

Thorium Power News Update

March 31, 2008

Letter from the CEO

Dear Stockholders:

We are pleased to share this latest news update, which includes company news as well as industry-related developments.

Latest Company News

We were pleased to see the latest feature story – titled “Nuclear Power is the Solution” – in *Teknisk Ukeblad*, Norway’s leading technology publication. Dr. Hans Blix, our senior advisor, focused on the various benefits of nuclear power and reinforced the importance of thorium fuel: “I believe that an investment in nuclear power and thorium in particular should be considered...The advantage is that thorium contains very little uranium – only 10 [to] 15 percent of the fuel. It results in as much as 80 percent less plutonium than the use of conventional uranium. Therefore, it is almost impossible to use the waste from thorium for weapons production.”

During the last month, we announced a follow-on agreement with for consulting and strategic advisory services with a foreign government-owned entity. The agreement, which follows the \$5 million USD agreement announced in December, 2007, totals a pre-payment of \$4.3 million USD for a project covering an estimated three month period. In our capacity as advisor, we have developed a comprehensive roadmap as the first phase of a feasibility study for the deployment of civilian nuclear power plants. This landmark agreement provides validation for our business model, where strategic advisory services are early revenue drivers as well as important elements that create awareness for our broader offering. At the same time, our fuel development work continues at the Kurchatov Institute where we are making steady progress with our comprehensive technology testing and demonstration activities, including the ampoule irradiation testing program.

Finally, we secured some major milestones on the personnel front. We also announced the appointment of Robert Ihde, an accomplished nuclear fuel expert with extensive US and global industry experience, to our Technical Advisory Board. This appointment reinforces our commitment to augmenting our experienced team with the most accomplished and qualified individuals.

Industry News

We witnessed a number of key industry developments in the Old Nuclear and New Nuclear arenas. Following their recent joint summit, France and the UK agreed to reinforce cooperation on a range of issues, including nuclear power regulation, preventing nuclear terrorism and combating climate change. Speaking at a separate event, John Hutton, the UK’s business and enterprise minister, stated that the construction of new nuclear power plants in the country could be “the most significant opportunity for our energy economy since the exploitation of North Sea oil and gas.” That optimism was echoed in the North Africa and Middle East region where we witnessed some encouraging developments: Leading nations such as Egypt, the UAE, Bahrain and Algeria have entered country-to-country agreements with Russia, France, the US and China respectively. In the US, meanwhile, the Florida Public Service Commission (PSC) approved plans

by Florida Power & Light to construct two more nuclear power reactors at its Turkey Point plant. Additionally, researchers from the US Department of Energy's lead nuclear research and development laboratory announced a "major domestic milestone" in the performance of nuclear fuel for use in some of the next generation nuclear reactors. Finally, the US-India deal continues to proceed in the right direction. Prime Minister Singh and his Cabinet remain focused on completing the deal, and Pranab Mukherjee, India's External Affairs Minister, reconfirmed India's commitment during his recent meeting with President Bush. Additionally, the IAEA confirmed that the two sides made "substantive progress" in recent talks pertaining to the safeguards agreement.

Once again, these latest developments support our unique positioning as a source of solutions to address the major industry concerns – how to solve proliferation, reduce waste and improve profitability.

Very Truly Yours,
Seth Grae
Chief Executive Officer

**Thorium Power News Update
March 31, 2008**

Thorium Power in the news

Teknisk Ukeblad – Nuclear Power is the Solution (02.29.08) – In the feature article with Norway's leading technological publication, Thorium Power's senior advisor, Dr. Hans Blix discusses the growing importance of nuclear energy and the essential qualities of thorium fuel, noting that "the advantage is that thorium contains very little uranium – only 10 [to] 15 percent of the fuel. It results in as much as 80 percent less plutonium than the use of conventional uranium. Therefore, it is almost impossible to use the waste from thorium for weapons production."

General nuclear news

World Nuclear News – Middle Eastern Nations do Nuclear Diplomacy – WNN reports that the "Middle Eastern diplomats have been busy, with new nuclear cooperation agreements signed by Egypt and Russia, Bahrain and the USA, and Algeria and China. Meanwhile, the United Arab Emirates has established its own agency to look into developing nuclear power."

The Associated Press – Sarkozy-Brown summit to consider joint nuclear power program, climate change (03.27.08) – The wire reports that French President Nicolas Sarkozy ended an ambitious state visit to Britain on Thursday by sealing a multibillion-pound (-dollar; -euro) defense deal and vowing to cooperate on issues from pressing the U.S. on climate change to curbing the spread of nuclear weapons technology.

