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Item 1.01 Entry into a Material Definitive Agreement.

On September 12, 2005, in connection with the Company's restructuring (see Item 2.05 below), USEC Inc. ("USEC" or the "Company") entered into a severance agreement and general release with Lisa Gordon-Hagerty, the Company's executive vice president and chief operating officer. The information required by this Item 1.01 with respect to such agreement is incorporated by reference from Item 5.02 below.

In addition, on September 8, 2005 and September 12, 2005, respectively, the Company entered into a severance agreement and general release (the "Severance Agreements") with each of James F. McDonnell, USEC's vice president and chief information and security officer, and Charles B. Yulish, USEC's vice president, corporate communications (the "Former Officers"). Under these agreements, each of the Former Officers' employment will terminate on September 23, 2005 and, in exchange for agreeing to certain covenants and a full release of any claims against the Company, each Former Officer will receive severance in an amount equal to (a) the pro-rated portion of his 2005 target annual incentive bonus plus (b) a gross sum equal to the amount of his annual base salary plus average annual bonus during the last three years. This severance will be paid by the Company in installments over a one-year period. In addition, each of the Severance Agreements also provides for up to 6 months of outplacement assistance and continuation of the Former Officers' coverage under USEC's medical plans (at no cost to them) and other benefits for one year.

In addition, on September 8, 2005 and September 12, 2005, the Company entered into consulting agreements (the "Consulting Agreements") with each of Messrs. McDonnell and Yulish, respectively, which provide for a monthly payment of \$1,000, plus payment for any services provided in an aggregate amount not to exceed \$25,000, for a one-year term.

These severance benefits are included in the estimate of cash restructuring charges disclosed under Item 2.05 below and are subject to the Former Officers' right to revoke and continued compliance with the Severance Agreements. The foregoing summary of the Severance Agreements and the Consulting Agreements is qualified in its entirety by reference to the Severance Agreements and the Consulting Agreements filed as Exhibits 10.85, 10.86, 10.87 and 10.88 to this Form 8-K.

Item 1.02 Termination of a Material Definitive Agreement.

The information required by this Item 1.02 with respect to the termination of Lisa Gordon-Hagerty's existing employment agreement is incorporated by reference from Item 5.02 below.

Item 2.05 Costs Associated with Exit or Disposal Activities.

On September 7, 2005, the Company announced a major realignment to ensure that the organization remains sharply focused on both current operations and the Company's future, the American Centrifuge. The restructuring will place priority on the demonstration and deployment of the American Centrifuge, while maintaining reliable and efficient enrichment operations. As part of this restructuring and realignment, the Company announced that it would be streamlining USEC's organization and resizing the headquarters operations. This includes the implementation of a reduction in the Company's current headquarters staff of 132 by approximately one-third, including the elimination of some senior positions and the realignment of responsibilities under a smaller senior management team. The Company expects that this reduction will be substantially completed by September 30, 2005.

The Company currently estimates that it will incur a one time restructuring charge of approximately \$5 million, of which \$4.9 million relates to severance costs (including all related benefits and taxes). Of the approximately \$5 million in one-time charges, \$4.3 million will require a cash payment over the next year.

A copy of the press release announcing this restructuring is attached to this Form 8-K as Exhibit 99.1.

Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

As part of the Company's restructuring (see Item 2.05 above), the position of chief operating officer currently held by Lisa Gordon-Hagerty was eliminated, effective September 7, 2005. Ms. Hagerty's employment with the Company will terminate on September 30, 2005.

In conjunction with the termination of Ms. Gordon-Hagerty's employment, the Company terminated the existing Employment Agreement dated December 15, 2003 between the Company and Ms. Gordon-Hagerty (the "Employment Agreement"), effective September 30, 2005. Under the Employment Agreement, upon termination, the Company is obligated to pay to Ms. Gordon-Hagerty the severance payments provided for therein, which include a lump sum amount in cash equal to \$1,158,336 (representing the pro-rated portion of her 2005 target bonus plus a gross sum equal to the amount of her average base salary plus average annual bonus during the last two years). A copy of the Employment Agreement, filed as Exhibit 10.63 to the Company's annual report on Form 10-K for the year ended December 31, 2003, is incorporated herein by reference.

In addition, on September 12, 2005, the Company entered into a severance agreement and general release with Ms. Gordon-Hagerty. This agreement provides that Ms. Gordon-Hagerty's employment will terminate on September 30, 2005 and, in exchange for agreeing to certain

covenants and a full release of any claims against the Company, in addition to the severance benefits payable to Ms. Gordon-Hagerty pursuant to the Employment Agreement, Ms. Gordon-Hagerty will be entitled to receive a pro-rated portion of payouts awarded by the Company's compensation committee with respect to certain restricted stock units at the end of the current three-year performance period under the Company's long-term incentive program as well as up to 6 months of outplacement assistance and other benefits for one year.

These severance benefits are included in the estimate of restructuring charges disclosed under Item 2.05 and, in the case of the benefits payable pursuant to the severance agreement and general release, are subject to Ms. Gordon-Hagerty's right to revoke and continued compliance with the severance agreement and general release. The foregoing summary of the severance agreement and general release is qualified in its entirety by reference to the agreement filed as Exhibit 10.89 to this Form 8-K.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

Exhibit Number ---Description

10.63 ---Employment Agreement dated December 15, 2003 between the Company and Lisa Gordon-Hagerty (incorporated by reference to Exhibit 10.63 to the Company's Form 10-K for the year ended December 31, 2003).

10.85 ---Severance Agreement and General Release dated September 8, 2005 by and between the Company and James F. McDonnell.

10.86 ---Severance Agreement and General Release dated September 12, 2005 by and between the Company and Charles B. Yulish.

10.87 ---Consulting Agreement dated September 8, 2005 by and between the Company and James F. McDonnell.

10.88 ---Consulting Agreement dated September 12, 2005 by and between the Company and Charles B. Yulish.

10.89 ---Severance Agreement and General Release dated September 12, 2005 by and between the Company and Lisa Gordon-Hagerty.

99.1 ---Press release, dated September 7, 2005, issued by USEC Inc. announcing corporate restructuring.

This report contains "forward-looking statements" – that is, statements related to future events. In this context, forward-looking statements may address our restructuring and the timing and amount of restructuring charges 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: problems or delays in implementing our restructuring plan, unexpected expenditures, and other risks and uncertainties discussed in our filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K/A. We do not undertake to update our forward-looking statements except as required by law.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

September 13, 2005

USEC Inc.

By: */s/ Ellen C. Wolf*

*Name: Ellen C. Wolf
Title: Senior Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)*

Exhibit Index

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99.1	Press release, dated September 7, 2005, issued by USEC Inc. announcing corporate restructuring.

SEVERANCE AGREEMENT AND GENERAL RELEASE

This Severance Agreement and General Release (the "Agreement") is between USEC Inc., a Delaware corporation ("USEC" or the "Company") and James F. McDonnell ("Employee") (USEC and Employee being sometimes referred to herein individually as the "Party" and collectively as the "Parties").

WHEREAS, Employee has been employed by USEC in the capacity of Vice President & Chief Information and Security Officer; and

WHEREAS, Employee's services are no longer required by the Company and Employee's employment with the Company is terminated as of the date noted below in Section 1. Nevertheless, to reduce the impact of this separation of Employee's employment and in exchange for, among other things, Employee's full release of claims against the Company and the other covenants and agreements contained herein, the Company hereby offers Employee the severance package described in this Agreement;

NOW THEREFORE, IT IS HEREBY AGREED by and between Employee and USEC as follows:

1. EMPLOYEE'S SEPARATION. Pursuant to this Agreement, Employee shall be separated from employment with the Company effective September 23, 2005 (the "Separation Date").

2. SEVERANCE PAYMENT AND OTHER BENEFITS.

(a) In full consideration of Employee's execution of this Agreement, and Employee's agreement to be legally bound by its terms, the Company agrees (i) to pay to Employee as severance pay the gross sum of \$315,000 (representing one year of Employee's base salary as in effect on the Separation Date plus an amount equal to the average annual bonus received by Employee for the three years preceding the Separation Date), and the gross sum of \$61,411 (representing a prorated portion of Employee's 2005 target annual incentive), minus all payroll deductions required by law or authorized by Employee (the "Severance Payment"); (ii) to continue Employee as a participant (if enrolled on the Separation Date) in the Company's Medical Plan, Dental Plan, basic Life Insurance Program and Employee Assistance Program for one year after the Separation Date (provided, however, that if and when Employee becomes eligible for benefits through reemployment, Employee shall promptly notify the Company of such eligibility and the Company's obligation to provide such coverage pursuant to this Agreement shall cease immediately), on the same terms as when Employee was an active employee of the Company, except at no cost to Employee, and (iii) to provide Employee with up to six (6) month(s) of outplacement counseling and services through a provider retained by the Company or a provider selected by Employee provided the cost shall not exceed \$15,000 in the aggregate and in no event will USEC be obligated to provide cash in lieu of outplacement services.

