

OUT WITH THE OLD, AND IN WITH THE NUCLEAR



Uranium Energy Corp.



President Amir Adnani

By Rachel Cerrone

In an age where oil is king, a disaster like the Gulf Coast oil spill has shaken the confidence of many once-loyal consumers. The Gulf Coast catastrophe may be the last straw – the oil slick that finally breaks the back of our dependence on fossil fuels; finding new and efficient sources of energy to replace the “black-gold” of the petroleum industry is the current focus of many energy development companies. One such company, Texas-based Uranium Energy Corp (UEC), is paving the way for a nuclear power alternative through uranium exploration, development, and mining.

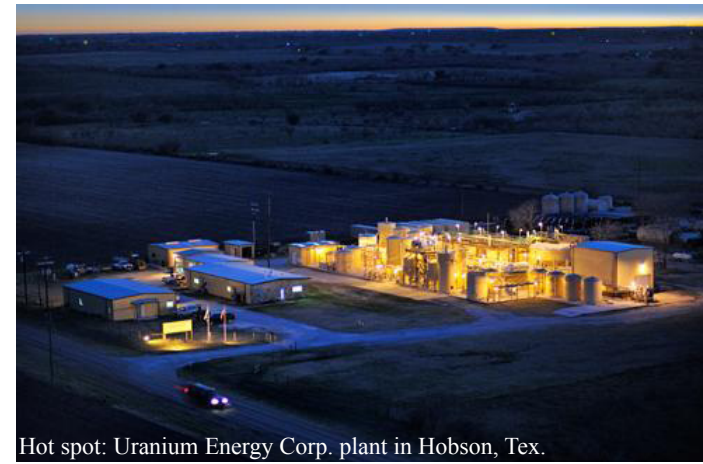
UEC is on the cutting edge of uranium development. They hope to spark a revival in the uranium mining industry, which has been dormant for almost 18 years, according to UEC president Amir Adnani. After the Cold War ended and the arms race for nuclear technology subsided, demand for uranium fell drastically. However, major concerns with today’s energy industries, including the BP oil spill, have pushed nuclear power development back into the spotlight. “There is definitely an inflection point here and things are turning around, and there’s different catalysts that underscore the importance of nuclear power, or the emergence and the move towards nuclear power worldwide, including the latest development with the oil spill off of the Gulf Coast,” Adnani ex-

plained. Adnani, a successful entrepreneur, started the company in 2005 after learning of the promising developments nuclear energy had to offer. The company now controls one of the largest uranium databases that detail the history of uranium exploration in the US. Using this information, UEC targets properties in the southwestern states that have “already been the subject of significant exploration and development by senior energy companies in the past,” according to their website. “We’re basically putting together a lot of the historical pieces of what once used to be a vibrant industry [there],” Adnani revealed. The company’s knowledge of the history and geography of past and present uranium mines has given them an edge over their competitors.

Adnani believes in nuclear power because of the immense benefits it offers. Not only is nuclear power a clean, emissions-free way of generating electricity, but it is also considered a “base load power,” providing electricity at a constant and continuous rate for about two years. “That base load power is key because it basically demonstrates that you have a very reliable source of electricity generation. One of the shortcomings of, let’s say, wind or solar power, is that the reliability isn’t there because of the dependence on Mother Nature,” Adnani explains. Nuclear power can also be considered a “large-scale” source of power; today, nuclear power is providing 20 percent of electricity in the US, even after its dormant period. Because of this large-scale capability, domestic attention on nuclear power has been steadily increasing. The US nuclear industry is already regarded as the highest worldwide standard in terms of operating and safety track records, Adnani said, and since the Three Mile Island accident in 1979, the US has tightened their nuclear regulations in order to ensure safety and security.

Although nuclear spending is capital-intensive, the Obama administration supports the development of nuclear power, and earlier this year the federal government announced their support for new nuclear reactors through loan guarantees for nuclear power plants. Adnani also told us that the new energy budget, unveiled in February, has earmarked 50 billion dollars toward constructing new nuclear reactors. With strong political backing, the nuclear energy industry can stimulate the domestic economy and create new job opportunities. “One nuclear reactor is about a four billion dollar project; that’s four billion dollars worth of engineering, worth construction, worth of procurement,” Adnani explained. “And in companies like ours, the number of people that we will employ will [stimulate] job creation.”

As an exporter of nuclear energy, the federal government has recognized that the U.S. can certainly play an important part in the global economy as well. Many countries are recognizing the long-term potential of nuclear power and are pursuing the development of nuclear technology. China has been extremely active in expanding its nuclear capacity and has 24 nuclear reactors under construction. This project stands as the largest nuclear construction program worldwide. For China, that is only the be-



Hot spot: Uranium Energy Corp. plant in Hobson, Tex.

ginning. “[China’s] stated objectives are that by 2030, or over the next 20 years, they want to have approximately 100 reactors operating. Currently, they have 10 reactors operating,” Adnani explained. “So that makes China very much a focal point for growth in the nuclear industry.” India has also been active in pursuing nuclear energy development. After gaining access to the global nuclear technology markets through the 123 Agreement, enacted by the Bush administration, India is planning to construct 17 new reactors in the future. Even the United Arab Emirates, an oil-rich country, plans to construct their first nuclear reactor in Abu Dhabi, hoping to benefit from the cheap costs of generating nuclear electricity. “It’s amazing if you think about it. Here’s a country that is small and really doesn’t need to be building a nuclear reactor, but they concluded it would be better for them to build nuclear reactors for their own domestic electricity needs because it’s cheaper,” he said. “And it would be more profitable for them to continue to sell their oil and gas production overseas to the Western world or consumers outside of the UAE because they’ll make more money that way.” Europe also shows a positive attitude towards generating nuclear energy; Germany recently reversed a decision to phase out their existing nuclear fleet, and France generates 85 percent of its electricity through nuclear power. In all, Adnani details that 55 nuclear reactors are under construction worldwide, and another 150 are being developed. The demand for uranium is expected to increase by 46 percent over the next decade, and prices will steadily increase as demand picks up.

This steady increase in demand provides a clear incentive for the U.S. to become a chief exporter in uranium and nuclear energy. Adnani’s company is growing with this demand, and UEC works to further spread the knowledge of nuclear power’s potential. “For little companies like ours, with having that kind of wind and momentum behind our back, it’s important to really tell this story to the media, and have the media be our aid to further educate and raise awareness about the industry and its prospects,” Adnani said. “Our [goal] now to be the newest uranium producer would give us a leadership position in the industry in the U.S., and over the next 10 years the uranium mining industry, domestically, will be an industry that many more people will know about and talk about.” “With the UEC...” at the forefront of this movement, uranium development companies of the future will have an excellent example to follow.

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