World Nuclear News – Breathtaking opportunities for nuclear development in UK (03.27.08) – The industry journal reports on the latest pro-nuclear developments in the UK, and it quotes John Hutton, the UK's business and enterprise minister, as stating that the construction of new nuclear power plants in the country could be "the most significant opportunity for our energy economy since the exploitation of North Sea oil and gas."

Middle East Online – Egypt leads Arab nuclear power race (03.27.08) – The online news service reports on the recent nuclear cooperation agreement between Egypt and Russia, noting that "Egypt is pushing forward with its desire to stay at the head of a nuclear family Arab nations are creating to counterbalance Iran and Israel."

World Nuclear News – Florida approves FPL plan for two more reactors (03.19.08) – WNN reports that the Florida Public Service Commission (PSC) has approved plans by Florida Power & Light (FPL) to construct two more nuclear power reactors at its Turkey Point plant in the south of the state. FPL is pursuing the option for the construction of two advanced-design reactors at Turkey Point that would a combined capacity of between 2200 MW and 3000 MW.

World Nuclear News – US team announces nuclear fuel milestone (03.13.08) – WNN reports that researchers from the US Department of Energy's lead nuclear research and development laboratory announced a "major domestic milestone" in the performance of nuclear fuel for use in some of the next generation nuclear reactors.

US-India Civilian Nuclear Agreement

The Times of India – Nuke deal will be done: Pranab tells Bush (03.26.08) – The Times reports on the recent meeting between Pranab Mukherjee, India's External Affairs Minister and President Bush and, and it notes Mukherjee's reassurance that India intends to "implement landmark nuclear deal with the United States,

Times of India – Nuclear energy must for energy security: PM (03.24.08) – The newspaper quotes PM Singh's steadfast efforts to conclude the deal, and it quotes from a recent speech: "Our government is committed to further development of nuclear energy, both as an environment-friendly source of power and as a means of widening the energy basket available to us

Agence France Presse – India govt, allies to hold US nuclear deal talks in April (03.17.08) – The wire reports on the Indian government's recent statement that it would hold further talks in April with its allies in a bid to move forward with a nuclear pact forward. The article notes that the talks will "focus on a draft deal worked out between New Delhi and the International Atomic Energy Agency (IAEA) that is essential to concluding the deal with Washington."

The Hindu – Nuclear deal: India close to final IAEA text on safeguards (03.09.08) – The newspaper reports on the positive progress made in Vienna, and it notes that International Atomic Energy Agency (IAEA) has "said that substantive progress has been made on the ongoing talks with India and that a final text on the proposed India-specific safeguards agreement is round the corner."

Nuclear Power is the Solution
Teknisk Ukeblad (Norway)
February 29, 2008

Hans Blix (79), best known as the leader of the UN weapons inspectors in Iraq and former Swedish foreign minister, believes that Norwegian industry should invest in nuclear power.

Teknisk Ukeblad [Technical Weekly] meets with Blix at the Grand Hotel in Oslo where he is participating in an international disarmament conference this week.

The communications director of Norsk Industri [Association of Norwegian Industry], Finn Langeland, says that nuclear power may become necessary for Norwegian industry to remain competitive. Blix supports this.

"I believe that an investment in nuclear power and thorium in particular should be considered, and I applaud the statement by Norwegian physics professor and nuclear power expert Jon Samseth, who says that it is only a matter of time before Norway has widescale production of nuclear energy. Norway, like other countries, should consider how to solve its future energy needs. Moreover, I do not believe that global warming can be reduced without the use of nuclear power," says Blix.

Working with safety

He works as a consultant for the American company Thorium Power. Blix works on challenges concerning overall safety, waste handling and security in relation to terrorism. He argues that there is an obvious advantage to using thorium as an energy source over uranium.

"The advantage is that thorium contains very little uranium – only 10-15 percent of the fuel. It results in as much as 80 percent less plutonium than the use of conventional uranium. Therefore it is almost impossible to use the waste from thorium for weapons production. You can also mix in plutonium instead of uranium. In that way, the plutonium is burned off and you're rid of it," Blix explains.

In terms of waste management when using thorium, both radioactivity and volume are at a lower level than with uranium waste.

"Yes, actually the waste is the biggest benefit in connection with using nuclear power as an energy source. You have to consider how much CO₂ is emitted from oil, gas and coal power. You can avoid this problem by using nuclear power."

"Moreover, there is three times as much thorium as there is uranium in the earth's crust. It lasts longer as an energy source," says Blix.

Cooperates with the Russians

In April 2007, Thorium Power entered into a cooperative agreement with the Russian government-owned company Red Star. According to Blix, the American company has been cooperating with Russian research institutions on the use of thorium for a long time.

“Such cooperation is natural. Thorium is currently being tested in a Russian research reactor,” says Blix.

“Do you believe the cooperation with Thorium Power will improve the safety of Russian nuclear power plants?”

