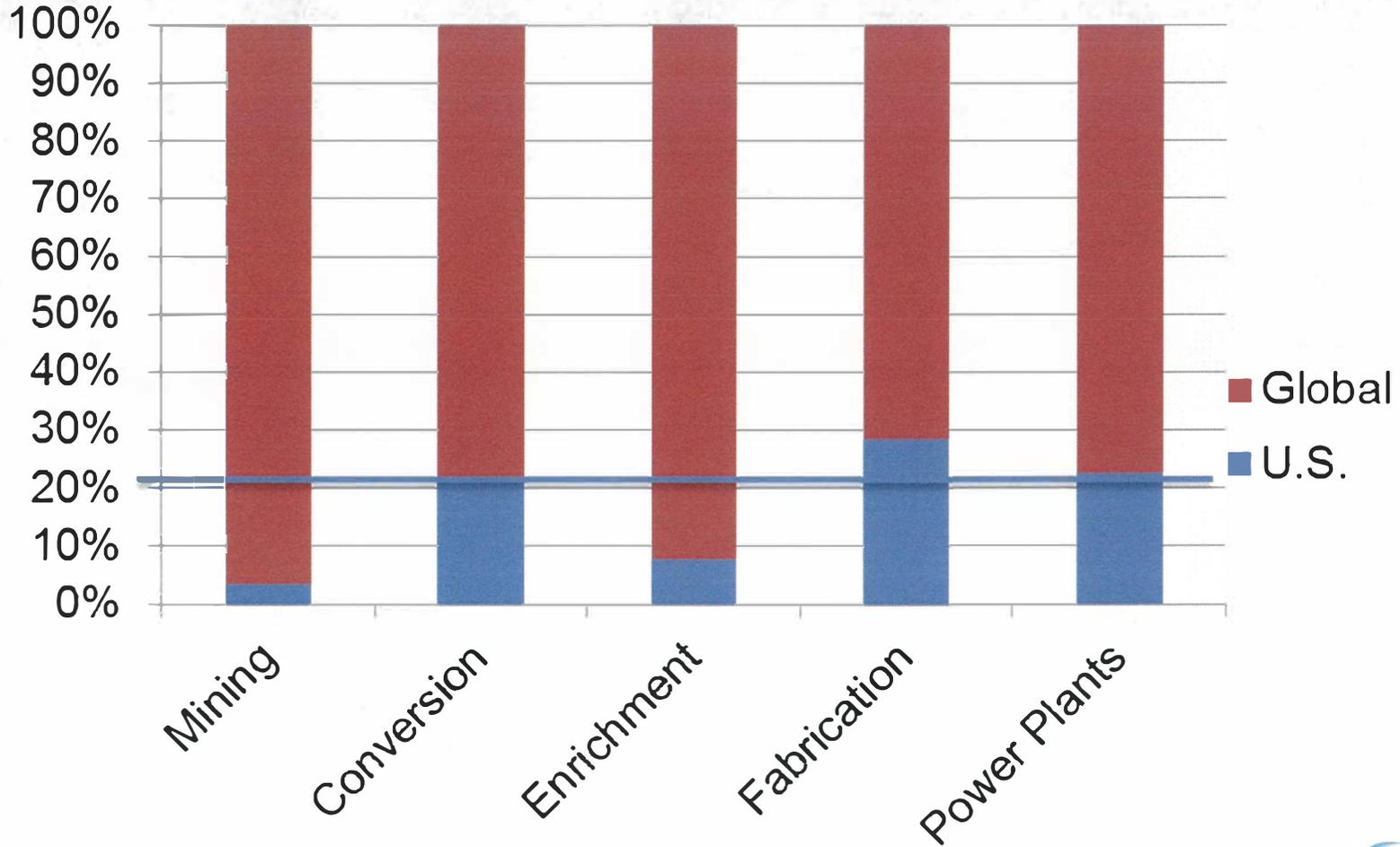


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- UUSA was granted its NRC license in June 2006 and began initial operations in June 2010
 - Currently, URENCO has invested approximately \$4B in building out the UUSA plant
 - UUSA is currently producing 4.7M SWU and is licensed to produce up to 10M SWU
 - UUSA produces roughly 1/3 of the US demand for enrichment services, which provides 5% of total electricity demand

