BASE PROSPECTUS

URENCO FINANCE N.V.

(incorporated as a public company with limited liability under the law of The Netherlands)

€3,000,000,000

Euro Medium Term Note Programme

unconditionally and irrevocably guaranteed on a joint and several basis by

URENCO Limited

(incorporated with limited liability under the laws of England and Wales)

URENCO UK Limited

(incorporated with limited liability under the laws of England and Wales)

URENCO Enrichment Company Limited

(incorporated with limited liability under the laws of England and Wales)

URENCO Finance UK Limited

(incorporated with limited liability under the laws of England and Wales)

URENCO Nederland B.V.

(incorporated with limited liability under the laws of The Netherlands)

URENCO Deutschland GmbH

(incorporated as a limited liability company under the laws of Germany)

URENCO USA Inc.

(incorporated with limited liability under the laws of the State of Delaware, United States of America)

Louisiana Energy Services, LLC

(incorporated as a limited liability company under the laws of the State of Delaware, United States of America)

URENCO Finance US, LLC

(incorporated as a limited liability company under the laws of the State of Delaware, United States of America)

Under this €3,000,000,000 Euro Medium Term Note Programme (the **Programme**), URENCO Finance N.V. (the **Issuer**) may from time to time issue notes (the **Notes**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below). This Base Prospectus supersedes the Base Prospectus dated 24 July 2015 in relation to Notes issued after the date hereof.

The Notes are constituted by, have the benefit of and are in all respects subject to a trust deed dated 2 May 2008 (such Trust Deed, as modified and/or supplemented and/or restated from time to time the **Trust Deed**) between the Issuer, the Original Guarantors (as defined below) and Citicorp Trustee Company Limited (the **Trustee** which expression includes all persons appointed for the time being as trustee or trustee under the Trust Deed) as trustee for the holders of the Notes (the **Noteholders**).

The payments of all amounts due in respect of the Notes will be fully, unconditionally and irrevocably guaranteed on a joint and several basis by each of URENCO Limited, URENCO UK Limited, URENCO Enrichment Company Limited, URENCO Finance UK Limited, URENCO Nederland B.V., URENCO Deutschland GmbH, URENCO USA Inc., Louisiana Energy Services, LLC and URENCO Finance US, LLC (the **Original Guarantors**) and each (if any) additional guarantor (each an **Additional Guarantor** and, together with the Original Guarantors, unless any of them have ceased to be a guarantor in accordance with the Conditions and the Trust Deed, the **Guarantors**). Each of the guarantees to be given by the Guarantors pursuant to the Trust Deed (each a **Guarantee** and together the **Guarantees**), other than the Guarantee given by URENCO Limited, shall end on the relevant Guarantee End Date (as defined in the Conditions). In addition, the obligations of URENCO Deutschland GmbH under its Guarantee are limited under the Trust Deed. See "*Risk Factors – Risks Related to Notes Generally – Limitations in respect of Guarantee from URENCO Deutschland GmbH*".

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €3,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*Overview of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "Risk Factors".

This Base Prospectus has been approved by the United Kingdom Financial Conduct Authority, in its capacity as competent authority (the **UK Listing Authority**), as a base prospectus issued in compliance with Directive 2003/71/EC, as amended (the **Prospectus Directive**) and the Financial Services and Markets Act 2000, as amended (**FSMA**). Applications have been made to the UK Listing Authority for Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the official list of the UK Listing Authority (the **Official List**) and to the London Stock Exchange plc (the **London Stock Exchange**) for such Notes to be admitted to trading on the London Stock Exchange's Regulated Market.

References in this Base Prospectus to Notes being **listed** (and all related references) shall mean that such Notes have been admitted to trading on the London Stock Exchange's Regulated Market and have been admitted to the Official List. The London Stock Exchange's Regulated Market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set out in a final terms document (the **Final Terms**) which will be delivered to the UK Listing Authority and the London Stock Exchange. Copies of Final Terms in relation to Notes to be listed on the London Stock Exchange will also be published on the website of the London Stock Exchange through a regulatory information service.

The Programme has been rated (P)Baa1 in respect of senior unsecured notes and (P)P-2 in respect of short-term notes by Moody's Investors Service Ltd (**Moody's**) and BBB+ by Standard & Poor's Credit Market Services Italy Srl (**S&P**). In addition, URENCO Limited has a long-term issuer rating of Baa1 and a short-term issuer rating of P-2 by Moody's and a long-term issuer rating of BBB+ and a short-term issuer rating of A-2 by S&P. Each of Moody's and S&P is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**).

Notes issued pursuant to the Programme may be rated or unrated. Where an issue of Notes is rated, such rating will be specified in the relevant Final Terms and its rating will not necessarily be the same as the rating applicable to the Programme. Whether or not each credit rating applied for in relation to relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the Final Terms. Please also refer to "*Credit ratings may not reflect all risks*" in the "*Risk Factors*" section of this Base Prospectus.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Arranger
CITIGROUP

Dealers
BARCLAYS **BNP PARIBAS** **CITIGROUP**
HSBC **THE ROYAL BANK OF SCOTLAND**

The date of this Base Prospectus is 31 October 2016.

IMPORTANT INFORMATION

This Base Prospectus comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive. The Prospectus Directive means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State of the European Economic Area.

Each of the Issuer and the Original Guarantors accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer and the Original Guarantors (each having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Base Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Base Prospectus.

Neither the Dealers nor the Trustee (as defined below) have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers or the Trustee as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuer or the Guarantors in connection with the Programme. No Dealer or the Trustee accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer or any Guarantor in connection with the Programme.

No person is or has been authorised by the Issuer, the Guarantors, the Dealers or the Trustee to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, any of the Guarantors, any of the Dealers or the Trustee.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, any of the Guarantors, any of the Dealers or the Trustee that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and/or the Guarantors. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, Guarantors, any of the Dealers or the Trustee to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer and/or any of the Guarantors is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer or any Guarantor during the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the *Securities Act*) and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (see "*Subscription and Sale*").

IMPORTANT INFORMATION RELATING TO THE USE OF THIS BASE PROSPECTUS AND OFFERS OF NOTES GENERALLY

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Guarantors, the Dealers and the Trustee do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, any of the Guarantors, the Dealers or the Trustee which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, Japan and the European Economic Area (including the United Kingdom and The Netherlands).

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

(i) **has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;**

(ii) **has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;**

(iii) **has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the currency in which the potential investor's financial activities are principally denominated;**

(iv) **understands thoroughly the terms of the Notes and is familiar with the behaviour of indices and financial markets; and**

(v) **is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.**

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

PRESENTATION OF INFORMATION

All references in this document to *U.S. dollars*, *U.S.$* and *$* refer to United States dollars, to *Sterling*, *GBP* and *£* refer to pounds sterling and to *Euro* and *€* refer to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro, as amended.

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STABILISATION

In connection with the issue of any Tranche of Notes, one or more relevant Dealers acting as stabilisation manager (the Stabilisation Manager(s)) (or persons acting on behalf of any Stabilisation Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over- allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

OVERVIEW OF THE PROGRAMME

The following overview of the Programme must be read as an introduction to this Base Prospectus and any decision to invest in the Notes should be based on a consideration of this Base Prospectus as a whole, including any information incorporated by reference. The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of listed Notes only and if appropriate, a new Base Prospectus will be published.

This Overview constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive. This general description does not purport to be complete and is taken from, and is qualified by, the remainder of this Base Prospectus and in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms.

Words and expressions defined elsewhere in this Base Prospectus shall have the same meanings in this overview.

Issuer:	URENCO Finance N.V.
Guarantors:	The Issuer's obligations under the Notes will be jointly and severally guaranteed by URENCO Limited, URENCO UK Limited, URENCO Enrichment Company Limited, URENCO Finance UK Limited, URENCO Nederland B.V., URENCO Deutschland GmbH, URENCO USA Inc., Louisiana Energy Services, LLC and URENCO Finance US, LLC as Original Guarantors (unless any of them ceases to be a Guarantor in accordance with the Conditions and the Trust Deed) and each (if any) Additional Guarantor (as defined in the Conditions). Each of the Guarantors (other than URENCO Limited) shall cease to be a Guarantor in relation to the Notes on the relevant Guarantee End Date, as more specifically set out in the Conditions and the Trust Deed.
Risk Factors:	There are certain factors that may affect the ability of the Issuer and the Guarantors to fulfil their obligations under the Notes and the Guarantees as well as certain factors which are material for the purpose of assessing the market risks associated with the Notes. These are set out under "*Risk Factors*" below.
Description:	Euro Medium Term Note Programme
Arranger:	Citigroup Global Markets Limited
Dealers:	Barclays Bank PLC BNP Paribas Citigroup Global Markets Limited HSBC Bank plc The Royal Bank of Scotland plc and any other Dealers appointed in accordance with the Programme Agreement.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*") including the following restrictions applicable at the date of this Base Prospectus. **Notes having a maturity of less than one year** Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for

	the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000, as amended, unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "*Subscription and Sale*".
Issuing and Principal Paying Agent:	Citibank, N.A., London Branch
Programme Size:	Up to €3,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer and the Guarantors may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Notes may be denominated in, subject to any applicable legal or regulatory restrictions, any currency agreed between the Issuer and the relevant Dealer.
Maturities:	The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Issue Price:	Notes may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	The Notes will be issued in bearer form as described in "*Form of the Notes*".
Fixed Rate Notes:	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
Floating Rate Notes:	Floating Rate Notes will bear interest at a rate determined: (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or (b) on the basis of the reference rate set out in the applicable Final Terms. The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes. Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both. Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.
Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

Redemption:	The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer. Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "*Certain Restrictions – Notes having a maturity of less than one year*" above.
Denomination of Notes:	The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "*Certain Restrictions – Notes having a maturity of less than one year*" above, and save that the minimum denomination of each Note will be €100,000 (or, if the Notes are denominated in a currency other than Euro, the equivalent amount in such currency). Notes may be issued under the Programme with denominations consisting of a minimum specified denomination and integral multiples of another smaller amount in excess thereof.
Taxation:	All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction as provided in Condition 9. In the event that any such deduction is made, the Issuer or, as the case may be, the Guarantors will, save in certain limited circumstances provided in Condition 9, be required to pay additional amounts to cover the amounts so deducted.
Negative Pledge:	The terms of the Notes will contain a negative pledge provision as further described in Condition 4.
Cross Default:	The terms of the Notes will contain a cross default provision as further described in Condition 11.
Status of the Notes:	The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.
Guarantees:	The Notes will be fully, unconditionally and irrevocably guaranteed on a joint and several basis by the Guarantors. The obligations of the Guarantors under the Guarantees will be direct, unconditional and (subject to the provisions of Condition 4) unsecured obligations of each Guarantor and will rank *pari passu* and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of such Guarantor from time to time outstanding. A Guarantor (other than URENCO Limited) will cease to be a Guarantor on the first date (each, a **Guarantee End Date**) specified in a certificate of a Senior Financial Officer of the Issuer which is sent to the Trustee (such date to be no more than seven days after the date on which the certificate is delivered to the Trustee) (i) requesting that such Guarantor be released; and (ii) certifying to the Trustee as of the

	date specified in such certificate that: (a) no Event of Default shall have occurred and be continuing; (b) no amount is due and payable under the relevant Guarantee; and (c) such Guarantor does not have outstanding any other Relevant Indebtedness, the amount of which exceeds 3.5 per cent. of Total Equity (as defined in Condition 3.6). Nothing in its Guarantee will oblige URENCO Deutschland GmbH to make any payment if and to the extent that such payment would cause URENCO Deutschland GmbH not to have (i) sufficient liquidity to meet its own payment obligations or (ii) sufficient net assets (i.e. assets minus liabilities and liability reserves (*Reinvermögen*)) to maintain its stated share capital (*Stammkapital*) and, as a result, cause a violation of Sections 30 or 31 of the German Limited Liability Company Act. See "*Risk Factors – Risks Related to Notes Generally – Limitations in respect of Guarantee from URENCO Deutschland GmbH*".
Rating:	Notes issued pursuant to the Programme may be rated or unrated. Where an issue of Notes is rated, such rating will be specified in the relevant Final Terms and its rating will not necessarily be the same as the rating applicable to the Programme. Whether or not each credit rating applied for in relation to relevant Notes will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
Listing and admission to trading:	Applications have been made to the UK Listing Authority for Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's Regulated Market.
Governing Law:	The Notes and the Trust Deed and any non-contractual obligations arising out of or in connection with the Notes or the Trust Deed will be governed by, and shall be construed in accordance with, English law.
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (including the United Kingdom and The Netherlands), Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "*Subscription and Sale*".
Clearing systems:	Euroclear and/or Clearstream, Luxembourg and/or, in relation to any Notes, any other clearing system as may be specified in the relevant Final Terms.

RISK FACTORS

In purchasing Notes, investors assume the risk that the Issuer and the Guarantors may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There are a wide range of factors which individually or together could result in the Issuer and the Guarantors becoming unable to make all payments due in respect of the Notes. Each of the Issuer and the Guarantors believe that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer and the Guarantors may not be aware of all relevant factors and certain factors which they currently deem not to be material may become material as a result of the occurrence of events outside the Issuer's and the Guarantors' control. The Issuer and the Guarantors have identified in this Base Prospectus a number of factors which could materially adversely affect their businesses and ability to make payments due under the Notes.

In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are also described below.

Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.

Words and expressions defined in the section headed "Terms and Conditions of the Notes" and elsewhere in this Base Prospectus have the same meanings in this section.

Ability of Issuer to repay Notes

The Issuer is a subsidiary of URENCO Limited, and substantially all of its assets consist of loans to URENCO Limited and its subsidiaries. Therefore, the Issuer is dependent on loan repayments or inter-company transfers of funds it receives from such entities to be able to fulfil its obligations under the Notes.

The following risks relating to the business of the Group may impact the ability of the Issuer to fulfil its obligations under the Notes.

Risks Relating to the Group's Business

URENCO Limited is the holding company of the Group and relies on intra Group payment of dividends and distributions

URENCO Limited is the holding company of the Group. As a holding company, URENCO Limited conducts substantially all of its operations through its subsidiaries and is dependent on the financial performance of its subsidiaries and payments of dividends and inter-company payments (both advances and repayments) from these subsidiaries to meet its debt obligations including its ability to fulfil its obligations under the Guarantee of the Notes issued under the Programme.

There is no contractual obligation for its subsidiaries to make regular dividend payments to URENCO Limited. In addition, the ability of the directors of a subsidiary of URENCO Limited to declare dividends or the amount of dividends the subsidiary may pay will depend on that subsidiary's operating results and will be subject to applicable laws and regulations. Claims of creditors of URENCO Limited's subsidiaries have priority as to the assets of such subsidiaries over the claims of URENCO Limited. Consequently, the claims of the holders of Notes issued by the Issuer and guaranteed by URENCO Limited are structurally subordinated, in the event of the insolvency of URENCO Limited and its subsidiaries, to the claims of the creditors of subsidiaries of URENCO Limited that are not Guarantors.

Future of nuclear industry

URENCO's long-term prospects in the uranium enrichment business are closely related to that of the nuclear energy industry world-wide. URENCO's operations are therefore subject to factors which are outside of its control, including natural and geological events and technological failures of other nuclear operators which may adversely affect the future of the nuclear industry. A decline in the use of nuclear energy would, in the long-term, adversely affect the Group's ongoing operations.

Changes in the public's acceptance of nuclear power could also potentially influence the terms on which countries are willing to grant and maintain licences for the operation of nuclear sites, possibly including the

Group's facilities. Political developments, changes in law and regulation and a shift in public policy towards the licensing and operation of nuclear facilities could adversely affect the Group's ongoing operations.

Following the earthquake that struck the northeast coast of Japan on 11 March 2011 and the subsequent incidents at the Fukushima Daiichi Nuclear Power Plant, the nuclear energy industry has witnessed a subsequent re-evaluation of nuclear power facilities by several countries, most notably Germany and Japan. This has included a decision by German authorities to close eight nuclear plants with the remaining fleet to be phased out by 2022. The Japanese government has set a priority to re-evaluate the safety of all of its nuclear installations and to guarantee the independence of the safety assessments by creating a new authority, the NRA (Nuclear Regulatory Authority). Japanese utilities have also invested hundreds of millions of dollars to upgrade existing protections against tsunami and seismic events. Restart applications for 25 reactors have been submitted to the NRA by 11 utilities. In total three reactors have restarted and are operating as at August 2016 and two further reactors restarted in February 2016, but were then taken offline again due to an injunction imposed by a district court on 9 March 2016 and both units have since remained idle. One further reactor was granted approval to restart but is prevented from doing so by a separate injunction. The final right to restart remains subject to local government approval. At present, URENCO cannot fully predict the longer-term consequences that the Fukushima incident will have for the nuclear energy industry worldwide, and there is a risk that it could affect the Group's ongoing operations.

In addition to the delays in reactor restarts in Japan, reactor closures in the United States and parts of Western Europe and decisions not to pursue life extensions, means that the global enrichment market remains challenging, with high levels of oversupply and inventory, resulting in continued pricing pressures, which are expected to continue for the foreseeable future.

As a significant portion of URENCO's contracts with customers are 'requirements' contracts (i.e. where sales are made to match the operating fuel requirements of reactors), national policy or regulatory decisions which have the effect of removing significant numbers of reactors from service at the same time could have a material effect on URENCO's results.

Additionally, any reduction in forecast demand for enriched uranium in the short and longer term post Fukushima needs to be matched by an adjustment to supply growth in order to avoid a systemic imbalance. Such a systemic imbalance may adversely affect the financial position of the Group.

Political and trade regulations

Political and trade regulations, including those imposed by regulatory bodies from the main trading areas of the United States, Europe and Asia Pacific, continue to impact the nuclear industry, including the enrichment segment, and remain an area of uncertainty that may impact the on-going ability of the Group to export its products, which in turn may adversely affect the financial position of the Group. Since early 2014, this includes economic sanctions imposed by the United States and European Union in relation to Russia and its actions in respect of Ukraine. Whilst these sanction measures do not directly target the nuclear industry, URENCO cannot predict what sanctions might be applied against the nuclear industry in the future and it is uncertain to what extent sanctions could impact on the Group's activities.

Competition – relaxation in trade restrictions may result in significant oversupply and increased competition

URENCO operates in a competitive market. If restrictions on participants in the market place in which URENCO operates are relaxed, URENCO may face more aggressive competition in the market place (for example, by the further opening of Western markets to the Russian competitor), which could have an adverse effect on the results of operations or financial condition of the Group. URENCO has attempted to mitigate the impact of such market pressures by working with its customers to secure long-term contractual commitments. The average length of URENCO's customer contracts (for SWU, as defined below) is almost six years in 2016.

Competition - technological know-how and integrated fuel cycle capabilities of new competitors may result in increased competition

URENCO operates in a highly regulated market with strong technological barriers of entry. Emergence of new competition is therefore limited. However, countries with advanced technological know-how and a strong nuclear power programme are often keen to develop their own fuel cycle facilities for security of supply and national independence. Once a country's nuclear fuel cycle programme reaches an advanced stage of development, the country may eventually decide to expand its uranium enrichment services to the international

scene. URENCO is currently seeing the emergence of Chinese suppliers in the global market for enrichment services. Such increased competition could have an adverse effect on the results of operations or financial condition of the Group.