“No, I do not believe that safety, per se, will improve, but the waste problem will decrease,” answers Blix.

“When can thorium be used commercially as an energy source?”

“That’s difficult to say. The Russians may be able to use the thorium fuel in test projects in commercial reactors by 2010,” says Blix.

[photo caption]

FOR NUCLEAR POWER: Hans Blix supports the Association of Norwegian Industry and nuclear power expert Jon Samseth who believe that nuclear power will force its way into Norway. The former UN weapons inspector in Iraq is participating in an international disarmament conference this week in Oslo.

[inset]

“The advantage is that thorium contains very little uranium – only 10-15 percent of the fuel. It results in as much as 80 percent less plutonium than the use of conventional uranium. Therefore it is almost impossible to use the waste from thorium for weapons production.”

Middle Eastern nations do nuclear diplomacy
World Nuclear News
March 25, 2008

Middle Eastern diplomats have been busy, with new nuclear cooperation agreements signed by Egypt and Russia, Bahrain and the USA, and Algeria and China. Meanwhile, the United Arab Emirates has established its own agency to look into developing nuclear power.

Russia and Egypt's agreement on the peaceful uses of nuclear energy has been billed in the press as the culmination of years of preparation. The agreement was signed by Sergei Kiriyenko, head of Russia's Rosatom nuclear energy agency, and Egyptian Energy Minister Hassan Younis during a visit by President Hosni Mubarak of Egypt to Russia. According to reports it will clear the way for Russia to participate in a tender to build Egypt's first nuclear power plant. In 2006, Egypt announced plans to build a 1000 MWe reactor for electricity generation and water desalination at El-Dabaa on the Mediterranean coast by 2015, in a \$1.5-\$2 billion project that would be open to foreign participation.

A Memorandum of Understanding (MOU) on nuclear energy cooperation between the USA and Bahrain was signed by US Secretary of State Condoleezza Rice and Foreign Minister Sheik Khalid of Bahrain in a ceremony at the White House. The US State Department described the agreement as "a tangible expression of the United States' desire to cooperate with states in the Middle East, and elsewhere, that want to develop peaceful nuclear power in a manner consistent with the highest standards of safety, security and nonproliferation and thereby serve as models for the responsible pursuit of the benefits of nuclear technology." Under the terms of the MOU, Bahrain affirmed its intention to forgo sensitive fuel cycle technologies and rely on existing international markets for nuclear fuel. Khalid also formally gave Bahrain's endorsement to the Global Initiative to Combat Nuclear Terrorism, becoming the 67th nation to join. Bahrain is one of the six Gulf Cooperation Council states that are engaged in studies into the possibility of developing nuclear power, possibly for desalination, in the region.

In yet more ceremonies, the governments of Algeria and China signed an accord on developing peaceful nuclear power, while Algeria's Energy and Mines Ministry and China's atomic energy agency signed an accord on training, research and human resources, according to the Algerian press. Algeria has already signed similar accords with Russia, the USA and France.

United Arab Emirates sets up agency

The United Arab Emirates (UAE), also part of the Gulf Cooperation Council (GCC), has announced its intention to establish a Nuclear Energy Implementation Organization to "evaluate the establishment of a peaceful nuclear programme." It has set aside a reported \$100 million to fund the agency. A memorandum on the country's nuclear energy policy issued after a cabinet meeting on 23 March noted that the country has no plans to enrich uranium itself but would import nuclear fuel for any future power plants. According to a government statement, the UAE has said it will work closely with the International Atomic Energy Agency (IAEA), ratify international non-proliferation and safety agreements and pass legislation to govern the nuclear sector, as well as establish a nuclear regulatory authority and an international advisory board of nuclear experts. The statement said that the UAE would offer joint ventures to foreign investors to build and operate potential power plants "using only advanced third-generation light water reactors."

Earlier this year, the UAE signed an agreement to cooperate on the development of nuclear energy, and a consortium of French companies signed a partnership deal to submit plans for a nuclear power plant project in the country.

Sarkozy-Brown summit to consider joint nuclear power program, climate change
The Associated Press
March 27, 2008

LONDON: French President Nicolas Sarkozy ended an ambitious state visit to Britain on Thursday by sealing a multibillion-pound (-dollar; -euro) defense deal and vowing to cooperate on issues from pressing the U.S. on climate change to curbing the spread of nuclear weapons technology.

But on a rare point of dissonance with his British host, Sarkozy said he could still boycott the opening ceremony of the Olympic Games in China — something Britain's Prime Minister Gordon Brown insisted he would not do.

Sarkozy and Brown showcased their warm friendship during the French leader's 36-hour trip amid pomp, ceremony and promises of a new era of cooperation.