The Nuclear Fuel Cycle



US and Global Nuclear Fuel Supply & Demand



UUSA Site 2006



UUSA Site Today



UUSA Site Today



UUSA Site Today



Contributions to the Local Economy



RICHIE ENRICHMENT SCIENCE WORKSHOPS

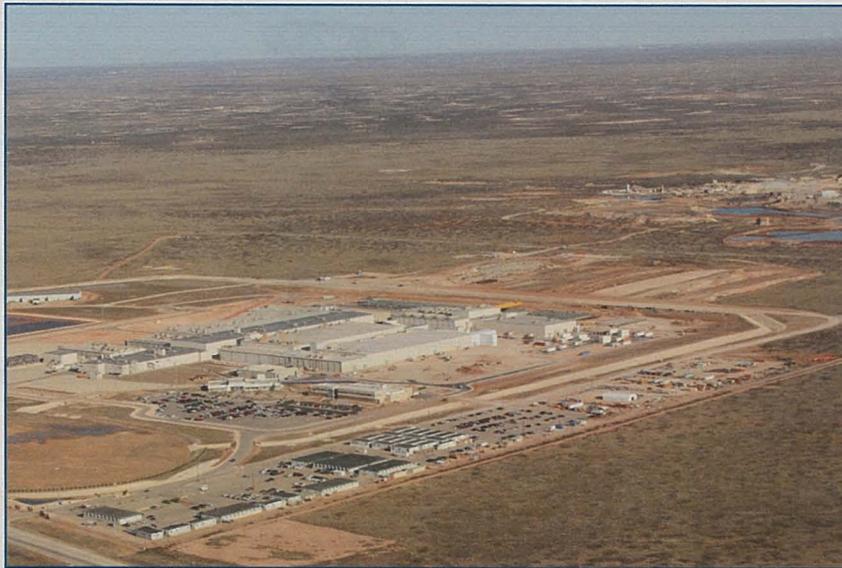
- **2,500 STUDENTS REACHED**
- **NEW CURRICULUM DEVELOPED**
- **HIGHLIGHTED DURING NUCLEAR SCIENCE WEEK**
- **K-3 SUMMER SCHOOL PROGRAM**
- **HUNDREDS OF RICHIE WORKSHOP GRADUATES SEND "THANK YOU" NOTES TO UUSA**
- **OVER 150 UUSA VOLUNTEERS PARTICIPATED**

UUSA Contributions to the Local Community



Modular Building & Furniture Donations

- 19 Building Donations
- Over \$30,000 of furniture donations to Habitat for Humanity
- Office furniture and supplies donated to the area schools and non-profit organizations



UUSA Contributions to the Local Community



Modular Building & Furniture Donations

- Boys & Girls Club
- Boy Scouts
- CASA of Lea County
- Economic Development Corporation of Lea County
- Guidance Center of Lea County
- Habitat for Humanity
- Heart's Desire
- Hobbs Police Department
- Lea County
- Lea County Sherriff's Office
- Lovington Police Department
- Lovington Schools
- Loving Schools



UUSA Contributions to the Local Community



- United Way of Lea County
 - Since 2008, UUSA has been the largest contributor to United Way with company and employee donations surpassing \$1.2 M
- Employee Volunteering
 - Last quarter, UUSA employees logged over 1,000 hours of volunteering time
- 9/11 Day of Service
 - Each year since 2009, approximately 200 volunteers make repairs to homes and other community improvements to honor those who lost their lives on 9/11
 - Over the course of this project, UUSA has helped to improve the homes and lives of over 150 seniors in the area

*An Overview of Market Conditions
in the Nuclear Industry*

Nuclear Energy Market

Demand < Supply



Demand

- On March 11, 2011, the earthquake that hit off the coast of Japan resulted in a tsunami that fundamentally changed the future of the nuclear industry
- The following immediate impacts were due to Fukushima
 - ~12% of global nuclear generating capacity went offline almost immediately when Japan shut down its nuclear fleet
 - Germany decided to move away from nuclear energy and at the completion of their phase out, another ~3% will go offline
 - New build programs in China and South Korea were significantly delayed