URENCO operates in a single segment of the fuel cycle. While this segment is one of the most profitable of the nuclear fuel cycle, URENCO positioning as an "enricher only" puts URENCO in a different position compared to competitors and other producers of enrichment services. AREVA, CNNC and Rosatom all benefit from a full integration along the nuclear cycle, from uranium mining to reactor construction, servicing, used fuel management and reprocessing, as well as decommissioning. As such, URENCO's competitors may be better able to offer whole or part of the nuclear fuel cycle to utility customers (uranium, conversion, enrichment and fuel fabrication). In addition, reactor builders often offer to supply nuclear fuel for a portion or the entire life of plant. This ability to package fuel and reactor supply therefore sometimes restricts URENCO being able to offer enrichment services for reactors built by its competitors.

Treaty obligations

URENCO was founded in 1971 following the signing of the Treaty of Almelo by the governments of Germany, The Netherlands and the United Kingdom and was incorporated as an English private limited liability company on 31 August 1971. The Treaty of Almelo establishes the fundamental principles for effective supervision of URENCO's technology and enrichment operations. A committee comprising representatives of the governments of the signatory countries (the **Joint Committee**) exercises this supervisory role but has no role in the day-to-day operations of URENCO.

As a consequence of the commitments made under the Treaty of Almelo and the sensitive nature of the technology, the Group is required to obtain government consents to transfer the technology to countries other than the Contracting Parties. Although the Group does not currently foresee any such consent being required in the near future, there is no guarantee that the Group would obtain such consent should it be required in the future. See "*Description of the Group – History – Intergovernmental Treaties – Treaty of Almelo*" below.

Change in ownership

URENCO is indirectly owned one-third by the UK government through Enrichment Investments Limited (the **UK Shareholder**), one-third by the Dutch government through Ultra-Centrifuge Nederland Limited (the **Dutch Shareholder**) and one-third by the German utilities RWE Power AG (**RWE**) and PreussenElektra GmbH (**E.ON**) through Uranit UK Limited (the **German Shareholder**) (RWE and E.ON hold that one-third share in equal parts).

The shareholders have publicly stated their intentions of exploring options for disposing of all, or part of, their shares in URENCO. This may result in a new governance framework being put in place by the Contracting Parties to continue to protect the public interest regarding non-proliferation and security.

A risk of a change of ownership is that shareholders may have shorter term commercial objectives which could affect the longer term prospects of the Group. A change in URENCO's ownership may also result in a reassessment of its credit rating and it is uncertain to what extent a new governance framework could impact on the Group's activities.

The Treaty of Almelo minimises the risk associated with a change of ownership by imposing obligations on the governments of the UK, Germany and The Netherlands to ensure that the provisions of the Treaty of Almelo are complied with in the event of a change of ownership. A change of ownership would require approval of the Joint Committee, which would further minimise the risk associated with any change of ownership.

Project execution

The Group is currently engaged in capital projects that are expected to maintain the Group's total enrichment capacity and a Tails Management Facility (i.e. a plant to deconvert its depleted Uranium "tails" into a stable uranium oxide form) over the coming years. Difficulties in executing these capital projects (e.g. relating to design and construction work) could adversely affect the Group's earnings and financial position through increased project costs if these projects cannot be delivered on time and on budget.

Uranium price development

URENCO's uranium enrichment services are predominantly conducted on a "toll-enrichment" basis, whereby a customer procures uranium hexafluoride Feed material from third-party suppliers and delivers it to URENCO. URENCO is not directly exposed to fluctuations in the price of uranium under its toll enrichment contracts, this risk being borne by URENCO's customers. The price of uranium does have an indirect effect on URENCO, however, through its influence on the demand for enrichment services. The Enriched Uranium Product (**EUP**) used as fuel in nuclear reactors comprises two elements: natural uranium Feed and uranium enrichment. When uranium prices are high, URENCO's customers will typically seek to optimise the total cost of EUP by demanding more enrichment services and supplying less uranium Feed. Conversely, when uranium prices are low, URENCO's customers will typically demand less enrichment services and supply more uranium Feed. Thus high uranium prices drive additional demand for enrichment services, which in turn may drive an increase in the price of enrichment services, and low uranium prices drives less demand for enrichment services, which in turn may drive a decrease in the price of enrichment services. In order to limit the risk to the Group URENCO limits its customers' flexibility in its contract portfolio by only allowing price re-openers of up to 10 per cent. in some of its longer-term enrichment contracts exceeding five years in duration.

Volatile uranium prices lead to shifts in proportionate value between mining and other services, particularly the toll enrichment service, of the nuclear fuel supply chain. The focus of the nuclear electricity utility sector on cost efficiency and profitability issues and its concerns regarding security of supply have resulted in an increasing demand for the packaged supply of Feed and enrichment services. URENCO has a number of EUP contracts under which it commits to supply Feed as well as enrichment services. In the majority of these EUP contracts URENCO is able to supply the Feed from optimised operations of its plants (underfeeding). However, under a small number of these contracts URENCO can be exposed to movements in the price of uranium. To mitigate its exposure to uranium price movements, URENCO may match a contract that includes a sale of Feed with a "back-to-back" contract to purchase Feed from a supplier on similar terms.

URENCO also has a number of direct Feed sales contracts with its customers, which URENCO is able to supply from optimised operations of its plants (underfeeding). URENCO has an established track-record in undertaking contracts of this type and is now an experienced uranium supplier with long-term commitments. While these contracts represent a modest portion of the URENCO portfolio, URENCO's direct Feed sales contracts are exposed to movements in the price of uranium.

Further changes in the business model towards the supply of EUP and/or direct Feed sales contracts which increase URENCO's exposure to the price of uranium could impact in the long-term the financial position and profitability of the Group.

Separative work units* (SWU) *price development

The spot market price of SWU has decreased from U.S.$160/kgSW in early 2010 to U.S.$60/kgSW as at 31 December 2015 and U.S.$52/kgSW as at 30 September 2016*. Due to the long-term nature of URENCO's enrichment contracts, URENCO has limited exposure in the near term to the recent lower market price of SWU, but the Group's exposure could increase over time as deliveries under older contracts are completed.

*Source: UxC

Upstream and downstream components in nuclear fuel supply

There is a dependence of the nuclear fuel cycle on a small number of UF6 converters. Security of supply of Feed material is essential for URENCO and the nuclear industry as a whole and any interruption would have an adverse effect on the operations of the Group. URENCO has sufficient stockpiles of customer owned Feed material to mitigate this risk in the short to medium-term.

The nuclear industry, including URENCO, is dependent on a small number of commercial shipping lines, and any further withdrawals of these shipping lines could lead to further increases in both transport costs and insurance charges. The geographical diversity of the Group's production facilities reduces transatlantic shipping issues.

Protection of proprietary information

The Group's success depends in part on its ability to defend the validity of its existing or future intellectual property rights in its technology and in ETC's ability to defend the validity of its existing or future intellectual

property rights in its centrifuge technology which is used by URENCO. There can be no assurance that the Group and/or ETC's existing or future intellectual property rights will not be challenged.

There are currently no infringement proceedings being pursued by, or against, the Group.

Insurance

Although the Group maintains insurance against various risks, its insurance does not cover every potential risk associated with its operations including certain types of environmental hazards along with business interruption due to failure of the Group's enrichment plants. The occurrence of a significant adverse event, the risks of which are not fully covered by insurance, could have a material adverse effect on the results of operations or financial condition of the Group.

Nuclear Liability

URENCO's three enrichment sites in Europe are subject to national legislation implementing the Organisation for Economic Co-operation and Development's (**OECD**) Paris Convention on Third Party Liability in the Field of Nuclear Energy (as amended – the **Paris Convention**), and the Convention of 31 January 1963 Supplementary to the Paris Convention (the **Brussels Convention**). In the event of a nuclear incident at any URENCO site in Europe, or during transport to or from a URENCO site across Europe, strict and exclusive liability will be imposed on the responsible URENCO site licence for third-party nuclear damage, as defined in the national legislation of those countries which are party to the Paris Convention.

Currently, URENCO UK Limited has an absolute financial cap on nuclear liability of £140 million and URENCO Nederland B.V. has an absolute financial cap on nuclear liability of 100 million Dutch gilders (approx. €45 million) in respect of claims made in countries that are party to the Paris Convention or countries with which the operator's home country has nuclear convention or treaty relations. Each entity must provide insurance or other security up to the applicable financial cap in respect of its liabilities under the Paris Convention. Claims made in countries that are not party to the Paris Convention, or in countries with which the operator's home country does not have nuclear convention or treaty relations, will be subject to local laws and liabilities may be uncapped.

In Germany, the Federal Act on Nuclear Energy (the **Atomgesetz**) provides for the unlimited liability of the operator of a nuclear installation. An operator of an installation for the enrichment of nuclear materials is generally required to provide insurance or other security for damages up to the value of €140 million. In special cases where such cap would be inappropriate, the authority may determine a higher insurance coverage up to €280 million. With respect to the site at Gronau, the responsible authority - the Ministry for Traffic, Energy and Planning of the State of Northrhine-Westfalia - determined a necessary insurance coverage of €235.5 million. Except in those cases covered by Section 37 of the Atomgesetz (cases of wilful misconduct or gross negligence or where an operator has not fulfilled its obligations under the Atomgesetz) the Federal Republic of Germany will indemnify the operator of a nuclear installation for all damages that are not covered by the insurance or security up to the value of €2.5 billion. The cost of all damages in excess of €2.5 billion must be borne by the operator.

The 2004 Amending Protocol to the Paris Convention has been agreed but still requires ratification. There is a European Council requirement that EU contracting member states ratify the 2004 Amending Protocol at the same time and, whilst no decision has yet been made by contracting member states on that ratification date, there is ambition to do so in the near future. Once ratified, the 2004 Amending Protocol will, in some member states, increase the cap on URENCO's liability and will expand the types of liability channelled to URENCO's enrichment sites in Europe to include environmental damage, economic loss and the costs of preventative measures. The UK government enshrined the 2004 Amending Protocol into statute in 2016, but the material provisions will not take effect until the protocol itself is ratified. The UK statutory provisions allow for lower risk nuclear sites to be given a lower liability cap. URENCO has received advice from the UK government that a lower liability cap will be applied to URENCO's UK site, but this has not yet been confirmed in subsidiary legislation.

There is no universal nuclear liability regime with respect to states that have not signed the Paris Convention; instead a series of local nuclear laws and regional and international conventions apply, which do not necessarily exclude or limit URENCO's liability for nuclear damage, nor do they necessarily exclude environmental damage, economic loss or the costs of preventative measures.

This is of particular relevance when URENCO is contracting with customers located outside the Paris Convention territories as URENCO could potentially be exposed to nuclear damage claims in unknown local courts with such claims being decided under unknown local laws. Any such claims would be uninsured and liability may be unlimited as to amount. URENCO mitigates against this risk by seeking to include appropriate indemnities from customers in supply contracts. URENCO also insures against nuclear liability for its regular routing of product shipments to the U.S. where possible.

URENCO's enrichment facility in the United States is subject to nuclear liability insurance requirements prescribed by the regulations of the U.S. Nuclear Regulatory Commission (**NRC**) and the conditions of the URENCO USA facility's NRC licence. As required by 10 CFR 140.13b of the NRC's regulations and the URENCO USA licence, URENCO USA maintains U.S.$300 million in nuclear liability insurance coverage. The NRC has made a determination for the URENCO USA facility that coverage of U.S.$300 million is reasonable considering the risks to the public for the quantities and types of licenced materials possessed at the facility. As specified in the NRC's regulations, the nuclear liability insurance covers liability claims arising from any occurrence within the United States that causes, within or outside the United States, bodily injury, sickness, disease, death, loss of or damage to property, or loss of use of property arising from the radioactive, toxic, explosive, or other hazardous properties of compounds containing licenced material. URENCO USA's financial exposure for nuclear liability to third parties is limited by the Price-Anderson Act.

The United States is a party to the 1997 International Atomic Energy Agency's Convention on Supplementary Compensation for Nuclear Damage (**CSC**), which came into force on 15 April 2015. The CSC provides for compensation to be provided to victims of a nuclear incident under a two-tier system: under the first tier, the law of the state where the nuclear incident occurs provides compensation up to U.S.$450 million (which would be covered by the Price-Anderson Act regime and the insurance required pursuant to licence conditions); and under the second tier, for damages suffered over this amount (and up to 600 million SDRs, approximately U.S.$843 million), compensation is provided by an "international supplementary fund" through contributions from all states which are a party to the CSC (which currently also includes Japan, Argentina, Morocco, Romania and the United Arab Emirates). Each state's liability under the second tier is proportionate to its installed nuclear capacity. At the current time, the U.S.'s total liability would likely be between U.S.$70 million and U.S.$150 million.

In the U.S. section 934 of the Energy Independence and Security Act of 2007 (**EISA**) allows regulations to be made requiring that all that U.S. nuclear suppliers fund any U.S. contribution to the international supplementary fund which becomes payable. The U.S. Department of Energy has consulted on draft regulations to give effect to this provision, which are not yet finalised. Should such regulations be implemented in their current form, URENCO USA could potentially be exposed to a liability to reimburse the U.S. Government for a proportion of the costs of compensating victims of a nuclear incident in any CSC country. URENCO USA's contribution could, however, be mitigated by the large number of U.S. nuclear suppliers which would potentially share such liability to contribute to the U.S.'s share in the international supplementary fund.

Environmental laws and regulations

The Group conducts its business within a strict environmental regime and may be exposed to potential liabilities and increased compliance costs.

The Group is subject to increasingly stringent laws and regulations relating to environmental protection in conducting the majority of its operations, including laws and regulations governing emissions into air, discharge into waterways, and the generation, storage, handling, treatment and disposal of waste materials. The Group incurs, and expects to continue to incur, costs for matters relating to compliance with environmental laws and regulations, including the handling, treatment and disposal of hazardous, low-level radioactive and mixed wastes generated as a result of its operations. The technical requirements of environmental laws and regulations are becoming increasingly expensive, complex and stringent. These laws may provide for strict liability for damage to natural resources or threats to public health and safety. Strict liability can render a party liable for environmental damage, whether or not negligence or fault on the part of that party can be shown. Some environmental laws provide for joint and several strict liability for remediation of spills and releases of hazardous substances.

The business of the Group often involves working around and with volatile, toxic and hazardous substances and other highly regulated materials, the improper characterisation, handling or disposal of

which could constitute violations of UK, European, US or other legislation and result in criminal and civil liabilities. Environmental laws and regulations generally impose limitations and standards for certain pollutants or waste materials and require the Group to obtain permits and comply with various other requirements. Governmental authorities may seek to impose fines or penalties on the Group, or revoke or deny issuance or renewal of operating permits, for failure to comply with applicable laws and regulations.

The Group could become subject to potentially material liabilities relating to the investigation and clean-up of contaminated properties, and to claims alleging personal injury or property damage as the result of exposures to, or releases of, hazardous substances or as a result of accidents or other incidents at facilities managed by the Group or otherwise resulting from the Group's operations, all of which could have a material adverse effect on the Group's financial condition and results of operations.

Stricter enforcement of existing laws and regulations, the introduction of new laws and regulations, the discovery of previously unknown contamination or the imposition of new or increased requirements could require the Group to incur costs or become the basis of new or increased liabilities that could reduce earnings and cash available for operations.

Health and safety regime

The Group is subject to strict health and safety regimes, governing the full spectrum of its operations. The Group may be exposed to fines, penalties or prosecutions by governmental authorities in respect of non-compliance with applicable regulations. This could adversely affect the financial condition of the Group.

Each site must adhere to the strict conditions detailed within its site licence and is subject to regular audits from the relevant national regulator. Failure to comply could lead to a temporary cessation of operations until any such breach is remedied.

All significant incidents within the Group are required to be reported and are reviewed in order to learn from experience and to reduce the risk of future incidents. URENCO also sets safety standards for its transportation partners to adhere to when handling materials. There is a risk that failure to adhere to these safety procedures and standards could have a material adverse effect on the reputation and results of operations or financial conditions of the Group.

Security

There exists a potential security risk that unauthorised persons may seek to misappropriate uranium or to gain unauthorised access to the Group's technology or the centrifuge technology used by the Group or to sabotage the Group's enrichment plants.

This risk is minimised by the tightly controlled regulatory environment in which the Group operates and the extensive security measures which it employs. These measures include:

- Regular and accurate accounting of total quantities of uranium and their enrichment assays and notification of the same to Euratom, the international inspectorate as regards the Group's European operations, and to the NRC as regards the Group's United States operations. Notifications are verified by Euratom, the IAEA and the NRC during their inspections of the Group's activities.
- Access to each of the plants being strictly restricted and plant site security exceeding that usually applied to other industrial plants. Total plant areas are fenced and subject to constant supervision. The only access to each plant (or the controlled area of the plant) is through a guard house, through which all visitors must pass. Within each of the Group's plants, the Group implements multiple layers of security including compartmentalisation and controlled access to certain areas.
- Special protection against misappropriation being installed in those areas where containers of enriched uranium are handled.
- Thorough monitoring of enriched uranium throughout transit.
- All staff having received appropriate security clearance as required by national authorities.
- Continual upgrading of IT security equipment and software, coupled with the deployment of a multi-layered protection system that includes web gateway filtering, firewalls and intruder detection. URENCO aligns with the international IT standard ISO27001 and conducts regular penetration testing of IT infrastructure.

In addition, the British, German, Dutch, French and U.S. governments have signed international agreements in which they undertake to ensure that centrifuge technology is kept secret and to prevent dissemination of the same.

For further information please see "*Description of the Group – Health Safety and Environment – Security measures*". The occurrence of a serious security breach could have a material adverse effect on the operations or financial condition of the Group.

Export control risk

The Group's operations require compliance with export controls. URENCO uses information and technology that could be used for both civil and military purposes (Dual Use Technology). Many countries in which the Group conducts its business have legislation controlling the export of Dual Use Technology. Non-compliance with export controls could impact both URENCO's operations and its reputation. These outcomes could have an adverse effect on the Group's financial condition and results of operations.

URENCO minimises this risk by ensuring each of its operating plants has experts on the relevant local export control regimes, as well as training employees in how to ensure compliance with these regimes.

Loss of and damage to enrichment assets

Certain events could occur, including external events, which could cause URENCO's enrichment assets to fail. URENCO minimises the risk of asset failure by building enrichment assets in a modular fashion, reviewing critical systems and testing functionality on a regular basis. Low probability external factors could still however result in the loss of the Group's production assets. In the event of an asset failure, the Group's enrichment plants are designed to ensure that this occurs in a manner in which is safe and protects the environment. The loss of production assets could have an adverse effect on the Group's financial condition and results of operations.

Trade counterparty risk

The Group provides its services to a variety of contractual counterparties and is therefore subject to the risk of non-payment for products and services it has supplied or non-reimbursement of costs it has incurred. Contracts which the Group enters into may require significant expenditure by the Group prior to receipt of relevant payments from the customer and expose the Group to potential credit risk. To mitigate this risk, the Group requires credit protection, prepayment or payment insurance depending on the customer's credit rating. 58 per cent. of URENCO's forward order book is with counterparties with an external investment grade credit rating. Management has also put in place a policy that assigns internal credit limits to counterparties based on a system of internally defined credit ratings. 18 per cent. of URENCO's forward order book is with counterparties with an internally allocated investment grade credit rating. However, there can be no assurance that the Group will successfully mitigate trade counterparty risks, which may therefore impact the financial condition or future performance of the Group. If a trading counterparty with whom the Group has in place long-term contractual commitments (at historically higher prices than current market prices) were to default, the Group is also subject to the risk that it may not be possible to replicate the pricing previously assumed, which could impact upon the financial condition or future performance of the Group.

In order to protect the Group from reputational risk, URENCO carries out risk-based counterparty due diligence.