(b) The Severance Payment shall be paid in equal installments over a period of one (1) year, in accordance with the Company's regular pay schedule. The Company shall commence such payments upon either the next regularly scheduled pay day after the 8th day following Employee's execution of this Agreement or the next regularly scheduled pay day after the Separation Date, whichever is later. To the extent required by Treasury guidelines, regulations or any other applicable law or regulations, all or any portion of the Severance Payment may, at the discretion of the Company, be paid in a lump sum payment on an accelerated basis.

(c) Employee acknowledges and agrees that the Severance Payment and other benefits provided in Section 2(a) constitute consideration that, but for the mutual covenants set forth in this Agreement, the Company otherwise would not be obligated to provide to Employee and that the Company is under no obligation whatsoever to make any other severance payment to Employee.

3. GENERAL RELEASE. Employee, for and in consideration of the undertakings of the Company set forth herein, and intending to be legally bound, does hereby permanently and irrevocably sever Employee's employment relationship with USEC and also does hereby remise, release, and forever discharge USEC and its subsidiaries, affiliates, and their officers, directors, shareholders, employees and agents, their respective successors and assigns, heirs, executors, and administrators (herein referred to collectively as "Releasees") of and from any and all actions and causes of actions, suits, debts, claims and demands whatsoever in law or in equity, which Employee ever had, now has, or which Employee or Employee's heirs, executors or administrators may have, by reason of any matter, cause or thing whatsoever, from the beginning of Employee's employment with USEC up to and including the date of this Agreement, and particularly, but without limitation, any claims arising from or relating in any way to Employee's employment relationship or the termination of Employee's employment relationship with USEC, including, but not limited to, any claims which have been asserted, could have been asserted or could be asserted now or in the future, including any claims under any federal, state or local laws, including, but not limited to, the United States Constitution, the Maryland Constitution, Title VII of the Civil Rights Act of 1964, as amended, the Age Discrimination in Employment Act of 1967, as amended, the Americans with Disabilities Act of 1990, as amended, the Fair Labor Standards Act, as amended, the Family and Medical Leave Act of 1993, as amended, the National Labor Relations Act, as amended, the Labor-Management Relations Act, as amended, the Workers Retraining and Notification Act of 1988,

as amended, the Rehabilitation Act of 1973, as amended, the Employee Retirement Income Security Act of 1974, as amended, Section 211 of the Energy Reorganization Act of 1974, as amended, the Maryland Human Rights Act, as amended or any other federal or state law or regulation.

4. NO DISPARAGEMENTS. Employee agrees that, subject to the provisions of Section 9 below, Employee shall not make any oral or written, public or private statements that are disparaging of the Company, its parents, subsidiaries or affiliates, or any of their respective present or former officers, directors, agents, employees, successors or assigns. The Company agrees that, subject to compliance with applicable law and regulations, it will instruct its executive officers and members of its Board of Directors not to make any oral or written, public or private statements that are disparaging of Employee or Employee's work for the Company, its parents, subsidiaries or affiliates.

5. RETURN OF COMPANY'S DOCUMENTS AND PROPERTY. Employee agrees to return, on or before the Separation Date, and at Employee's expense, all originals and copies of records, documents, proposals, notes, lists, files and any and all other materials, including, without limitation, computerized and/or electronic information, that refer, relate or otherwise pertain to the Company, or any and all of the Company's parents, subsidiaries or affiliates, or any of their respective officers, directors, shareholders, agents, employees, and successors or assigns, and any and all business dealings of said persons and entities ("Company Documents"). In addition, Employee shall return to the Company all Company property or equipment that Employee has been issued during the course of Employee's employment or which Employee otherwise currently possesses. Employee is not authorized to retain any Company Documents or Company property or equipment.

6. CONFIDENTIALITY OF TRADE SECRETS OR PROPRIETARY INFORMATION. Employee acknowledges that Employee has had or may have had access to proprietary information, trade secrets, and confidential material or information of the Company, including, but not limited to, contracts, bids, information regarding actual and pending projects, marketing strategies, budgetary and other financial information, and information and/or documents that are subject to the attorney-client and/or work product privileges (the "Confidential Information"). Employee agrees, without limitation in time or until the Confidential Information shall become public other than by Employee's unauthorized disclosure, to maintain the confidentiality of the Confidential Information and refrain from divulging, disclosing, or otherwise using the Confidential Information unless directed to do so by an appropriate government or judicial authority or unless Employee first obtains the Company's prior written consent.

7. PERMANENT SEPARATION. Employee hereby recognizes and agrees that effective as of the Separation Date Employee's employment relationship with Releasees has been permanently and irrevocably severed and that Releasees have no obligation, contractual or otherwise, to hire, rehire or re-employ him in the future.

8. NON-ADMISSION OF LIABILITY. Nothing in this Agreement shall be construed as an admission of liability or violation of federal, state or local statute or regulation, or of any duty owed by Employee or the Releasees; rather, Employee and the Releasees are resolving all matters arising out of their employer-employee relationship and/or any other relationship between Employee and the Releasees, as to each of which each of the Releasees and Employee deny any liability.

9. NUCLEAR, WORKPLACE, PUBLIC SAFETY AND SARBANES-OXLEY CONCERNS. Employee understands and acknowledges that nothing in this Agreement prohibits, penalizes, or otherwise discourages Employee from reporting, providing testimony regarding, or otherwise communicating any nuclear safety concern, workplace safety concern, public safety concern, or concern of any sort, to the U.S. Nuclear Regulatory Commission, the U.S. Department of Labor, or any federal or state government agency. Employee further understands and acknowledges that nothing in the provisions of this Agreement conditions or restricts Employee's communication with, or full cooperation in proceedings or investigations by, any federal or state agency. Employee also understands and acknowledges that nothing in this Agreement shall be construed to prohibit him from engaging in any activity protected by the Sarbanes-Oxley Act, 18 U.S.C. § 1514A or Section 211 of the Energy Reorganization Act of 1974, as amended.

10. REVIEW AND REVOCATION PERIOD.

(a) Employee hereby certifies that Employee has read the terms of this Agreement, that Employee has been informed by the Company that Employee should discuss this Agreement with an attorney of Employee's own choice, and that Employee understands its terms and effects. Employee further certifies that Employee has the intention of releasing all claims recited herein in exchange for the consideration described herein, which Employee acknowledges as adequate and satisfactory to Employee.

(b) Employee hereby certifies that Employee is signing and entering into this Agreement as a free and voluntary act without duress or undue pressure or influence of any kind or nature whatsoever and has not relied on any promises, representations or warranties regarding the subject matter hereof other than as set forth in this Agreement.

(c) Employee acknowledges that Employee has been given the right to consider this Agreement for a period of at least forty-five (45) days prior to entering into the Agreement. Employee further understands that Employee may take as much of this 45-day period of time to consider this Agreement as Employee wishes before signing this Agreement, and Employee expressly acknowledges that

Employee has taken sufficient time to consider this Agreement before signing it.

(d) Employee further acknowledges that Employee has the right to revoke this Agreement within seven (7) days of its execution by giving written notice of such revocation by hand delivery or fax to the Company, Attention Richard Rowland (fax no. 301-564-3203). This Agreement will not become effective or binding on the parties until the eighth (8th) day after it is signed by Employee. Employee understands that if Employee revokes the Agreement under this Section, this Agreement will become null and void and Employee will not be entitled to any benefits conferred by this Agreement including the payments set forth in Section 2.

(e) Employee acknowledges that Employee has been previously informed in writing by the Company of the criteria for eligibility for the separation benefits for which Employee is eligible, and which Employee will receive as a result of entering into this Agreement. He certifies that he has been informed that in order to be eligible for such separation benefits, individuals must have been separated by the Company in connection with the September, 2005 reduction-in-force. Employee certifies that the Company has provided him in writing, information concerning (i) the group of individuals covered by this employment termination program by job title, and (ii) the job titles and ages of individuals selected for the program and of individuals who were not selected for the program.