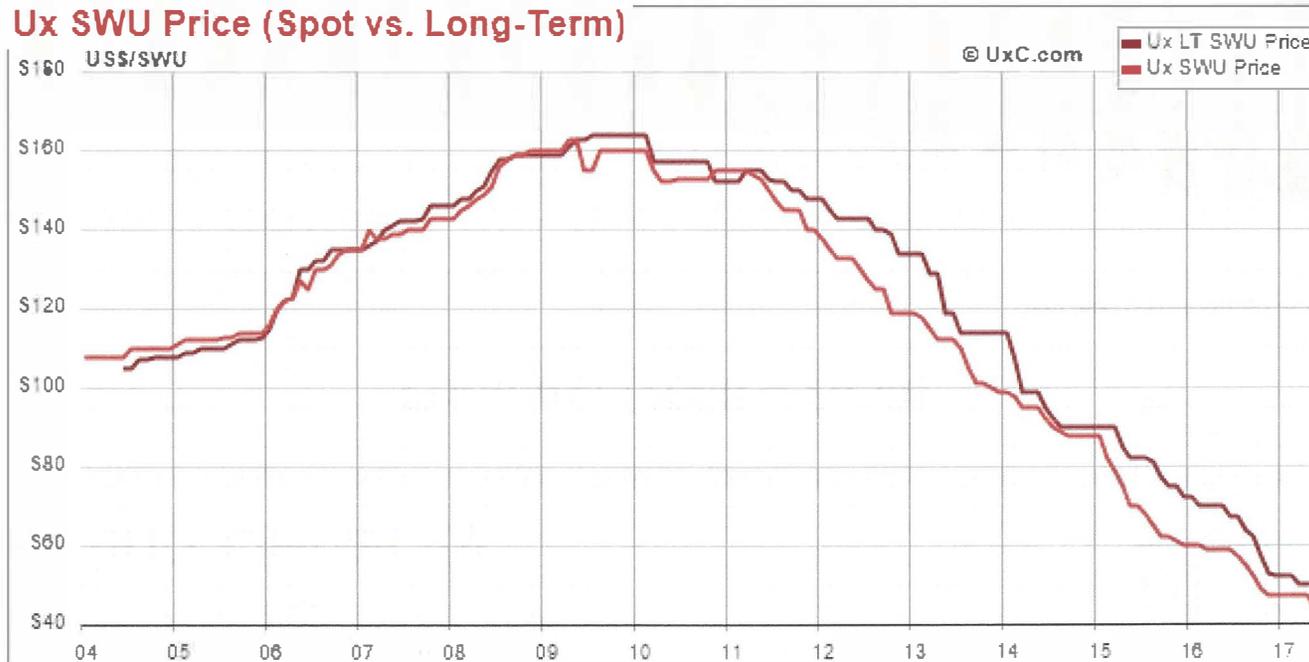
Nuclear Energy Market

Demand < Supply



Supply

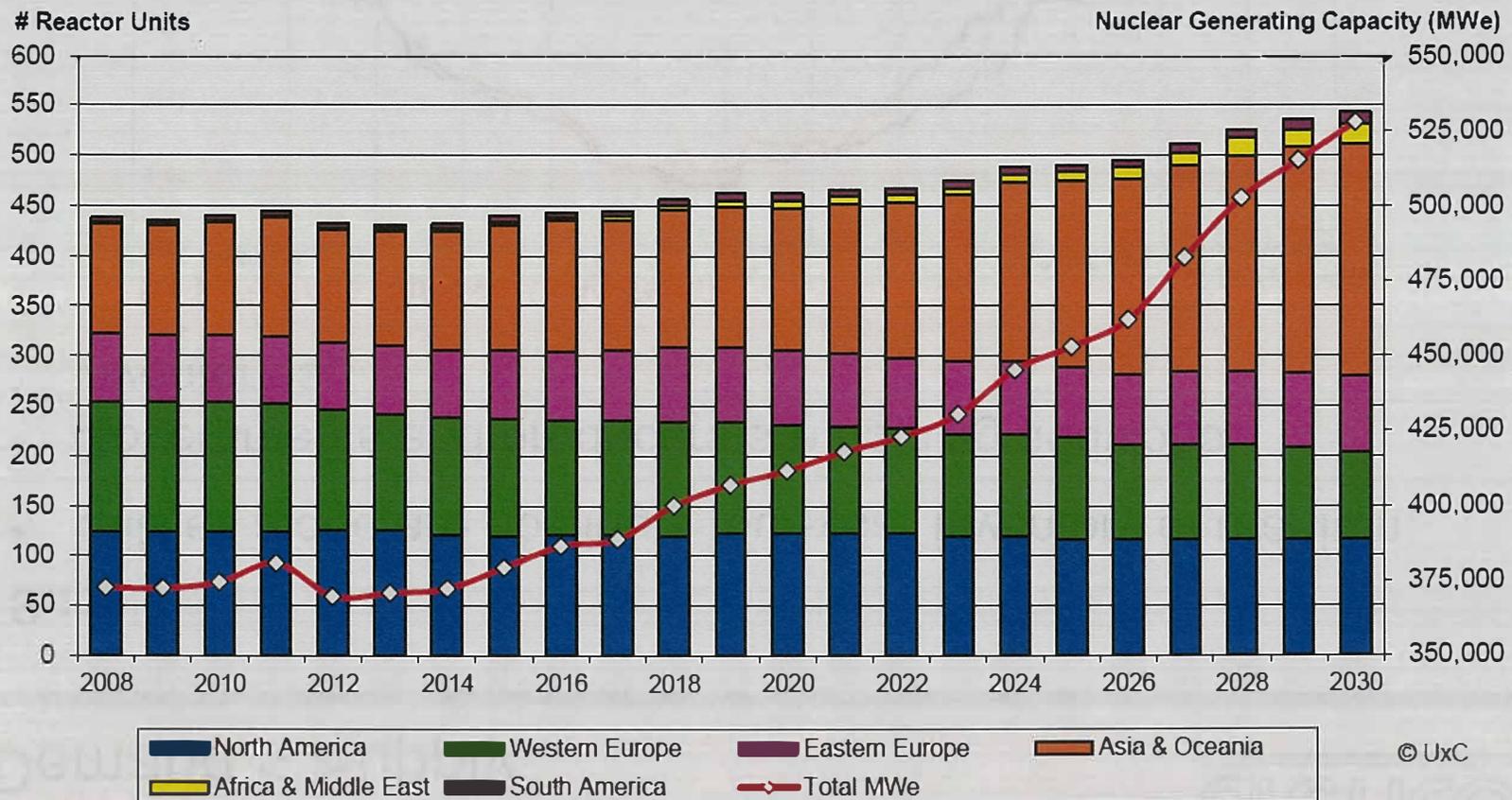
- Utilities alone are holding a four-year inventory of uranium.
- Governments and producers are holding additional inventories.



Nuclear Energy Market Generating Capacity



Forecast (2008 – 2030)