Bank counterparty credit risk

Counterparty credit risk is the risk of a loss being sustained by URENCO as a result of payment default by the counterparty with whom the Group has placed funds on deposit or entered into financial derivative transactions to hedge its interest rate and foreign exchange risks. The extent of loss, for example, could be the full amount of the deposit or, in the case of hedging transactions, the cost of early termination and replacing those transactions. Counterparties for these assets are banks with investment-grade credit ratings assigned by international credit-rating agencies. The Group has a policy of assigning credit limits to its counterparty banks and approves and monitors credit exposures against those limits. However, there can be no assurance that the Group will successfully manage this risk or that such payment defaults by counterparties will not adversely affect its financial condition or performance.

Credit risk

Credit risk is the risk of the Group not being able to draw down debt from one or more of its banks if such bank(s) were unable (for external reasons beyond the control of URENCO through no fault of URENCO) to

advance funds. To mitigate this risk, the Group obtains its banking services from a range of relationship banks and also ensures that there is sufficient headroom up to the limit of its external borrowings.

Financial instruments

URENCO uses financial instruments to manage a number of different risks, such as foreign exchange and interest rate risk. URENCO does not use such instruments for speculative trading purposes.

Foreign currency risk

Currency risk as defined by IFRS 7 is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. URENCO Limited uses sterling as its functional currency and reports its results in euros.

The Group has transactional currency exposures as a result of approximately 62 per cent. of its revenues as at 31 December 2015 (previously 53 per cent. as at 31 December 2014) being denominated in U.S. dollars, whilst only approximately 32 per cent. of its costs as at 31 December 2015 (previously 32 per cent. as at 31 December 2014) are incurred in U.S. dollars. Substantially the remainder of the Group's revenues are incurred in euros.

The Group also has transactional currency exposures as a result of approximately 29 per cent. of its costs as at 31 December 2015 being incurred in sterling (previously 23 per cent. as at 31 December 2014), whilst revenue is earned predominantly in euro and U.S. dollars.

In order to mitigate these exposures, the Group's policy is to hedge a portion of its net contracted U.S. dollar and sterling exposures (i.e. cash revenues less cash costs) using forward currency contracts and related derivative financial instruments.

Interest rate risk

The Group's exposure to the risk of changes in the market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

In order to manage its interest costs, the Group's policy is to maintain a proportion of its borrowings at fixed rates of interest. Given the current low level of interest rates, the Group has issued medium term fixed rate bonds, the Board having approved the Group to exceed the previous 60 per cent. fixed rate limit. To manage the proportions of fixed and fluctuating rate exposure, the Group directly enters into either fixed or floating rate debt and/or interest rate swaps in which the Group agrees to exchange, at specified intervals, the difference between the fixed and variable rate interest amounts calculated by reference to an agreed notional principal amount. The swaps are designated to hedge the underlying debt obligations. As at 31 December 2015, after taking into account the effect of interest rate swaps, approximately 94 per cent. of the Group's borrowings were at a fixed rate of interest (previously 84 per cent. as at 31 December 2014). To the extent that long-term debt obligations have floating interest rates, the Group's interest charge will change due to changes in the market interest rates, and any such change could be adverse as well as favourable.

Liquidity risk

The Group plans its funding operations and monitors the risk of a shortage of funds on a monthly basis, using a forward planning model that considers the maturity of existing borrowings, projected capital expenditure and projected cash flows from operations.

The Group manages liquidity risk through a combination of additional external borrowings, managing the Group's capital expenditure through delaying or reducing the capital spend and general overhead cost control.

The Group seeks to achieve flexibility and continuity of funding through the active use of a range of different instruments, markets and currencies. External debt funding is sought over a range of different tenors in order to avoid a concentration of maturities. At 31 December 2015, 7 per cent. of the Group's interest bearing loans and borrowings were due to mature in less than one year (as at 31 December 2014: 15 per cent.). The remainder of the Group's debt has staggered maturities with the last maturity date being 2038.

Provisions

Provision for Tails disposal

The enrichment process generates depleted uranium (the **Tails**). A provision has been made by the Group on a discounted basis for all estimated future costs for the eventual safe disposal of the Tails. The costs take account of conversion of the Tails into a different chemical state, intermediate storage, transport and safe disposal.

The final amount of the provision is uncertain but is evaluated based upon the planned operational activity involved in successfully achieving safe disposal in accordance with current regulatory requirements. The planned costs are based on historic experience, operational assumptions, internal cost forecasts and understood contract prices for the relevant parts of the disposal cycle. These costs are escalated based on current expectations of inflation and discounted to provide a present value cost per unit, or Tails rate, which is applied to the quantity of Tails held at the balance sheet date.

During the year ended 31 December 2015, the Tails provision increased by €182.9 million due to Tails generated in that period and an increase in the applied Tails rate (2014: €149.2 million). This addition to the Tails provision has been recognised as a cost in the income statement under Tails provision created.

During the year ended 31 December 2015, a detailed technical and operational review of the Tails provisioning was conducted. This review updated several of the technical, operational and financial assumptions and timings underlying the Tails provision calculations as well as the utilisation of the Group's Tails Management Facility which is under development. As a result, the Tails provision was increased by €52.9 million.

It is expected that €404.9 million of the provision will be used within the next 10 years, €300.6 million of the provision will be used within the next 10 to 30 years and €203.7 million will be used within the next 30 to 100 years.

The provision for Tails disposal is dependent on certain assumptions and estimates, such as timing of disposal and the applicable discount rate. A 10 per cent. reduction of the discount rate would lead to an increase of the provision by €77.6 million, whilst a 10 per cent. increase in the discount rate would lead to a decrease of the provision by €61.6 million.

Provision for decommissioning of plant, machinery and land

The Group intends to decommission enrichment plant and machinery as soon as practicably possible after it is taken out of use. Each enrichment plant will be disassembled, declassified, decommissioned and the site returned to a 'site end state' to be agreed with regulators. Containers will be cleaned, dismantled and scrapped. To meet these eventual costs of decommissioning, provisions are charged in the accounts, for all plant and machinery in operation, at amounts considered to be adequate for the purpose.

The final amount of the provision is uncertain but is evaluated based upon the planned operational activity involved in successfully achieving full decommissioning of any land, plant or equipment used in enrichment activities, in accordance with the directors' intention and current regulatory requirements. The planned costs are based on historic experience and price estimates for the relevant activities and processes of the decommissioning cycle, which include deconstruction, decontamination and disposal of all materials involved in the enrichment process. These costs are escalated based on current expectations of inflation and discounted to provide a present value cost based on the expected useful life of the asset in use and timing of decommissioning.

Management has considered the applicable inflation rate of 2 per cent. per annum and risk free discount rate of 4 per cent. per annum.

During the year ended 31 December 2015, the decommissioning provision increased by €51.5 million (€14.8 million in 2014) due to the installation of additional plant and machinery (€4.4 million), additional container purchases (€11.9 million) and revised assumptions surrounding the decommissioning of plant and machinery (€35.2 million). Of the €35.2 million resulting from revised assumptions, €13.3 million has been expensed to the income statement and €21.9 million has been recognised in decommissioning assets. The addition to the decommissioning provision associated with the installation of plant and machinery and additional containers has been recognised as an equivalent addition to the decommissioning asset in the 2015 statement of financial position.

It is expected that this provision will be used over the next 5 to 50 years.

The provision for decommissioning plant and machinery is dependent on certain assumptions and estimates, such as timing of decommissioning and the applicable discount rate. A 10 per cent. reduction of the discount

rate would lead to an increase of the provision by €32.8 million, whilst a 10 per cent. increase in the discount rate would lead to a decrease of the provision by €29.6 million.

URENCO may establish one or more segregated nuclear decommissioning funds which will be used to ring fence monies to pay for Tails disposal and the decommissioning of plant and machinery. An important feature of any such fund will be insolvency remoteness, thereby ensuring that the monies contained within each fund will only be available to pay for decommissioning activities in the event of URENCO's insolvency. Monies contained within the segregated decommissioning funds will not be available to other creditors of the URENCO Group.

Other provisions

These comprise provisions relating to the future re-enrichment of low assay feed and personnel provisions. During the year ended 31 December 2015, the provisions relating to the future re-enrichment of low assay feed increased by €110.0 million due to the creation of low assay feed and reduced by €93.3 million due to expenditure incurred on re-enrichment of low assay feed. In addition to the net increase in provisions relating to the future re-enrichment of low assay feed of €16.7 million there was a €2.2 million decrease in personnel provisions relating to pension costs and restructuring.

It is expected that other provisions will be used over the next seven years.

Pension Liabilities

URENCO Limited and certain of its subsidiaries provide defined benefit pension plans to certain of their employees. Some of these plans are currently underfunded. At 31 December 2015, the fair value of URENCO's pension plan assets was €580.4 million, while the present value of the defined benefit obligation was €651.3 million, resulting in a deficit of €70.9 million.

URENCO's funding obligations depend upon future asset performance, which is tied to equity and debt markets to a substantial extent, the level of interest rates used to discount future liabilities, actuarial assumptions and experience, benefit plan changes and government regulation. Because of the large number of variables that determine pension funding requirements, which are difficult to predict, as well as any legislative action, future cash funding requirements for URENCO's pension plans and other post-employment benefit plans could be significantly higher than current estimates. In these circumstances funding requirements could have an adverse effect on URENCO's financial condition.

The United Kingdom's referendum vote in favour of leaving the European Union could adversely affect the Group

The United Kingdom held a referendum on 23 June 2016 in which a majority voted for the United Kingdom's withdrawal from the European Union (**Brexit**). As a result of this vote, a process of negotiation has begun to determine the terms of Brexit and of the United Kingdom's relationship with the European Union going forward. The effects of the Brexit vote and the perceptions as to the impact of the withdrawal of the United Kingdom from the European Union may adversely affect business activity and economic and market conditions in the United Kingdom, the Eurozone and globally and could contribute to instability in global financial and foreign exchange markets, including volatility in the value of the euro. The United Kingdom is also, by virtue of its membership of the European Union, a member of the Euratom community, founded by the Euratom Treaty. Brexit is likely to result in the withdrawal by the United Kingdom from the Euratom Treaty, which could create some uncertainty over the regulation of, in particular, exports, security and safeguards of nuclear material in the United Kingdom. In addition, Brexit could lead to additional political, legal and economic instability in the European Union. Any of these effects of Brexit, and others that the Group cannot anticipate, could negatively impact the Group's operations and the value of any Notes.

Risks related to the structure of a particular issue of Notes

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

If the Issuer has the right to convert the interest rate on any Notes from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned.

Fixed/Floating Rate Notes are Notes which may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market in, and the market value of, the Notes since the Issuer may be expected to convert the rate when it is likely to result in a lower overall cost of borrowing for the Issuer. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing market rates.

Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

There is no active trading market for the Notes

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated and to form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although applications have been made for the Notes issued under the Programme to be admitted to the Official List of the FCA and to trading on the London Stock Exchange's Regulated Market, there is no assurance that such applications will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

The Notes may be redeemed prior to maturity

In the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any relevant jurisdiction, the Issuer may redeem all outstanding Notes in accordance with the Conditions.

In addition, if in the case of any particular Tranche of Notes the relevant Final Terms specifies that the Notes are redeemable at the Issuer's option in certain other circumstances, the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfers, payments and communications with the Issuer

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depositary or, as the case may be, common safekeeper for Euroclear and Clearstream,

Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

While the Notes are represented by one or more Global Notes the Issuer will discharge its payment obligations under the Notes by making payments to the common depositary or, as the case may be, common safekeeper for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

Risks related to Notes generally

The conditions of the Notes contain provisions which may permit their modification without the consent of all investors and confer significant discretions on the Trustee which may be exercised without the consent of the Noteholders and without regard to the individual interests of particular Noteholders.

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Conditions also provide that the Trustee may, without the consent of Noteholders and without regard to the interests of particular Noteholders (i) agree to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such.

Notes with integral multiples

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. Noteholders who, as a result of trading such amounts, hold a principal amount of Notes other than a multiple of the minimum Specified Denomination will receive definitive Notes in respect of their holding (provided that the aggregate amount of Notes they hold is in excess of the minimum Specified Denomination), however, any such definitive Notes which are printed in denominations other than the minimum Specified Denomination may be illiquid and difficult to trade. Furthermore, a Noteholder who, as a result of trading such amounts, holds a principal amount of Notes which is less than the minimum Specified Denomination would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a Noteholder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to at least the minimum Specified Denomination.

The value of the Notes could be adversely affected by a change in English law or administrative practice

The conditions of the Notes are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus and any such change could materially adversely impact the ability of the Issuer to make payments under the Notes issued under the Programme or to comply with its obligations under the transaction documents to which it is a party. This may consequentially affect the value of the Notes.

Limitations in respect of Guarantee from URENCO Deutschland GmbH

The obligations of URENCO Deutschland GmbH under the Guarantee are limited under the Trust Deed by virtue of specific limitation language within the Guarantee reflecting the requirements under the capital maintenance rules imposed by Sections 30 and 31 of the German Limited Liability Company Act. These capital maintenance rules prohibit the direct or indirect repayment of a German limited liability company's registered share capital to its shareholders (including payments pursuant to guarantees or security in favour of the debt of such shareholders or the subsidiaries of such shareholders). Payments under the Guarantee from URENCO Deutschland GmbH will be limited if, and to the extent, such payments would cause the net assets of URENCO Deutschland GmbH to fall below the amount of its registered share capital (*Stammkapital*) and would thereby lead to a violation of the capital maintenance requirements as set out in Sections 30 and 31 of the German Limited Liability Company Act. As a result and to the extent of any such limitations, claims under the Guarantee from URENCO Deutschland GmbH will be effectively junior to the claims of direct creditors of URENCO Deutschland GmbH, such as trade creditors and employees.

In addition, German court rulings have held that the shareholder of a German limited liability company must not deprive a limited liability company of the liquidity necessary for it to meet its own payment obligations. Such privation of liquidity may constitute unlimited liability of the shareholder. Although these court rulings did not address possible limitations on up-stream or cross-stream guarantees, it cannot be excluded that these court rulings will also apply to payments of URENCO Deutschland GmbH under the Guarantee to the extent such payments would deprive URENCO Deutschland GmbH of the liquidity to meet its own payment obligations. These court rulings are therefore regarded as an additional limitation on upstream or cross-stream guarantees and this may further reduce the amount of any recovery of the Trustee for the benefit of Noteholders under the Guarantee from URENCO Deutschland GmbH, as set out in the specific limitation language of the Trust Deed.

Enforcement against the assets of the Issuer or any Guarantor may be constrained or prevented

The business of the Group involves uranium enrichment and the Group's assets include enriched uranium and uranium enrichment facilities. Such assets are subject to strict regulation including control of ownership. Consequently, in the event that the Issuer and Guarantors were to default on their obligations under the Notes or the Trust Deed and the Trustee were to obtain a judgement against the Issuer or any of the Guarantors in respect of the Notes, in seeking to enforce such judgement the enforcement action by the Trustee and the remedies available to it may be constrained or prevented by applicable legal, regulatory, governmental and security considerations in respect of the uranium enrichment industry. In particular, the Noteholders should not expect the Trustee to be able to seize or attach the enrichment-related assets of the Issuer or the Guarantors.

Risks related to the market generally

Set out below is a description of the material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell his Notes

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

If an investor holds Notes which are not denominated in the investor's home currency, he will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.

The Issuer will pay principal and interest on the Notes and the Guarantors will make any payments under the Guarantee in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the

Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer or the Guarantors to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

The value of Fixed Rate Notes may be adversely affected by movements in market interest rates.

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

Credit ratings assigned to the Issuer, each Guarantor or any Notes may not reflect all the risks associated with an investment in those Notes.

One or more independent credit rating agencies may assign credit ratings to the Issuer, the Guarantors or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus and if a Tranche of Notes is rated, such rating will be disclosed in the relevant Final Terms.

Each Guarantee (other than the Guarantee given by URENCO Limited) will be terminated on its Guarantee End Date.

Each Guarantor (other than URENCO Limited) will cease to be a Guarantor and the relevant Guarantee will be terminated on the first date (each, a **Guarantee End Date**) specified in a certificate of a Senior Financial Officer of the Issuer which is sent to the Trustee (such date to be no more than seven days after the date on which the certificate is delivered to the Trustee) (i) requesting that such Guarantor be released; and (ii) certifying to the Trustee as of the date specified in such certificate that:

(a) no Event of Default shall have occurred and be continuing;

(b) no amount is due and payable under the relevant Guarantee; and

(c) such Guarantor does not have outstanding any other Relevant Indebtedness, the amount of which exceeds 3.5 per cent. of Total Equity (as defined in Condition 3.6).

Once a Guarantee has been terminated on its Guarantee End Date, the relevant Guarantor will be released from all of its obligations under such Guarantee and will have no further obligation in respect of any amount due under any Notes.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Base Prospectus and have been filed with the Financial Conduct Authority (**FCA**) shall be incorporated in, and form part of, this Base Prospectus:

(a) the auditors' reports, audited separate annual financial statements of the Issuer for the financial year ended 31 December 2014 (set out on pages 3-21 (inclusive) of its Annual Report 2014) and audited separate annual financial statements of the Issuer for the financial year ended 31 December 2015 (set out on pages 3-21 (inclusive) of its Annual Report 2015);

(b) the auditors' reports, audited Group consolidated financial statements of URENCO Limited for the financial year ended 31 December 2014 (set out on pages 56-121 (inclusive) of its Annual Report and accounts 2014) and audited Group consolidated financial statements of URENCO Limited for the financial year ended 31 December 2015 (set out on pages 59-127 (inclusive) of its Annual Report 2015);

(c) the auditors' reports, audited separate annual financial statements of URENCO UK Limited for the financial year ended 31 December 2014 (set out on pages 9-37 (inclusive) of its Annual Report and Accounts 2014) and audited separate annual financial statements of URENCO UK Limited for the financial year ended 31 December 2015 (set out on pages 9-42 (inclusive) of its Annual Report 2015);

(d) the auditors' reports, audited separate annual financial statements of URENCO Enrichment Company Limited for the financial year ended 31 December 2014 (set out on pages 6-21 (inclusive) of its Financial Report and Accounts 2014) and audited separate annual financial statements of URENCO Enrichment Company Limited for the financial year ended 31 December 2015 (set out on pages 5-23 (inclusive) of its Financial Report and Accounts 2015);

(e) the auditor's reports, audited separate annual financial statements of URENCO Finance UK Limited for the financial year ended 31 December 2014 (set out on pages 5-14 (inclusive) of its Financial Report and Accounts 2014) and audited separate annual financial statements of URENCO Finance UK Limited for the financial year ended 31 December 2015 (set out on pages 5-15 (inclusive) of its Financial Report and Accounts 2015);

(f) the auditors' reports, audited separate annual financial statements of URENCO Nederland B.V. for the financial year ended 31 December 2014 (set out on pages 5-43 (inclusive) of its Annual Report 2014) and audited separate annual financial statements of URENCO Nederland B.V. for the financial year ended 31 December 2015 (set out on pages 5-47 (inclusive) of its Annual Report 2015);

(g) the auditors' reports, audited separate annual financial statements of URENCO USA Inc. for the financial year ended 31 December 2014 (set out on pages 6-19 (inclusive) of its Financial Report and Accounts 2014) and audited separate annual financial statements of URENCO USA Inc. for the financial year ended 31 December 2015 (set out on pages 5-20 (inclusive) of its Financial Report and Accounts 2015);

(h) the auditors' reports, audited consolidated financial statements of Louisiana Energy Services, LLC for the financial year ended 31 December 2014 (set out on pages 9–38 (inclusive) of its Financial Report and Accounts 2014) and audited consolidated financial statements of Louisiana Energy Services, LLC for the financial year ended 31 December 2015 (set out on pages 9-38 (inclusive) of its Financial Report and Accounts 2015);

(i) the auditors' reports, audited separate annual financial statements of URENCO Finance US, LLC for the financial year ended 31 December 2014 (set out on pages 5-15 (inclusive) of its Financial Report and Accounts 2014) and audited separate annual financial statements of URENCO Finance US, LLC for the financial year ended 31 December 2015 (set out on pages 4-15 (inclusive) of its Financial Report and Accounts 2015);

(j) the English versions (which are direct and accurate translations of the original German versions) of the management reports, audited separate annual financial statements of URENCO Deutschland GmbH, Gronau/Germany as at 31 December 2014 and audited separate annual financial statements of URENCO Deutschland GmbH, Gronau/Germany as at 31 December 2015;

(k) the independent review report and unaudited consolidated interim financial statements of URENCO Limited for the six months ended 30 June 2016 (set out on pages 11-30 (inclusive) of its Half-Year Report 2016);

(l) the Terms and Conditions of the Notes set out on pages 27 to 53 (inclusive) of the Base Prospectus dated 17 June 2009;

(m) the Terms and Conditions of the Notes set out on Pages 28 to 51 (inclusive) of the Base Prospectus dated 6 December 2013;

(n) the Terms and Conditions of the Notes set out on Pages 29 to 53 (inclusive) of the Base Prospectus dated 19 September 2014; and

(o) the Terms and Conditions of the Notes set out on Pages 29 to 53 (inclusive) of the Offering Circular dated 24 July 2015.