As the French president charmed Brown, his glamorous wife — the model-turned-singer Carla Bruni-Sarkozy — captivated the British public with her poise and elegance, winning comparisons with late Jacqueline Kennedy-Onassis.

Sarkozy said he and Brown had worked "hand in glove" since they both took office last year, but acknowledged they were divided over a possible Olympics boycott.

He said that because France would hold the European Union's rotating presidency during the Olympics, he must consult with the rest of the 27-member bloc before making a final decision. France takes the EU presidency on July 1.

But he insisted, "I reserve the right to say whether I will attend."

"Depending on how the situation in Tibet evolves, I will hold back from saying whether I will or will not go to the opening ceremony and whether other initiatives should be taken," Sarkozy told a news conference at London's Emirates soccer stadium.

Brown has said Britain will not boycott the Olympics, and himself plans to attend the closing ceremony and carry out ceremonial duties expected of him as London will stage the next summer Olympics in 2012.

It was a rare point of discord. Sarkozy offered an effusive speech Wednesday to a joint sitting of the House of Commons and House of Lords, praising Britain's role in countering the threat of fascism in Europe.

Visiting as guests of Queen Elizabeth II — the first state visit by a French leader in 12 years — Sarkozy and his wife attended a grand royal banquet and laid a wreath at a statue of Gen. Charles de Gaulle.

The queen gave Sarkozy a ceremonial honor — the Order of Bath — and in turn, toasted the British monarch at a Windsor Castle banquet. "My wife and I will never forget this visit," he said.

Britain seems unlikely to forget his wife. Eyes have been fixed on Bruni-Sarkozy and her chic outfits; she even drew smiles from the queen as she curtsied before the monarch.

The French couple appeared comfortable with their royal hosts, and apparently shared a joke with the queen at Brown's expense.

"Has the prime minister got lost?" the queen asked Sarkozy at the start of a banquet Wednesday, caught on an open microphone as Brown failed to appear. "That's Gordon," the French president said, laughing as he and the British monarch scanned the room.

With Brown's wife, Sarah Brown, Bruni-Sarkozy attended a fundraising lunch Thursday for charity.

"I think she has been an honor to our country," Sarkozy told the news conference. "Not simply because of the way she looks, but beyond that, everyone understands ... this is a woman who has beliefs and sensitivity."

Following the leaders' talks at the soccer arena, Airbus parent company EADS said it had agreed an air tanker contract with Britain's defense ministry worth up to 13 billion pounds (16.7 billion; \$26.36 billion).

EADS signed a US\$35 billion contract to build refueling tankers for the U.S. Air Force last month.

In a joint communique, Britain and France vowed to establish a system of "nuclear fuel assurances to reduce the proliferation risks" of the spread of nuclear technology.

Brown plans to host a conference later this year for non-nuclear countries who aim to develop civilian atomic power programs. London would extend an invitation to Iran, if it meets its international obligations to cease uranium enrichment, his office said.

Britain and France also pledged to examine expansion of the Group of Eight industrialized nations, increase representation on the U.N. Security Council and urge a new push on financial transparency, including changes to the International Monetary Fund.

Sarkozy rejected suggestions that his trip, in which he has repeatedly emphasized his deep affection for Britain, had been heavy on flattery, but light on substance.

"I don't think it's a matter of a one-night stand, I think we now go into the next day's breakfast," Sarkozy said, comparing relations between the countries to a blossoming affair, rather than a fling.

Britain and France will hold twice-yearly summits to discuss progress on their projects, Brown said.

Discussions were expected to lead to a deal between France and Britain on a joint nuclear power program to replace aging plant power plants in Britain and to export technology to non-nuclear states across the world.

In a break from talks, the two leaders watched a group of young people train on the soccer stadium's pitch. Sarkozy elegantly knocked a ball with the back of his heel to Brown, who collected the pass but declined to indulge the French leader's eagerness for a brief skills practice.

Despite his playful instinct, Sarkozy — Sometimes nicknamed the "bling-bling president" because of his extravagant tastes — has played the statesman on the trip, ditching his trademark sunglasses and leaving his cell phone out of view.

Breathtaking Opportunities for nuclear development in UK
World Nuclear News
March 27, 2008

John Hutton, the UK's business and enterprise minister, said that the construction of new nuclear power plants in the country could be "the most significant opportunity for our energy economy since the exploitation of North Sea oil and gas."

Speaking at a conference of Unite, the largest manufacturing union in the UK, he said that a new generation of nuclear power plants in the UK "could position the UK as the gateway to a new nuclear renaissance across Europe." He added, "The potential scale and complexity of each investment is breathtaking."

Hutton said: "More countries are looking to a range of low carbon solutions to answer their own energy challenges. There has never been a greater global demand for finance, equipment and skills to build and operate nuclear power stations. And here too I want Britain to be leading the world in the development and application of this new generation of low carbon power technology."