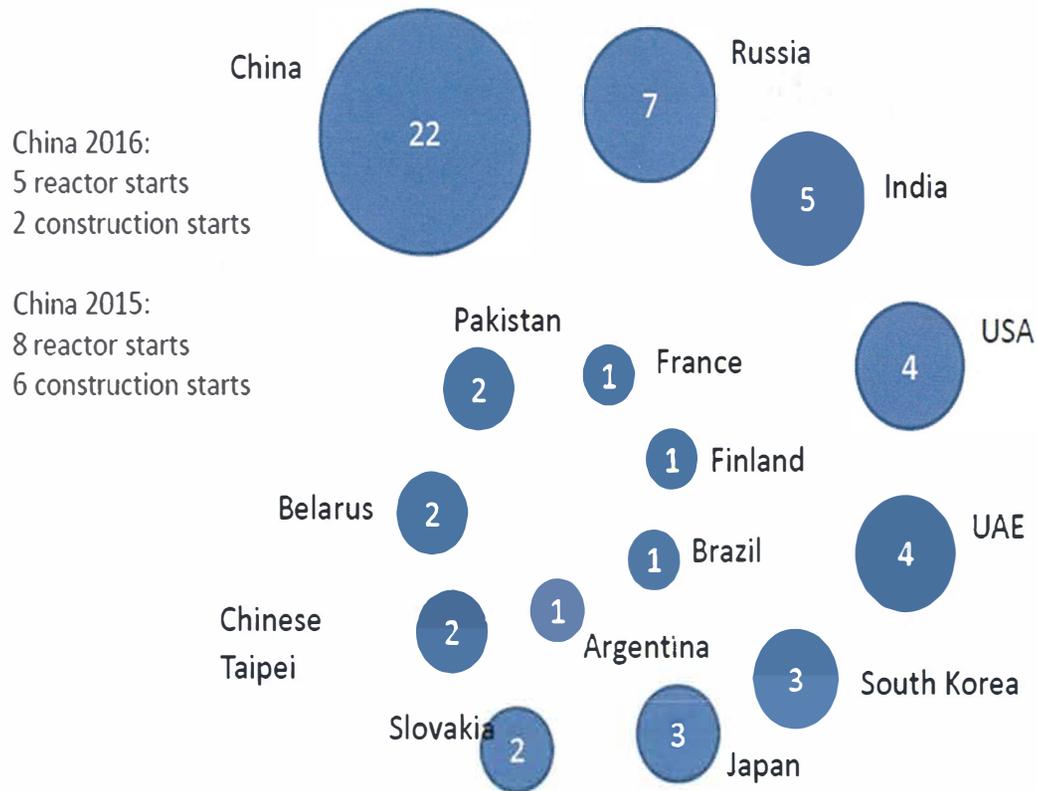
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Nuclear Energy Market Reactor Construction



WORLD NUCLEAR
ASSOCIATION

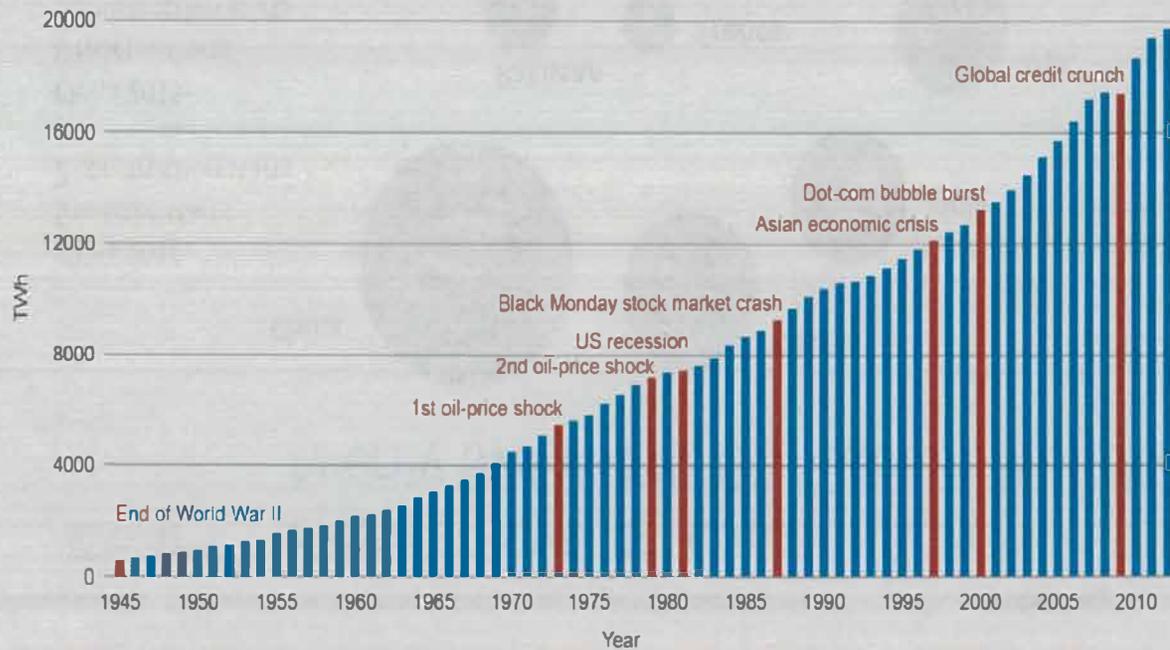
Highest level of construction in
twenty five years: 60 reactors worldwide



