

EXHIBIT 10.17

CONFIDENTIAL INFORMATION OMITTED AND
FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.
ASTERISKS DENOTE SUCH OMISSIONS.

UNITED STATES ENRICHMENT CORPORATION
WASHINGTON, D.C.

CONTRACTOR: TECHSNABEXPORT CO. LTD.
 109180 MOSCOW, STAROMONETY
 PER. 26, RUSSIA

INITIAL IMPLEMENTING CONTRACT FOR THE AGREEMENT BETWEEN
THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND THE GOVERNMENT OF THE RUSSIAN FEDERATION
CONCERNING THE DISPOSITION OF HIGHLY ENRICHED URANIUM
EXTRACTED FROM NUCLEAR WEAPONS

THIS CONTRACT HAS BEEN ENTERED INTO THIS 14 DAY OF JANUARY, 1994, BY AND
BETWEEN THE UNITED STATES ENRICHMENT CORPORATION, EXECUTIVE AGENT OF THE UNITED
STATES OF AMERICA, AND TECHSNABEXPORT, EXECUTIVE AGENT OF THE MINISTRY OF
ATOMIC ENERGY, EXECUTIVE AGENT OF THE RUSSIAN FEDERATION. ENGLISH AND RUSSIAN
LANGUAGE VERSIONS OF THIS CONTRACT WILL BE SIGNED BY THE PARTIES. IN THE EVENT
OF INCONSISTENCY BETWEEN ANY TERMS, THE ENGLISH VERSION SHALL CONTROL.

UNITED STATES ENRICHMENT
CORPORATION

TECHSNABEXPORT CO. LTD.

By: /s/ William H. Timbers, Jr.

By: /s/ Albert A. Shishkin

William H. Timbers, Jr.
Transition Manager

Albert A. Shishkin
President

/s/ Alexei A. Grigoriev

Alexei A. Grigoriev
Director
URANSERVIS

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PART I

SECTION B

SUPPLIES OR SERVICES AND PRICES/COSTS

B.01 DEFINITIONS

- (a) The term "DOE" means the United States Department of Energy.
- (b) The term "TECHSNABEXPORT" or "TENEX" means Techsnabexport Co., Ltd., a joint-stock company organized and existing under the laws of the Russian Federation.
- (c) The term "MINATOM" means the Ministry of the Russian Federation of Atomic Energy.
- (d) The term "persons acting on behalf of DOE" includes authorized employees and contractors of DOE, and employees of such contractors, who implement or participate in the implementation of this contract pursuant to their employment or their contracts with DOE.
- (e) The term "persons acting on behalf of Techsnabexport Co., Ltd." includes employees and contractors of Techsnabexport Co., Ltd., and employees of such contractors, who implement or participate in the implementation of this contract pursuant to their employment or their contracts with Techsnabexport Co., Ltd.
- (f) The term "Government", unless otherwise specified, means DOE.
- (g) The term "Contractor" means TENEX.
- (h) The term "HEU" means uranium enriched to ninety (90) percent or greater in the isotope 235.
- (i) The term "LEU" means uranium enriched to less than five (5) percent in the isotope 235.
- (j) The term "Offeror" or "apparently successful offeror" is understood to mean TENEX.
- (k) The term "Government-Furnished Property or Government Property" as used in Part II, Section I, Clause 48 shall be understood to mean United States Government property.

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(l) The term "Contracting Officer" means the person representing the U.S. having authority to enter into, administer, or terminate contracts and make related determinations and findings.

(m) The term "Contracting Officer's Representative" or "COR" means the person authorized by the Contracting Officer to issue technical direction to TENEX during the performance of this contract.

(n) The term "tails material" means uranium produced as a result of the performance of enrichment Operations and with an isotope 235 assay less than 0.711 weight percent U-235 in total uranium.

(o) The term "fiscal year" refers to the U.S. Government fiscal year beginning October 1 each year and ending September 30 of the following year.

(p) The term "Government-to-Government Agreement" means the Agreement between the Government of the United States of America and the Government of the Russian Federation Concerning the Disposition of Highly Enriched Uranium Extracted from Nuclear Weapons of February 18, 1993, provided as Attachment 9 to the contract.

(q) The term "calendar year" refers to the period beginning with January 1 and ending with December 31 of each respective year.

(r) The term "importer", for the purposes of this contract, means DOE unless otherwise specified.

(s) The term "Separate Work Unit" (SWU) means the standard U.S. measure of enrichment services that represents the effort expended to separate uranium into a stream containing a higher concentration of the fissionable U-235 isotope and a stream containing a lower concentration of U-235.

