# Megatons to Megawatts Eliminates Equivalent of 10,000 Nuclear Warheads; President Bush Cites Program as Model of U.S-Russian Cooperation; America's Utilities Operating Nuclear Power Plants Make the Program Successful

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BETHESDA, Md., Sep 21, 2005 (BUSINESS WIRE) -- The Megatons to Megawatts program has completed the elimination of weapons-grade uranium equal to 10,000 nuclear warheads, USEC Inc. (NYSE:USU) announced today. Highly enriched uranium (HEU) from former Soviet nuclear warheads once aimed at the United States has been converted, diluted and recycled into low-enriched uranium (LEU) fuel purchased by USEC.

USEC markets the fuel to its utility customers for use in their commercial nuclear power plants. Once the material becomes LEU, it is no longer weapons-capable. This achievement marks the halfway point in this 20-year program.

USEC's utility customers have used Megatons to Megawatts fuel in more than 90 power reactors in 31 states. The fuel generates about 10 percent of America's electricity each year. To date, the total fuel purchased from Russia could generate enough electricity to power the United States for one year.

At a White House press conference last week following his meeting with Russian President Vladimir Putin, President Bush said, "This year we reached a milestone in nonproliferation cooperation by completing the conversion of 10,000 Russian nuclear warheads into peaceful fuel for U.S. power reactors. And I appreciate very much that sense of cooperation. That's good for the world to see."

James R. Mellor, USEC chairman, president and CEO, said, "Nuclear power plants help to hold the line on global climate change by being emission-free, and those plants that use Megatons to Megawatts fuel also play a vital role in achieving nuclear threat reduction. The benefits of nuclear power go beyond reliability and the environment. Together with our customers, USEC and our Russian partner OAO Techsnabexport (TENEX) are helping to make the world safer."

Nuclear Energy Institute President and CEO Skip Bowman said, "This milestone in the Megatons to Megawatts program demonstrates another link between the country's energy security, national security and nuclear non-proliferation. We have taken material from weapons once intended to do us harm and turned it into a safe, clean and affordable source of electricity that is powering our country."

Since 1995, 250 metric tons of HEU taken from dismantled nuclear weapons from the former Soviet Union has been recycled into LEU fuel, thus eliminating the equivalent of 10,000 nuclear warheads. USEC and TENEX will recycle a total of 500 metric tons of warhead HEU by the program's end in 2013, the equivalent of 20,000 nuclear warheads. Facilities in Russia convert the warhead material to LEU. USEC then takes delivery of the fuel for shipment to the United States and sale to its customers.

At the direction of both the U.S. government and the Russian Federation, the program has been commercially operated by USEC and TENEX, serving as executive agents for the two governments. Commercial implementation ensures that the program is financially self-sustaining--no taxpayer funds are required to operate the Megatons to Megawatts program.

USEC purchases of Megatons to Megawatts fuel are valued at nearly $500 million annually and total nearly $4 billion to date. Based on current market prices, by the end of the program, USEC estimates it will have paid Russia nearly $8 billion for the enrichment component of fuel purchases. Russia uses the funds for reliability and safety improvements of its nuclear industry, environmental protection and strengthening of the non-proliferation regime.

USEC Inc., a global energy company, is the world's leading supplier of enriched uranium fuel for commercial nuclear power plants.

SOURCE: USEC Inc.

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