



POCATOM

Key achievements of TENEX's activity in the world SWU market

TENEX

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TENEX: key indicators of core business

TENEX export breakdown, USD mln.

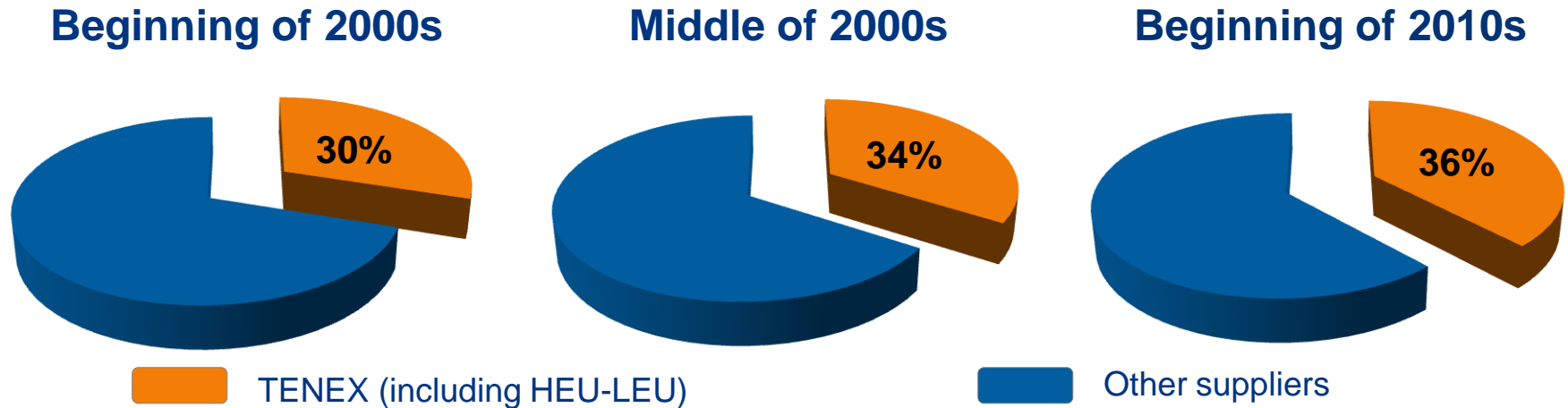
Indicators	2007	2008	2009	2010	2011
Turnover	2 651	3 402	3 454	3 984	3 835
Export, total	2 370	3 059	3 048	3 490	3 388
Incl. uranium-containing materials	2 335	3 023	2 897	3 252	3 339
Incl.:					
Commercial export of LEU and SWUs	1 576	2 205	2 011	2 313	2 330
HEU-LEU Agreement	759	818	886	939	1 009

❑ In 2011 export (including commercial) of uranium materials reached its all-time high

❑ In 2011 export of uranium materials exceeded by 3% the result of 2010. At the last 5-year period core business growth is even more evident: export of uranium materials in 2011 r. was by 43% higher than in 2007

TENEX: global market positions

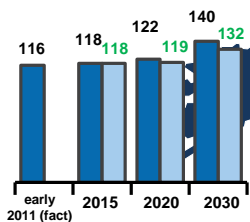
TENEX share of the Western SWU market



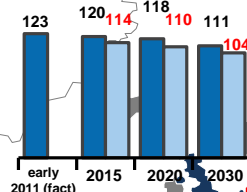
- ❑ Valuable market share held despite the negative market effect of the Fukushima accident
- ❑ Portfolio of long-term contracts is worth over USD 25 bln. By the end of 2011 (a record for the company's history) with the contracts lasting to 2025 and beyond
- ❑ 11 new contracts were concluded and 2 contracts were prolonged (incl. 7 new long-term contracts with U.S. and EU utilities) in 2011
- ❑ In summer 2011 the first commercial EUP delivery to the U.S. was executed under contract with Exelon concluded in frame of the Amendment to the Suspension Agreement of 2008

Prospects for nuclear power development

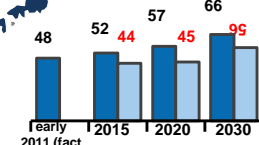
Americas



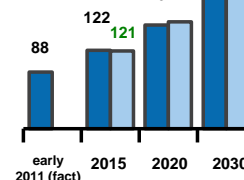
W. Europe



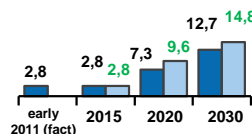
Japan



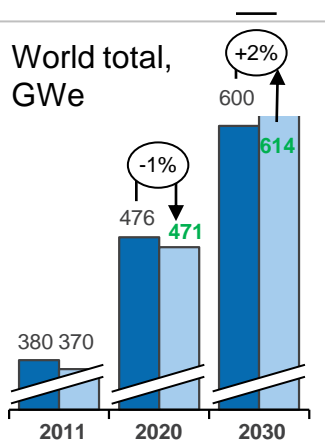
S-E Asia



Africa & Middle East



World total, GWe



Despite Fukushima accident, world energy picture remains unchanged – further global population (and resulting electricity demand) growth, concerns of environment protection and global warming threat predetermine objective need for further development of global nuclear power connected with regular safety improvement.

