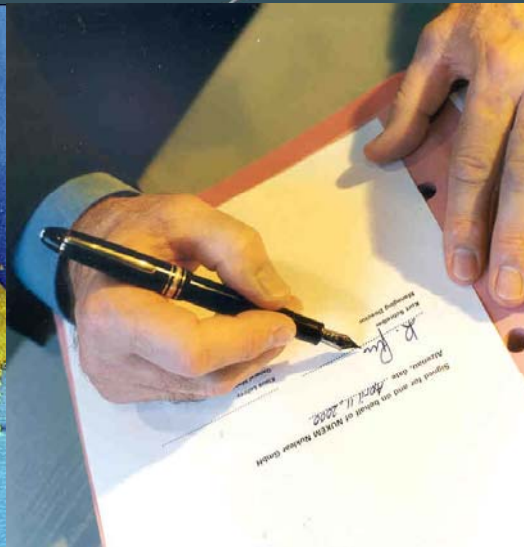


New Developments in Uzbekistan Uranium Production

Tim McGraw, *Executive Vice President, NUKEM, Inc.*
NEI July 12, 2011 Washington DC



Navoi and NUKEM

- First long-term contract signed with Navoi Mining and Metallurgical Combinat (NMMC) 1992
- Longest-running relationship with any Western company
- NUKEM markets bulk of Uzbek uranium
- NUKEM support for Navoi goes well beyond uranium marketing



Uzbekistan Uranium Mining Facilities



Navoi MMC Uranium Operations

- Northern Mining Unit (Uchkuduk)
Annual Production 700-750 tU
Life of mine to 2045 (known deposits)
- Southern Mining Unit (Nurabad)
Annual Production 600-650 tU
Life of mine to 2025 (known deposits)
- Mining Unit No. 5 (Zafarabad)
Annual Production 1,000-1,200 tU
Life of mine to 2045 (known deposits)

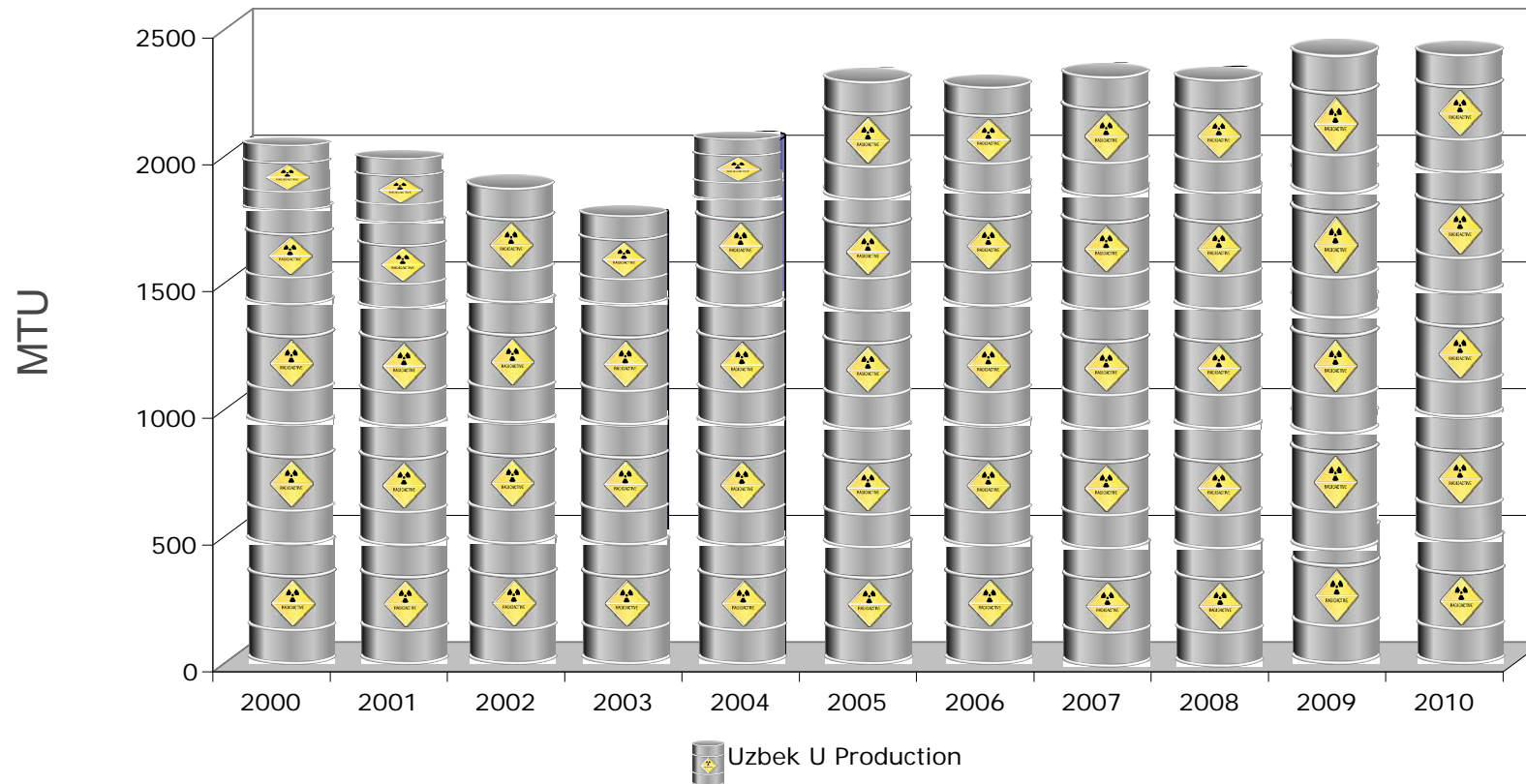


Navoi Uranium Operations

- All Mining Units send uranium-bearing solutions to Hydrometallurgical Plant No. 1 (in Navoi) by rail for further processing
- Concentrates shipped by rail to:
 - St. Petersburg, Russia for ocean transport to Western convertors
 - Russian conversion/enrichment facilities
 - Alashankou, China for delivery to Chinese conversion facilities



Historical Uzbekistan Uranium Output



Cementing the Relationship

- Finance capital equipment purchases
- Eliminate US and European trade barriers
- Formation and support of bilateral trade organizations:
 - Co-founded American-Uzbek Chamber of Commerce (AUCC)



Recent Developments: NAVOI MMC Level

- NUKEM Investment in new submersible pump assembly plant in Navoi Free Industrial Economic Zone
- NMMC mulling investment in new sulfuric acid plant (2012-2013)
- Potential NMMC expansion of polyethylene pipe capacity in near term
- NMMC now responsible for geologic exploration of new uranium deposits



Recent Developments: National Level

- Kazakhstan-Russia-Belorussian Customs Union may provide challenges for traditional equipment/material supply
- Reinforced emphasis on local manufacturing
- Continued strengthening of US – Uzbekistan relations
- Increased involvement/direct investment by large US corporations (e.g. GM, Boeing, Honeywell)