11. SEVERABILITY. While the provisions contained in this Agreement are considered by the Parties to be reasonable in all circumstances, it is recognized that some provisions may fail for technical reasons. Accordingly, it is hereby agreed and declared that if one or more of such provisions shall, either by itself or themselves or taken with others, be adjudged to be invalid as exceeding what is reasonable in all circumstance for the protection of the interests of the Company, but would be valid if any particular restrictions or provisions were deleted or restricted or limited in a particular manner, then the said provisions shall apply with any such deletions, restrictions, limitations, reductions, curtailments, or modifications as may be necessary to make them valid and effective and the remaining provisions shall be unaffected thereby.

12. ENTIRE AGREEMENT; MODIFICATION. This Agreement constitutes the entire understanding of the Parties regarding the subject matter hereof and may not be modified without the express written consent of the Parties. This Agreement supersedes all prior written and/or oral and all contemporaneous written and/or oral agreements, understandings and negotiations regarding the subject matter hereof. Employee acknowledges and agrees that the provisions that survive termination of employment under Employee's Change In Control Agreement dated as of June 16, 2004, including but not limited to Section 7 (relating to confidential information, non-solicitation and non-competition), remain in full force and effect following the Separation Date.

13. SEC REPORTING REQUIREMENTS. Employee agrees that Employee will comply with all reporting requirements under Section 16 of the Securities Exchange Act of 1934, as amended, applicable to a former Section 16 reporting officer.

14. GOVERNING LAW; CONSENT TO JURISDICTION. This Agreement and any disputes arising therefrom shall be governed by the laws of the State of Maryland and Employee hereby agrees to submit to the jurisdiction of the courts of the State of Maryland for any claims arising under this Agreement.

15. GENDER. Any gender reference is intended to apply to both male and female employees.

PLEASE READ CAREFULLY. THIS AGREEMENT CONTAINS A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties have executed and delivered the foregoing Severance Agreement and General Release this 8th day of September, 2005.

USEC Inc.

By: /s/ Lance Wright

Title: SVP, Human Resources &
Administration

Date: September 8, 2005

EMPLOYEE:

/s/ James F. McDonnell

Signature – **James F. McDonnell**

Date: September 8, 2005

SEVERANCE AGREEMENT AND GENERAL RELEASE

This Severance Agreement and General Release (the "Agreement") is between USEC Inc., a Delaware corporation ("USEC" or the "Company") and Charles B. Yulish ("Employee") (USEC and Employee being sometimes referred to herein individually as the "Party" and collectively as the "Parties").

WHEREAS, Employee has been employed by USEC in the capacity of Vice President, Corporate Communications; and

WHEREAS, Employee's services are no longer required by the Company and Employee's employment with the Company is terminated as of the date noted below in Section 1. Nevertheless, to reduce the impact of this separation of Employee's employment and in exchange for, among other things, Employee's full release of claims against the Company and the other covenants and agreements contained herein, the Company hereby offers Employee the severance package described in this Agreement;

NOW THEREFORE, IT IS HEREBY AGREED by and between Employee and USEC as follows:

1. EMPLOYEE'S SEPARATION. Pursuant to this Agreement, Employee shall be separated from employment with the Company effective September 23, 2005 (the "Separation Date").

2. SEVERANCE PAYMENT AND OTHER BENEFITS.

(a) In full consideration of Employee's execution of this Agreement, and Employee's agreement to be legally bound by its terms, the Company agrees (i) to pay to Employee as severance pay the gross sum of \$291,862 (representing one year of Employee's base salary as in effect on the Separation Date plus an amount equal to the average annual bonus received by Employee for the three years preceding the Separation Date), and the gross sum of \$53,771 (representing a prorated portion of Employee's 2005 target annual incentive), minus all payroll deductions required by law or authorized by Employee (the "Severance Payment"); (ii) to continue Employee as a participant (if enrolled on the Separation Date) in the Company's Medical Plan, Dental Plan, basic Life Insurance Program and Employee Assistance Program for one year after the Separation Date (provided, however, that if and when Employee becomes eligible for benefits through reemployment, Employee shall promptly notify the Company of such eligibility and the Company's obligation to provide such coverage pursuant to this Agreement shall cease immediately), on the same terms as when Employee was an active employee of the Company, except at no cost to Employee, and (iii) to provide Employee with up to six (6) month(s) of outplacement counseling and services through a provider retained by the Company or a provider selected by Employee provided the cost shall not exceed \$15,000 in the aggregate and in no event will USEC be obligated to provide cash in lieu of outplacement services.

(b) The Severance Payment shall be paid in equal installments over a period of one (1) year, in accordance with the Company's regular pay schedule. The Company shall commence such payments upon either the next regularly scheduled pay day after the 8th day following Employee's execution of this Agreement or the next regularly scheduled pay day after the Separation Date, whichever is later. To the extent required by Treasury guidelines, regulations or any other applicable law or regulations, all or any portion of the Severance Payment may, at the discretion of the Company, be paid in a lump sum payment on an accelerated basis.

(c) Employee acknowledges and agrees that the Severance Payment and other benefits provided in Section 2(a) constitute consideration that, but for the mutual covenants set forth in this Agreement, the Company otherwise would not be obligated to provide to Employee and that the Company is under no obligation whatsoever to make any other severance payment to Employee.

3. GENERAL RELEASE. Employee, for and in consideration of the undertakings of the Company set forth herein, and intending to be legally bound, does hereby permanently and irrevocably sever Employee's employment relationship with USEC and also does hereby remise, release, and forever discharge USEC and its subsidiaries, affiliates, and their officers, directors, shareholders, employees and agents, their respective successors and assigns, heirs, executors, and administrators (herein referred to collectively as "Releasees") of and from any and all actions and causes of actions, suits, debts, claims and demands whatsoever in law or in equity, which Employee ever had, now has, or which Employee or Employee's heirs, executors or administrators may have, by reason of any matter, cause or thing whatsoever, from the beginning of Employee's employment with USEC up to and including the date of this Agreement, and particularly, but without limitation, any claims arising from or relating in any way to Employee's employment relationship or the termination of Employee's employment relationship with USEC, including, but not limited to, any claims which have been asserted, could have been asserted or could be asserted now or in the future, including any claims under any federal, state or local laws, including, but not limited to, the United States Constitution, the Maryland Constitution, Title VII of the Civil Rights Act of 1964, as amended, the Age Discrimination in Employment Act of 1967, as amended, the Americans with Disabilities Act of 1990, as amended, the Fair Labor Standards Act, as amended, the Family and Medical Leave Act of 1993, as amended, the National Labor Relations Act, as amended, the Labor-Management Relations Act, as amended, the Workers Retraining and Notification Act of 1988, as amended, the Rehabilitation Act of 1973, as amended, the Employee Retirement Income Security Act of 1974, as amended,

Section 211 of the Energy Reorganization Act of 1974, as amended, the Maryland Human Rights Act, as amended or any other federal or state law or regulation.

4. NO DISPARAGEMENTS. Employee agrees that, subject to the provisions of Section 9 below, Employee shall not make any oral or written, public or private statements that are disparaging of the Company, its parents, subsidiaries or affiliates, or any of their respective present or former officers, directors, agents, employees, successors or assigns.

5. RETURN OF COMPANY'S DOCUMENTS AND PROPERTY. Employee agrees to return, on or before the Separation Date, and at Employee's expense, all originals and copies of records, documents, proposals, notes, lists, files and any and all other materials, including, without limitation, computerized and/or electronic information, that refer, relate or otherwise pertain to the Company, or any and all of the Company's parents, subsidiaries or affiliates, or any of their respective officers, directors, shareholders, agents, employees, and successors or assigns, and any and all business dealings of said persons and entities ("Company Documents"). In addition, Employee shall return to the Company all Company property or equipment that Employee has been issued during the course of Employee's employment or which Employee otherwise currently possesses. Employee is not authorized to retain any Company Documents or Company property or equipment.

6. CONFIDENTIALITY OF TRADE SECRETS OR PROPRIETARY INFORMATION. Employee acknowledges that Employee has had or may have had access to proprietary information, trade secrets, and confidential material or information of the Company, including, but not limited to, contracts, bids, information regarding actual and pending projects, marketing strategies, budgetary and other financial information, and information and/or documents that are subject to the attorney-client and/or work product privileges (the "Confidential Information"). Employee agrees, without limitation in time or until the Confidential Information shall become public other than by Employee's unauthorized disclosure, to maintain the confidentiality of the Confidential Information and refrain from divulging, disclosing, or otherwise using the Confidential Information unless directed to do so by an appropriate government or judicial authority or unless Employee first obtains the Company's prior written consent.

7. PERMANENT SEPARATION. Employee hereby recognizes and agrees that effective as of the Separation Date Employee's employment relationship with Releasees has been permanently and irrevocably severed and that Releasees have no obligation, contractual or otherwise, to hire, rehire or re-employ him in the future.