Uranium Market Situation and key trends

- Notable drop in demand resulted from the Fukushima accident and following NPPs shutdown in Japan (average annual capacity factor declined from 68.2% in 2010 to 38% in 2011) and Germany (halt of 8 reactors, i.e. 41% of the country nuclear fleet)
- Nuclear power development programs put on hold in some countries, plans for new reactors faced a challenge
- Additional material from stockpiles entered the market
- Some major market players have adjusted their long-term investment and production programs to keep pace with the market

Ux U3O8 Price - 2 Year History



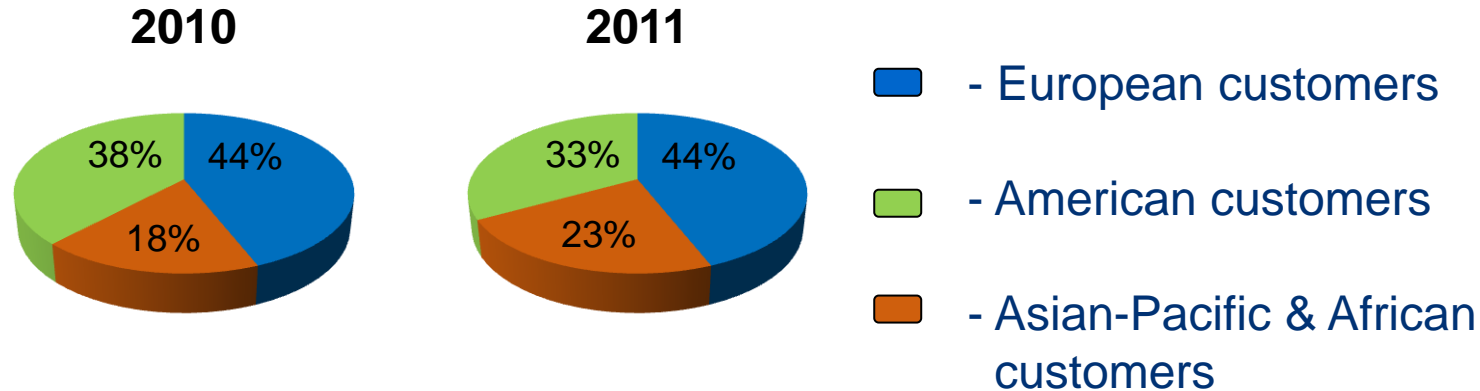
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Combination of these factors resulted in decreasing of the volume of long-term EUP/SWU contracting in 2011 and drop of market prices:

Ux Consulting U3O8 Spot Price declined by 29%, SWU Spot – down by 10% (Dec./Jan. 2011)

TENEX: activity in the main regional markets

Export structure by regions



Europe:

- Traditionally the most valuable market for TENEX
- Direct deliveries to E.U. utilities – high priority
- European Supply Agency – diversification policy limits deliveries from Russia

America:

- HEU-LEU Agreement (until end 2013)
- Backlog: 13 mid- and long-term contracts with 10 U.S. Utilities worth ~ USD 5.5 bln. (incl. contracts with Exelon and PSEG concluded in 2011)

TENEX: activity in the main regional markets (2)

America (cont'd):

- The Amendment to the Suspension Agreement signed in 2008 imposing limits on Russian uranium products deliveries to the U.S
- Administrative arrangements to U.S.-Russian “123” Agreement signed in 2011
- Transitional Supply Agreement with USEC signed and came into force in 2011
- An amended Administrative Arrangement for cooperation in the peaceful uses of nuclear energy with Canada signed in 2011