The government "has done the easy bit", Hutton said, referring to publication of the Energy white paper in May 2007 and its subsequent adoption in early 2008 into policy. He added, "The hard task lies ahead" and that "translating this policy into action on the ground is now my top priority."

Hutton noted that the UK "faces its own tough competition for new nuclear investment. From the US, China, India, France and many others. The acid test for politicians in the critical two year window that lies ahead, is whether we can clear a path to becoming the number one place in the world for companies to do business in new nuclear power. That is my ambition for my country."

He has met with potential investors from the USA, Europe and Japan and said that "there are powerful signals from them and others in the industry that the UK is now one of the world's most viable new build markets." Hutton added, "I want to cement this interest through a major investor conference in London later this summer." He said that investor confidence will be dependent upon "focussing relentlessly on, what I would describe as, five key building blocks: regulation, planning, sites, waste and skills."

The replacement of the UK's existing nuclear capacity alone could represent some GBP20 billion (\$40 billion) worth of business for UK companies, Hutton said. However, he said he did not want to see "just a like for like replacement of nuclear capacity in the UK." Hutton said, "now with no artificial cap to constrain the potential of new build in the UK, there is every reason to believe that the industry could be contributing a significantly higher proportion of the UK's energy in the decades ahead." This, he said, would create thousands of jobs and that "the prize could be absolutely massive." The minister noted, "Obviously, it's up to the market to decide what investment takes place. But energy security and climate change should provide the push for a significant expansion of nuclear in the UK in the coming decades."

Hutton concluded, "Our job now - government, unions, business and employees - is to ensure we are ready, able and qualified to make the next steps forward."

Egypt leads Arab nuclear power race
Nuclear desire seems to be spreading throughout Arab nations in bid to offset rising demand for energy.

By Alain Navarro
Middle East Online
March 27, 2008

By signing a deal this week with Russia, Egypt is pushing forward with its desire to stay at the head of a nuclear family Arab nations are creating to counterbalance Iran and Israel.

A handshake between Egyptian President Hosni Mubarak and Russia's President Vladimir Putin on Tuesday sealed the nuclear cooperation deal that looks set to cause some concern in the West.

"Western countries can be intrigued and a little concerned, even if nothing has yet been concluded on a commercial level," Antoine Basbous, director of the Paris-based Arab World Observatory said.

Russia, which is close to completing Iran's controversial first nuclear facility in Bushehr, is keen to re-establish a commercial and diplomatic presence in the Middle East.

Putin praised Egypt as "one of the leaders of the Islamic and the Arab world" and said Russian-Egyptian relations were of "strategic importance."

In October, Mubarak decided to relaunch Egypt's nuclear energy programme, started with the Soviet Union in 1961 but frozen following the 1986 nuclear disaster at Chernobyl in the Ukraine.

A tender will be launched later this year for Egypt's first nuclear reactor, expected to be built at Dabaa on the Mediterranean coast at a cost of 1.5 to 1.8 billion dollars.

While on the face of it the deal simply allows Russia to bid for that contract, Mubarak's declaration that it followed "difficult" negotiations suggests substantial details of the deal have yet to emerge.

The nuclear desire seems to be spreading throughout the unstable region, with a dozen Arab nations, from the Gulf to the Atlantic, having declared their nuclear power aspirations.

"This is an Arab right," Mubarak declared at last year's Arab League summit in Riyadh, heralding a vision of an Arab nuclear family.

Six Gulf nations, including Saudi Arabia, as well as Yemen, Jordan, Libya, Algeria and Morocco have said they would like to have civilian nuclear programmes in an atmosphere made heavier by Iran's rampant nuclear crisis.

As yet, no Arab nation figures on the International Atomic Energy Agency's (IAEA) list of 31 countries with nuclear power plants.

Arab nations cite their need for energy security in the face of ever-expanding domestic energy demands. This includes countries with vast oil and gas reserves, which can be more profitable if exported.

"It's Iran's wish to accelerate its dubious programme that has pushed Arab countries to throw themselves into the race for nuclear power," said Basbous.

The IAEA's Egyptian chief, Mohamed ElBaradei, said in February that "all the Arab countries' nuclear activities will be under agency safeguard systems, so I don't see why anybody should be concerned."

Amid Western doubts over the ultimate civilian or military aims of Iran's programme, they have yet to announce any misgivings over Arab nuclear ambitions.

While Western analysts mention the risk of nuclear proliferation in the hyper-sensitive Middle East, their governments give priority to their commercial interests.

The United States has signed an initial nuclear cooperation agreement with Bahrain. France, whose Areva is the world leader in commercial nuclear energy, has signed similar agreements with Algeria, Libya and the United Arab Emirates.