8. NON-ADMISSION OF LIABILITY. Nothing in this Agreement shall be construed as an admission of liability or violation of federal, state or local statute or regulation, or of any duty owed by Employee or the Releasees; rather, Employee and the Releasees are resolving all matters arising out of their employer-employee relationship and/or any other relationship between Employee and the Releasees, as to each of which each of the Releasees and Employee deny any liability.

9. NUCLEAR, WORKPLACE, PUBLIC SAFETY AND SARBANES-OXLEY CONCERNS. Employee understands and acknowledges that nothing in this Agreement prohibits, penalizes, or otherwise discourages Employee from reporting, providing testimony regarding, or otherwise communicating any nuclear safety concern, workplace safety concern, public safety concern, or concern of any sort, to the U.S. Nuclear Regulatory Commission, the U.S. Department of Labor, or any federal or state government agency. Employee further understands and acknowledges that nothing in the provisions of this Agreement conditions or restricts Employee's communication with, or full cooperation in proceedings or investigations by, any federal or state agency. Employee also understands and acknowledges that nothing in this Agreement shall be construed to prohibit him from engaging in any activity protected by the Sarbanes-Oxley Act, 18 U.S.C. § 1514A or Section 211 of the Energy Reorganization Act of 1974, as amended.

10. REVIEW AND REVOCATION PERIOD.

(a) Employee hereby certifies that Employee has read the terms of this Agreement, that Employee has been informed by the Company that Employee should discuss this Agreement with an attorney of Employee's own choice, and that Employee understands its terms and effects. Employee further certifies that Employee has the intention of releasing all claims recited herein in exchange for the consideration described herein, which Employee acknowledges as adequate and satisfactory to Employee.

(b) Employee hereby certifies that Employee is signing and entering into this Agreement as a free and voluntary act without duress or undue pressure or influence of any kind or nature whatsoever and has not relied on any promises, representations or warranties regarding the subject matter hereof other than as set forth in this Agreement.

(c) Employee acknowledges that Employee has been given the right to consider this Agreement for a period of at least forty-five (45) days prior to entering into the Agreement. Employee further understands that Employee may take as much of this 45-day period of time to consider this Agreement as Employee wishes before signing this Agreement, and Employee expressly acknowledges that Employee has taken sufficient time to consider this Agreement before signing it.

(d) Employee further acknowledges that Employee has the right to revoke this Agreement within seven (7) days of its execution by giving written notice of such revocation by hand delivery or fax to the Company, Attention Richard Rowland (fax no. 301-564-

3203). This Agreement will not become effective or binding on the parties until the eighth (8th) day after it is signed by Employee. Employee understands that if Employee revokes the Agreement under this Section, this Agreement will become null and void and Employee will not be entitled to any benefits conferred by this Agreement including the payments set forth in Section 2.

(e) Employee acknowledges that Employee has been previously informed in writing by the Company of the criteria for eligibility for the separation benefits for which Employee is eligible, and which Employee will receive as a result of entering into this Agreement. He certifies that he has been informed that in order to be eligible for such separation benefits, individuals must have been separated by the Company in connection with the September, 2005 reduction-in-force. Employee certifies that the Company has provided him in writing, information concerning (i) the group of individuals covered by this employment termination program by job title, and (ii) the job titles and ages of individuals selected for the program and of individuals who were not selected for the program.

11. SEVERABILITY. While the provisions contained in this Agreement are considered by the Parties to be reasonable in all circumstances, it is recognized that some provisions may fail for technical reasons. Accordingly, it is hereby agreed and declared that if one or more of such provisions shall, either by itself or themselves or taken with others, be adjudged to be invalid as exceeding what is reasonable in all circumstance for the protection of the interests of the Company, but would be valid if any particular restrictions or provisions were deleted or restricted or limited in a particular manner, then the said provisions shall apply with any such deletions, restrictions, limitations, reductions, curtailments, or modifications as may be necessary to make them valid and effective and the remaining provisions shall be unaffected thereby.

12. ENTIRE AGREEMENT; MODIFICATION. This Agreement constitutes the entire understanding of the Parties regarding the subject matter hereof and may not be modified without the express written consent of the Parties. This Agreement supersedes all prior written and/or oral and all contemporaneous written and/or oral agreements, understandings and negotiations regarding the subject matter hereof. Employee acknowledges and agrees that the provisions that survive termination of employment under Employee's Change In Control Agreement dated as of March 28, 2000, including but not limited to Section 7 (relating to confidential information, non-solicitation and non-competition), remain in full force and effect following the Separation Date.

13. SEC REPORTING REQUIREMENTS. Employee agrees that Employee will comply with all reporting requirements under Section 16 of the Securities Exchange Act of 1934, as amended, applicable to a former Section 16 reporting officer.

14. GOVERNING LAW; CONSENT TO JURISDICTION. This Agreement and any disputes arising therefrom shall be governed by the laws of the State of Maryland and Employee hereby agrees to submit to the jurisdiction of the courts of the State of Maryland for any claims arising under this Agreement.

15. GENDER. Any gender reference is intended to apply to both male and female employees.

PLEASE READ CAREFULLY. THIS AGREEMENT CONTAINS A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties have executed and delivered the foregoing Severance Agreement and General Release this 12th day of September, 2005.

USEC Inc.

By: /s/ Lance Wright

Title: SVP, Human Resources &
Administration

Date: September 12, 2005

EMPLOYEE:

/s/ Charles B. Yulish

Signature – **Charles B. Yulish**

Date: September 12, 2005

CONSULTING AGREEMENT

This Consulting Agreement (this "Agreement") is made on this 8th day of September, 2005, by and between USEC Inc., a Delaware corporation, ("USEC") and Mr. James F. McDonnell (the "Consultant").

WHEREAS, the Consultant is able and willing to provide certain consulting services to USEC;

WHEREAS, USEC desires to receive such consulting services;

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth, the sufficiency of which is hereby acknowledged by the parties, USEC and the Consultant do mutually agree as follows:

ARTICLE 1 — TERM

The term of this Agreement shall be for a period of one (1) year commencing on September 24, 2005 (the "Effective Date") and ending on September 23, 2006, unless sooner terminated pursuant to the terms hereof (the "Term").

ARTICLE 2 — SCOPE AND COMPENSATION

(a) During the Term, the Consultant shall provide strategic planning guidance to USEC relating to USEC's uranium enrichment activities and other activities as may be requested from time to time by USEC. In accordance with applicable laws and regulations, USEC at its expense shall continue to maintain Consultant's current DOE "Q" clearance during the term of this Agreement.

(b) During the Term, USEC shall pay the Consultant a retainer fee of one thousand dollars (\$1,000) per month for a total of twelve thousand dollars (\$12,000.00) (the "Retainer Fee"). In addition to the Retainer Fee, USEC shall pay the Consultant at a rate of two hundred dollars (\$200) per hour for time actually spent by the Consultant in rendering such services as are specifically requested by USEC's Chief Executive Officer, President, or any Senior Vice President. The rate includes all taxes, costs, and expenses for rendering such services. In no event will the total amount paid by USEC to Consultant under this Agreement exceed \$25,000 in the aggregate without the prior written consent of USEC.

(c) The retainer fee will be paid on the 5th of each month. Payments for fees and expenses shall be made once monthly within thirty (30) days of the receipt of an invoice from the Consultant specifying (i) the number of hours worked during the month being invoiced, and (ii) a short description of the services performed. All invoices shall be mailed to the address designated as account payable in Article 14.

ARTICLE 3 — WARRANTY

The Consultant shall be responsible for the professional quality of all services. The Consultant shall expend its best professional efforts to perform the services with all due diligence, economy and efficiency.

ARTICLE 4 — STATUS OF CONSULTANT

In the performance of the services, the Consultant shall act solely as an independent contractor, and nothing herein contained or implied shall at any time be so construed as to create the relationship of employer and employee, partnership, principal and agent, or joint venture between USEC and the Consultant.

ARTICLE 5 — USEC PROPRIETARY INFORMATION

The Consultant shall treat all information developed by or communicated to the Consultant in the performance of the services ("USEC Proprietary Information"), including but not limited to the contents of this Agreement, as USEC's proprietary and confidential information. Absent USEC's prior written consent, the Consultant shall not make any oral or written disclosure of any USEC Proprietary Information either during or after the Term to any persons other than persons, including employees of USEC and its subsidiaries and affiliates, who may be designated by USEC to work with the Consultant. This restriction does not apply to information (i) which is in the public domain as of the date of this Agreement or (ii) which enters the public domain thereafter other than through the act or omission of the Consultant.

