



Megatons to Megawatts Program Recycles 450 Metric Tons of Weapons-Grade Uranium into Commercial Nuclear Fuel

July 9, 2012

BETHESDA, Md.--(BUSINESS WIRE)--Jul. 9, 2012-- USEC Inc. (NYSE: USU) announced today that the Megatons to Megawatts™ program has converted 450 metric tons of weapons-grade uranium from dismantled former Soviet Union nuclear warheads into low enriched uranium fuel to generate clean, reliable electricity in commercial nuclear power plants. The program is now 90 percent complete.

“For nearly two decades, the Megatons to Megawatts program has provided a reliable source of fuel for commercial nuclear power plants while reducing the quantities of weapons-grade uranium remaining in the world,” said John K. Welch, USEC president and CEO. “As we near the end of this historic nonproliferation program, USEC is preparing to transition to our new contract with TENEX, which will continue to provide a reliable supply of LEU for the company while we work to deploy the American Centrifuge technology.”

Megatons to Megawatts is a 20-year, commercially financed government-industry partnership in which 500 metric tons of Russian weapons-grade uranium is being downblended to low enriched uranium for use as commercial reactor fuel. USEC, as executive agent for the U.S. government, and JSC “Techsnabexport” (TENEX), acting for the Russian government, implement the program.

The Megatons to Megawatts program is on track to downblend the equivalent of 20,000 nuclear warheads into nuclear fuel by the end of 2013. The fuel generated to date has the energy equivalent of more than 193 billion gallons of gasoline, which equals more than 17 months of U.S. consumption. In past years, up to 10 percent of the electricity generated in the United States came from nuclear power plants using this fuel.

Contract Amendment

In early June, representatives from USEC and TENEX signed the 20th amendment to the contract implemented by the program. The companies intend the amendment to ensure completion of all shipments under the Megatons to Megawatts program by the end of 2013, and to make clear how deliveries that were not made in 1999 will be made up in 2013. It has been submitted to their respective governments for review.

Transitional Supply Contract

In 2011, USEC and TENEX entered into a multi-year contract for the supply of low enriched uranium beginning in 2013 that will build on USEC’s long-term relationship with TENEX. Under the terms of the agreement, the supply of low enriched uranium to USEC will begin in 2013 and ramp up until it reaches a level in 2015 that is approximately one-half the level currently supplied by TENEX to USEC under the Megatons to Megawatts program. The new contract includes a mutual option to increase the quantities up to 5.5 million SWU (separative work units), the same level as the Megatons to Megawatts program.

Unlike the Megatons to Megawatts program, the quantities supplied under the new contract will come from Russia’s commercial enrichment activities rather than from downblending of Russian weapons material. Deliveries under the agreement are expected to continue through 2022. USEC will purchase the SWU contained in the low enriched uranium and deliver natural uranium to TENEX for the uranium component of the low enriched uranium.

USEC Inc., a global energy company, is a leading provider of enriched uranium fuel and nuclear industry related services for commercial nuclear power plants.

Forward-Looking Statements:

This news release contains “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934 – that is, statements related to future events. In this context, forward-looking statements may address our expected future business and financial performance, and often contain words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “will” and other words of similar meaning. Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For USEC, particular risks and uncertainties that could cause our actual future results to differ materially from those

expressed in our forward-looking statements include, but are not limited to: risks related to the ongoing transition of our business, including uncertainty regarding the transition of the Paducah gaseous diffusion plant and uncertainty regarding continued funding for the American Centrifuge project and the impact of decisions we may make in the near term on our business and prospects; our dependence on deliveries of LEU from Russia under the commercial agreement with TENEX to implement the Megatons to Megawatts program and on a single production facility and the potential for us to cease commercial enrichment of uranium in the event of a decision to shut down Paducah enrichment operations; limitations on our ability to import the Russian LEU we buy under the transitional supply contract into the United States and other countries; the impact of the March 2011 earthquake and tsunami in Japan on the nuclear industry and on our business, results of operations and prospects; the impact of excess supply in the market and the lack of uncommitted demand for low enriched uranium over the next two to four years; pricing trends and demand in the uranium and enrichment markets and their impact on our profitability; the competitive environment for our products and services; changes in the nuclear energy industry; and other risks and uncertainties discussed in our filings with the Securities and Exchange Commission, including our Annual Report on Form 10-K and quarterly reports on Form 10-Q, which are available on our website www.usec.com. We do not undertake to update our forward-looking statements except as required by law.



Source: USEC Inc.

USEC Inc.

Media:

Paul Jacobson, 301-564-3399

or

Investors:

Steven Wingfield, 301-564-3354