Egypt, which ratified the nuclear Non-Proliferation Treaty in 1981, seeks a nuclear weapons-free Middle East and regularly criticises Israel for its undeclared nuclear arsenal.

However, Egypt has also said it will not sign a voluntary additional protocol to the NPT that would allow more intrusive inspections, saying it could make it too dependent on other countries for nuclear energy needs.

Israel, which has never admitted to having a nuclear arsenal but is widely believed to have around 200 warheads, is the only Middle Eastern country not to have signed the NPT.

Florida approves FPL plan for two more reactors
World Nuclear News
March 19, 2008

The Florida Public Service Commission (PSC) has approved plans by Florida Power & Light (FPL) to construct two more nuclear power reactors at its Turkey Point plant in the south of the state.

FPL is pursuing the option for the construction of two advanced-design reactors at Turkey Point that would a combined capacity of between 2200 MW and 3000 MW. The company said that, if built, the units - designated Turkey Point units 6 and 7 - would enter operation in 2018 and 2020. FPL currently operates two nuclear reactors at Turkey Point, in addition to two gas and oil units and one natural gas unit. The company filed its plans with the PSC in October 2007.

The company said that it must increase its electricity generating capacity by almost one-third, some 8350 MW, to meet projected growth in demand between 2011 and 2020. In addition to help meet some of this demand, the two new reactors at Turkey Point would diversify FPL's fuel mix, which currently consists of 50% natural gas. In addition to the two proposed reactors, the company plans to increase capacity at its existing reactors, expand natural gas combined cycle capacity, increase renewable generation and implement demand-side management programmes.

On 18 March, the PSC approved the additional nuclear plants and specifically agreed that FPL should proceed with making "reservation payments" on a key piece of equipment with long advance ordering requirements.

"Trends indicate there will be a substantial need for more power in FPL's service territory, and these new nuclear units can help meet that need," said PSC chairman Matthew M. Carter. He added, "The nuclear units will provide a clean, non-carbon emitting source of base-load power to meet Florida's growing energy needs."

FPL president Armando Olivera said: "This is a crucial first step toward securing Florida's future with additional energy that is safe, reliable, cost-efficient and clean. Additional nuclear generation will help us achieve Governor Crist's goal of reducing the carbon emissions that scientists have determined contribute to climate change, and will protect customers from supply disruptions and unpredictable prices that can result from being too dependent on a single fuel source."

However, FPL said that the PSC's approval of the plan "represents one step in a process that will take ten years or more." The company said in a statement that "before FPL makes a final decision to build these nuclear units, it will be involved in wide-ranging discussions and consultations with local residents and governments and must obtain approvals from several state and federal agencies." Final official state approval of the project must be given by the governor and his cabinet.

The next steps for FPL will be the filing of a Site Certification Application with the Florida Department of Environmental Protection and a Combined Operating Licence (COL) application with the US Nuclear Regulatory Commission (NRC). FPL informed the NRC in 2006 that it intended to file an application for a COL for two new units at Turkey Point.

If FPL decides to proceed with the two new units, its customers will start to see increases in their electricity bills to pay for their construction. Company spokesman Mayco Villafana told the Associated Press that the total cost of the project would be between \$12 billion and \$24 billion, depending on the technology used. He said that at the height of construction, expected in 2017, customers would see no more than \$6 per month added to their bill. However, Villafana added, once the reactors are in operation, the fuel savings would be about \$1 billion per year, which would also be passed on to customers.

Last year, Florida regulators turned down FPL's request to construct a new coal-burning plant in

South Florida. The regulatory panel said then that the costs for coal plants in the future were not certain because of the prospect of additional emissions requirements that might be enacted in the future.

US team announces nuclear fuel milestone
World Nuclear News
March 13, 2008

Researchers from the US Department of Energy's lead nuclear research and development laboratory have announced a "major domestic milestone" in the performance of nuclear fuel for use in some of the next generation of advanced nuclear reactors.

The team at the Idaho National Laboratory (INL) used reverse engineering methods to "help turn fuel test failures from the 1990s into successes for 2008," according to INL research technical director David Petti. "We wanted to close this loop for the high-temperature gas reactor fuels community," he added.

The fuel in question is coated-particle nuclear fuel for high temperature reactors (HTRs). This fuel, also known as Triso (standing for tri-isotropic), is based on small kernels of uranium oxide or carbide about half a millimetre in diameter. Each of these kernels is coated with several layers of carbon and silicon compounds which form a virtually impermeable barrier against the release of the radioactive products of nuclear fission. Test nuclear fuel elements using Triso technology were tested at INL's Advanced Test Reactor.

