IUEC
International Uranium
Enrichment Center

«International Uranium Enrichment Centre» - goals, objectives, successes, prospects

Alexey Lebedev
The General Director
JSC «IUEC»

IUEC establishment

The Russian President Initiative

Saint-Petersburg, EurAsEC Summit, 25 January 2006

«We need to create the prototype of a global infrastructure that will give all interested countries equal access to nuclear energy… The key element of such an infrastructure should be an international centers network under the IAEA control for the provision of nuclear cycle services, including uranium enrichment»

Objectives of the initiative:

- To increase the role of nuclear energy in provision of global energy assurance;
- To develop the global nuclear energy infrastructure via the establishment of an international nuclear fuel cycle centers network;
- To provide the non-discriminatory and guaranteed access to products and services of the nuclear fuel cycle for states, that are currently developing nuclear power.

IUEC establishment

Russian Federation 90% shares	Republic of Kazakhstan 10% shares

In accordance with the Intergovernmental Agreement from 10.05.2007 the authorized organizations of the Russian Federation (JSC TENEX) and the Republic of Kazakhstan (JSC NAC Kazatomprom) founded the International Uranium Enrichment Centre (IUEC).*

The IUEC was established in the form of an Open joint-stock company, which provides:

- IUEC's financial independence from the state budgets of the countries-participants;
- shareholders rights to participate in the management of the IUEC.

Main purpose of the IUEC - to secure supplies **primarily** (but not-exclusively) for institutional participants of the IUEC from the states meeting terms and conditions of the Agreement.

* In 2009 90% of IUEC stocks (russian share) have been transferred from JSC «TENEX» to the State Corporation "Rosatom"

IUEC new members

Russian Federation

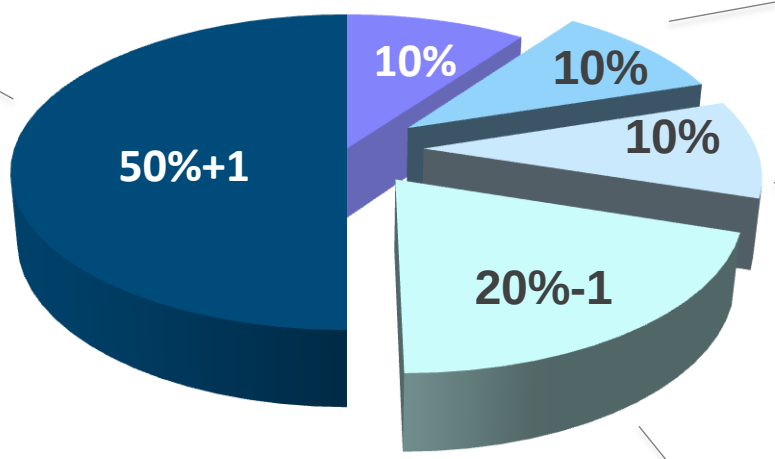
State Corporation «Rosatom»

Republic of Kazakhstan

JSC NAC «Kazatomprom»

Ukraine

State Concern «Nuclear Fuel»



Republic of Armenia

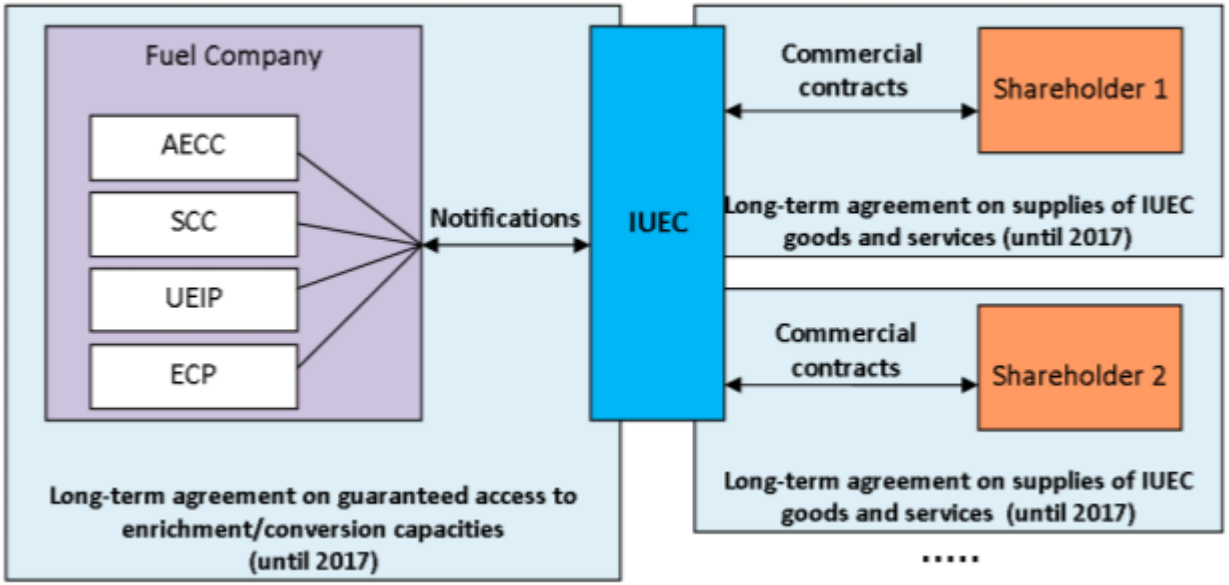
JSC «Armenian NPP»