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the UK Listing Authority in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus can be obtained from the registered office of Urenco Limited and from the specified offices of the Paying Agents for the time being in London. In addition, copies of the documents will be available free of charge at the website of the Regulatory News Service operated by the London Stock Exchange at www.londonstockexchange.com/exchange/news/market-news/market-news-home.html.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus.

Any non-incorporated parts of a document referred to herein are either not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

The Issuer and the Guarantors will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

FORM OF THE NOTES

Each Tranche of Notes will be in bearer form and will be initially issued in the form of a temporary global note (a **Temporary Global Note**) or, if so specified in the applicable Final Terms, a permanent global note (a **Permanent Global Note**) which, in either case, will:

(i) if the Global Notes are intended to be issued in new global note (**NGN**) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**); and

(ii) if the Global Notes are not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to a common depositary (the **Common Depositary**) for, Euroclear and Clearstream, Luxembourg.

Where the Global Notes issued in respect of any Tranche are in NGN form, Euroclear or Clearstream, Luxembourg will be notified whether or not such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg, as indicated in the applicable Final Terms.

Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Agent.

On or after the date (the **Exchange Date**) which is 40 days after a Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for (a) interests in a Permanent Global Note of the same Series or (b) for definitive Notes of the same Series with, where applicable, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for definitive Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Note if the Permanent Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, interest coupons and talons attached upon either (a) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) to the Agent as described therein or (b) only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 11) has occurred and is continuing, or (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system satisfactory to the Trustee is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Global Note in definitive form and a certificate to such effect from two Directors of the Issuer has been given to the Trustee. The Issuer will promptly give notice to Noteholders in accordance with Condition 16 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear

and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) or the Trustee may give notice to the Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur on a date specified in the notice not more than 45 days after the date of receipt of the first relevant notice by the Agent.

The exchange of a Permanent Global Note for definitive Notes upon notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder) or at any time at the request of the Issuer, should not be expressed to be applicable in the applicable Final Terms if the Notes are issued with a minimum Specified Denomination such as €100,000 (or its equivalent in another currency) plus one or more higher integral multiples of another smaller amount such as €1,000 (or its equivalent in another currency). Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for definitive Notes.

The following legend will appear on all Notes (other than Temporary Global Notes) and interest coupons relating to such Notes where TEFRA D is specified in the applicable Final Terms:

"ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes or interest coupons.

Notes which are represented by a Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer or any of the Guarantors unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Form of the Notes" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by URENCO Finance N.V. (the **Issuer**) constituted by a Trust Deed dated 2 May 2008 (such Trust Deed, as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) made between the Issuer, URENCO Limited, URENCO UK Limited, URENCO Enrichment Company Limited, URENCO Finance UK Limited, URENCO Nederland B.V., URENCO Deutschland GmbH, URENCO USA Inc., Louisiana Energy Services, LLC and URENCO Finance US, LLC as original guarantors (together, the **Original Guarantors** and each an **Original Guarantor**) and Citicorp Trustee Company Limited (the **Trustee**, which expression shall include any successor as Trustee).

References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

(a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;

(b) any Global Note; and

(c) any definitive Notes issued in exchange for a Global Note.

The Notes and the Coupons (as defined below) have the benefit of an Amended and Restated Agency Agreement dated 31 October 2016 (such Amended and Restated Agency Agreement as further amended and/or modified and/or supplemented and/or restated from time to time, the **Agency Agreement**) and made between the Issuer, the Original Guarantors, the Trustee, Citibank, N.A., London Branch as issuing and principal paying agent and agent bank (the **Agent**, which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents).

Interest bearing definitive Notes have interest coupons (**Coupons**) and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Global Notes do not have Coupons or Talons attached on issue.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which supplement these Terms and Conditions (the **Conditions**). References to the **applicable Final Terms**, unless otherwise stated, are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note. The expression **Prospectus Directive** means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State of the European Economic Area.

The Trustee acts for the benefit of the holders for the time being of the Notes (the **Noteholders**, which expression shall, in relation to any Notes represented by a Global Note, be construed as provided below), and the holders of the Coupons (the **Couponholders**, which expression shall, unless the context otherwise requires, include the holders of the Talons), in accordance with the provisions of the Trust Deed.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

Copies of the Trust Deed and the Agency Agreement are available for inspection during normal business hours at the registered office for the time being of the Trustee being at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom and at the specified office of each of the Paying Agents. If the Notes are to be admitted to trading on the regulated market of the London Stock Exchange the applicable Final Terms will be published on the website of the London Stock Exchange through a regulatory information service. The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement.

Words and expressions defined in the Trust Deed, the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Notes and Coupons will pass by delivery. The Issuer, the Guarantors, the Paying Agents and the Trustee will (except as otherwise required by law) deem and treat the bearer of any Note or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking, S.A. (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantors, the Paying Agents and the Trustee as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer, the Guarantors, any Paying Agent and the Trustee as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly. In determining whether a particular person is entitled to a particular nominal amount of Notes as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

2. STATUS OF THE NOTES

The Notes and any relative Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

3. GUARANTEES

3.1 Guarantees

The payment of principal and interest in respect of the Notes and all other moneys payable by the Issuer under or pursuant to the Trust Deed has, in the Trust Deed, been fully, unconditionally and irrevocably guaranteed on a joint and several basis by each Guarantor.

3.2 Status of the Guarantees

(a) The obligations of each Guarantor under the relevant Guarantee constitute direct, unconditional and (subject to the provisions of Condition 4) unsecured obligations of such Guarantor and (subject as provided above) rank *pari passu* with all other outstanding unsecured and unsubordinated obligations of such Guarantor, present and future, but in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

(b) The obligations of URENCO Deutschland GmbH under its Guarantee are contractually limited under the Trust Deed to reflect limitations under German law with respect to maintenance of share capital applicable to URENCO Deutschland GmbH, its shareholders and managing directors.

3.3 Resignation of Guarantors

In accordance with the Trust Deed each Guarantor (other than URENCO Limited) will cease to be a Guarantor and the relevant Guarantee will be terminated on the relevant Guarantee End Date.

Once a Guarantee has been terminated, the relevant Guarantor will be released from all of its obligations under such Guarantee and will have no further obligation in respect of any amount due under any Notes.

3.4 Additional Guarantors

If at any time either:

(i) following a Guarantee End Date, the relevant Guarantor; or

(ii) any Subsidiary of URENCO Limited,

incurs any Relevant Indebtedness, the amount of which exceeds 3.5 per cent. of Total Equity, such Guarantor or Subsidiary shall, within 60 days of so doing in accordance with the terms of the Trust Deed, enter into a guarantee in favour of the Trustee and the Noteholders on substantially the same terms as the Guarantees, in the reasonable opinion of the Trustee.

3.5 Notice of appointment and resignation

The Issuer shall cause notice of the resignation of any Guarantor or appointment of any Additional Guarantor to be given to the Noteholders in accordance with Condition 16 no later than 14 days after such resignation or appointment.

3.6 Interpretation

In these Conditions:

Additional Guarantor means a company which becomes an Additional Guarantor in accordance with the Trust Deed as set out in Condition 3.4;

Guarantee means each of the guarantees provided in respect of the Notes to be given by the Guarantors pursuant to the Trust Deed, and together the **Guarantees**;

Guarantee End Date means, in respect of a Guarantee provided by a Guarantor (other than the Guarantee provided by URENCO Limited), the date specified in a certificate of a Senior Financial

Officer of the Issuer which is sent to the Trustee (such date to be no more than seven days after the date on which the certificate is delivered to the Trustee) (i) requesting that such Guarantor be released; and (ii) certifying to the Trustee as of the date specified in such certificate that:

(a) no Event of Default shall have occurred and be continuing;

(b) no amount is due and payable under the relevant Guarantee; and

(c) such Guarantor does not have outstanding any other Relevant Indebtedness, the amount of which exceeds 3.5 per cent. of Total Equity.

Guarantor means both an Original Guarantor and an Additional Guarantor, unless such Original Guarantor and/or Additional Guarantor ceases to be a Guarantor in accordance with the Trust Deed as set out in Condition 3.3;

Senior Financial Officer means any of the chief financial officer, group financial director, principal accounting officer or treasurer of URENCO Limited;

Subsidiary means, in relation to the Issuer or the Guarantors, any company (i) in which the Issuer or, as the case may be, the relevant Guarantor holds a majority of the voting rights or (ii) of which the Issuer or, as the case may be, the relevant Guarantor is a member and has the right to appoint or remove a majority of the board of directors or (iii) of which the Issuer or, as the case may be, the relevant Guarantor is a member and controls a majority of the voting rights, and includes any company which is a Subsidiary of a Subsidiary of the Issuer or, as the case may be, the relevant Guarantor; and

Total Equity means the total equity of URENCO Limited and its Subsidiaries, as expressed in the then most recent audited Group consolidated financial statements of URENCO Limited but including, for the avoidance of doubt, URENCO Limited's aggregate equity holding in Enrichment Technology Company Limited (a company registered in England and Wales with registration number 4651476).

4. NEGATIVE PLEDGE

4.1 Negative Pledge

So long as any of the Notes remains outstanding (as defined in the Trust Deed):

(a) the Issuer will not create or have outstanding any mortgage, charge, lien, pledge or other security interest (each a **Security Interest**) upon, or with respect to, any of its present or future business, undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness (as defined below), unless the Issuer, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

(i) all amounts payable by it under the Notes, the Coupons and the Trust Deed are secured by the Security Interest equally and rateably with the Relevant Indebtedness to the satisfaction of the Trustee; or

(ii) such other Security Interest or guarantee or other arrangement (whether or not it includes the giving of a Security Interest) is provided either (A) as the Trustee in its absolute discretion deems not materially less beneficial to the interests of the Noteholders or (B) as is approved by an Extraordinary Resolution (which is defined in the Trust Deed as a resolution duly passed by a majority of not less than three-fourths of the votes cast thereon) of the Noteholders; and

(b) each Guarantor will ensure that no Relevant Indebtedness will be secured by any Security Interest upon, or with respect to, any of the present or future business, undertaking, assets or revenues (including any uncalled capital) of it or any of its Subsidiaries unless the relevant Guarantor, in the case of the creation of the Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

(i) all amounts payable by it under the relevant Guarantee are secured by the Security Interest equally and rateably with the Relevant Indebtedness to the satisfaction of the Trustee; or

(ii) such other Security Interest or guarantee or other arrangement (whether or not it includes the giving of a Security Interest) is provided either (A) as the Trustee in its

absolute discretion deems not materially less beneficial to the interests of the Noteholders or (B) as is approved by an Extraordinary Resolution of the Noteholders.

4.2 Interpretation

For the purposes of these Conditions:

Relevant Indebtedness means (i) any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities which are for the time being or are capable of being, quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market, and (ii) any guarantee or indemnity in respect of any such indebtedness.

5. THIS CONDITION HAS BEEN INTENTIONALLY DELETED.

6. INTEREST

6.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

(a) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note; or

(b) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 6.1:

(a) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms:

(i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(b) if "30/360" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

(c) In the Conditions:

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

sub-unit means, with respect to any currency other than Euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to Euro, one cent.

6.2 Interest on Floating Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

(i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

(ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In the Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(A) in any case where Specified Periods are specified in accordance with Condition 6.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

(B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, **Business Day** means a day which is both:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre specified in the applicable Final Terms; and

(b) either (i) in relation to any sum payable in a Specified Currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (ii) in relation to any sum payable in Euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) or any successor thereto is open.

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**) and under which:

(A) the Floating Rate Option is as specified in the applicable Final Terms;

(B) the Designated Maturity is a period specified in the applicable Final Terms; and

(C) the relevant Reset Date is the day specified in the applicable Final Terms.

For the purposes of this subparagraph (i), **Floating Rate, Calculation Agent, Floating Rate Option, Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(ii) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(A) the offered quotation; or

(B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being either LIBOR or EURIBOR, as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or,

if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

(c) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) Determination of Rate of Interest and calculation of Interest Amounts

The Agent, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

(A) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or

(B) in the case of Floating Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 6.2:

(i) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(ii) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(iii) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(v) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls; "Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(vi) if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls; "Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D_2 will be 30;

(vii) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls; "Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30.

(e) Linear Interpolation

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

Designated Maturity means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(f) Notification of Rate of Interest and Interest Amounts

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Trustee and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 16 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 16. For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(g) Determination or Calculation by Trustee

If for any reason at any relevant time the Agent defaults in its obligation to determine the Rate of Interest or in its obligation to calculate any Interest Amount in accordance with subparagraph (b)(i) or subparagraph (b)(ii) above, as the case may be, and in each case in accordance with paragraph (d) above, the Trustee shall determine (or shall, at the expense of and following prior consultation with the Issuer, appoint an agent to determine) the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Trustee shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Agent.

(h) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6.2, whether by the Agent or the Trustee (or its agent), shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantors, the Trustee, the Agent, the other Paying Agents and all Noteholders and Couponholders and (in the absence of wilful default and bad faith) no liability to the Issuer, any of the Guarantors, the Noteholders or the Couponholders shall attach to the Agent or the Trustee or its agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

6.3 Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue as provided in the Trust Deed.

7. PAYMENTS

7.1 Method of payment

Subject as provided below:

(a) payments in a Specified Currency other than Euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and

(b) payments will be made in Euro by credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) specified by the payee or, at the option of the payee, by a Euro cheque.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 9, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, (or regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and any jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement) or (without prejudice to the provisions of Condition 9) laws implementing any of the foregoing.

7.2 Presentation of definitive Notes and Coupons

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in Condition 7.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 9) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 10) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date

on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

7.3 Payments in respect of Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes or otherwise in the manner specified in the relevant Global Note, where applicable against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note either by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

7.4 General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer or, as the case may be, the Guarantors will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer or, as the case may be, the Guarantors to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

(a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;

(b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(c) such payment is then permitted under United States law without involving, in the opinion of the Issuer and the Guarantors, adverse tax consequences to the Issuer or any Guarantor.

7.5 Payment Day

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 10) is:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

  (i) in the case of Notes in definitive form only, the relevant place of presentation (if presentation is required);

  (ii) each Additional Financial Centre specified in the applicable Final Terms; and

(b) either (A) in relation to any sum payable in a Specified Currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the

Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in Euro, a day on which the TARGET2 System is open.

7.6 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(a) any additional amounts which may be payable with respect to principal under Condition 9 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;

(b) the Final Redemption Amount of the Notes;

(c) the Early Redemption Amount (Tax) of the Notes;

(d) the Early Redemption Amount of the Notes;

(e) the Optional Redemption Amount(s) (if any) of the Notes;

(f) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined below; and

(g) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 9 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

Amortised Face Amount means an amount calculated in accordance with the following formula:

$$\text{Amortised Face Amount} = RP \times (1 + AY)^{y}$$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

y is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

8. REDEMPTION AND PURCHASE

8.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

8.2 Redemption for tax reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than the minimum period and not more than the maximum period of notice

specified in the applicable Final Terms to the Trustee and the Agent and, in accordance with Condition 16, the Noteholders (which notice shall be irrevocable), if the Issuer satisfies the Trustee immediately before the giving of such notice that:

(a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 9 or any of the Guarantors would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 9) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and

(b) such requirement cannot be avoided by the Issuer or, as the case may be, the Guarantors taking reasonable measures available to them,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, any of the Guarantors would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Trustee a certificate signed by two directors of the Issuer or, as the case may be, two directors of the relevant Guarantor or, in relation to URENCO Deutschland GmbH, one director with sole power of representation (*Einzelvertretungsmacht*) on its behalf stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer or, as the case may be, the relevant Guarantor has or will become obliged to pay such additional amounts as a result of such change or amendment and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

Notes redeemed pursuant to this Condition 8.2 will be redeemed at their principal amount or such other amount as may be specified in the applicable Final Terms (the **Early Redemption Amount (Tax)**) together (if appropriate) with interest accrued to (but excluding) the date of redemption.

8.3 Redemption at the option of the Issuer (Issuer Maturity Call)

If Issuer Maturity Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given:

(a) not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Noteholders in accordance with Condition 16; and

(b) not less than 15 days before the giving of the notice referred to in (a) above, notice to the Trustee and to the Agent,

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all but not some only of the Notes then outstanding at any time during the period commencing on (and including) the day that is 90 days prior to the Maturity Date to (and excluding) the Maturity Date, at the Final Redemption Amount specified in the applicable Final Terms, together (if appropriate) with interest accrued (but unpaid) to (but excluding) the date fixed for redemption.

8.4 Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given:

(a) not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Noteholders in accordance with Condition 16; and

(b) not less than 15 days before the giving of the notice referred to in (a) above, notice to the Trustee and to the Agent;

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date (that is, if Issuer

Maturity Call is specified to be applicable in the applicable Final Terms, more than 90 days prior to the Maturity Date) and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 16 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 8.4 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 16 at least five days prior to the Selection Date.

8.5 Redemption at the option of the Noteholders (Investor Put)

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 16 not less than the minimum period and not nor more than the maximum period of notice the Issuer will, upon the expiry of such notice, redeem, such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a **Put Notice**) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any Note pursuant to this Condition 8.5 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and the Trustee has declared the Notes to be due and payable pursuant to Condition 11, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 8.5.

8.6 Amendment Event and Change of Control Redemption

This Condition 8.6 will apply if so specified in the applicable Final Terms.

(a) If an Amendment Event or a Change of Control occurs and, within the Relevant Period, a Rating Downgrade occurs in respect of that Amendment Event or, as the case may be, that Change of Control (together called a **Put Event**), the Issuer shall, and upon the Trustee becoming so aware (the Issuer having failed to do so) the Trustee may, give notice (a **Put Event Notice**) to the Noteholders in accordance with Condition 16 specifying the nature of the

Put Event and the procedure for exercising the option contained in this Condition 8.6 (the **Put Option**).

