



American Centrifuge Project Update

May 6, 2009

Initial cascade of AC100 series machines being assembled and prepared for operations USEC continues active discussions with Department of Energy regarding potential funding through Loan Guarantee Program Value engineering work ongoing to reduce manufacturing cost and simplify design

BETHESDA, Md.--(BUSINESS WIRE)--May. 6, 2009-- USEC Inc. (NYSE:USU) today provided an update on its progress in building the American Centrifuge Plant in Piketon, Ohio.

"This has been a very active period for the American Centrifuge project as we prepare the initial cascade of AC100 series machines for closed-loop operations in the third quarter and continue to value engineer the centrifuge design in preparation for high-volume machine manufacturing next year," said John K. Welch, USEC president and chief executive officer.

"We have also been in active discussions with the Department of Energy regarding potential funding through the Loan Guarantee Program for completing the American Centrifuge Plant. We continue to seek an expeditious funding commitment from DOE and financial closing on a federal loan later this year," he said.

American Centrifuge Overview

We have been developing and demonstrating a highly efficient uranium enrichment gas centrifuge technology that we call the American Centrifuge. We are deploying this technology in the American Centrifuge Plant being built in Piketon, Ohio. Since August 2007 we have operated a cascade of prototype machines in our Lead Cascade test program that has provided valuable data on operational characteristics of the machine, aided in developing improvements to the design of the commercial production machines and given staff operational experience.

We refer to our production centrifuge machine design as the AC100 series centrifuge machine. The AC100 series machine is designed to produce 350 SWU per year, which output is substantially greater than our competitors' machines. Within this overall AC100 design, we have finalized two design releases. The first was released to our strategic suppliers in 2008 in preparation for installing a test cascade of these AC100 series machines in Piketon in 2009. In late March 2009, we completed a second design release for the AC100 series machines, which we refer to as the AC100 Mod 1 machine. We are continuing to value engineer the centrifuge design to reduce the cost of manufacturing the machine and simplify subsystems, which will result in future versions of the AC100 series.

The American Centrifuge uranium enrichment technology has demonstrated performance above our current target of 350 SWU per machine, per year. Our plan is to seek sustained improvement in centrifuge design that will be integrated into the commercial plant over time. Before a new version of the machine is introduced into the ACP, a design review board will determine through a disciplined process if the improvements provide sufficient cost and performance improvement to implement.

At our state-of-the-art test facilities in Oak Ridge, Tennessee we have been testing individual centrifuge machines with improved operating characteristics and a lower cost to manufacture. We intend to integrate these improvements in future versions of the AC100. We have several test stands operating now with AC100 centrifuges. We believe these facilities provide the environment for testing future, improved versions of the machine.

Project Funding

USEC needs to raise a significant amount of additional capital to continue funding and to complete the American Centrifuge Plant. USEC does not believe public market financing for a large capital project such as American Centrifuge is available given current financial market conditions. In July 2008, USEC applied to the DOE Loan Guarantee Program as the path for obtaining \$2 billion in debt financing to complete the American Centrifuge Plant. Areva, a company majority owned by the French government, also applied for funding under this program and is also being considered by DOE.

We are seeking an expeditious funding commitment by DOE and financial closing later this year. However, USEC has no assurance that its project will move forward in the program, and even if it does, it could still take an extended period for the loan guarantee and funding to be finalized. Accordingly, in February 2009, USEC initiated steps to conserve cash and reduce the

planned escalation of project construction and machine manufacturing activities until USEC gains greater certainty on potential funding for the project through the DOE Loan Guarantee Program. In addition, on a parallel path, USEC continues to evaluate the potential for third-party investment.

Initial AC100 Series Cascade

Our strategic suppliers have been manufacturing parts for the initial AC100 machines since 2008. In manufacturing parts for the AC100, suppliers must replicate on a commercial basis manufacturing that we previously self-performed in building our prototype machines. We are working with leading companies to create a world-class industrial infrastructure needed to build components for the AC100 machines and supporting equipment. The specialized U.S. manufacturing base needed to build the AC100 did not exist but is being established with our leadership. Under contract arrangements with USEC, our suppliers are also helping to create the manufacturing base for a revitalized U.S. nuclear fuel industry in a dozen states.