Shares for new IUEC memebers

IUEC new members

- Compliance with the obligations provided by the international nuclear weapons non-proliferation regime (Agreement*, preamble; JSC «IUEC» Articles of association, article 1.1)
- Intention of the IUEC participant to develop nuclear power (Agreement, preamble), existing or perspective needs in EUP for their own nuclear power plants, which will be covered by the IUEC deliveries
- Cooperation of the IUEC member-state with the IAEA (Agreement, article 8)
- Use of the enriched uranium produced by the IUEC and exported from the Russian Federation for fuel fabrication (powders, pellets, fuel assemblies) for nuclear power generation (Agreement, article 5)
- Access to the IUEC capacities primarily (but not-exclusively) for institutional participants from the states which do not develop national uranium enrichment facilities on their territories (Agreement, article 3)

Assurance of supply for Shareholders



Benefits arising from participation in the IUEC:

Guaranteed Supply: guaranteed supply of goods and services provided by the Government of the Russian Federation increase the energy security of participating countries

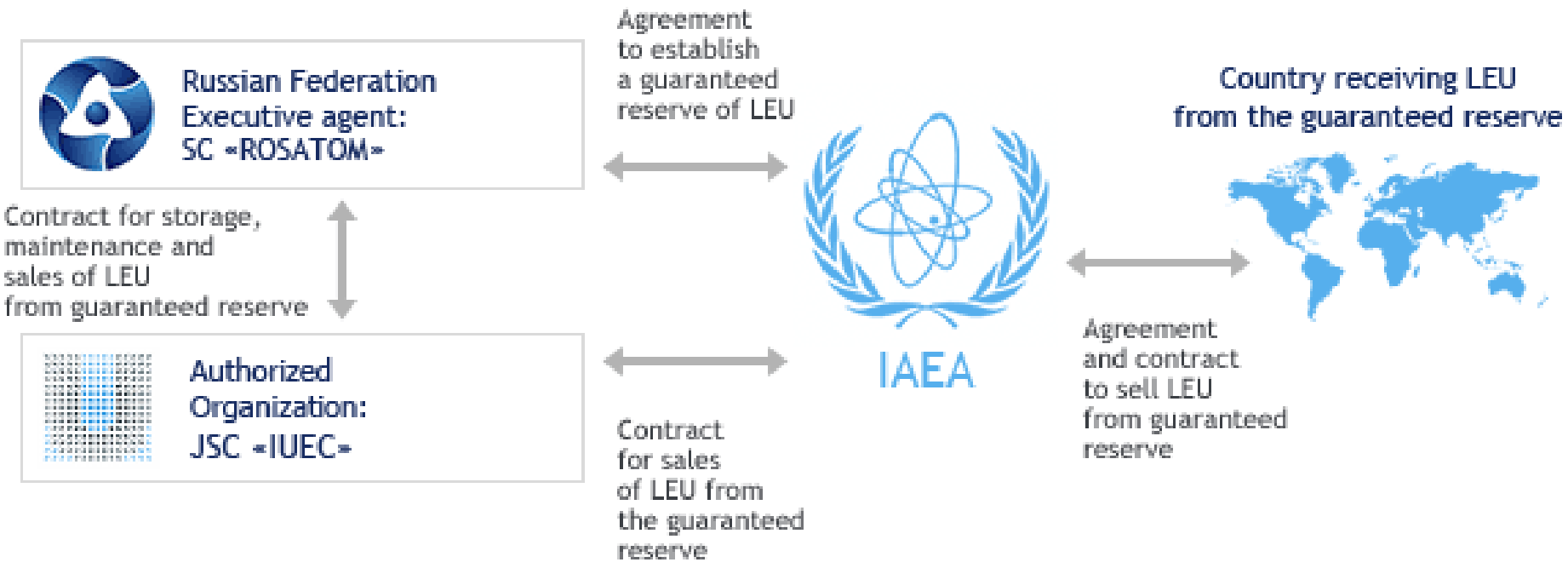
Diversification of supplies: ensuring diversification of supplies and optimum logistics due to the priority use of enrichment capacities of all four Russian enrichment combines (AECC, SCC, UEIC, ECP)