(b) To exercise the Put Option contained in this Condition 8.6, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, the holder of the Note must deliver such Note to the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the Put Period, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (an **Exercise Notice**). The Note should be delivered together with all Coupons appertaining thereto maturing after the Put Date, failing which the Paying Agent will require payment from or on behalf of the Noteholder of an amount equal to the face value of any such missing Coupon. Any amount so paid will be reimbursed by the Paying Agent to the Noteholder against presentation and surrender of the relevant missing Coupon (or any replacement issued therefor pursuant to Condition 13) at any time after such payment, but before the expiry of the period of ten years from the date on which such Coupon would have become due, but not thereafter. If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption or, as the case may be, purchase of a Note under this Condition 8.6 the holder of the Note must, within the Put Period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Agent for notation accordingly. The Paying Agent to which such Note and Exercise Notice are delivered will issue to the Noteholder concerned a non-transferable receipt in respect of the Note so delivered or, in the case of a Note held through Euroclear and/or Clearstream, Luxembourg, notice received. Payment in respect of any Note so delivered will be made, if the holder duly specified a bank account in the Exercise Notice to which payment is to be made, on the Put Date by transfer to that bank account and, in every other case, on or after the Put Date against presentation and surrender or (as the case may be) endorsement of such receipt at the specified office of any Paying Agent. For the purposes of these Conditions, receipts issued pursuant to this Condition 8.6 shall be treated as if they were Notes.

(c) The Issuer shall redeem or purchase (or procure the purchase of) the Notes in respect of which the Put Option described in this Condition 8.6 has been validly exercised at their Early Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption in accordance with the provisions of this Condition 8.6 on the Put Date unless previously redeemed (or purchased) and cancelled.

(d) Any Exercise Notice, once given, shall be irrevocable except where prior to the Put Date an Event of Default shall have occurred and the Trustee shall have accelerated the Notes, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the Exercise Notice and instead to treat its Notes as being forthwith due and payable pursuant to Condition 11.

(e) The Trustee is under no obligation to ascertain whether a Put Event or Change of Control or Amendment Event or any event which could lead to the occurrence of or could constitute a Put Event or Change of Control or Amendment Event has occurred and, until it shall have actual knowledge or notice pursuant to the Trust Deed to the contrary, the Trustee may assume that no Put Event or Change of Control or Amendment Event or other such event has occurred.

(f) For the purposes of these Conditions:

An **Amendment Event** will be deemed to occur each time the Treaty or the Shareholders' Agreement is agreed by all its respective parties to be amended, after the Issue Date of the first tranche of the Notes, or is terminated. For the avoidance of doubt, no Put Event will occur following an Amendment Event unless within the Relevant Period a Rating Downgrade occurs in respect of that Amendment Event;

A **Change of Control** will be deemed to occur if the government of the United Kingdom, the government of The Netherlands, RWE AG and E.ON AG together cease, directly or indirectly (through any governmental agency or political subdivision thereof or otherwise), to own more than 50 per cent. of the issued ordinary share capital of URENCO Limited or such number of shares in the capital of URENCO Limited carrying more than 50 per cent. of the total voting rights that are normally exercisable at a general meeting of the Issuer. For the avoidance of doubt, no Put Event will occur following a Change of Control unless within the Relevant Period a Rating Downgrade occurs as a result of that Change of Control;

Early Redemption Amount means, in respect of any Note, its principal amount or such other amount as may be specified in, the applicable Final Terms;

Put Date means the date seven days after the expiration of the Put Period;

Put Period means the period of 30 days after a Put Event Notice is given;

Rating Agency means Moody's Investors Service Ltd. (**Moody's**) or Standard & Poor's Credit Market Services Italy S.r.l. (**S&P**) and their respective successors or any other rating agency of equivalent standing specified from time to time by the Issuer and agreed to in writing by the Trustee;

A **Rating Downgrade** will be deemed to occur in respect of an Amendment Event or, as the case may be, a Change of Control if within the Relevant Period:

(i) at the time of the occurrence of the Amendment Event or, as the case may be, the Change of Control, the Notes carry from a Rating Agency:

(A) an investment grade credit rating (BBB-, in the case of S&P, or Baa3, in the case of Moody's, or their respective equivalents or better ratings), and such rating from any Rating Agency is either downgraded to a non-investment grade credit rating (BB+, in the case of S&P, or Ba1, in the case of Moody's, or their respective equivalents or worse ratings) or withdrawn and is not within the Relevant Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to an investment grade credit rating by such Rating Agency; or

(B) a non-investment grade credit rating (BB+, in the case of S&P, or Ba1, in the case of Moody's, or their respective equivalents or worse ratings), and such rating from any Rating Agency is downgraded by one or more notches (for illustration BB+ to BB, in the case of S&P, and Ba1 to Ba2, in the case of Moody's, being one notch) or withdrawn and is not within the Relevant Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to its earlier credit rating or better by such Rating Agency; or

(C) no credit rating from a Rating Agency, and no Rating Agency assigns within the Relevant Period a credit rating to the Notes that is equal to or better than the highest credit rating of the Notes by any Rating Agency immediately prior to the credit rating on the Notes being withdrawn,

and, for the avoidance of doubt, if at the time of the occurrence of the Amendment Event or the Change of Control, as the case may be, the Notes carry a credit rating from more than one Rating Agency, at least one of which is investment grade, then sub-paragraph (A) will apply to the exclusion of sub-paragraph (B) such that any change in a non-investment grade rating from another Rating Agency shall be disregarded for the purposes of this Condition 8.6; and

(ii) in making the relevant decision(s) referred to above, the relevant Rating Agency announces publicly or confirms (having been requested in writing by the Issuer or the Trustee) in writing or email to the Issuer or the Trustee that such decision(s) resulted, in whole or in part, from the occurrence of the Amendment Event or, as the case may be, the Change of Control.

If the rating designations employed by a Rating Agency are changed from those referred to above, the Issuer shall determine, with the agreement of the Trustee (not to be unreasonably withheld or delayed), the rating designations of such Rating Agency as are most equivalent to the prior rating designations of such Rating Agency and this Condition 8.6 shall be read accordingly.

Relevant Period means the period ending 90 days after the occurrence of the Amendment Event or, as the case may be, the Change of Control;

Shareholders Agreement means the shareholders' agreement dated 1 September 1993 (as amended by a supplemental agreement dated 30 September 2003) between (1) International Nuclear Fuels Limited. (2) Ultra-Centrifuge Nederland N.V. (3) Uranit GmbH and (4) URENCO Deutschland GmbH; and

Treaty means the agreement dated 4 March 1970 between (1) the United Kingdom of Great Britain and Northern Ireland. (2) the Federal Republic of Germany and (3) the Kingdom of The Netherlands, on collaboration in the development and exploitation of the gas centrifuge process for producing enriched uranium (treaty series no. 69 (1971), known as the Almelo Treaty), as amended from time to time.

8.7 Purchases

The Issuer, any of the Guarantors or any of their Subsidiaries may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer or the relevant Guarantor, surrendered to any Paying Agent for cancellation.

8.8 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 8.7 above (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

8.9 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Conditions 8.1, 8.2, 8.3, 8.4 or 8.5 above or upon its becoming due and repayable as provided in Condition 11 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the Amortised Face Amount calculated as provided in Condition 7.6 above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

(a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Agent or the Trustee and notice to that effect has been given to the Noteholders in accordance with Condition 16.

9. TAXATION

All payments of principal and interest in respect of the Notes and Coupons by or on behalf of the Issuer or any of the Guarantors will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer or, as the case may be, the relevant Guarantor(s) will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note or Coupon:

(a) presented for payment in The Netherlands, the United Kingdom, Germany or the United States; or

(b) presented for payment by or on behalf of a holder who is liable for such taxes or duties in respect of such Note or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note or Coupon; or

(c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 7.5); or

(d) where such withholding or deduction is required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or regulations thereunder or official interpretations thereof), or an intergovernmental agreement between the United States and any jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement) or any laws implementing any of the foregoing.

As used herein:

(i) **Tax Jurisdiction** means The Netherlands, the United Kingdom or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by the Issuer), The Netherlands or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by URENCO Nederland B.V.), the United Kingdom or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by URENCO Limited, URENCO UK Limited, URENCO Enrichment Company Limited and URENCO Finance UK Limited), Germany or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by URENCO Deutschland GmbH), the United States or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by URENCO USA Inc., Louisiana Energy Services, LLC and URENCO Finance US, LLC) or in any case any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer or a Guarantor, as the case may be, becomes subject in respect of payments made by it of principal and interest on the Notes and Coupons; and

(ii) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Trustee or the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 16.

10. PRESCRIPTION

The Notes and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 9) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 10 or Condition 7.2 or any Talon which would be void pursuant to Condition 7.2.

11. EVENTS OF DEFAULT

11.1 Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), (but in the case of the happening of any of the events described in paragraphs (b) to (d) (other than the winding up or dissolution of the Issuer or any of the Guarantors), (e) to (g) inclusive and (i) and (j) below, only if the Trustee shall have certified in writing to the Issuer and the Guarantors that such event is, in its opinion, materially prejudicial to the interests of the Noteholders), give notice in

writing to the Issuer and the Guarantors that the Notes are, and they shall accordingly forthwith become, immediately due and repayable at their principal amount together with accrued interest as provided in the Trust Deed in any of the following events (each an **Event of Default**):

(a) if default is made in the payment in the Specified Currency of any principal or interest due in respect of the Notes or any of them and the default continues for a period of seven days (in the case of principal) or 14 days (in the case of interest); or

(b) if the Issuer or a Guarantor fails to perform or observe any of its other obligations under these Conditions or the Trust Deed and (except in any case where the Trustee considers the failure to be incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 60 days (or such longer period as the Trustee may permit) following the service by the Trustee on the Issuer or the relevant Guarantor (as the case may be) of written notice specifying such failure, stating that such notice is a "Notice of Default" under the Notes and demanding that the Issuer or the relevant Guarantor remedy the same; or

(c) if (i) any Indebtedness for Borrowed Money (as defined below) of the Issuer, a Guarantor or any of the Guarantors' other Principal Subsidiaries becomes due and repayable prematurely by reason of an event of default (however described); (ii) the Issuer, a Guarantor or any of the Guarantors' other Principal Subsidiaries fail(s) to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment (as extended by any originally applicable grace period); (iii) any security given by the Issuer, a Guarantor or any of the Guarantors' other Principal Subsidiaries for any Indebtedness for Borrowed Money becomes enforceable; or (iv) default is made by the Issuer, a Guarantor or any of the Guarantors' other Principal Subsidiaries in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person, provided that no event described in this Condition 11.1(c) shall constitute an Event of Default unless the relevant amount of Indebtedness for Borrowed Money or other relative liability due and unpaid, either alone or when aggregated (without duplication) with other amounts of Indebtedness for Borrowed Money and/or other liabilities due and unpaid relative to all (if any) other events specified in (i) to (iv) above which have occurred, amounts to at least 4.5 per cent. of Total Equity; or

(d) if any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer, a Guarantor or any of the Guarantors' other Principal Subsidiaries, save for the purposes of reorganisation on terms previously approved in writing by the Trustee or by an Extraordinary Resolution; or

(e) if the Issuer, a Guarantor or any of the Guarantors' Principal Subsidiaries (i) ceases or threatens to cease to carry on the whole or a substantial part of its business, or (ii) the Issuer, a Guarantor or any of the Guarantors' Principal Subsidiaries stops or threatens to stop payment of, or is unable to, or admits inability to pay its debts (or any class of its debts) as they fall due or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent, save in each such case ((i) and (ii) inclusive) for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent on terms approved in writing by the Trustee; or

(f) if proceedings are initiated against the Issuer, or a Guarantor or any of the Guarantors' other Principal Subsidiaries under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer, a Guarantor or any of the Guarantors' other Principal Subsidiaries or, as the case may be, in relation to the whole or a substantial part of the undertaking or assets of any of them, or an encumbrancer takes possession of the whole or any substantial part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or any part of the undertaking or assets of any of them and in any such case (other than the appointment of an administrator or an administrative receiver appointed following presentation of a petition for an administration order) unless initiated by the relevant

company, are not (i) discharged within 60 days or (ii) being contested in good faith on the basis of appropriate legal advice provided by independent counsel in the relevant jurisdiction or jurisdictions and by all appropriate proceedings; or

(g) if the Issuer, a Guarantor or any of the Guarantors' other Principal Subsidiaries (or their respective directors or shareholders) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors), save for the purposes of reorganisation on the terms approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders; or

(h) if any Guarantee ceases to be, or is claimed by the Issuer or a Guarantor not to be, in full force and effect other than in accordance with the provisions of these Conditions and the Trust Deed; or

(i) if the Issuer ceases to be a subsidiary wholly-owned and controlled, directly or indirectly, by a Guarantor; or

(j) if any event occurs which, under the laws of any Tax Jurisdiction, has or may have, in the Trustee's opinion, an analogous effect to any of the events referred to in paragraphs (d) to (g) above.

11.2 Definitions

For the purposes of the Conditions (other than Condition 4):

Indebtedness for Borrowed Money means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities or any borrowed money or any liability under or in respect of any acceptance or acceptance credit;

Principal Subsidiary means at any time a Subsidiary of a Guarantor:

(a) whose consolidated PBT and/or Turnover and/or Assets are equal to not less than 10 per cent. of, as the case may be, the PBT, Turnover or Assets of the Group all as calculated respectively by reference to the then latest audited accounts (consolidated or, as the case may be, unconsolidated) of such Subsidiary and the then latest audited consolidated accounts of the Group;

(b) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of a Guarantor which immediately prior to such transfer is a Principal Subsidiary, provided that the transferor Subsidiary shall upon such transfer forthwith cease to be a Principal Subsidiary and the transferee Subsidiary shall immediately become a Principal Subsidiary,

all as more particularly defined in the Trust Deed;

Assets means the aggregate consolidated value of the fixed assets (comprising tangible assets, investments, intangible assets, goodwill and similar long term assets) and current assets (comprising stocks, debtors, amounts due from subsidiary undertakings and cash at bank and in hand or similar short term assets) of the Group, or the relevant Subsidiary as the case may be;

Group means URENCO Limited and its Subsidiaries, taken as a whole;

PBT means the consolidated profits or losses, as the case may be, on ordinary activities of the Group, or the relevant Subsidiary as the case may be, (excluding extraordinary items), and before taking into account any provision on account of taxation;

Turnover means the consolidated turnover of the Group, or the relevant Subsidiary as the case may be, net of VAT, representing amounts invoiced to third parties; and

VAT means value added tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature.

12. ENFORCEMENT

12.1 Enforcement by the Trustee

The Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer and/or the Guarantors as it may think fit to enforce the provisions of the Trust Deed, the Notes and the Coupons, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed, the Notes or the Coupons unless (a) it has been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the holders of at least one-fifth in principal amount of the Notes then outstanding and (b) it has been indemnified and/or secured and/or prefunded to its satisfaction.

12.2 Enforcement by the Noteholders

No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer or the Guarantors unless the Trustee, having become bound so to proceed, fails to do so within a reasonable period and the failure shall be continuing.

13. REPLACEMENT OF NOTES, COUPONS AND TALONS

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

14. PAYING AGENTS

The names of the initial Paying Agents and their initial specified offices are set out below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer is entitled, with the prior written approval of the Trustee, to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

(a) there will at all times be an Agent;

(b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and

(c) there will at all times be a Paying Agent in a jurisdiction within continental Europe, other than the jurisdiction in which the Issuer or any Guarantor is incorporated.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 7.4. Notice of any variation, termination, appointment or change in Paying Agent will be given to the Noteholders promptly by the Issuer in accordance with Condition 16.

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and the Guarantors and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Noteholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

15. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified

office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 10.

16. NOTICES

All notices regarding the Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London. It is expected that any such publication in a newspaper will be made in the *Financial Times* in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the second day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

17. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Coupons or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer, any Guarantor or the Trustee and shall be convened by the Issuer if required in writing by Noteholders holding not less than five per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing more than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes or the Coupons or the Trust Deed (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. The Trust Deed provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding shall, in each case, be effective as an Extraordinary Resolution of

the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all the Noteholders, whether or not they are present at any meeting and whether or not they voted on the resolution, and on all Couponholders.

The Trustee may agree, without the consent of the Noteholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or the Trust Deed, or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders so to do or may agree, without any such consent as aforesaid, to any modification which is of a formal, minor or technical nature or to correct a manifest error or an error which, in the opinion of the Trustee, is proven. Any such modification, waiver, authorisation or determination shall be binding on the Noteholders and the Couponholders and shall be notified to the Noteholders in accordance with Condition 16 as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders, Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof) and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer, any Guarantor, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders or Couponholders except to the extent already provided for in Condition 9 and/or any undertaking or covenant given in addition to, or in substitution for, Condition 9 pursuant to the Trust Deed.

18. INDEMNIFICATION OF THE TRUSTEE AND TRUSTEE CONTRACTING WITH THE ISSUER AND/OR THE GUARANTOR

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer, any Guarantor and/or any of their respective Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer, any Guarantor and/or any of their respective Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders or Couponholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

19. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes.

20. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

21. GOVERNING LAW AND SUBMISSION TO JURISDICTION

21.1 Governing law

The Trust Deed (including the Guarantee), the Agency Agreement, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with the Trust Deed (including the Guarantee), the Agency Agreement, the Notes, and the Coupons are governed by, and shall be construed in accordance with, English law.

21.2 Submission to jurisdiction

The Issuer and each Guarantor has in the Trust Deed irrevocably agreed, for the benefit of the Trustee, the Noteholders and the Couponholders, that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed, the Notes and/or the Coupons, (including a dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes and/or the Coupons) and accordingly has submitted to the exclusive jurisdiction of the English courts.

The Issuer and each Guarantor has in the Trust Deed waived any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum.

To the extent allowed by law, the Trustee, the Noteholders and the Couponholders may take any suit, action or proceedings (together referred to as **Proceedings**) arising out of or in connection with the Trust Deed, the Notes and the Coupons (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes and the Coupons), against each of the Issuer and each Guarantor in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

21.3 Appointment of Process Agent

Each of the Issuer, URENCO Nederland B.V., URENCO Deutschland GmbH, URENCO USA Inc., Louisiana Energy Services, LLC and URENCO Finance US, LLC has, in the Trust Deed, irrevocably and unconditionally appointed URENCO Limited as its agent for service of process in England in respect of any Proceedings and has undertaken that, in the event of such agent ceasing so to act, it will appoint such other person as the Trustee may approve its agent for that purpose and notify the Noteholders of such appointment. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme.

[*Date*]

URENCO FINANCE N.V.

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
Guaranteed by URENCO Limited, URENCO UK Limited, URENCO Enrichment Company Limited, URENCO Finance UK Limited, URENCO Nederland B.V, URENCO Deutschland GmbH, URENCO USA Inc., Louisiana Energy Services, LLC and URENCO Finance US, LLC
under the €3,000,000,000
Euro Medium Term Note Programme

PART A– CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the **Conditions**) set forth in the Base Prospectus dated 31 October 2016 [and the supplement to the Base Prospectus dated [*date*]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the **Base Prospectus**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer, the Guarantors and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at *http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html* and during normal business hours at the registered address of URENCO Limited and from Citibank, N.A., London Branch, Citigroup Centre, Canada Square E14 5LB, United Kingdom. The Base Prospectus has been published on the website of the London Stock Exchange.

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the **Conditions**) set forth in the Base Prospectus dated [*original date*] which are incorporated by reference in the Base Prospectus dated 31 October 2016 and are attached hereto. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus dated 31 October 2016 [and the supplement to the Base Prospectus dated [*date*]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the **Base Prospectus**), including the Conditions incorporated by reference in the Base Prospectus. Full information on the Issuer, the Guarantors and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. Copies of such Base Prospectus are available for viewing at *http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html* and during normal business hours at the registered address of URENCO Limited and from Citibank, N.A., London Branch, Citigroup Centre, Canada Square E14 5LB, United Kingdom. The Base Prospectus has been published on the website of the London Stock Exchange.]