(t) The term "natural uranium" refers to uranium containing 0.711 percent of the isotope 235.

(u) The term "delivery order" means a document obligating TENEX to supply and DOE to receive the delivered material.

(v) The term "schedule of delivery" means a document which includes in it agreed-upon quantities and months of delivery in the current fiscal year.

(w) The term "Natural Uranium Component" means non-irradiated uranium with natural assay of isotope uranium-235, i.e. 0,711 weight percent, in the form of natural uranium hexafluoride, in the quantity necessary for the production of the LEU determined quantity.

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B.02 AGREEMENT

This contract, signed this _____ day of _____, 1994, by and between the UNITED STATES DEPARTMENT OF ENERGY (DOE) Executive Agent of the UNITED STATES OF AMERICA, and TECHSNABEXPORT CO., LTD (TENEX), agent of the MINISTRY OF ATOMIC ENERGY, Executive Agent of the RUSSIAN FEDERATION, shall enter into force pursuant to Clause H. 07.

WITNESSETH THAT:

WHEREAS, this contract constitutes the initial implementing contract under the Government-to-Government Agreement and is subject to the terms and conditions therein, and

WHEREAS, DOE is authorized to enter into contracts for the purchase of Russian LEU by the Atomic Energy Act of 1954, as amended; the Department of Energy Organization Act (P.L. 95-91); and other applicable law, and

WHEREAS, TENEX is authorized to enter into contracts for the sale of Russian Low Enriched Uranium (LEU), on behalf of MINATOM, to the DOE pursuant to Ukase of the President of the Russian Federation "About Ministry of the Russian Federation of Atomic Energy" No. 61 of January 29, 1992; and other applicable law:

DOE AND TENEX HAVE AGREED AS FOLLOWS.

B.05 SUPPLIES, OR SERVICES AND PRICES/COSTS

TENEX shall be obligated to deliver the quantities specified by DOE during each annual review. DOE may order LEU up to the amount of LEU contained in 10 MT of HEU each year for the first 5 years, and at the amount of LEU contained in 30 MT of HEU each year thereafter in accordance with paragraph 2. (iii) of Article 2 of the Government-to-Government Agreement. Additional annual amounts may be ordered subject to mutual agreement in the annual reviews (See section H.08).

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ITEM	DESCRIPTION	QTY (KgU) (FY 93 \$'S)	UNIT PRICE AMOUNT	TOTAL
<S> <C>		<C>	<C>	
0001	In FY 1994 thru 2013 purchases of LEU having an assay of 4.4 percent in the isotope 235, derived from blending 500 metric tons of HEU having an assay of 90 percent in the isotope 235	15,258,620	\$780.00	\$11,901,724,000

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<S> with LEU containing no greater than 1.5 percent in the isotope 235.
(See Clauses B.06 and B.07)

MAXIMUM AMOUNT OF CONTRACT (IN FY 93 \$'S): \$11,901,724,000

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Deliveries are carried out after receipt by TENEX of DOE orders for deliveries in accordance with F.01 of the contract.

B.06 DELIVERY ORDER PRICING

The total amount of dollars for 4.4 percent U-235 derived from HEU will be \$780.00 per kilogram of each delivery order placed in the FY 1994. For the purpose of pricing each delivery order, one (1) KgU of LEU consists of 6.0386 SWUs at \$82.10 per SWU and 9.9757 KgUs of natural uranium at \$28.50 per KgU. DOE will notify TENEX on a quarterly basis of the total quantity of natural uranium which has been used for overfeeding or has been resold during this period. When the natural uranium component is ordered by DOE, the price to be paid for this component will be the price agreed upon at the annual review which will be established based upon U.S. inflation and changes in

international market conditions for the fiscal year in which the order is placed. It is understood that by the end of the period of performance, DOE will have purchased and paid for all quantities of natural uranium component of the LEU delivered by TENEX during this period.

Prices for future years will be adjusted as part of the annual review. In the event that agreement on price is not reached at the annual review meeting, the price for the previous year shall apply in any orders placed for the following year. In the event that agreement on price is not reached at the next annual review meeting, delivery orders, if any, shall not be placed until agreement is reached, therefore, there would be no obligation under the contract for TENEX to deliver LEU in the absence of an agreement on price. Furthermore, in the event agreement is not reached on the issue of price, there would be no liability for any damages under the contract for either party arising out of such a failure to agree.