Shareholding: all rights of a joint stock company shareholder according to the Russian legislation

Strengthening of nonproliferation regime: participation in an international project with a mission to reduce risks of sensitive technology proliferation

LEU Reserve (Fuel bank) in Angarsk

LEU Reserve (Fuel bank) in Angarsk - a mechanism of guaranteed LEU supply for IAEA Member States when commercial supplies have been disrupted for cases other than technical or commercial reasons.

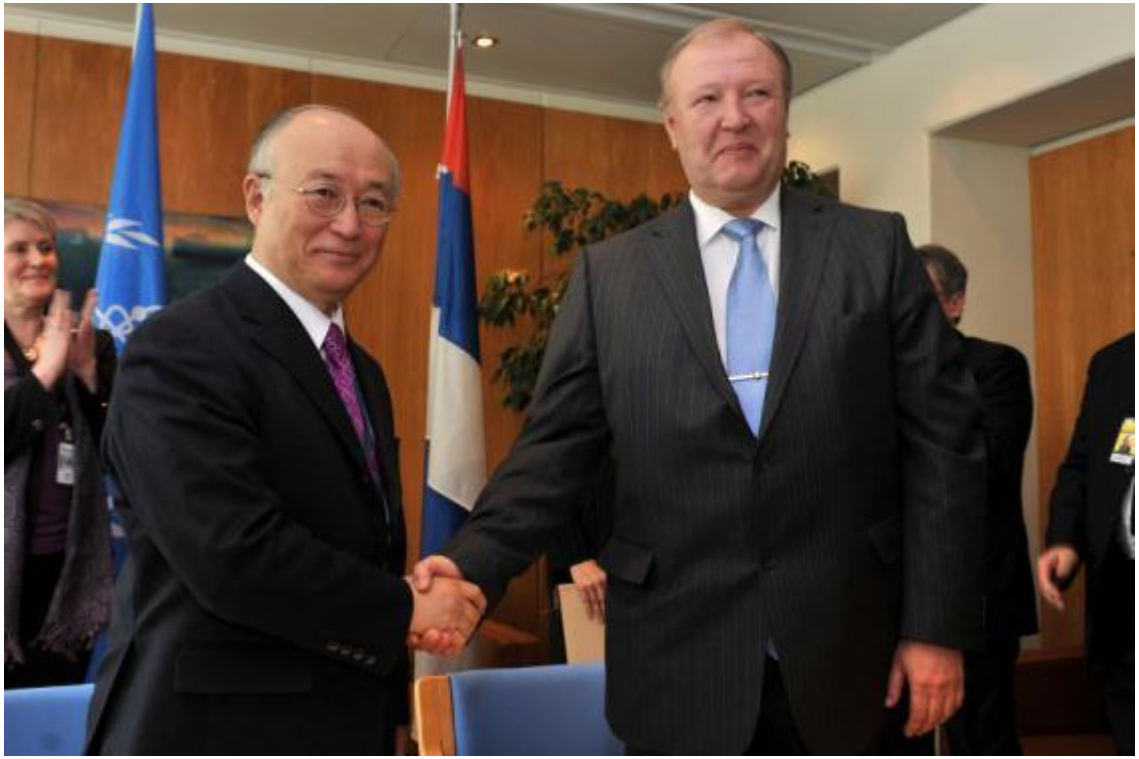


LEU Reserve (Fuel bank) in Angarsk

On March, 29th, 2010 in Vienna the General Director of the State corporation «Rosatom» Sergey Kirienko and the IAEA Director General Yukiya Amano signed the Agreement between the Government of the Russian Federation and the IAEA to set up the guaranteed reserve on the territory of Russia and supply of low enriched uranium from the reserve to the IAEA for its Member States.