1.	(a)	Issuer:	URENCO Finance N.V.
	(b)	Original Guarantors:	URENCO Limited URENCO UK Limited URENCO Enrichment Company Limited URENCO Finance UK Limited URENCO Nederland B.V. URENCO Deutschland GmbH URENCO USA Inc. Louisiana Energy Services, LLC URENCO Finance US, LLC
2.	(a)	Series Number:	[ ]
	(b)	Tranche Number:	[ ]
	(c)	Date on which the Notes will be consolidated and form a single Series:	[The Notes will be consolidated and form a single Series with [ ] on [the Issue Date/exchange of the

			Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [ ] below, which is expected to occur on or about [ ]][Not Applicable]
3.	Specified Currency or Currencies:		[ ]
4.	Aggregate Nominal Amount:		
	(a)	Series:	[ ]
	(b)	Tranche:	[ ]
5.	Issue Price:		[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [ ]]
6.	(a)	Specified Denominations:	[ ]
	(b)	Calculation Amount:	[ ]
7.	(a)	Issue Date:	[ ]
	(b)	Interest Commencement Date:	[*specify*/Issue Date/Not Applicable]
8.	Maturity Date:		[ ] [Interest Payment Date falling in or nearest to [ ]]
9.	Interest Basis:		[[ ] per cent. Fixed Rate] [[[ ] month LIBOR/EURIBOR] +/– [ ] per cent. Floating Rate] [Zero Coupon] (see paragraph [14] [15] [16] below)
10.	Redemption/Payment Basis:		Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [ ] per cent. of their nominal amount
11.	Change of Interest Basis or Redemption/ Payment Basis:		[ ][Not Applicable]
12.	Put/Call Options:		[Not Applicable] [Investor Put] [Issuer Maturity Call] [Issuer Call] [Not Applicable] [(see paragraph [18] [19] [20] [21] below)]
13.	Date [Board] approval for issuance of Notes [and Guarantees] obtained:		[ ] [and [ ], respectively] [Not Applicable]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	Fixed Rate Note Provisions		[Applicable/Not Applicable]
	(a)	Rate(s) of Interest:	[ ] per cent. per annum payable in arrear on each Interest Payment Date
	(b)	Interest Payment Date(s):	[ ] in each year up to and including the Maturity Date]
	(c)	Fixed Coupon Amount(s): (*Applicable to Notes in definitive form.*)	[ ] per Calculation Amount
	(d)	Broken Amount(s): (*Applicable to Notes in definitive form.*)	[[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]][Not Applicable]
	(e)	Day Count Fraction:	[30/360] [Actual/Actual (ICMA)]
	(f)	[Determination Date(s):	[[ ] in each year] [Not Applicable]]

15.	Floating Rate Note Provisions		[Applicable/Not Applicable]
	(a)	Specified Period(s)/Specified Interest Payment Dates:	[ ] [, subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
	(b)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention] [Not Applicable]
	(c)	Additional Business Centre(s):	[ ]
	(d)	Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination]
	(e)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):	[ ])
	(f)	Screen Rate Determination:	
		• Reference Rate:	[ ] month [LIBOR/EURIBOR]
		• Interest Determination Date(s):	[ ]
		• Relevant Screen Page:	[ ]
	(g)	ISDA Determination:	
		• Floating Rate Option:	[ ]
		• Designated Maturity:	[ ]
		• Reset Date:	[ ]
	(h)	Linear Interpolation:	[Not Applicable/Applicable - the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
	(i)	Margin(s):	[+/-] [ ] per cent. per annum
	(j)	Minimum Rate of Interest:	[[ ] per cent. per annum] [Not Applicable]
	(k)	Maximum Rate of Interest:	[[ ] per cent. per annum] [Not Applicable]
	(l)	Day Count Fraction:	[Actual/Actual ISDA)][Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360][360/360][Bond Basis] [30E/360][Eurobond Basis] [30E/360 (ISDA)]
16.	Zero Coupon Note Provisions		[Applicable/Not Applicable]
	(a)	Accrual Yield:	[ ] per cent. per annum
	(b)	Reference Price:	[ ]
	(c)	Day Count Fraction in relation to Early Redemption Amounts and late payment:	[30/360] [Actual/360] [Actual/365]

PROVISIONS RELATING TO REDEMPTION

17.	Notice periods for Condition 8.2:	Maximum period: [30] days Minimum period: [60] days

18.	Issuer Maturity Call:		[Applicable/Not Applicable]
	Notice periods:		Minimum period: [ ] days Maximum period: [ ] days
19.	Issuer Call:		[Applicable/Not Applicable]
	(a)	Optional Redemption Date(s):	[ ] [at any time that is more than 90 days prior to the Maturity Date]
	(b)	Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[ ] per Calculation Amount]
	(c)	If redeemable in part:	[Applicable/Not Applicable]
		(i) Minimum Redemption Amount:	[ ] per Calculation Amount
		(ii) Maximum Redemption Amount:	[ ] per Calculation Amount
	(d)	Notice periods:	Minimum period: [15] days Maximum period: [30] days
20.	Investor Put:		[Applicable/Not Applicable]
	(a)	Optional Redemption Date(s):	[ ]
	(b)	Optional Redemption Amount:	[ ] per Calculation Amount
	(c)	Notice periods:	Minimum period: [15] days Maximum period: [30] days
21.	Amendment Event and Change of Control Redemption:		Condition 8.6 is [not] applicable
22.	Early Redemption Amount payable on redemption following an Amendment Event or a Change of Control:		[ ] per Calculation Amount
23.	Final Redemption Amount:		[ ] [Par] per Calculation Amount
24.	Early Redemption Amount (Tax) payable on redemption for taxation reasons or on event of default:		[ ] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25.	Form of Notes:		
	(a)	Form:	[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]] [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date] [Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]
	(b)	New Global Note:	[Yes][No]
26.	Additional Financial Centre(s) or other special provisions relating to Payment Days:		[Not Applicable][ ]
27.	Talons for future Coupons to be attached to Definitive Notes:		[Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No.]

THIRD PARTY INFORMATION

[[ ] has been extracted from [ ]. Each of the Issuer and the Original Guarantors confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of URENCO Finance N.V.:

By:

Duly authorised

Signed on behalf of URENCO Enrichment Company Limited

By:

Duly authorised

Signed on behalf of URENCO Limited:

By:

Duly authorised

Signed on behalf of URENCO UK Limited:

By:

Duly authorised

Signed on behalf of URENCO Finance UK Limited:

By:

Duly authorised

Signed on behalf of URENCO Nederland B.V.:

By:

Duly authorised

Signed on behalf of URENCO Deutschland GmbH:

By:

Duly authorised

Signed on behalf of Louisiana Energy Services, LLC:

By:

Duly authorised

Signed on behalf of URENCO USA Inc.

By:

Duly authorised

Signed on behalf of URENCO Finance US, LLC:

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(i)	Listing and Admission to trading:	[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Regulated Market of the London Stock Exchange and listing on the Official List of the UK Listing Authority with effect from [ ].]
(ii)	Estimate of total expenses related to admission to trading:	[ ]

2. RATINGS

Ratings:	[The Notes to be issued [[have been]/[are expected to be]] rated [ ] by [ ].][The Notes to be issued have not been rated.] [[ ] is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended). [As such [ ] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation.]]

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to [ ] (the [**Managers**/**Dealers**]), so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]

4.	**YIELD (***Fixed Rate Notes Only***)**	[ ]
	Indication of yield:	The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

5. OPERATIONAL INFORMATION

(i)	ISIN:	[ ]
(ii)	Common Code:	[ ]
(iii)	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	[Not Applicable/[ ]]
(iv)	Delivery:	Delivery [against/free of] payment
(v)	Names and addresses of additional Paying Agent(s) (if any):	[ ]

6. DISTRIBUTION

(i)	U.S. Selling Restrictions:	[Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable]

USE OF PROCEEDS

The net proceeds of each issue of Notes will be applied by the Issuer for its general corporate purposes.

DESCRIPTION OF THE ISSUER

The Issuer is a wholly-owned finance subsidiary of URENCO Limited. URENCO Limited is the ultimate holding company of, and provides strategic support for, the Group. At least 95 per cent. of the assets of the Issuer will consist of loans to URENCO Limited and its subsidiaries and, as such, the Issuer will depend on loan repayments or inter-company transfers of funds to service and repay the Notes.

Corporate information

URENCO Finance N.V. (the **Issuer**) was incorporated and registered in The Netherlands as a public limited company (*naamloze vennootschap*) under the laws of The Netherlands on 22 November 2005 and registered with the trade register (*handelsregister*) of the Dutch Chamber of Commerce (*kamer van koophandel*) on 23 November 2005 of Oost-Nederland under the number 34236929. The principal legislation under which the Issuer operates is Book 2 of the Dutch Civil Code in The Netherlands. Its official seat is in Amsterdam, The Netherlands and its registered office is at Drienemansweg 1, 7601 PZ, Almelo (P.O. Box 158, 7600 AD Almelo), The Netherlands (telephone number +31 (0)546 54 54 54). URENCO Finance N.V. is a wholly owned subsidiary of URENCO Limited.

The Issuer prepares its separate annual financial statements on a non-consolidated basis. The Issuer is not obliged to prepare consolidated financial statements because it does not own any subsidiaries and its ultimate holding company, URENCO Limited, prepares and publishes consolidated financial statements for the Group prepared in accordance with International Financial Reporting Standards.

The separate annual financial statements of the Issuer for the financial year ended 31 December 2014 and the separate annual financial statements of the Issuer for the financial year ended 31 December 2015 have been audited by Deloitte Accountants B.V., Grote Voort 207, 8041 BK Zwolle, The Netherlands.

The directors of the Issuer are Gerard Tyler, Ralf ter Haar and Richard Ozsanlav. The business address of the directors is URENCO Court, Sefton Park, Stoke Poges, Buckinghamshire, SL2 4JS. Ralf ter Haar and Richard Ozsanlav were appointed in January 2016 and, following this change in directors, the Group's view is that the Issuer should be considered solely resident in the UK for corporate tax purposes. Prior to January 2016 the Issuer was considered solely resident in The Netherlands for corporation tax purposes. An application for a Mutual Agreement Process between the UK and Dutch tax authorities to confirm the UK tax resident status of the Issuer was filed in April 2016, however, to date, no formal ruling has been made by either tax authority. As such, at the time of writing, the Issuer is both UK and Dutch resident for corporation tax purposes.

There are no potential conflicts of interests between the duties owed by the directors of the Issuer to the Issuer and their private interests and/or other duties. The relationship between the Issuer and URENCO Limited is carried out in accordance with the applicable statutes and regulations of The Netherlands.

DESCRIPTION OF THE GROUP

Overview

The Group's principal activity is the provision of uranium enrichment services to provide fuel for nuclear power utilities. Its enrichment service is mostly provided on a toll basis using customers' uranium. URENCO is also active, although to a smaller extent, in sales of uranium that it generates from optimising the operation of its plants (through a process known as "underfeeding"). The Group pursues its activity in Europe through its main operating subsidiary, UEC and UEC's three operating subsidiaries which own and operate enrichment plants in the UK (Capenhurst), Germany (Gronau) and The Netherlands (Almelo) and in the U.S., through another Group subsidiary, LES, which owns and operates an enrichment plant in New Mexico (**URENCO USA**).

The Group also owns a 50 per cent. interest in ETC, a joint venture company jointly owned with AREVA. ETC provides enrichment plant design services and gas centrifuge technology for enrichment plants through its subsidiaries in the UK (Capenhurst), Germany (Julich), The Netherlands (Almelo), France (Tricastin) and the U.S. (Eunice).

URENCO Limited is the ultimate holding company and provides management and strategic support for the Group.

URENCO was founded in 1971 following the entering into force of the Treaty of Almelo signed by the governments of Germany, The Netherlands and the UK. The Treaty was the culmination of deliberations between the three countries and their recognition of the importance of the supply of enriched uranium for purposes other than the manufacture of nuclear weapons. It also came as an acknowledgement of the importance of developing a significant capacity in Europe for the enrichment of uranium to meet the demand to fuel nuclear plants. See "*History – Intergovernmental Treaties – Treaty of Almelo*" below.

URENCO is a leading provider of uranium enrichment services to the world's nuclear energy industry.

URENCO is indirectly owned one-third by the UK government through Enrichment Investments Limited, one-third by the Dutch government through Ultra-Centrifuge Nederland Limited and one-third by the German utilities RWE and E.ON through Uranit UK Limited.

In 2015, URENCO generated revenues of €1,842.2 million (€1,612.0 million in 2014) and income from operating activities of €664.6 million (€652.9 million in 2014). The Group's total capacity at 31 December 2015 was 19,000 tSW/a (the measurement of the effort required to increase the concentration of the fissionable U235 isotope in the natural uranium).

History – Intergovernmental Treaties

Treaty of Almelo

In March 1970, in the City of Almelo in The Netherlands, the United Kingdom, the Kingdom of The Netherlands and the Federal Republic of Germany (the **Contracting Parties**) signed a treaty (the **Treaty of Almelo** or **Treaty**) on the collaboration for the development and exploitation of the gas centrifuge process for the production of enriched uranium for purposes other than the manufacture of nuclear weapons.

The Treaty of Almelo establishes fundamental principles by which each of the Contracting Parties has undertaken to abide. Pursuant to the Treaty of Almelo, the Contracting Parties will effectively supervise not only their collaboration in the enrichment of uranium by the gas centrifuge process and the manufacture of centrifuges but also the operation of joint industrial enterprises established pursuant to the Treaty of Almelo. This collaboration and the joint industrial enterprise manifests itself in the operations of URENCO.

Pursuant to the terms of the Treaty of Almelo a joint committee (the **Joint Committee**), comprising representatives of each Contracting Party, considers all questions concerning the safeguards system (as established by IAEA and Euratom), classification arrangements and security procedures, exports of the technology and EUP and other non-proliferation issues. In this respect the Joint Committee also considers issues connected with any changes in URENCO's ownership and transfers of technology. URENCO's Executive Management meets with the Joint Committee on a periodic basis.

Within the spirit of the Treaty of Almelo, URENCO is expected and encouraged to operate as a competitive commercial enterprise in its exploitation of the enrichment of uranium.

Each Contracting Party is constrained from promoting or assisting any programme of research or development of the gas centrifuge process, with a view to its own commercial exploitation, unless it has first been offered for exploitation by URENCO or such other appropriate joint industrial enterprise under the Treaty.

The highly regulated environment in which URENCO operates and the provisions of the Treaty act to protect the technology used by URENCO.

In essence, the structure and ownership of URENCO must be agreed by the Joint Committee and be consistent with the fundamental principles of the Treaty. As a result, the operation of the Treaty in effect assures that any future shareholder in URENCO is of a sufficiently bona fide status.

Treaty of Cardiff
In order to permit the completion (in 2006) of URENCO's joint venture with AREVA regarding the Group's technology business Enrichment Technology Company Limited, France needed to adhere to the principles of the Treaty of Almelo, through a new treaty (the **Treaty of Cardiff**) which was signed on 12 July 2005.

Treaty of Washington
Prior to commencing construction of URENCO's enrichment plant in the U.S., in order to comply with the non-proliferation requirements of the Treaty of Almelo and to enable URENCO to transfer classified information to the U.S., it was necessary for the U.S. government to enter into a new intergovernmental treaty with the governments of Germany, The Netherlands and the United Kingdom to ensure that the same conditions that had been applied in the Treaty of Almelo would be applicable in the United States. Thus the Washington Treaty was signed on 24 July 1992.

Uranium Enrichment Market
The uranium enrichment market is dependent on the demand for uranium as a fuel for nuclear power reactors (predominantly LWR type). The rate of growth in energy demand has been highest in the developing world (Asia Pacific, Middle East, Central and South America and Africa).

Nuclear energy represents a significant portion of worldwide electricity generation. Given the forecasted long-term growth in electricity consumption, additional power-generating capacity is needed.* The choice of primary energy source to meet this demand will depend on economic competitiveness and policy choices balancing economic growth, security of supply and ecological concerns.

With an ever-increasing global focus on the effects of climate change and with energy security and supply high on the political agenda, nuclear power is a safe and climate-friendly source of energy. The UK government has reconfirmed that new nuclear build will form an important element of the UK's future energy strategy. Currently, there are 450 nuclear reactors operating in 30 countries and 13 countries rely on nuclear power for 20 per cent. or more of their electricity needs.*

High uranium prices tend to drive utilities to optimise their total costs by increasing demand for enrichment services, so as to extract more of the useful U235 isotope from the UF6 Feed material.

Concerns over future supply reliability and prices have caused utilities to seek longer-term enrichment commitments, so as to secure their fuel supplies for the future at predictable costs. However, markets for nuclear fuel cycle services (enrichment and conversion) and uranium are facing an inventory surplus as at the date of this Base Prospectus, led by greater supply capacity and lower than expected demand due to early reactor closures, delay in new build programmes and reactors being off line in Japan. This inventory surplus has reduced perceived concerns over future supply. The cumulative effect of lower perceived risk and high quantities of material available in the near to mid-term has caused a decrease in contracting volumes and length, which ultimately has led to much lower prices for the supply of both nuclear fuel cycle commodities and services.

There are currently four major producers of uranium enrichment services (see "*Competition*" below) using gas centrifuge technology. The last major enrichment plant operated by USEC (now Centrus Energy) was closed in 2013 and Centrus Energy is now considered to be a supplier rather than a producer.

*Source: IAEA Power Reactor Information System on 07.09.2016 https://www.iaea.org/PRIS/home.aspx

Market Share
URENCO has been present in the enriched uranium market for over 35 years and its advanced manufacturing and technological capabilities (see "*Enrichment Process and Capacity – Technological Advantage*") have

resulted in a steady expansion of its market share. URENCO delivers to over 50 customers in 19 countries making URENCO a truly global player in the enrichment market.

Competition

The world uranium enrichment market is characterised by its homogenous product (Enriched Uranium Product, **EUP**), small number of customers, seasonal demand, long contract lengths and above all, technology. Competition for contracts is primarily based on price and reliability of delivery. The traditional enrichment market consists of four major producers and a small number of brokers.

The enrichment of uranium has long been the exclusive purview of a few countries whose enrichment infrastructure was historically constructed by their governments or with significant government backing. The main reasons for such an oligopoly include difficult access to enrichment technology, high capital costs of enrichment facilities and the desire by the international community to limit the proliferation of weapons-usable nuclear materials and technologies.

The four major enrichment producers, URENCO, Rosatom, CNNC and AREVA, use centrifuge enrichment technology. The much less energy-efficient gas diffusion process was used by AREVA until 2012 and by Centrus Energy until 2013. Centrus Energy remains a supplier of enrichment services through its purchases and its own inventory, while hoping to commercially develop a centrifuge technology under US Department of Energy control, the "American Centrifuge". The Department of Energy is currently re-evaluating this programme. Centrus Energy underwent a bankruptcy and restructuring process in the USA in 2014 in order to renegotiate its debt and realign its organisation after it stopped uranium enrichment operations in 2013.

Several governmental authorities have adopted policies and/or measures affecting international trade in enriched uranium. For example, governmental policies favouring domestic enrichment mean that the markets for enrichment services in Russia and China are generally inaccessible to foreign suppliers. In the United States, trade measures in the form of a suspended anti-dumping investigation on uranium products from Russia and legislation enacted in 2008 (the **Domenici Amendment**) to promote the continued down-blending of highly-enriched uranium operate to limit supplies of Russian enriched uranium to a maximum of approximately 20 per cent of the U.S. market. These measures are currently valid until the end of 2020. Anti-dumping restrictions also remain in place in the United States on imports of low-enriched uranium from France and were recently renewed for a five-year period. In the European Union, the Euratom Supply Agency has the authority to review and approve enrichment contracts signed by European utilities and has historically exercised that power to ensure diversification of enrichment supplies to EU utilities.