Nuclear Energy Market Consumption



Accelerating rise in world electricity consumption



Source: 1945-1979, International Energy Agency databases and analysis
1980-2012, Energy Information Administration

The Future for the Nuclear Industry

Challenges

- Demand < Supply
- Cost of operations and steep entry cost for new builds

Opportunities

- Continued growth in international markets
- Small Modular Reactors (SMR)
 - UBattery
- Decommissioning, interim storage, & disposal

Nuclear Energy Market URENCO's Response

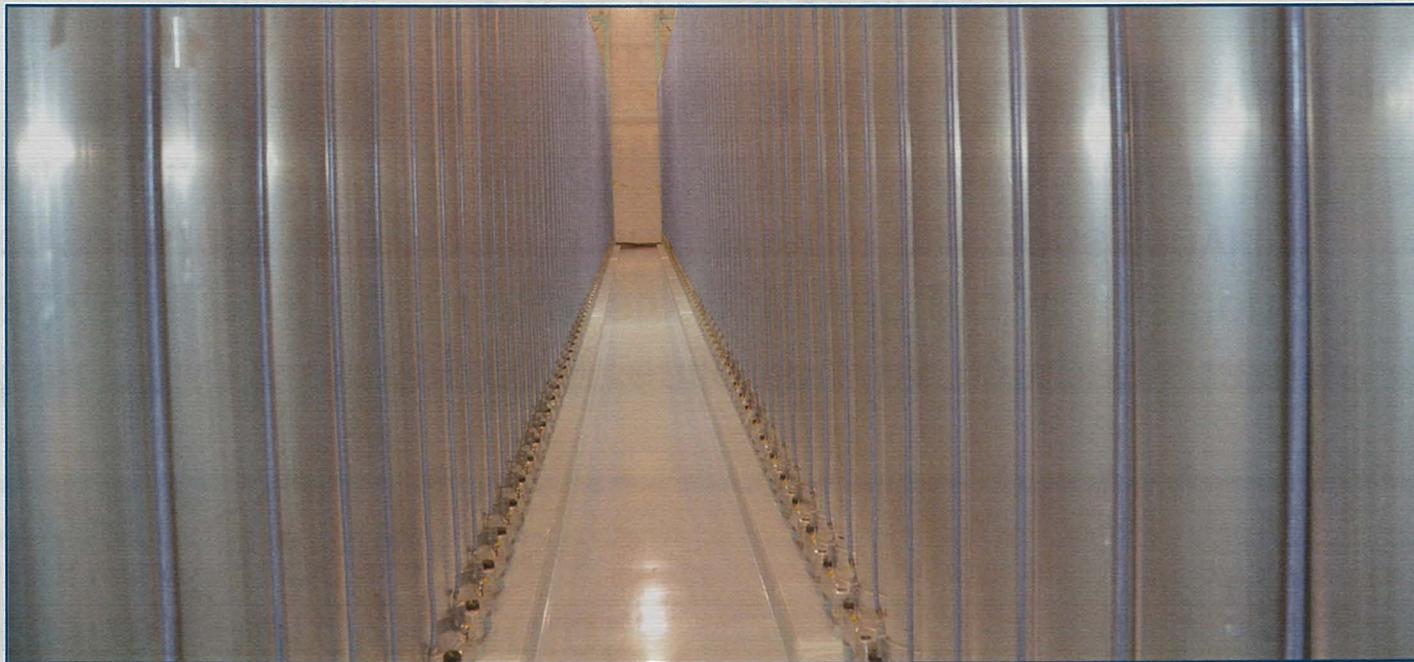


- URENCO is strategically realigning the company, taking advantage of our market strength and global position to ensure that we remain a sustainable business moving forward.
 - To accomplish this, we are taking a 3-pronged approach:
 - Optimizing the way we do business
 - Exploring growth opportunities to maximize our future sales
 - Expanding our technological capabilities to more broadly serve the nuclear industry

URENCO USA's Path Forward



- URENCO continues to believe that the world will need nuclear to meet the increasing demands for sustainable energy production and that we will be well positioned to be a significant part of this solution.



Questions?



