



## **USEC Selects BWXT to Perform American Centrifuge Manufacturing Work**

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### **- Transition from Boeing to BWXT Will Not Affect American Centrifuge Plant Schedule -**

BETHESDA, Md., Jun 27, 2007 (BUSINESS WIRE) -- USEC Inc. (NYSE:USU) announced today that it has selected BWX Technologies, Inc. (BWXT) to perform manufacturing work in Oak Ridge, Tenn., for USEC's American Centrifuge uranium enrichment program.

BWXT will manufacture components for centrifuge machines to be used in USEC's American Centrifuge Plant in Piketon, Ohio. Previously this work was expected to be done by The Boeing Company. Boeing is currently working with the city of Oak Ridge to make its existing facilities available for USEC's centrifuge manufacturing.

USEC selected BWXT because of its extensive experience with the design and cost-effective manufacturing of nuclear components and classified machinery. The transition, scheduled to occur in late 2007, is not expected to affect demonstration of the Lead Cascade or the deployment schedule for the American Centrifuge Plant.

"USEC is excited to have a company of BWXT's caliber join our team to take over the manufacturing work that Boeing has been performing for the American Centrifuge program. We are working side-by-side with both companies to make sure we have a seamless transition from Boeing to BWXT," said John K. Welch, USEC president and chief executive officer.

"BWXT is pleased to join USEC in its American Centrifuge uranium enrichment program," said John Fees, chief executive officer of The Babcock & Wilcox Companies (BWXT is a wholly owned subsidiary of The Babcock & Wilcox Companies). "We are looking forward to providing them with the same high-level of service and products that we have provided to the nuclear industry for more than 50 years."

USEC has been working with Boeing on possible transition plans since Boeing decided to move its commercial airplane parts fabrication and assembly work from Oak Ridge to other Boeing sites. Boeing Oak Ridge has been procuring, manufacturing and assembling machine components for USEC's American Centrifuge Demonstration Facility in Piketon since late 2004.

The American Centrifuge Plant will use U.S. gas centrifuge technology based on a design originally developed by the U.S. Department of Energy but with design, material and manufacturing improvements. USEC has been testing and manufacturing individual machine components at its Centrifuge Technology Center and K-1600 facilities in Oak Ridge since 2005.

USEC expects to operate a Lead Cascade of centrifuge machines in the American Centrifuge Demonstration Facility in Piketon this summer. The Company is working toward beginning commercial plant operations in late 2009 and having approximately 11,500 machines deployed in 2012, which would provide about 3.8 million separative work units (SWU) of production based on current estimates of machine output and plant availability. The U.S. Nuclear Regulatory Commission (NRC) issued a construction and operating license for the American Centrifuge Plant in April and construction began in May.

The American Centrifuge technology is modular by design and plant output can be expanded as the demand for nuclear fuel increases. The NRC's May 2006 Environmental Impact Statement evaluated the modular expansion of the plant to about double its production capability. The American Centrifuge Plant will employ over 400 people at the plant site in Piketon and create hundreds of additional highly skilled manufacturing jobs in the United States.

As America's only commercial uranium enrichment facility using U.S. centrifuge technology, the American Centrifuge Plant will play an important role in America's energy security. Enrichment is the process by which the concentration of the fissionable uranium isotope, U-235, is increased in order to make fuel for nuclear power plants.

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

BWXT, headquartered in Lynchburg, Va. and a subsidiary of McDermott International, Inc. (NYSE:MDR), has a long history in nuclear manufacturing and operations, both in the U.S. Department of Energy and at its unique, highly secure, privately owned and operated nuclear manufacturing and laboratory facilities. Supplying the U.S. government and commercial clients with nuclear products and services for over 50 years, BWXT has unparalleled experience in nuclear safeguards and security. BWXT is responsible for the operations of the DOE's National Nuclear Security Administration's Pantex Plant in Texas and Y-12 National

Security Complex in Tenn., along with nuclear operations at the Idaho National Laboratory. BWXT also has a significant management and oversight role at the Los Alamos National Laboratory as a member of the managing team, the Los Alamos National Security, LLC.

This news release contains forward-looking statements (within the meaning of the Private Securities Litigation Reform Act of 1995) that involve risks and uncertainty. For USEC, particular risks and uncertainties that could cause our actual future results to differ materially from those expressed in our forward-looking statements include, but are not limited to: the success of the demonstration and deployment of our American Centrifuge technology, including our ability to meet our target cost estimate and schedule for the American Centrifuge plant and our ability to secure required external financial support; changes to, or termination of, our contracts with the U.S. government and changes in U.S. government priorities and the availability of government funding; the competitive environment for our products and services; and other risks and uncertainties discussed in our filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K and quarterly reports on Form 10-Q. We do not undertake to update our forward-looking statements except as required by law.

SOURCE: USEC Inc.

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