CNNC continues to increase its enrichment capacity in line with Chinese domestic needs and requirements to maintain a sufficient inventory of material. CNNC is also becoming increasingly involved in supplying enrichment services internationally.

GE-Hitachi (provider of nuclear reactors and fuel services) and Cameco (a major uranium miner) have written off their investment into a new laser enrichment technology (**SILEX**), with potential but yet unproven superiority to gas-centrifuge technology. Subsequently, their common subsidiary, GLE (Global Laser Enrichment) demobilised testing and manufacturing facilities in light of difficult market conditions in the enrichment services market. On the other hand the technology owner, Silex, continues discussions with the US Department of Energy for construction of a Tails upgrading facility to produce uranium for resale from US government stockpiles of depleted uranium.

With over thirty years' experience of operating gas centrifuge-based enrichment plants and strong, long-term customer relationships, URENCO expects to retain a strong position in the market.

Marketing

The marketing and administration of enrichment service contracts is undertaken from URENCO's head office in Stoke Poges in the UK and supported by URENCO Inc. in the U.S. Each contract is specific to the needs of the customer.

It is an integral part of URENCO's marketing strategy to differentiate itself from its other main competitors. In a relatively homogenous market such as the uranium enrichment market, customers would typically look to price as the most significant factor in their buying decision. In addition to price, diversity and security of supply, reliability, delivery time, product quality and ongoing customer service are seen as the differentiating factors among the competition. The flexibility that URENCO can provide based on its geographical reach and diversity

of supply, efficient production and adaptability to meet peaks in demand are key factors used by the Group in its marketing efforts.

Customers

The Group's customers encompass a broad range of clients, totalling over 50 utilities in 19 countries. URENCO's forward order book is well-diversified and broadly representative of the enrichment market as a whole with the exception of the former Soviet bloc. As of 31 December 2015, URENCO's order book stands at €16.6 billion.

Approximately 95 per cent. of services in the uranium enrichment market are provided by primary suppliers selling directly to utilities under multi-year uranium enrichment contracts. In addition to these multi-year uranium enrichment contracts there is a small spot market, representing around 5 per cent. of the total world market of enrichment services.*

In multi-year uranium enrichment contracts, the scope and the terms of the service are agreed in advance, with contracts being divided into "requirements" and "fixed commitment" contracts. Under a fixed commitment contract, the supplier agrees to specify fixed annual quantities. These contracts represent around 60 per cent. of negotiated contracts (by volume), with the remainder of those arranged being requirement contracts. Under a requirement contract, customers take delivery according to the needs of a power station. A supplier therefore receives the benefit of increases but assumes also the risk of reductions in demand. Contracts are typically 6 years in length and usually do not contain advance termination provisions. Requirement contracts also typically oblige the customer to buy a specific percentage of its enriched uranium requirements from URENCO.

*Source: UxC Enrichment Market Outlook Q2 2016

Enrichment Process and Capacity

Uranium Enrichment Process

Uranium enrichment is a critical step in the transformation of natural uranium into fuel for nuclear reactors to produce electricity. Most of the commercial nuclear power reactors operating or under construction in the world today require uranium enriched in the U235 isotope for their fuel, which is higher than the level that can be found in mined uranium.

The Group is not involved in nuclear fission and the enrichment of uranium produces negligible nuclear waste. URENCO enriches uranium, utilising the only commercially available method in the market, the gas centrifuge process. The gas centrifuge method exploits the difference in mass between the lighter U235 and the heavier U238 isotopes present in uranium. The Feed for the enrichment plant is UF6 (a chemical form of uranium) in gaseous form, which is fed into high speed centrifuges that in effect use centrifugal force to separate the inputted UF6 into a product stream with a higher proportion in U235 (the "enriched uranium") and a residual stream with less (i.e. the Tails). This process occurs through several successive stages so that the product is gradually enriched to the necessary weight percentage of U235 (usually between 3 per cent. and 5 per cent.) required for the final transformation into fuel for nuclear reactors. The enrichment process does not involve any formation of fission products or irradiation of materials as in a reactor.

After the conclusion of the enrichment process, both the enriched uranium and the Tails are placed into specially designed containers that meet all necessary international safety standards. Containers are routinely inspected for any damage or corrosion. The enriched uranium is then delivered to URENCO's customers. Tails containers are safely stored in accordance with international and national standards and may be re-fed to the plant to extract more U235 if economically viable. If the Tails material stored as UF6 has no future economic viability, it is converted back to its natural oxide state suitable for long-term storage.

In addition to the supply of enrichment services where the customer provides the natural uranium Feed material (known as toll enrichment), URENCO also supplies EUP where URENCO itself sources the Feed material on behalf of the customer. These arrangements account for less than 5 per cent of contracts (by volume).

Technological Advantage

URENCO enjoys a competitive advantage, owing to its use of a leading and technologically advanced gas centrifuge technology. With a low energy consumption and a modular design, the centrifuge technology used by URENCO offers a cost-efficient and flexible enrichment process.

In recent times URENCO's low energy intensity and high flexibility has enabled it to efficiently operate smaller plants based at four different locations, whilst some competitors are constrained to operate very large single location plants to achieve economies of scale. This gives URENCO greater diversity in terms of operational and regulatory risk exposure.

Enrichment Operations

The Group operates four plants with a combined capacity of 19,000 tSW/a at 31 December 2015: Capenhurst in the UK, Almelo in The Netherlands, Gronau in Germany and Eunice in the USA. All of the plants are engaged in the uranium enrichment process. 2010 saw the first enrichment production from the US facility.

The modular construction of URENCO's enrichment plants has enabled capacity to be created to meet demand, in consequence of which the Group operates at full capacity. Modular construction has also facilitated the rapid introduction to plant operation of new improvements to both centrifuge and the plants. These investments and on-going capacity expansion at the sites have led to reductions in the specific cost of separative work production. This is due to efficiency improvements in day-to-day operations and the benefits of increased production. There are also capital savings to be realised from the introduction of new technology and standardised plant modules.

Health Safety and Environment

Operations are governed by strict regimes which provide high levels of safety both for the Group's employees, the environment and general public. The Group's main priority remains the safety of its employees, operations and the environment.

Decontamination

Plant equipment such as containers, pumps and valves, and operational materials such as oil for vacuum pumps that have been in contact with UF6, require cleaning (decontamination) prior to reconditioning for further use or scrapping. Uranium is separated from the water solutions accumulated during the cleaning process and the liquid and solid residues for which there is no further use are treated as "radioactive waste" and conditioned prior to disposal. Paper and filter materials are waste conditioned by compression, and other radioactive wastes are cemented into special drums. Low level radioactive waste is held at an intermediate storage place until it is transferred for final storage to a Government repository.

The decontamination plant is sub-divided into the following work areas:

- container cleaning;
- component cleaning;
- waste water collection evaporation/cleaning plant; and
- waste conditioning.

All systems in the enrichment plant that are in contact with UF6 are manufactured from high quality components and materials. It is, therefore, the intention that all equipment dismantled in the course of repair and maintenance work, such as valves and vacuum pumps, be reused where possible and, as such, this equipment is completely dismantled and cleaned in a restricted area of the building. Finally it is reassembled and checked for proper functionality in appropriate technical workshops.

Certification

All sites have and will work to maintain their certification status under the IS014001. URENCO is committed to the highest quality in all of its activities. URENCO's four production sites are certified to the IS09001 international quality system certification standard. URENCO UK Limited's product quality is assured through its quality system and it is also accredited to ISO 17025:2005 by the United Kingdom Accreditation Service (**UKAS**) for its analytical laboratories.

Security measures

Special security measures, continuous government control and a tightly controlled regulatory environment ensure that:

- uranium cannot be misappropriated;

- the technology cannot be acquired by unauthorised persons; and
- the technical design is not modified to allow uranium to be enriched beyond licenced levels.

Total uranium quantities are accurately accounted for. On a regular basis the uranium quantities and their enrichment assays are notified to the international inspectorate, Euratom. The staff of Euratom and of the IAEA check the accuracy of these notifications during their inspections. The British, Dutch, German, French and U.S. governments have undertaken international agreements to keep centrifuge technology secret and to protect it from dissemination. For this reason and to ensure that uranium is not diverted, access to the plants is restricted and carefully supervised.

These conditions require a level of plant protection exceeding that which is usually applied at other industrial plants. The total plant areas are fenced. The fenced areas are subjected to constant supervision in such a way that penetration would immediately be detected. The only access to each plant is through a guard house, through which all vehicular and passenger traffic must pass. Special protection against misappropriation is installed in those areas where containers of enriched uranium are handled.

Radiation and toxicity

The radiation resulting from the operations of the Group is extremely low. The dose to the public is much less than the annual average dose arising from natural background radiation.*

Current enrichment processes involve only natural, long-lived radioactive materials: there is no formation of fission products or irradiation of materials, as in a reactor. Natural, enriched and depleted material are all in the form of UF6, the sole difference being their respective U235 concentrations.

UF6 is only weakly radioactive, and its chemical toxicity is more significant than its radiological toxicity. The protective measures required for an enrichment plant are therefore similar to those taken by other chemical industries concerned with the production of fluorinated chemicals.

Uranium hexafluoride and resultant reaction products are corrosive materials; therefore any leakage is particularly undesirable. Hence:

- in most areas of a modern centrifuge plant, the pressure of the UF6 gas is maintained below atmospheric pressure and thus any leakage could only result in an inward flow;
- both double containment and monitoring are provided for those few areas where higher pressures are required;
- the quality of the plant containing UF6 is very high; and
- effluent and venting gases are collected and purified.

*Source: WNA.

Management of Tails

During the enrichment process in uranium enrichment plants, the percentage of the fissile uranium U235 is raised from its natural 0.711 per cent. to a reactor grade of between 3 and 5 per cent. However, this process not only produces the enriched product, but it also generates a stream of Tails. These Tails, are in effect, lower grade uranium containing U235 typically of below 0.30 per cent. in contrast to the 0.711 per cent. assay in the natural uranium. Tails would typically represent about 85 per cent. by volume of the original Feed quantity put through the enrichment process.

Whilst a small number of contracts require URENCO's customers to receive back the Tails resulting from their delivered Feed to the plant, most contracts do not require this. URENCO is therefore responsible for the management of those Tails. There are a number of options open to the Group which include: re-enrichment, re-use in the fuel cycle without re-enrichment, conversion to a different chemical state, intermediate storage, or transport and safe disposal at authorised low-level waste sites.

Re-enrichment involves the upgrade of Tails to a natural uranium grade (0.711 per cent.) Equivalent Natural Uranium, which can then be further enriched to a reactor grade. The economics of Tails upgrading depends on a number of parameters such as:

- the cost of upgrading;
- the price of natural uranium;

- the disposal cost for the depleted uranium Tails; and
- the logistic costs of any UF6 movement needed.

Tails Management Facility

Depleted uranium hexafluoride is a by-product of the enrichment process. This material has strategic value through its potential for re-enrichment and, as such, is safely stored in internationally approved transport cylinders pending future re-enrichment or deconversion to a state suitable for long-term storage.

The introduction of the Tails Management Facility will serve to minimise the Group's reliance on third party services. It will also reduce pressure on safeguarding licence limits, allowing greater control and flexibility of Tails storage.

This facility is important in the Group's long-term strategic planning of uranium stewardship. It is being constructed at the Group's UK site and is expected to commence operations in 2017, servicing URENCO's European enrichment facilities. This date is later than originally scheduled due to some construction and key supplier delays.

The Tails Management Facility will comprise a UF6 Tails deconversion unit and a number of storage, maintenance and residue processing facilities. This supports URENCO's long-term strategy for the management of Tails pending future re-use.

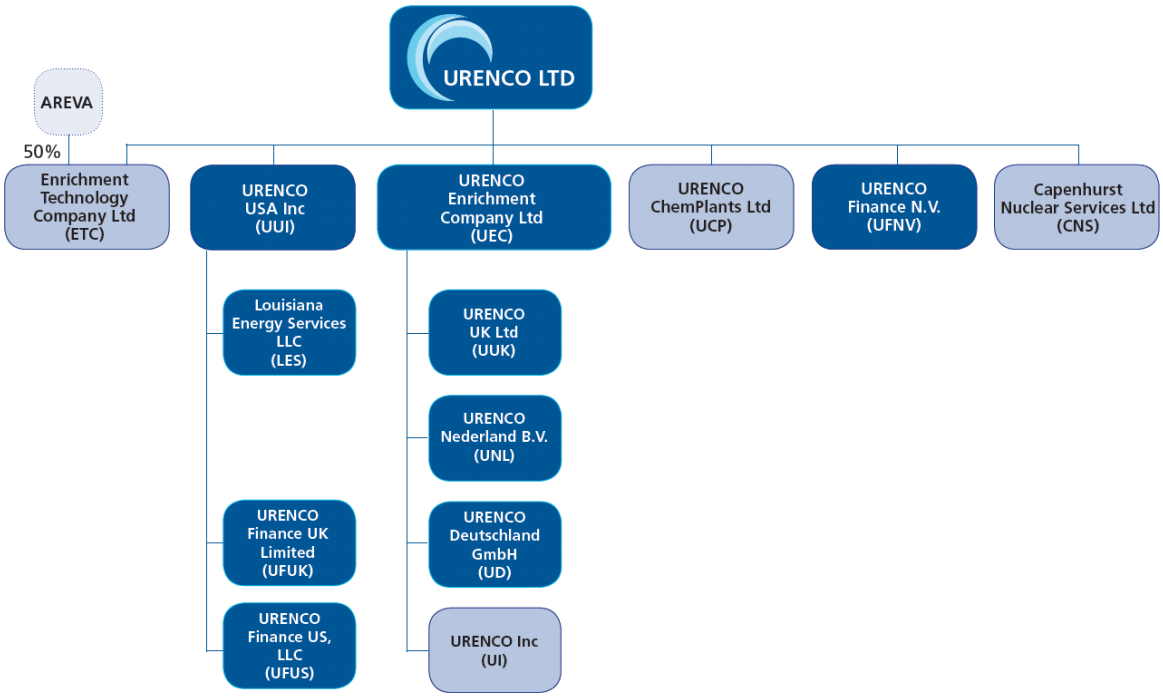
Diversification

URENCO has two non-core activities within the Group: (1) the enrichment of non-uranium stable isotopes; and (2) the provision by Capenhurst Nuclear Services Limited, a wholly owned subsidiary of URENCO Limited, of services relating to the management of uranic materials, recycling and decommissioning. These businesses are not material.

ADDITIONAL CORPORATE INFORMATION

Organisational Structure and Business Activities

URENCO Limited is the holding company for the Group. The current ownership structure is as set out below:



The Group's principal activity is the provision of uranium enrichment services to provide fuel for nuclear power utilities. Its enrichment service is mostly provided on a toll basis using customers' uranium. URENCO is also active, although to a smaller extent, in sales of uranium that it generates from optimising the operation of its plants (through a process known as "underfeeding"). The Group pursues its activity in Europe through its main operating subsidiary, UEC and its three operating subsidiaries which own and operate enrichment plants in the UK (Capenhurst), Germany (Gronau) and The Netherlands (Almelo) and its US subsidiary that owns and operates an enrichment plant in the USA (New Mexico).

The Group also owns a 50 per cent. interest in ETC, a joint venture company jointly owned with AREVA. The Group's shares in ETC are held 28.3 per cent. by URENCO Deutschland GmbH with the remaining shares held by URENCO Limited. URENCO Deutschland GmbH has passed all of its voting rights to URENCO Limited. ETC provides enrichment plant design services and gas centrifuge technology for enrichment plants through its subsidiaries in the UK (Capenhurst); Germany (Gronau and Julich); The Netherlands (Almelo); France (Tricastin) and the U.S. (Eunice). The Group accounts for its interest in ETC using the proportionate consolidation method.

URENCO Limited is the ultimate holding company and provides strategic support for the Group. It relies on dividends, distributions and other payments from its subsidiaries to fund any payment required to be made under its Guarantee.

Corporate Information

URENCO Limited

URENCO Limited was incorporated and registered in England and Wales as a private company limited by shares on 31 August 1971 with registered number 01022786. The principal legislation under which URENCO Limited operates is the Companies Act 2006 (as amended). Its registered office is URENCO Court, Sefton Park, Bells Hill, Stoke Poges, Buckinghamshire SL2 4JS, United Kingdom (telephone number +44 (0) 1753 660660).

URENCO Limited is indirectly owned one-third by the UK government through Enrichment Investments Limited (the **UK Shareholder**), one-third by the Dutch government through Ultra- Centrifuge Nederland Limited (the **Dutch Shareholder**) and one-third by the German utilities RWE Power AG (**RWE**) and PreussenElektra GmbH (E.ON) through Uranit UK Limited (the **German Shareholder**) (RWE and E.ON hold that one-third share in equal parts).

The directors of URENCO Limited are as follows:

Name	Function	Additional information
Billingham, Stephen	Chairman Non-executive director	Appointed by UK Shareholder
Haeberle, Thomas	Chief Executive Officer Executive director	
ter Haar, Ralf	Chief Finance Officer Executive director	
Bevan, Alan	Non-executive director	Appointed by German Shareholder
Maes, Miriam	Non-executive director	Appointed by Dutch Shareholder
Manson, Justin	Non-executive director	Appointed by UK Shareholder
Nourse, Richard	Non-executive director	Appointed by UK Shareholder
Verberg, George	Deputy Chairman Non-executive director	Appointed by Dutch Shareholder
Weignand, Frank	Deputy Chairman Non-executive director	Appointed by German Shareholder

The business address of each of the directors is URENCO Court, Sefton Park, Bells Hill, Stoke Poges, Buckinghamshire SL2 4JS, United Kingdom.

The principal activities performed by the directors outside URENCO Limited where these are significant in respect of their duties to URENCO Limited are as follows:

Billingham, Stephen	Non-Executive Chairman of Punch Taverns plc
	Chairman of Anglian Water Group Limited and Anglian Water Services Ltd
	Non-Executive Director of Balfour Beatty plc and Chair of Audit Committee
Haeberle, Thomas	None
ter Haar, Ralf	None
Bevan, Alan	Senior Vice President & Global Head of Mergers and Acquisitions, E.ON SE
Maes, Miriam	Non-Executive Director of Ultra Centrifuge Nederland B.V.
	Director of Foresee Limited
	Chairman of the Board of Directors of the Elia Group (Elia System Operator N.V. and Elia Asset N.V.)
	Non-Executive Director of Assystem S.A.
	Non-Executive Director of Naturex S.A.
	Non-Executive Director of Vilmorin & Cie S.A.
	Non-Executive Director on the Board of the Port of Rotterdam
	Non-Executive Director of Eramet S.A.
Manson, Justin	Director, UK Government Investments (UKGI)
	UKGI representative on the Board, UK Export Finance
Nourse, Richard	Director of British Nuclear Fuels Limited Director of British Nuclear Group Limited

	Director of Enrichment Investments Limited Director of Enrichment Holdings Limited Director of Forslan Hydro LLP Director of Airvolution Energy Limited Director of BNFL (Investments US) Limited Director of Aveillant Limited Designated Member of Greencoat Capital LLP
Verberg, George	Chairman of the Supervisory Board, Ultra-Centrifuge Nederland N.V. Member of the Supervisory Board, Wintershall The Netherlands B.V. Member of the EU-Russia Gas, Advisory Council
Weignand, Frank	Chief Financial Officer, RWE Power AG Chief Financial Officer, RWE Generation SE Director of RWE Generation UK plc Member of the Supervisory Board, RWE Pensionsfonds AG Member of the Supervisory Board, RWE Service GmbH Member of the Supervisory Board, Schluchseewerk AG, Laufenburg Member of the "Conseil d'Administration" (Board) Administrateur Délégué, SEO - Société Electrique de I´Our S. A. (Luxembourg)

The directors appointed by the Dutch, British and German Shareholders have potential conflicts of interests between their duties to their appointing shareholder and to URENCO Limited, in that the interests of URENCO Limited and of such appointing shareholder will not be aligned in all circumstances.

