

HOLTEC HIGHLIGHTS

A Summary Report to Our Clients, Suppliers, and Company Personnel

Ukraine's Long Stalled Development of a Central Storage Facility for Used Fuel Gathers Momentum

Ukraine, Europe's third largest nuclear operator, has finally taken concrete steps to re-start its long stalled project to establish a domestic interim storage facility for housing its used fuel. On April 24, the nation's Cabinet of Ministers approved the allotment of 45 hectares in the Chernobyl Exclusion Zone to the national utility, Energoatom, to establish an autonomous state-of-the-art fuel storage facility to initially serve nine of the country's 15 reactors [seven VVER 1000s and two VVER 440s located at three sites: Rivne (four), South Ukraine (three) and Khmel'nitsky (two)].



Map of Ukraine Showing the Locations of the Rivne, Khmel'nitsky, South Ukraine, and the Chernobyl Nuclear Power Plant Sites. The Central Spent Fuel Facility Will Be Located Inside the Chernobyl Exclusion Zone.

Holtec won the international tender for the turnkey supply of the facility in 2005, but the project soon fell victim to governmental indecision and policy uncertainty. When first announced in 2005, the project was hailed as a national security imperative and an economic "no-brainer" (the entire cost of the project will be paid in a mere 4 years of avoided payments to Russia for storing Ukraine's fuel). Other benefits such as ending the transport of Ukraine's used fuel over the country's railroads in Russian casks that don't fully meet the IAEA standards were also widely recognized. Yet, little has happened over the past eight years.

Mr. Yuriy Nedaskovsky, who has been appointed for the fifth time as president of the country's national utility, Energoatom, and is an internationally recognized nuclear expert, has re-invigorated the project and resolved to build the facility in three years' time despite Ukraine's financial woes. A revised contract with Holtec is expected to be adopted by the end of May.



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To expedite the site's construction work and to create local employment in the near term, Holtec and Mr. Nedaskovsky agreed to devolve the site design and construction work for direct contracting by Energoatom in the revised contract. Holtec has pledged to extend full support to Energoatom's selected contractor to ensure that the facility is world class in terms of ensuring safety of workers and protection of the environment.

The storage facility will employ Holtec's HI-STORM 190 vertical ventilated systems with Double Wall multi-purpose canisters containing METAMIC-HT fuel baskets (Ukraine is among the few countries that require a double-walled canister for fuel confinement; most, including the US, permit single wall). The HI-STAR 190 transport casks, rated at 38 KW heat load (featuring world's highest heat load and in full compliance with IAEA's standards), will be used to transport the spent fuel to the Central Facility from the three nuclear plant sites.

"Given the drive and determination being shown by Energoatom's President, Mr. Nedaskovsky, I have no doubt that Ukraine will have an autonomous storage facility on its soil within three years ending the country's vulnerability in a key area. Moreover, the new well-paying jobs created to build and operate the facility will be a welcome tonic for the country's struggling economy, not to mention the ancillary benefits of infusion of US technology that this project will bring", says Holtec's President & CEO, Dr. Kris Singh.



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