

HOLTEC HIGHLIGHTS

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

HOLTEC TO ESTABLISH A TURNKEY CENTRAL STORAGE FACILITY FOR UKRAINE'S HLW

We are pleased to announce that Energoatom, Ukraine's National Atomic Energy Generating Company, has selected Holtec International to build the country's Central Spent Fuel Storage Facility for long-term dry storage of the commercial spent fuel produced by its fleet of VVER reactors. The project includes the design, licensing, construction, and commissioning of the facility to be located in the so-called Exclusion Zone of Chernobyl. The scope involves the construction of all site infrastructure, including rail access, site buildings, security, power systems, and supply of a sufficient number of HI-STORM MPC systems to store an initial installment of approximately 2,500 VVER 1000 and 1,100 VVER 440 fuel assemblies. This project is similar to the Away-from-the-Reactor storage facility to be commissioned at Skull Valley, Utah in the United States, with a capacity to store up to 4,000 HI-STORM systems from U.S. plants.

The Ukraine project is the second European dry storage project for Holtec International in the past two years. In mid-2003, Holtec was chosen by Spain's energy authority ENRESA to provide the HI-STORM MPC technology to defuel Spain's José Cabrera (Zorita) plant.

The successful establishment of the Central Storage facility in Ukraine will make the nation self sufficient for managing its spent fuel generated by its growing fleet of reactors. In addition to thirteen operating VVERs, Ukraine added two VVER 1000 units, one each at Rovno and Khmel'nitsky sites, to its fleet in 2004.

The absence of a domestic large-scale storage facility has forced Ukraine to ship spent fuel to Russia over vast distances for temporary storage at a huge expense to the country (estimated to reach \$100 million annually in 2005). The autonomous storage facility in Chernobyl will not only cut Ukraine's spent fuel storage costs by more than half, while introducing the state-of-the-art U.S. multi-purpose canister-based technology to the nation, it would also foster the development of a domestic infrastructure for producing world-class spent fuel storage systems. Holtec plans to localize the manufacturing of the HI-STORM components to expedite the commissioning of the Central Store project. This project will generate scores of well paying jobs in both Ukraine and the U.S.

Commenting on this award, Holtec's VP of Nuclear Projects, Dr. Bill Woodward, said "We are honored and gratified by the opportunity to serve Energoatom on this crucially important project. We are committed to upholding our corporate creed of meeting and exceeding the client's expectations, which underlies Holtec's reputation as a world-class energy company. We also look upon this undertaking as a vehicle to deepen the growing business ties between the nuclear sectors of the United States and Ukraine".

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