A cascade of initial AC100 machines is expected to be operational early in the third quarter of 2009. This cascade will be in a closed-loop configuration as required under our demonstration license from the NRC but will otherwise operate under commercial plant conditions. During this continuation of our Lead Cascade testing program, we expect to obtain data on machine-to-machine interactions, plant design, subsystem performance, various support systems such as the service module, and cascade electronic control systems. Many of the initial machines for this cascade have been assembled, are operating and are being conditioned with uranium hexafluoride gas in preparation for cascade operations. Additional machines will be added during the summer until we reach 40 to 50 AC100 machines in Lead Cascade testing. These 40 to 50 machines are expected to operate into 2010.

We expect the first machines in the initial AC100 series cascade will have a throughput somewhat less than 350 SWU per year as we continue to optimize the AC100 series machine. However, we remain confident that the AC100 series machines that are deployed in the commercial plant will achieve an average performance level of 350 SWU per year, supporting an annual SWU production capacity of the ACP of 3.8 million SWU.

ACP Work Continues

During the first quarter of 2009, we announced that we began taking steps to conserve cash and reduce the planned escalation of project construction and machine manufacturing activities until we gain greater certainty on potential funding for the project through the DOE Loan Guarantee Program. However, we continue to invest as planned in engineering design, machine value engineering and the initial AC100 series cascade deployment.

The reduction in the planned escalation principally affected construction of the plant's interior infrastructure that had been expected to ramp up significantly in 2009. Construction of the ACP includes various systems including electric, telecommunications, cooling, and water distribution. Although plant construction has slowed to conserve cash, we have continued with engineering and design for the commercial plant by Fluor Corporation. The design is approximately 75 percent complete. The two existing production buildings have space for approximately 11,500 centrifuges. The availability of machine mounts that anchor the centrifuges in place is complete in one production building and about 90 percent complete in the second building. Work continues on the total refurbishment of the feed and withdrawal facility, and installation of the piping between this facility and the production buildings is expected to begin in the third quarter. Other activities include refurbishing the machine assembly area, constructing a new boiler building and related equipment, and building a monorail system in the machine assembly building during the second half of 2009.

Our decision to slow spending until a decision is made by the DOE Loan Guarantee Program will increase costs and extend the schedule for the completion of the project. We are currently engaged with our strategic suppliers in assessing the potential impact on cost and schedule and the potential impact will depend on the length and severity of our spending slowdown. We expect to provide an update as we gain greater certainty on potential funding through the DOE Loan Guarantee Program.

Customers Contract for ACP Output

Our Marketing and Sales department continues to meet with customers to sell ACP output, which is important to our financing efforts for ACP. Sales contracts for this initial output represent a strategic commitment by customers to ensure a reliable, U.S.-based source of nuclear fuel that will be available for decades to come. Leading nuclear utilities in the United States, Europe and Asia have committed to purchase a substantial portion of the plant's output through both accepted offers and signed contracts for terms of varying lengths extending as far as 2026. At the end of the first quarter of 2009, we announced that we have commitments from 10 customers to purchase more than half of the planned, initial sales of the ACP. These commitments are valued at \$3.3 billion.

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

Forward Looking Statements

This news release contains “forward-looking statements” – that is, statements related to future events. In this context, forward-looking statements may address our expected future business and financial performance, and often contain words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “will” and other words of similar meaning. Forward-looking statements by their nature address matters that are, to different degrees, uncertain. 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: risks related to the deployment of the American Centrifuge technology, including our ability to meet targets for performance, cost and schedule and to obtain financing; our success in obtaining a loan guarantee for the American Centrifuge Plant and the impact of delays in financing on project spending, cost and schedule; uncertainty regarding the cost of electric power used at our gaseous diffusion plant; 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, including loan guarantees; the competitive environment for our products and services; changes in the nuclear energy industry; 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. Revenue and operating results can fluctuate significantly from quarter to quarter, and in some cases, year to year. We do not undertake to update our forward-looking statements except as required by law.

Source: USEC Inc.

USEC Inc.

Investors: Steven Wingfield (301) 564-3354

Media: Elizabeth Stuckle (301) 564-3399