

BUSINESS UNIT TREATMENT

ANSTO

New Illawarra Road,

Lucas Heights

NSW 2234 - AUSTRALIA

Our Réf.: BUT 04/0612/PA/NK

Subject: Silicide fuel acceptance

Attention to Tony Irwin

Vélizy, December 6, 2004

Dear Sir.

COGEMA confirms by the present letter the acceptance of spent silicide fuel from ANSTO's Replacement Research Reactor (RRR) considering the points as follows.

ANSTO has already signed a contract dated January 22nd, 1999 with COGEMA for the backend management of fuels from HIFAR and the new reactor RRR. The only fuel available for the first few years of RRR operations will be uranium silicide type of fuel such fuel beingnot accepted by COGEMA under this contract.

In 2000, COGEMA had accepted through letter referenced DCDI/DAC 00/8316 a limited quantity of U3Si2-Al type fuel for processing, such limited quantity being produced in the initial period of operation.

ANSTO has made arrangements with COGEMA for the acceptance of U3Si2 spent fuel and has confirmed that the long term disposition route for spent fuel from the ANSTO new reactor will be reprocessing by COGEMA.

In 2004, COGEMA have agreed to accept silicide fuel during the period prior to the availability of a new processable fuel duly qualified in Australia in the framework of a global AREVA services including supply of U3Si2 Standard Fuel Elements and sustainable back-end management.

Sincerely yours,

Ph. AUZIERE New Projects - Senior General Manager

Distribution:

ANSTO: MM. I SMITH, R. CAMERON

COGEMA

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