Development work on HTRs and their fuel began in the 1960s, and in the 1970s and 1980s German companies successfully manufactured fuel and operated two demonstration and experimental reactors. The inherent safety features and small size of the HTR have contributed to bring them once again to the fore in the development of future generations of nuclear power, in programs such as South Africa's Pebble Bed Modular Reactor. A design using Triso fuel is likely to be chosen for the US Department of Energy's Next Generation Nuclear Power Plant (NGNP).

US coated particle fuel programs were unable to match the fuel performance enjoyed by the German project and the research was shelved in the 1990s until its resurrection in 2003. Researchers at INL said that by making the coatings of the US particles more like the German technology of the 1980s they have managed to emulate the German successes.

The researchers, a 40-strong team from INL, Babcock & Wilcox, General Atomics and Oak Ridge National Laboratory, say their fuel has now achieved a burnup of 9% without failure and have set their sights on achieving a 12-14% burnup by the end of the year.

Nuke deal will be done: Pranab tells Bush
By Chidanand Rajghatta
The Times of India
March 26, 2008

WASHINGTON: India intends to implement the landmark nuclear deal with the United States even if it "takes a little time" to achieve a domestic political consensus on the matter, External Affairs Minister Pranab Mukherjee has assured President Bush and other high-level US interlocutors.

In a rather unusual 30-minute meeting with the US President at the White House Oval Office on Monday, Mukherjee and a four-member team briefed the US President and his principals about the current status of the nuclear deal, officials said.

Shortly before he left Washington after a 48-hour visit, Mukherjee himself relayed to the media the broad gist of what he told the US leadership: "We have some problems in the domestic field which we are trying to resolve. It may take some more time."

He would not give a timeframe for implementing the agreement, but there was a sense of assertiveness that the deal would eventually fructify.

In fact, in written remarks presented to the media, the minister said he had discussed with the US leadership, "the way forward on opening civil nuclear cooperation by India with USA and others as a critical element of our energy security," -- a formulation that suggests that getting the deal through the domestic opposition is a foregone conclusion.

Asked at a press conference if the current Indian leadership was willing to sacrifice the government to consummate the deal, Mukherjee said it was not a question of sacrificing the government or the deal, but of trying to find meeting ground.

"Events have their own momentum....it is difficult to predict the time line...which month we will get a consensus...whether it is June or August," Mukherjee said.

His carefully calibrated remarks suggested that the UPA government intended to try for a consensus till the very last moment the US legislative calendar allowed for the deal to be voted one last time as required by it. If the UPA government failed to accomplish this, it might go ahead with approval of the deal even if it meant calling early elections.

Mukherjee said he had also discussed clean energy and climate change issues with Bush, including complimenting him on the US decision to start a new fund for the purpose, indicating that the nuclear deal talks were part of an overall discussion on energy security.

Officials said only a few minutes of the half-hour meeting dwelt on the nuclear deal, as the two sides discussed the broad sweep of US-India ties, including developments in Pakistan, Myanmar, Tibet and elsewhere. Mukherjee later said his discussions "reinforced our view that India-US relationship is robust and forward-leaning, and answers to the interests of both countries," words that may not be music to the ears of the government's Left allies, who, in the ministers' own words, are opposed to the nuclear deal for ideological reasons.

The White House meeting itself was unscripted in the sense that it is seldom that the US President meets visiting foreign ministers in the Oval Office, much less for half an hour with a delegation that included four bureaucrats, ranging from the foreign secretary to the joint secretary in charge of the region.

But it was Easter Monday, and Bush had spent a raucous morning with an army of children who came to the White House for the annual easter egg roll, an event that the President dedicated this time to "clean oceans."

He might as well added "nuclear deal" to the it, considering how much the matter has played on his mind lately, in part as a legacy issue. In fact, so anxious was the White House to hear from the visiting Indian minister that his meeting with National Security Advisor Stephen Hadley was dispensed with, and Hadley escorted him straightaway to the Oval Office.

From all accounts, the President took the delay in moving the deal forward in his stride. "There is a sense of graciousness and hospitality about them (Americans) ...they appreciate we have to go through the political process... they are not insensitive," a senior official who spoke to Tol about the meeting said.

As unprecedented as the meeting with Bush was minister Pranab Mukherjee's 'dinner date' with his counterpart Condoleezza Rice, a single woman whose social life, including her occasional sorties with eligible men, is grist for the tattle sections in newspapers.

But this one-on-one meeting was all business, with the Mukherjee taking her through the political dynamics in India.

Nuclear energy must for energy security: PM
Times of India
March 23, 2008

NEW DELHI: Prime Minister Manmohan Singh on Monday said his government was committed to developing nuclear energy as part of a multi-pronged strategy for energy security as the country could not depend on just one or two sources to meet the growing demand for power.

"Our government is committed to further development of energy both as an environment friendly source of power and as a means of widening the energy basket available to us," he said, laying the foundation stone for the Rs 5,000 crore gas based power project at Bawana here.

