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NFS is subcontractor to winning team of \$4 billion Savannah River Site contract

NFS to play important role with major corporations in important DOE contract

(Aiken, SC) – Nuclear Fuel Services, Inc. (NFS) is an embedded subcontractor to the team of companies selected by the U.S. Department of Energy (DOE) on January 10th to manage and operate the Savannah River Site (SRS) in Aiken, SC. The multi-year contract is valued at approximately \$800 million per year for five years with the option for DOE to extend it another five years.

“The contract is a major milestone in the history of NFS,” said NFS President and Chief Executive Officer Dwight Ferguson. “Our experience in operating the Erwin plant and as a member of the Fluor team that set records in the cleanup of a DOE facility in Ohio played an important role in winning the new contract.” NFS will support the management of several nuclear operations within the DOE facility for the Savannah River Nuclear Solutions, LLC (SRNS) team.

SRNS is a limited liability corporation consisting of Fluor Federal Services, Inc., Honeywell International, Inc., and Newport News Shipbuilding and Drydock Company (a Northrop Grumman Company). The team also includes subcontractors Lockheed Martin Services, Inc. and Nuclear Fuel Services, Inc.

Combined, the companies involved in SRNS represent \$120 billion in revenues and 420,000 employees. NFS previously partnered with Fluor in 1992 for in the cleanup of the DOE’s Fernald, OH site. In that project the Fluor team completed the work in 2006 under budget and ahead of schedule, saving taxpayers \$7 billion.

In announcing the contract, U.S. Secretary of Energy Samuel W. Bodman said of the team winning the new contract, “SRNS’s experience will position the Savannah River Site for the future as we work to facilitate science-driven development of new technologies, advance our national security interests, and meet our environmental cleanup goals.”

The contract includes three key mission areas: environmental cleanup, operation of the Savannah River National Laboratory and National Nuclear Security Administration (NNSA) activities. The Savannah River Site is a 310-square mile complex, near Aiken, SC (about four hours from NFS’ Erwin plant) is dedicated to environmental management cleanup, developing and deploying technologies to support the cleanup mission, providing capability for supporting the enduring nuclear weapons stockpile, and processing and storing nuclear materials in support of the U.S. nuclear non-proliferation efforts.

NFS personnel will support nuclear materials management, provide technical support for the facility’s H-Canyons operations, nuclear materials disposition planning, process optimization and the Blended Low Enriched Uranium (BLEU) Project. NFS will also provide technical, nuclear and criticality safety, and safeguards and security support. NFS also adds experience in projects related to non-proliferation and the DOE’s Global Nuclear Energy Partnership.

The transition period for the new contractor will begin on January 24, 2008 and will be completed in 90 days. SRNS will assume management and operation of the Savannah River Site under the new contract in April 2008. The base period of the contract is from January 2008 through December 2012 with a five-year option from January 2013 through December 2017.

There will be opportunities for NFS personnel to be assigned to the Savannah River Site, and others will be called upon to provide expertise as home office support personnel for Savannah River National Laboratory missions.

“The contract win will expand the presence of NFS employees already living in the Aiken, SC area currently supporting the DOE’s new \$3.5 billion fuel fabrication facility under construction at the Savannah River Site. NFS has been an embedded team subcontractor for that project since 2000.

Frank Hahne, Vice-President of New Business and Capture Manager for the Savannah River Site contract said, “NFS has the opportunity to expand the company’s role at the DOE site. Our capabilities in converting nuclear materials into low enriched uranium for commercial power reactors is a significant advantage.” In the current contract with the Tennessee Valley Authority, know as the Blended Low Enriched Uranium (BLEU) Project, about half of the material converted came to Erwin from the Savannah River H-Canyon over the past five years.

NFS is America’s downblending leader in the conversion of Cold War-era government stockpiles of highly enriched uranium into commercial nuclear reactor fuel. The company also operates a naval fuel production facility to support America’s fleet of nuclear-powered submarines and aircraft carriers. With more than 700 employees, the company operates one of only two Category 1 fuel fabrication facilities licensed by the U.S. Nuclear Regulatory Commission to a privately held company.