The Consultant shall indemnify and hold USEC harmless from any and all liabilities, claims, demands, actions, costs, damages and any expenses relating thereto (including but not limited to reasonable attorney's fees) arising from any non-authorized disclosure by the Consultant of USEC Proprietary Information.

This Article 5 shall continue to apply after the expiration or termination of this Agreement.

ARTICLE 6 – TITLE

All documents, drawings, designs, specifications, notebooks, tracings, photographs, negatives, reports, findings, recommendations, data and memoranda of every description, arising out of and relating to the services are (and shall continue to be after the expiration of this Agreement) the property of USEC or its assigns, and USEC shall have the exclusive rights to use, copyright and/or publish such material. It is understood and the Consultant agrees that the use of these materials in any manner by USEC or its affiliates or assigns shall not result in any additional claim for compensation by the Consultant.

ARTICLE 7 — CONFLICT OF INTEREST

By entering into this Agreement with USEC, the Consultant represents that she presently has no conflicting interests, agreements or obligations with any other party. The Consultant shall promptly notify USEC in writing if a change in circumstances creates, or appears likely to create, a conflict with the Consultant's obligations hereunder or an appearance that such a conflict exists.

ARTICLE 8 — LIMITATION OF LIABILITY

The Consultant hereby releases USEC from any and all liability for damage to property or loss thereof, personal injury or death during the Term (and any extensions thereof) or thereafter, sustained by the Consultant as a result of performing the services under this Agreement or arising out of the performance of such services; provided, however, that the foregoing release shall not apply to the extent such damage, loss, injury or death is caused by or results from the gross negligence of USEC, its agents or employees.

Neither party shall be liable to the other party for any incidental, consequential, special, exemplary, penal, indirect or punitive damages of any nature arising out of or relating to the performance or breach of this Agreement.

ARTICLE 9 — TAXES

All taxes applicable to any amounts paid by USEC to the Consultant under this Agreement shall be the Consultant's liability and USEC shall not withhold nor pay any amounts for any taxes or governmental charges. Upon request by USEC, the Consultant shall provide documentation evidencing compliance with all applicable tax laws in regard to amounts received under this Agreement.

ARTICLE 10 — COMPLIANCE WITH APPLICABLE LAW

The Consultant shall at its own expense comply with all applicable federal, state and local laws, rules, regulations, codes and standards in providing the services under this Agreement.

ARTICLE 11 — TERMINATION

(a) USEC has the right to terminate this Agreement (i) if Consultant has not executed or has revoked a Severance and General Release Agreement with USEC; (ii) for cause at any time by giving the Consultant a written notice; or (iii) for any reason or for no reason by giving the Consultant a fourteen (14) day prior written notice of such termination. In such event, all the services being performed under this Agreement shall automatically terminate as of the effective date of termination indicated in USEC's notice, and USEC shall have no liability or obligation for any performance by the Consultant after the Consultant received or should have received such notice; provided, however, in the event USEC terminates this Agreement pursuant to sub-part (iii) of the previous sentence, USEC shall pay the Consultant the unpaid portion of the Retainer Fee.

(b) The Consultant has the right to terminate this Agreement for any reason or for no reason by giving USEC a fourteen (14) day prior written notice of such termination. In such event, USEC shall have no liability or obligation for any performance by the Consultant after USEC received or should have received such notice and the Consultant shall waive its right to receive the unpaid portion of the Retainer Fee.

ARTICLE 12 — ASSIGNMENTS AND SUB-CONTRACTS

The Consultant may not assign this Agreement. The rights and obligations of the Consultant under this Agreement are personal to the Consultant and may not be delegated or subcontracted to any other entity, without the prior written consent of USEC. USEC shall have the right to assign this Agreement including all rights, benefits and obligations hereunder to its parent company, affiliates or subsidiaries without the Consultant's consent.

ARTICLE 13 — NO AUTHORITY

The Consultant does not have any authority whatsoever, express or implied, to commit USEC (i) to perform in any manner for

any third party or (ii) to pay money for services or material to any third party.

ARTICLE 14 – NOTICES

Any notices or invoices required or permitted by this Agreement shall be in writing and shall be effective as received at the following addresses:

If to USEC

ATTN: John Frost

USEC Inc.

6903 Rockledge Drive

Bethesda, MD 20817-1818

If to the Consultant

James F. McDonnell

8891 McNair Drive

Alexandria, VA 22309

ARTICLE 15 — MISCELLANEOUS

(a) This Agreement is to be governed by the laws of the state of Maryland. In any judicial action relating to this Agreement, each party consents and submits to (and waives any objection to) the personal and subject matter jurisdiction of and venue in the federal court located in the state of Maryland (or, in case the federal court does not have jurisdiction, the state courts located in the state of Maryland).

(b) Subject to applicable law, the Consultant shall not issue any press release or make any public statement regarding this Agreement or performance hereunder without the prior written approval of USEC.

(c) If any provision of this Agreement is held invalid by a court of competent jurisdiction, such provision shall be severed from this Agreement and, to the extent possible, this Agreement shall continue without effect to the remaining provisions.

(d) This Agreement shall inure to the benefit of the parties and their respective successors and permitted assigns.

(e) The whole and entire agreement of the parties with respect to the subject matter hereof is set forth in this Agreement. The parties are not bound by any agreements, understandings or conditions otherwise than as expressly set forth herein.

(f) This Agreement may not be changed or modified in any manner except by a writing mutually signed by the parties or their respective successors and permitted assigns.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the date first set forth above with the intent to be legally bound thereby.

USEC Inc.

By: /s/ Lance Wright

Name: Lance Wright

Title: SVP, Human Resources &

Administration

/s/ James F. McDonnell

James F. McDonnell

CONSULTING AGREEMENT

This Consulting Agreement (this "Agreement") is made on this 12th day of September, 2005, by and between USEC Inc., a Delaware corporation, ("USEC") and Mr. Charles B. Yulish (the "Consultant").

WHEREAS, the Consultant is able and willing to provide certain consulting services to USEC;

WHEREAS, USEC desires to receive such consulting services;

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth, the sufficiency of which is hereby acknowledged by the parties, USEC and the Consultant do mutually agree as follows:

ARTICLE 1 — TERM

The term of this Agreement shall be for a period of one (1) year commencing on September 24, 2005 (the "Effective Date") and ending on September 23, 2006, unless sooner terminated pursuant to the terms hereof (the "Term").

ARTICLE 2 — SCOPE AND COMPENSATION

(a) During the Term, the Consultant shall provide strategic planning guidance to USEC relating to USEC's uranium enrichment activities and other activities as may be requested from time to time by USEC. In accordance with applicable laws and regulations, USEC at its expense shall continue to maintain Consultant's current DOE "Q" clearance during the term of this Agreement.

(b) During the Term, USEC shall pay the Consultant a retainer fee of one thousand dollars (\$1,000) per month for a total of twelve thousand dollars (\$12,000.00) (the "Retainer Fee"). In addition to the Retainer Fee, USEC shall pay the Consultant at a rate of two hundred dollars (\$200) per hour for time actually spent by the Consultant in rendering such services as are specifically requested by USEC's Chief Executive Officer, President, or any Senior Vice President. The rate includes all taxes, costs, and expenses for rendering such services. In no event will the total amount paid by USEC to Consultant under this Agreement exceed \$25,000 in the aggregate without the prior written consent of USEC.

(c) The retainer fee will be paid on the 5th of each month. Payments for other fees and expenses shall be made once monthly within thirty (30) days of the receipt of an invoice from the Consultant specifying (i) the number of hours worked during the month being invoiced, and (ii) a short description of the services performed. All invoices shall be mailed to the address designated as account payable in Article 14.

ARTICLE 3 — WARRANTY

The Consultant shall be responsible for the professional quality of all services. The Consultant shall expend its best professional efforts to perform the services with all due diligence, economy and efficiency.

ARTICLE 4 — STATUS OF CONSULTANT

In the performance of the services, the Consultant shall act solely as an independent contractor, and nothing herein contained or implied shall at any time be so construed as to create the relationship of employer and employee, partnership, principal and agent, or joint venture between USEC and the Consultant.

ARTICLE 5 — USEC PROPRIETARY INFORMATION

The Consultant shall treat all information developed by or communicated to the Consultant in the performance of the services ("USEC Proprietary Information"), including but not limited to the contents of this Agreement, as USEC's proprietary and confidential information. Absent USEC's prior written consent, the Consultant shall not make any oral or written disclosure of any USEC Proprietary Information either during or after the Term to any persons other than persons, including employees of USEC and its subsidiaries and affiliates, who may be designated by USEC to work with the Consultant. This restriction does not apply to information (i) which is in the public domain as of the date of this Agreement or (ii) which enters the public domain thereafter other than through the act or omission of the Consultant.