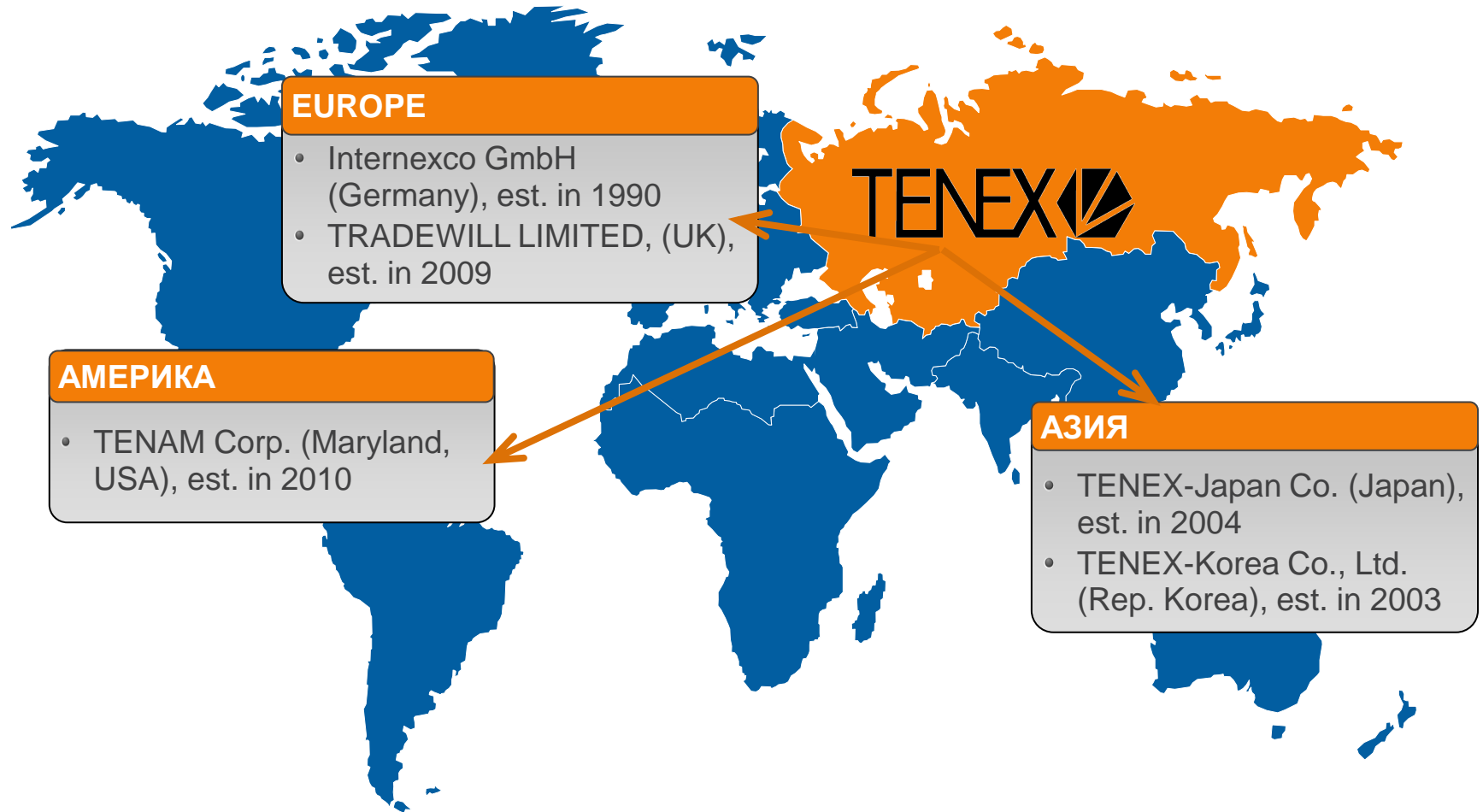
Asia:

- The most rapidly growing market
- Long-term cooperation on EUP deliveries for covering the NPP requirements in China and Republic of Korea. Existing direct contracts with most of Japanese utilities
- Japanese-Russian «123 Agreement» came into force in 2012
- Administrative arrangements to Australian-Russian “123” Agreement signed in 2011

Africa:

- EUP deliveries to NPP Koeberg under long-term contract with ESKOM

TENEX global sales network



✓ TENEX actively markets nuclear goods and services through its global sales network and plans its further development.

Main tasks of TENEX market activity for coming years

- Traditional markets: holding the position of leading supplier having regard to diversification policy and existing trade restrictions
- Mitigation of Fukushima impact on TENEX business
- Full use of market opportunities available under the Amendment to the Suspension Agreement
- Ensuring Russian uranium products access to new markets
- Projects connected with reprocessed uranium enrichment
- Projects aimed to the enhance of sales and marketing capabilities:
 - Logistics development program for increasing delivery flexibility and security, including Far East shipping point
 - Stockpiles to ensure the reliability of supply, taking advantages of the material account system
 - Further development of the global sales network