LEU Reserve (Fuel bank) in Angarsk

On March, 29th, 2010 in Vienna the IAEA Director General Yukiya Amano and the General Director of the International Uranium Enrichment Center (JSC «IUEC») Alexey Lebedev signed the Contract between the JSC «IUEC» and the IAEA on execution of specific technical and commercial aspects of the Agreement, according to which the JSC «IUEC» is to provide supply of low enriched uranium from the guaranteed reserve to the IAEA.



LEU Reserve (Fuel bank) in Angarsk

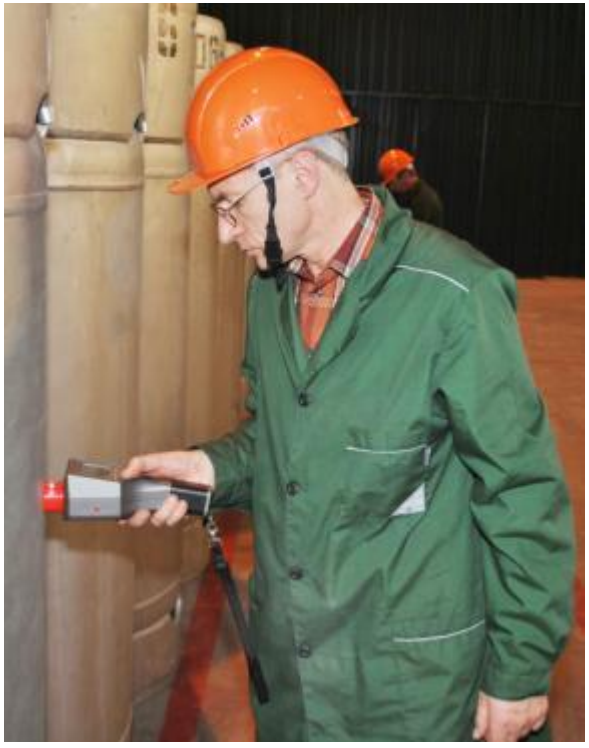
- The Fuel bank consists of more than **120 tU of LEU** in the form of UF_6 with the enrichment of 2.00% to 4.95%.
- The Reserve is established and maintained **at the expense of the Russian Federation**.
- The Reserve is maintained at the IUEC storage facility under the IAEA safeguards.
- The decision on the release of material from the LEU Reserve is to be made by the **IAEA Director General**.
- The price of LEU to be supplied is based on market spot indicators published by internationally recognized companies.
- The IUEC provides service for the LEU Reserve storage, maintenance and sales of LEU to the IAEA from the Reserve.

LEU Reserve (Fuel bank) in Angarsk

On November, 26th, 2010 the reserve was located at the IUEC storage facility under the IAEA safeguards, as defined by the Agreement (more than 120 tU of LEU**)**

LEU Reserve (Fuel bank) in Angarsk

On December,17th 2010 at the first comprehensive PIV inspection was performed by the IAEA the IUEC storage facility. The Agency obtained confirmation that set up of the LEU Fuel Bank had been completed



LEU Reserve (Fuel bank) in Angarsk

On December,17th 2010 upon the completion of the IAEA safeguards inspection procedure, the inauguration ceremony of the LEU Fuel Bank was held.

During the ceremony the representative of the IAEA, Mr. Alan McDonald, delivered a welcoming address on behalf of Yukiya Amano, the IAEA Director General:

«…I am pleased that with 120 tonnes of LEU in the Reserve, whose costs are funded by the Russian Federation, it is now fully stocked at the IUEC under the IAEA safeguards. This week, the IAEA inspectors completed their first inspection of the LEU Reserve, which constitutes now a part of the existing mechanism of assurances of supply of LEU for nuclear power generation…»

Thank you !