The Consultant shall indemnify and hold USEC harmless from any and all liabilities, claims, demands, actions, costs, damages and any expenses relating thereto (including but not limited to reasonable attorney's fees) arising from any non-authorized disclosure by the Consultant of USEC Proprietary Information.

This Article 5 shall continue to apply after the expiration or termination of this Agreement.

ARTICLE 6 – TITLE

All documents, drawings, designs, specifications, notebooks, tracings, photographs, negatives, reports, findings, recommendations, data and memoranda of every description, arising out of and relating to the services are (and shall continue to be after the expiration of this Agreement) the property of USEC or its assigns, and USEC shall have the exclusive rights to use, copyright and/or publish such material. It is understood and the Consultant agrees that the use of these materials in any manner by USEC or its affiliates or assigns shall not result in any additional claim for compensation by the Consultant.

ARTICLE 7 — CONFLICT OF INTEREST

By entering into this Agreement with USEC, the Consultant represents that she presently has no conflicting interests, agreements or obligations with any other party. The Consultant shall promptly notify USEC in writing if a change in circumstances creates, or appears likely to create, a conflict with the Consultant's obligations hereunder or an appearance that such a conflict exists.

ARTICLE 8 — LIMITATION OF LIABILITY

The Consultant hereby releases USEC from any and all liability for damage to property or loss thereof, personal injury or death during the Term (and any extensions thereof) or thereafter, sustained by the Consultant as a result of performing the services under this Agreement or arising out of the performance of such services; provided, however, that the foregoing release shall not apply to the extent such damage, loss, injury or death is caused by or results from the gross negligence of USEC, its agents or employees.

Neither party shall be liable to the other party for any incidental, consequential, special, exemplary, penal, indirect or punitive damages of any nature arising out of or relating to the performance or breach of this Agreement.

ARTICLE 9 — TAXES

All taxes applicable to any amounts paid by USEC to the Consultant under this Agreement shall be the Consultant's liability and USEC shall not withhold nor pay any amounts for any taxes or governmental charges. Upon request by USEC, the Consultant shall provide documentation evidencing compliance with all applicable tax laws in regard to amounts received under this Agreement.

ARTICLE 10 — COMPLIANCE WITH APPLICABLE LAW

The Consultant shall at its own expense comply with all applicable federal, state and local laws, rules, regulations, codes and standards in providing the services under this Agreement.

ARTICLE 11 — TERMINATION

(a) USEC has the right to terminate this Agreement (i) if Consultant has not executed or has revoked a Severance and General Release Agreement with USEC; (ii) for cause at any time by giving the Consultant a written notice; or (iii) for any reason or for no reason by giving the Consultant a fourteen (14) day prior written notice of such termination. In such event, all the services being performed under this Agreement shall automatically terminate as of the effective date of termination indicated in USEC's notice, and USEC shall have no liability or obligation for any performance by the Consultant after the Consultant received or should have received such notice; provided, however, in the event USEC terminates this Agreement pursuant to sub-part (iii) of the previous sentence, USEC shall pay the Consultant the unpaid portion of the Retainer Fee.

(b) The Consultant has the right to terminate this Agreement for any reason or for no reason by giving USEC a fourteen (14) day prior written notice of such termination. In such event, USEC shall have no liability or obligation for any performance by the Consultant after USEC received or should have received such notice and the Consultant shall waive its right to receive the unpaid portion of the Retainer Fee.

ARTICLE 12 — ASSIGNMENTS AND SUB-CONTRACTS

The Consultant may not assign this Agreement. The rights and obligations of the Consultant under this Agreement are personal to the Consultant and may not be delegated or subcontracted to any other entity, without the prior written consent of USEC. USEC shall have the right to assign this Agreement including all rights, benefits and obligations hereunder to its parent company, affiliates or subsidiaries without the Consultant's consent.

ARTICLE 13 — NO AUTHORITY

The Consultant does not have any authority whatsoever, express or implied, to commit USEC (i) to perform in any manner for

any third party or (ii) to pay money for services or material to any third party.

ARTICLE 14 – NOTICES

Any notices or invoices required or permitted by this Agreement shall be in writing and shall be effective as received at the following addresses:

If to USEC

ATTN: John Frost

USEC Inc.

6903 Rockledge Drive

Bethesda, MD 20817-1818

If to the Consultant **Charles B. Yulish**

1438 Q Street NW

Washington, D.C. 2009

ARTICLE 15 — MISCELLANEOUS

(a) This Agreement is to be governed by the laws of the state of Maryland. In any judicial action relating to this Agreement, each party consents and submits to (and waives any objection to) the personal and subject matter jurisdiction of and venue in the federal court located in the state of Maryland (or, in case the federal court does not have jurisdiction, the state courts located in the state of Maryland).

(b) Subject to applicable law, the Consultant shall not issue any press release or make any public statement regarding this Agreement or performance hereunder without the prior written approval of USEC.

(c) If any provision of this Agreement is held invalid by a court of competent jurisdiction, such provision shall be severed from this Agreement and, to the extent possible, this Agreement shall continue without effect to the remaining provisions.

(d) This Agreement shall inure to the benefit of the parties and their respective successors and permitted assigns.

(e) The whole and entire agreement of the parties with respect to the subject matter hereof is set forth in this Agreement. The parties are not bound by any agreements, understandings or conditions otherwise than as expressly set forth herein.

(f) This Agreement may not be changed or modified in any manner except by a writing mutually signed by the parties or their respective successors and permitted assigns.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the date first set forth above with the intent to be legally bound thereby.

USEC Inc.

/s/ Charles B. Yulish

Charles B. Yulish

By: /s/ Lance Wright

Name: Lance Wright

Title: SVP, Human Resources &
Administration

SEVERANCE AGREEMENT AND GENERAL RELEASE

This Severance Agreement and General Release (the "Severance Agreement") is between USEC Inc., a Delaware corporation ("USEC" or the "Company") and Lisa E. Gordon-Hagerty ("Executive") (USEC and Executive being sometimes referred to herein individually as the "Party" and collectively as the "Parties").

WHEREAS, pursuant to an employment agreement dated as of December 15, 2003 (the "Employment Agreement") Executive has been employed by USEC in the capacity of Executive Vice President and Chief Operating Officer;

WHEREAS, the Company has determined to realign its operations and eliminate the position of Executive Vice President and Chief Operating Officer, and, as a result, Executive and the Company have agreed that Executive's services are no longer required by the Company; and

WHEREAS, in exchange for, among other things, Executive's full release of claims against the Company and the other covenants and agreements contained herein, the Company hereby offers Executive the severance package described in this Severance Agreement, which severance package is in addition to certain severance and other benefits provided to Executive pursuant to the Employment Agreement in the event of a termination of employment;

NOW THEREFORE, IT IS HEREBY AGREED by and between Executive and USEC as follows:

1. CHANGE IN EXECUTIVE'S DUTIES Notwithstanding anything to the contrary in Section 2 of the Employment Agreement, the Parties agree that (a) Executive's employment shall be terminated effective as of September 30, 2005 and (b) from September 7, 2005 until September 30, 2005, Executive's duties shall be limited to facilitating the transition of her duties and responsibilities and accordingly, effective as of September 7, 2005, Executive shall no longer serve as the Executive Vice President and Chief Operating Officer of the Company or as an officer or director of any direct or indirect subsidiary of the Company or as a member of any committee or other governing body of the Company or of any direct or indirect subsidiary of the Company.

2. EXECUTIVE'S TERMINATION UNDER THE EMPLOYMENT AGREEMENT

(a) The Parties agree that, in accordance with Section 4(b) of the Employment Agreement, as of the Date of Termination, Executive is terminated by the Company without Cause (as such term is defined in the Employment Agreement). Executive acknowledges and agrees that the delivery to Executive by the Company of this Severance Agreement constitutes full and proper notice under Section 4(d) of the Employment Agreement and hereby irrevocably waives any additional requirements for Notice of Termination in connection with Executive's termination without Cause pursuant to Section 4(d) of the Employment Agreement. Notwithstanding anything to the contrary in Section 4(e) of the Employment Agreement, the Parties acknowledge and agree that the Executive's "Date of Termination" for purposes of the Employment Agreement and this Severance Agreement shall be September 30, 2005. Executive acknowledges and agrees that the provisions of the Employment Agreement that survive termination of employment, including but not limited to Section 9 (relating to confidential information, non-solicitation and non-competition), remain in full force and effect following the Date of Termination and are not affected by this Severance Agreement.