The plant is to be commissioned ahead of the 2010 Commonwealth Games.

India is trying to push through a civilian deal with the US that would give it access to American nuclear fuel and equipment, but the pact is being fiercely opposed by the UPA's Left allies on the ground that it would compromise India's sovereignty.

Currently, nuclear power accounts for just three per cent of India's installed power generation capacity, while over 60 per cent of it is being met by coal.

The Prime Minister said that while some sources of energy might be cheap today, the country needs to think for future generations. "Our energy needs are bound to grow. We will be failing in the duty to our nation and to posterity, if we do not look ahead and take steps for not just today and tomorrow but for future generations," he said.

Singh said the strategy for energy security was multi-pronged. "We don't have the luxury of depending upon only one or two sources," he said.

India govt, allies to hold US nuclear deal talks in April
Agence France Presse
March 17, 2008

India's government said Monday it would hold more talks in April with its communist allies in a bid to move forward with a contentious nuclear pact with the United States.

Next month's talks will focus on a draft deal worked out between New Delhi and the International Atomic Energy Agency (IAEA) that is essential to concluding the deal with Washington.

Foreign Minister Pranab Mukherjee told reporters that government representatives had presented the outcome of the talks with the UN's atomic watchdog to its communist allies on Monday.

Both sides "felt further discussion was needed. It was decided to hold the next meeting in April," Mukherjee was quoted as saying by the Press Trust of India after the 90-minute meeting.

The India-US pact, which seeks to bring India into the loop of global nuclear civilian commerce, has been a key point of discord between the ruling Congress-led coalition and the communists, who prop up the minority government in parliament.

India says the pact is needed to provide new fuel sources to keep the energy-hungry nation's economy growing strongly, but the communists oppose it, saying the deal will compromise New Delhi's military programme and ally it more closely with Washington.

New Delhi also needs approval from the 45-nation Nuclear Suppliers Group, which regulates global civilian nuclear trade, before it can begin buying nuclear reactors and fuel.

Key US officials have stepped up pressure on New Delhi to move forward so the pact can get final approval from the US Congress, where it has bipartisan support, before Washington gets busy with the November presidential polls.

In a speech to parliament last week, Prime Minister Manmohan Singh said he would try to build a consensus on the deal but so far has had no success with communist leaders.

Nuclear deal: India close to final IAEA text on safeguards

By Anil Sasi

The Hindu

Business Line

Opinion

March 9, 2008

Political tempo against the deal rises with the Left, BJP upping the ante

New Delhi, March 8 Amidst mounting tension between the Government and its Left allies on the way forward on the Indo-US civilian nuclear agreement, the International Atomic Energy Agency (IAEA) has said that substantive progress has been made on the ongoing talks with India and that a final text on the proposed India-specific safeguards agreement is round the corner.

“The talks are close to a final text. Considerable progress has been achieved during the round of negotiations about a safeguards agreement between the IAEA and India held last week in Vienna. Consultations between India and the Agency will continue,” an IAEA spokesperson told Business Line.

While the Agency refused to divulge a time-frame for wrapping up the final text, Government sources said an end-March deadline is being targeted. Finalisation of the text for the safeguards agreement is a key requirement to operationalise the nuclear deal. The progress at the latest round of talks in Vienna mark a narrowing down of differences between the global nuclear watchdog and India on evolving the proposed country-specific safeguards, since the commencement of negotiations in November last year. Once the IAEA agreement is in place, India will have to seek a waiver from Nuclear Suppliers Group — the 45-member cartel that controls global nuclear commerce — before a fresh vote in the US Congress. According to the tentative schedule, if the safeguards agreement is firmed up by April, the Indian case for an exemption can be put forth at the NSG plenary scheduled for May 19 in South Africa.

Left view

“Our agenda is the nuclear deal and not the stability of the Government or an early or late election. We are opposed to the deal because we think it is not in the interest of the country,” CPI(M) Polit Bureau member Mr Sitaram Yechury told newsmen here on Saturday, on the sidelines of the party central committee meeting.

The Prime Minister, Dr Manmohan Singh, had told Parliament earlier this week that efforts would be made to seek the “broadest possible consensus” on the issue. He had also appealed to his predecessor, former Prime Minister Mr Atal Behari Vajpayee, to rise above “narrow” party politics and support the Indo-US nuclear deal.

Meanwhile, the BJP Vice-President, Mr M Venkaiah Naidu, at a press meet in Kochi on Saturday, reiterated his party position that it was against the deal “in its present form” as it would mean “surrendering the country’s sovereignty” to the US.

Inching towards deal

Safeguards agreement round the corner, says an IAEA spokesman.

IAEA refuses to divulge a time-frame for wrapping up the final text.