(b) The Parties acknowledge and agree that, pursuant to the terms of Sections 5(a)(i) and (ii) of the Employment Agreement, the Company shall pay to Executive, within ten (10) days of the Date of Termination, a lump sum amount equal to \$1,158,336 plus any outstanding portion of Executive's earned Annual Base Salary through the Date of Termination and any accrued vacation pay to the extent not previously paid, minus any federal, state and local taxes required to be withheld pursuant to any applicable law or regulation or otherwise authorized by Executive. Executive agrees this represents full payment of all amounts due by the Company to Executive under Sections 5(a)(i) and (ii) of the Employment Agreement. The Parties further acknowledge and agree that, pursuant to and in accordance with the terms of Section 5(a)(iii) and Section 5(a)(iv) of the Employment Agreement, the Company shall continue to provide to Executive, for the period specified in Section 5(a)(iii) of the Employment Agreement, any life, disability, accident and/or health insurance that she was receiving immediately prior to the Date of Termination, and Executive's stock options (vested or nonvested) shall become exercisable and shall remain exercisable for one year (but not exceeding the term of the stock options) and all restrictions pertaining to restricted stock shall lapse on the Date of Termination.

(c) The Parties acknowledge and agree that, in accordance with Section 3(e) of the Employment Agreement, the Company shall reimburse Executive for all reasonable expenses incurred by Executive in the performance of her duties under the Employment Agreement in accordance with policies applicable to employees of the Company at the time of the expenses. The Parties agree that prior to the Date of Termination, Executive shall submit any unsubmitted expenses for which Executive is entitled to reimbursement in accordance with the Company's policies and the Company shall make payment to Executive for such expenses within ten (10) days of the Date of Termination. Notwithstanding the foregoing, the Company agrees that within thirty (30) days of submission of appropriate documentation, and consistent with the Company's policies for travel expense reimbursement, it shall also reimburse Executive for

reasonable expenses incurred by Executive in attending *Fortune* magazine's "Most Powerful Women Summit" in Pasadena, California on November 7-9, 2005; it being understood and agreed that Executive shall not be participating in such conference on behalf of the Company and shall not hold herself out as a representative or agent of the Company.

3. ADDITIONAL SEVERANCE BENEFITS.

(a) In addition to the benefits provided under the Employment Agreement and in full consideration of Executive's execution of this Severance Agreement, and Executive's agreement to be legally bound by its terms, the Company agrees:

(i) to provide Executive with up to six (6) months of outplacement counseling and services through a provider retained by the Company or a provider selected by Executive, provided that the cost, which shall be paid monthly, shall not exceed \$15,000 in the aggregate, and in no event will the Company be obligated to provide cash in lieu of any outplacement services;

(ii) to pay the Executive's share of costs to continue Executive's life, disability, accident and health insurance benefits provided under Section 5(a)(iii) of the Employment Agreement for the period of time for which such benefits are provided pursuant to Section 5(a)(iii) of the Employment Agreement; and

(iii) to pay to Executive the RSU Payment described in Section 3(b) below on the date that payment is due with respect to restricted stock units granted to officers of the Company under the USEC Inc. 1999 Equity Incentive Plan, as amended, with respect to the performance period commencing on July 1, 2004 and ending on June 30, 2007 (the "2004-2007 Performance Period") (which date of payment shall be promptly following the date on which the Company's Compensation Committee shall have certified the extent to which the applicable performance goals have been obtained following the end of the 2004-2007 Period).

(b) The "RSU Payment" shall be an amount equal to (a) the amount payable at such time with respect to a target number of 62,288 restricted stock units multiplied by the "Performance Adjustment" determined by the Compensation Committee in its sole discretion at the end of the 2004-2007 Period based on the Compensation Committee's determination of the extent to which the applicable performance goals have been obtained (which Performance Adjustment shall be between 0% and 150%), multiplied by (b) a fraction, the numerator of which is the number of days from and including July 1, 2004 through the Date of Termination and the denominator of which is 1096. Notwithstanding the foregoing, the Parties acknowledge and agree that the RSU Payment shall be subject to the terms of the USEC Inc. 1999 Equity Incentive Plan, as may be amended and/or restated from time to time by the Company.

(c) Executive acknowledges and agrees that the Additional Severance Benefits provided in Section 3(a) constitute consideration that, but for the mutual covenants set forth in this Severance Agreement, the Company otherwise would not be obligated to provide to Executive and that, except for the payments and benefits described in Sections 2 and 3 of this Severance Agreement, the Company is under no obligation whatsoever to provide any other benefits or to make any other severance payment to Executive pursuant to the Employment Agreement or otherwise.

4. GENERAL RELEASE. Executive, for and in consideration of the undertakings of the Company set forth herein, and intending to be legally bound, does hereby remise, release, and forever discharge USEC and its subsidiaries, affiliates, and their officers, directors, shareholders, executives and agents, their respective successors and assigns, heirs, executors, and administrators (herein referred to collectively as "Releasees") of and from any and all actions and causes of actions, suits, debts, claims and demands whatsoever in law or in equity, which Executive ever had, now has, or which Executive or Executive's heirs, executors or administrators may have, by reason of any matter, cause or thing whatsoever, from the beginning of Executive's employment with USEC up to and including the date of this Severance Agreement, and particularly, but without limitation, any claims arising from or relating in any way to the Employment Agreement, Executive's employment relationship or the termination of Executive's employment relationship with USEC, including, but not limited to, any claims which have been asserted, could have been asserted or could be asserted now or in the future, including any claims under any federal, state or local laws, including, but not limited to, the United States Constitution, the Maryland Constitution, Title VII of the Civil Rights Act of 1964, as amended, the Age Discrimination in Employment Act of 1967, as amended, the Americans with Disabilities Act of 1990, as amended, the Fair Labor Standards Act, as amended, the Family and Medical Leave Act of 1993, as amended, the National Labor Relations Act, as amended, the Labor-Management Relations Act, as amended, the Workers Retraining and Notification Act of 1988, as amended, the Rehabilitation Act of 1973, as amended, the Executive Retirement Income Security Act of 1974, as amended, Section 211 of the Energy Reorganization Act of 1974, as amended, the Maryland Human Rights Act, as amended or any other federal or state law or regulation.

5. NO DISPARAGEMENTS. Executive agrees that, subject to the provisions of Section 9 below, Executive shall not make any oral or written, public or private statements that are disparaging of the Company, its parents, subsidiaries or affiliates, or any of their respective present or former officers, directors, agents, employees, successors or assigns. The Company agrees that, subject to compliance with applicable law and regulations, it will instruct its executive officers and members of its Board of Directors not to make

any oral or written, public or private statements that are disparaging of Executive or Executive's work for the Company, its parents, subsidiaries or affiliates.

6. RETURN OF COMPANY'S DOCUMENTS AND PROPERTY. Executive agrees to return, on or before the Date of Termination, and at Executive's expense, all originals and copies of records, documents, proposals, notes, lists, files and any and all other materials, including, without limitation, computerized and/or electronic information, that refer, relate or otherwise pertain to the Company, or any and all of the Company's parents, subsidiaries or affiliates, or any of their respective officers, directors, shareholders, agents, Executives, and successors or assigns, and any and all business dealings of said persons and entities ("Company Documents"). In addition, Executive shall return to the Company all Company property or equipment that Executive has been issued during the course of Executive's employment or which Executive otherwise currently possesses. Executive is not authorized to retain any Company Documents or Company property or equipment.

7. PERMANENT SEPARATION. Executive hereby recognizes and agrees that Executive's employment relationship with Releasees has been permanently and irrevocably severed as of the Date of Termination and that Releasees have no obligation, contractual or otherwise, to hire, rehire or re-employ Executive in the future.

8. NON-ADMISSION OF LIABILITY. Nothing in this Severance Agreement shall be construed as an admission of liability or violation of federal, state or local statute or regulation, or of any duty owed by Executive or the Releasees; rather, Executive and the Releasees are resolving all matters arising out of their employer-Executive relationship and/or any other relationship between Executive and the Releasees, as to each of which each of the Releasees and Executive deny any liability.

9. NUCLEAR, WORKPLACE, PUBLIC SAFETY AND SARBANES-OXLEY CONCERNS. Executive understands and acknowledges that nothing in this Severance Agreement prohibits, penalizes, or otherwise discourages Executive from reporting, providing testimony regarding, or otherwise communicating any nuclear safety concern, workplace safety concern, public safety concern, or concern of any sort, to the U.S. Nuclear Regulatory Commission, the U.S. Department of Labor, or any federal or state government agency. Executive further understands and acknowledges that nothing in the provisions of this Severance Agreement conditions or restricts Executive's communication with, or full cooperation in proceedings or investigations by, any federal or state agency. Executive also understands and acknowledges that nothing in this Severance Agreement shall be construed to prohibit him from engaging in any activity protected by the Sarbanes-Oxley Act, 18 U.S.C. § 1514A or Section 211 of the Energy Reorganization Act of 1974, as amended.

10. REVIEW AND REVOCATION PERIOD.

(a) Executive hereby certifies that Executive has read the terms of this Severance Agreement, that Executive has been informed by the Company that Executive should discuss this Severance Agreement with an attorney of Executive's own choice, that Executive in fact has consulted with her attorney on this matter, and that Executive understands its terms and effects. Executive further certifies that Executive has the intention of releasing all claims recited herein in exchange for the consideration described herein, which Executive acknowledges as adequate and satisfactory to Executive.

(b) Executive hereby certifies that Executive is signing and entering into this Severance Agreement as a free and voluntary act without duress or undue pressure or influence of any kind or nature whatsoever and has not relied on any promises, representations or warranties regarding the subject matter hereof other than as set forth in this Severance Agreement.

(c) Executive acknowledges that Executive has been given the right to consider this Severance Agreement for a period of at least forty-five (45) days prior to entering into the Severance Agreement. Executive further understands that Executive may take as much of this 45-day period of time to consider this Severance Agreement as Executive wishes before signing this Severance Agreement, and Executive expressly acknowledges that Executive has taken sufficient time to consider this Severance Agreement before signing it.

(d) Executive further acknowledges that Executive has the right to revoke this Severance Agreement within seven (7) days of its execution by giving written notice of such revocation by hand delivery or fax to the Company, Attention Richard Rowland (fax no. 301-564-3203). This Severance Agreement will not become effective or binding on the parties until the eighth (8th) day after it is signed by Executive. Executive understands that if Executive revokes the Severance Agreement under this paragraph, this Severance Agreement will become null and void and Executive will not be entitled to any additional benefits conferred by this Severance Agreement including the payments and benefits set forth in Section 3.

(e) Executive acknowledges that Executive has been previously informed in writing by the Company of the criteria for eligibility for the separation benefits for which Executive is eligible, and which Executive will receive as a result of entering into this Severance Agreement. Executive certifies that she has been informed that in order to be eligible for such separation benefits, individuals must have been separated by the Company in connection with the September, 2005 reduction-in-force. Executive certifies that the Company has provided her in writing, information concerning (i) the group of individuals covered by this employment termination program by job title, and (ii) the job titles and ages of individuals selected for the program and of individuals who were not selected for the

program.

11. SEVERABILITY. While the provisions contained in this Severance Agreement are considered by the Parties to be reasonable in all circumstances, it is recognized that some provisions may fail for technical reasons. Accordingly, it is hereby agreed and declared that if one or more of such provisions shall, either by itself or themselves or taken with others, be adjudged to be invalid as exceeding what is reasonable in all circumstance for the protection of the interests of the Company, but would be valid if any particular restrictions or provisions were deleted or restricted or limited in a particular manner, then the said provisions shall apply with any such deletions, restrictions, limitations, reductions, curtailments, or modifications as may be necessary to make them valid and effective and the remaining provisions shall be unaffected thereby.

12. EMPLOYMENT AGREEMENT; ENTIRE AGREEMENT; MODIFICATION. Except as specifically provided in this Severance Agreement, the terms and conditions of the Employment Agreement shall remain unchanged. In the event of a conflict, the terms and conditions of this Severance Agreement shall govern. This Severance Agreement constitutes the entire understanding of the Parties regarding the subject matter hereof and may not be modified without the express written consent of the Parties. This Severance Agreement supersedes all prior written and/or oral and all contemporaneous written and/or oral agreements, understandings and negotiations regarding the subject matter hereof.

13. SEC REPORTING REQUIREMENTS. Executive agrees that Executive will comply with all reporting requirements under Section 16 of the Securities Exchange Act of 1934, as amended, applicable to a former Section 16 reporting officer.

14. GOVERNING LAW; CONSENT TO JURISDICTION. This Severance Agreement and any disputes arising there from shall be governed by the laws of the State of Maryland and Executive hereby agrees to submit to the jurisdiction of the courts of the State of Maryland for any claims arising under this Severance Agreement.

PLEASE READ CAREFULLY. THIS SEVERANCE AGREEMENT CONTAINS A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties have executed and delivered the foregoing Severance Agreement and General Release this 12th day of September, 2005.

USEC Inc.

By: /s/ Lance Wright

Title: SVP, Human Resources &
Administration

Date: September 12, 2005

EXECUTIVE:

/s/ Lisa E. Gordon-Hagerty

Lisa E. Gordon-Hagerty

Date: September 12, 2005

FOR IMMEDIATE RELEASE:

September 7, 2005

USEC Announces Company Realignment to Prepare for the Future*— American Centrifuge and Core Enrichment Business Remain USEC's Priorities —**— \$8 Million Annual Savings; \$5 Million 3rd Quarter Charge —*

Bethesda, MD—James R. Mellor, chairman, president and chief executive officer, announced today a major realignment of USEC Inc. (NYSE:USU) to ensure that the organization remains sharply focused on both current operations and the Company's future, the American Centrifuge.

The restructuring will place priority on the demonstration and deployment of American Centrifuge, while maintaining reliable and efficient enrichment operations. The realignment will streamline USEC's organization and resize headquarters operations. The restructuring, which begins with the elimination of some senior positions and the realignment of responsibilities under a smaller senior management team, is expected to increase productivity and efficiency in all the Company's activities.

The following five individuals will comprise the senior management team reporting to the Chief Executive Officer:

- Robert Van Namen, senior vice president, uranium enrichment. Van Namen, who currently is responsible for marketing and sales, will also take on responsibility for operations.
- Philip G. Sewell, senior vice president, American Centrifuge. Sewell will continue to be responsible for the American Centrifuge project and the Megatons to Megawatts program.
- Ellen C. Wolf, senior vice president and chief financial officer. Wolf will continue to lead USEC's finance organization and assume responsibility for procurement.
- Timothy B. Hansen, senior vice president, general counsel and secretary. Hansen will return to his position as USEC's chief legal officer and take on responsibility for USEC's corporate communications.
- W. Lance Wright, senior vice president, human resources and administration. Wright will continue to lead the human resources function and also assume responsibility for information technology and security.

"We expect to complete this restructuring of the company before naming USEC's new CEO in the near future," said Mellor. "This will allow him to hit the ground running and immediately focus on the business going forward."

- more -

USEC Announces Major Company Realignment
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"The restructuring includes all levels, including senior management, and involves the elimination of positions, retirements and the transfer of a number of functions and activities from Bethesda headquarters to the Paducah, KY and Piketon, OH plants," said Mellor. "This is the first step in looking at the organization of the entire corporation. After this headquarters realignment, we will take a closer look at the field organizations."

The USEC headquarters staff of 132 is being reduced by one-third, with the reduction expected to be substantially complete by the end of September. This reduction is expected to result in annual savings of \$8 million in salary and related expense. USEC will record a one-time charge in its third quarter of approximately \$5 million for the cost of these reductions. This workforce reduction, combined with previous cost-cutting initiatives, is expected to result in annualized selling, general and administrative expenses \$13 million below 2004 levels even with the addition of \$6 million in expenses related to NAC International, which was acquired in late 2004.

In addition, USEC recently announced a voluntary reduction of 50 people in the salaried workforce at the Company's Paducah production plant. The Company continues to pursue further operating efficiencies to best position USEC for the planned deployment of the American Centrifuge.

The restructuring charges will affect the Company's annual earnings guidance. USEC adjusts its expected range of earnings for 2005 to \$18 to \$23 million, or 21 to 27 cents per share, which reflects the impact of the restructuring offset by savings in the fourth quarter of 2005. The Company expects to report a loss in the third quarter.

“As the Company prepares for the future, we recognize that these actions will affect many employees who will be leaving the Company. We are grateful for their contributions, thank them for their service and wish them well,” said Mellor.

This news release contains forward-looking statements (within the meaning of the Private Securities Litigation Reform Act of 1995) that involve risks and uncertainty. Economic, business, market, regulatory, technology and other factors could cause our actual future results to differ materially from those expressed in our forward-looking statements. More information about these factors is contained in our filings with the Securities and Exchange Commission, including our annual report on Form 10-K/A, which are available on USEC’s website www.usec.com. We do not undertake to update our forward-looking statements.

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

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