Frank Weignand and Alan Bevan hold positions as members of boards and/or supervisory boards of companies which have affiliates who are customers of URENCO and a potential conflict of interest therefore exists between their duties to URENCO Limited and such other companies.

Other than as set out in the preceding three paragraphs, the directors of URENCO Limited have no potential conflicts of interest between the duties owed by them to URENCO Limited and their private interest or other duties.

The Group consolidated financial statements of URENCO Limited for the financial year ended 31 December 2014 and the Group consolidated financial statements of URENCO Limited for the financial year ended 31 December 2015 have been audited by Deloitte LLP, 2 New Street Square, London EC4A 3BZ, United Kingdom.

URENCO UK Limited

URENCO UK Limited was incorporated and registered in England and Wales as a private company limited by shares on 12 November 1973 with registered number 01144899. The company's name was changed from URENCO (Capenhurst) Limited to URENCO UK Limited on 30 May 2008. The principal legislation under which URENCO UK Limited operates is the Companies Act 2006 (as amended). Its registered office is Capenhurst, Chester, Cheshire, CH1 6ER, United Kingdom (telephone number +44 (0) 151 473 4000).

The directors of URENCO UK Limited are Martin Pearson, Thomas Haeberle, Richard Carrick and Chris Chater. The directors' business address is Capenhurst, Chester, Cheshire, CH1 6ER, United Kingdom.

URENCO UK Limited is a customer of ETC, of which Chris Chater is a director. ETC's interests, and the interests of URENCO UK Limited as customer of ETC will not be aligned in all circumstances and, consequently, potential conflicts of interest exist between the duties owed by Chris Chater to URENCO UK Limited and his duties to ETC.

Other than as set out in the preceding paragraph, the directors have no potential conflicts of interest between their duties to URENCO UK Limited and their private interests and/or other duties.

URENCO UK Limited is wholly owned by URENCO Enrichment Company Limited, a wholly owned subsidiary of URENCO Limited. The relationship between URENCO UK Limited and URENCO Enrichment Company Limited is carried out in accordance with the applicable statutes and regulations of England and Wales.

The separate annual financial statements of URENCO UK Limited for the financial year ended 31 December 2014 and the separate annual financial statements of URENCO UK Limited for the financial year ended 31 December 2015 have been audited by Deloitte LLP, 2 New Street Square, London EC4A 3BZ, United Kingdom. URENCO UK Limited does not prepare consolidated financial statements.

URENCO Nederland B.V.

URENCO Nederland B.V. was incorporated as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of The Netherlands on 31 August 1993 and registered with the trade register (*handelsregister*) of the Dutch Chamber of Commerce (*kamer van koophandel*) on 22 September 1993 of Oost-Nederland under the number 06070616. The principal legislation under which URENCO Nederland B.V. operates is Book 2 of the Dutch Civil Code in The Netherlands. Its official seat is in Almelo, The Netherlands and its registered office is Drienemansweg 1, 7601 PZ Almelo (P.O. Box 158, 7600 AD Almelo), The Netherlands (telephone number +31 (0)546 54 54 54). A9.9.2

The sole director of URENCO Nederland B.V. is Ad Louter. The members of the Supervisory Board are Thomas Haeberle, Ralf ter Haar and Chris Chater. The business address of the director and the members of the Supervisory Board is Drienemansweg 1, 7601 PZ Almelo (P.O. Box 158, 7600 AD Almelo), The Netherlands.

None of the directors and the members of the Supervisory Board of URENCO Nederland B.V. has a potential direct or indirect, personal conflict of interest with URENCO Nederland B.V. (*een direct of indirect persoonliik belang dat strijdig is met het belang van de vennootschap en de met haar verbonden onderneming*).

URENCO Nederland B.V. is wholly owned by URENCO Enrichment Company Limited, a wholly owned subsidiary of URENCO Limited. The relationship between URENCO Nederland B.V. and URENCO Enrichment Company Limited is carried out in accordance with the applicable statutes and regulations of The Netherlands.

The separate annual financial statements of URENCO Nederland B.V. for the financial year ended 31 December 2014 and the separate annual financial statements of URENCO Nederland B.V. for the financial year ended 31 December 2015 were drawn up in accordance with Title 9, Book 2 of The Netherlands Civil Code. These internal financial statements have been audited by Deloitte Accountants B.V., Grote Voort 207, 8041 BK Zwolle, The Netherlands. URENCO Nederland B.V. does not prepare consolidated financial statements and is pursuant to section 403 of Title 9, Book 2 of The Netherlands Civil Code exempted from filing its financial statements with the trade registrar.

URENCO Deutschland GmbH

URENCO Deutschland GmbH was incorporated in Germany as a limited liability company under German law on 7 June 1993 and is registered in the commercial register of the local court of Coesfeld under register number HRB 9576. The principal legislation under which URENCO Deutschland GmbH operates is the German Limited Liability Companies Act. Its registered office is Röntgenstraβe 4, D–48599 Gronau, Germany (telephone number +49 (0) 2562/711–0).

The sole director of URENCO Deutschland GmbH is Joachim Ohnemus whose business address is Röntgenstraβe 4, D-48599 Gronau, Germany. There are no potential conflicts of interest between the duties owed by the director to URENCO Deutschland GmbH and his private interests and/or other duties.

URENCO Deutschland GmbH is wholly owned by URENCO Enrichment Company Limited, a company wholly owned by URENCO Limited. The relationship between URENCO Deutschland GmbH and URENCO Enrichment Company Limited is carried out in accordance with the applicable statutes and regulations of Germany.

The separate annual financial statements of URENCO Deutschland GmbH for the financial year ended 31 December 2014 and the separate annual financial statements of URENCO Deutschland GmbH for the financial year ended 31 December 2015 have been audited by Deloitte & Touche GmbH, Schwannstraße 6, 40476 Düsseldorf, Germany. URENCO Deutschland GmbH does not prepare consolidated financial statements.

For certain risks in relation to the Guarantee given by URENCO Deutschland GmbH, see "*Risk Factors – Risks Related to Notes Generally – Limitations in respect of Guarantee from URENCO Deutschland GmbH*".

Louisiana Energy Services, LLC

Louisiana Energy Services, LLC is incorporated and registered in the State of Delaware, United States of America. Louisiana Energy Services, LLC was originally formed as a limited partnership on 9 April 1990 and was later converted to a limited liability company on 28 April 2008 with registered file number 2227256. The principal legislation under which Louisiana Energy Services, LLC operates is the Delaware Limited Liability Company Act. Its registered office is 1209 Orange St, Wilmington, New Castle, Delaware 19801, United States of America (telephone number +1 (505) 394 4646).

The members of the board of managers of Louisiana Energy Services, LLC are Melissa Mann, David E. Sexton, and Thomas Haeberle. The managers' business address is 275 Highway 176. Eunice. New Mexico 88231, United States of America.

There are no potential conflicts of interest between the duties of the members of the board of managers to Louisiana Energy Services, LLC and their private interests and/ or other duties.

Louisiana Energy Services, LLC is wholly owned by URENCO USA Inc., a wholly owned subsidiary of URENCO Limited and URENCO Deelnemingen B.V. (which has a minority percentage of the membership interests in LES but no voting rights). The relationship between Louisiana Energy Services, LLC and URENCO USA Inc and URENCO Deelnemingen B.V., the sole shareholders of Louisiana Energy Services, LLC, is carried out in accordance with the applicable statutes and regulations of the State of Delaware.

The consolidated financial statements of Louisiana Energy Services, LLC for the financial year ended 31 December 2014 and the consolidated financial statements of Louisiana Energy Services, LLC for the financial year ended 31 December 2015 have been audited by Deloitte & Touche LLP, 2200 Ross Avenue, Dallas, Texas 75201, United States of America.

URENCO USA Inc.

URENCO USA Inc. is incorporated and registered in the State of Delaware, United States of America. URENCO USA Inc. was originally formed as a corporation on 29 March 1990 with registered file number 2226230. The company's name was changed from URENCO Investments Inc. to URENCO USA Inc on 1 March 2010. The principal legislation under which URENCO USA Inc. operates is the Delaware Limited Liability Company Act. Its registered office is 275 Highway 176, Eunice, New Mexico 88231, United States of America (telephone number +1 (505) 394 4646).

The members of the board of directors of URENCO USA Inc. are Thomas Haeberle, Melissa Mann and David E. Sexton. The directors' business address is 275 Highway 176, Eunice, New Mexico 88231, United States of America.

There are no potential conflicts of interest between the duties of the members of the board of directors to URENCO USA Inc. and their private interests and/ or other duties.

The relationship between URENCO USA Inc. and URENCO Limited, the sole shareholder of URENCO USA Inc., is carried out in accordance with the applicable statutes and regulations of the State of Delaware.

The separate financial statements of URENCO USA Inc. for the financial year ended 31 December 2014 and the separate financial statements of URENCO USA Inc. for the financial year ended 31 December 2015 have been audited by Deloitte & Touche LLP, 2200 Ross Avenue, Dallas, Texas 75201, United States of America.

URENCO Enrichment Company Limited

URENCO Enrichment Company Limited was incorporated and registered in England and Wales as a private company limited by shares on 13 March 2003 with registered number 4696557. The principal legislation under which URENCO Enrichment Company Limited operates is the Companies Act 2006 (as amended). Its registered office is URENCO Court, Sefton Park, Bells Hill, Stoke Poges, Buckinghamshire SL2 4JS, United Kingdom (telephone number +44 (0) 1753 660660).

The directors of URENCO Enrichment Company Limited are Thomas Haeberle and Dominic Kieran. The directors' business address is URENCO Court, Sefton Park, Bells Hill, Stoke Poges, Buckinghamshire SL2 4JS, United Kingdom.

The directors have no potential conflicts of interest between their duties to URENCO Enrichment Company Limited and their private interests and/or other duties.

URENCO Enrichment Company Limited is wholly owned by URENCO Limited. The relationship between URENCO Enrichment Company Limited and URENCO Limited is carried out in accordance with the applicable statutes and regulations of England and Wales.

The separate annual financial statements of URENCO Enrichment Company Limited for the financial year ended 31 December 2014 and the separate annual financial statements of URENCO Enrichment Company Limited for the financial year ended 31 December 2015 have been audited by Deloitte LLP, 2 New Street Square, London EC4A 3BZ, United Kingdom. URENCO Enrichment Company Limited does not prepare consolidated financial statements.

URENCO Finance US, LLC

URENCO Finance US, LLC is incorporated and registered in the State of Delaware, United States of America. URENCO Finance US, LLC was originally formed as a limited liability company on 6 June 2013 with registered file number 346727. The principal legislation under which URENCO Finance US, LLC operates is the Delaware Limited Liability Company Act. Its registered office is c/o The Corporation Trust Company, 1209 Orange St, Wilmington, New Castle County, Delaware 19801 (telephone number +1 (505) 394 4646).

The members of the board of directors of URENCO Finance US, LLC are Ralf ter Haar, Cary Whitlock and David E. Sexton. The directors' business address is 275 Highway 176, Eunice, New Mexico 88231, United States of America.

There are no potential conflicts of interest between the duties of the members of the board of directors to URENCO Finance US, LLC and their private interests and/ or other duties.

URENCO Finance US, LLC is wholly owned by URENCO Finance UK Limited, a wholly owned subsidiary of URENCO USA Inc. The relationship between URENCO Finance US, LLC and URENCO Finance UK Limited is carried out in accordance with the applicable statutes and regulations of the State of Delaware.

URENCO Finance US, LLC commenced operations on 9 January 2014. URENCO Finance US, LLC did not trade in the period 6 June 2013 to 9 January 2014 and as a consequence, no transactions took place during that period.

The separate audited financial statements of URENCO Finance US, LLC for the financial year ended 31 December 2014 and the separate audited financial statements of URENCO Finance US, LLC for the financial year ended 31 December 2015 have been audited by Deloitte & Touche LLP, 2200 Ross Avenue, Dallas, Texas 75201, United States of America. No audited separate annual financial statements of URENCO Finance US, LLC were prepared for any period prior to this date. URENCO Finance US, LLC does not prepare consolidated financial statements.

URENCO Finance UK Limited

URENCO Finance UK Limited was incorporated and registered in England and Wales as a private company limited by shares on 31 May 2013 with registered number 08551508. The principal legislation under which URENCO Finance UK Limited operates is the Companies Act 2006 (as amended). Its registered office is URENCO Court, Sefton Park, Bells Hill, Stoke Poges, Buckinghamshire SL2 4JS, United Kingdom (telephone number +44 (0) 1753 660660).

The directors of URENCO Finance UK Limited are Ralf ter Haar and Gerard Tyler. The directors' business address is URENCO Court, Sefton Park, Bells Hill, Stoke Poges, Buckinghamshire SL2 4JS, United Kingdom.

The directors have no potential conflicts of interest between their duties to URENCO Finance UK Limited and their private interests and/or other duties.

URENCO Finance UK Limited is wholly owned by URENCO USA Inc., a wholly owned subsidiary of URENCO Limited. The relationship between URENCO Finance UK Limited and URENCO USA Inc. is carried out in accordance with the applicable statutes and regulations of England and Wales.

URENCO Finance UK Limited commenced operations on 29 January 2014. URENCO Finance UK Limited did not trade in the period 31 May 2013 to 29 January 2014 and as a consequence, no transactions took place during that period.

The audited separate annual financial statements of URENCO Finance UK Limited were prepared for the financial year ended 31 December 2014 and the audited separate annual financial statements of URENCO

Finance UK Limited were prepared for the financial year ended 31 December 2015 and were audited by Deloitte LLP, 2 New Street Square, London EC4A 3BZ, United Kingdom. No audited separate annual financial statements of URENCO Finance UK Limited were prepared for any period prior to this date. URENCO Finance UK Limited does not prepare consolidated financial statements.

GLOSSARY

AGR means Advanced Gas-Cooled Reactors.

AREVA means AREVA.

CNNC means China National Nuclear Corporation.

Contracting Parties means the respective governments of the UK, The Netherlands and Germany that are signatories to the Treaty of Almelo.

EMAS means the European Environmental Atomic Standard.

Enriched Uranium Product or **EUP** means Uranium with a concentration of U235 in excess of 0.711 per cent. (i.e., natural uranium plus SWU value).

Enrichment means the step in the nuclear fuel cycle that increases the concentration of U235 relative to U238 in order to make uranium usable as a fuel for nuclear power reactors.

ETC means Enrichment Technology Company Limited.

Euratom means the Euratom Supply Agency, Luxembourg.

Feed means natural or reprocessed uranium, previously converted to UF6.

Gas centrifuge means the uranium enrichment process which uses rapidly spinning cylinders to separate the fissionable U235 isotope from the non-fissionable U238 isotope as UF6.

Gaseous diffusion means the uranium enrichment process using uranium hexafluoride, which is heated to a gas and passed repeatedly through a porous barrier to separate the U235 and U238 isotopes. The gas that diffuses through the barrier becomes increasingly more concentrated (i.e. enriched) in the fissionable U235, while the remainder becomes less concentrated in U235 (i.e. depleted).

HEU means uranium enriched to an assay in excess of 20 per cent. For military applications, this enrichment level may exceed 90 per cent.

IAEA means International Atomic Energy Agency.

LES means Louisiana Energy Services, LLC.

LEU means uranium enriched to an assay of less than 20 per cent. LEU typically has a 3 to 5 per cent. assay when used as fuel for light water nuclear reactors.

LWR means Light Water Reactors.

NAMAS means National Accreditation of Measurement and Sampling.

Natural uranium means uranium with the concentration level of the U235 isotope as found in nature (0.711 per cent.). As used in this Base Prospectus, the term refers to unenriched UF6.

Nuclear fuel cycle means the multiple steps that convert uranium ore as it is extracted from the earth to nuclear fuel for use in power plants. Uranium enrichment is one step in the nuclear fuel cycle.

NRC means the U.S. Nuclear Regulatory Commission.

Rosatom means ROSATOM State Atomic Energy Corporation.

SDR means a Special Drawing Right, which has the meaning given to it in Article 3(g) of the 1963 Brussels Supplementary Convention to the Paris Convention on Third Party Liability in the Field of Nuclear Energy.

SWU means separative works units, the standard measure of the effort required to increase the concentration of the fissionable U235 isotope.

Tails means uranium hexafluoride that contains a low concentration of the U235 isotope of less than 0.711 per cent.

tSW/a means tons of Separative Work per annum.

U235 means the fissionable isotope found in natural uranium.

U238 means the non-fissionable isotope found in natural uranium.

UF6 means uranium hexafluoride, the chemical form of uranium used for enrichment in the uranium enrichment plants.

UEC means URENCO Enrichment Company Limited.

URENCO or the **Group** means URENCO Limited and its subsidiaries but excludes ETC and its subsidiaries.

USEC means the United States Enrichment Corporation.

TAXATION

UNITED KINGDOM TAXATION

The following is a summary of the United Kingdom withholding taxation treatment at the date hereof in relation to payments of interest in respect of the Notes. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of Notes. The comments relate only to the position of persons who are absolute beneficial owners of the Notes. Some aspects do not apply to certain classes of persons (such as dealers) to whom special rules may apply. Prospective Noteholders should be aware that the particular terms of issue of any series of Notes as specified in the relevant Final Terms may affect the tax treatment of that and other series of Notes. The following is a general guide and should be treated with appropriate caution. Noteholders who are in any doubt as to their tax position should consult their professional advisers. Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Notes are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Notes. In particular, Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

Interest on the Notes

1. *Payment of interest on the notes*

   Payments of interest on the Notes may be regarded as having a United Kingdom source for United Kingdom tax purposes. In that case, an amount must generally be withheld from such payments of interest on account of United Kingdom income tax at the basic rate (currently 20 per cent.), although such payments of interest may be made by the Issuer without deduction of or withholding on account of United Kingdom income tax in the following circumstances:

   (i) where the Notes carry a right to interest and are and continue to be listed on a "recognised stock exchange", within the meaning of section 1005 of the Income Tax Act 2007. The London Stock Exchange is a recognised stock exchange. Notes will be treated as listed on the London Stock Exchange if they are included in the Official List (within the meaning of and in accordance with the provisions of Part 6 of the Financial Services and Markets Act 2000) and are admitted to trading on the London Stock Exchange. Provided that Notes are and remain so listed, interest on such Notes will be payable without withholding or deduction on account of United Kingdom tax; or

   (ii) where the maturity of the Notes is less than 365 days (and the Notes do not form part of a scheme or arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days).

   Furthermore, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty). If the Guarantors make any payments under or in respect of interest on the Notes (or other amounts due under or in respect of the Notes other than the repayment of amounts subscribed for such Notes) such payments may be subject to UK withholding tax at 20 per cent. subject to such relief as may be available under the provisions of any applicable double taxation treaty or any other exemption which may apply. It is not certain that any such payments made by any Guarantor would be eligible for the exemptions described in (i) and (iii) above.

   The reference to "interest" in this United Kingdom Taxation section means "interest" as understood in

   United Kingdom tax law, and in particular any premium element of the redemption amount of any Notes redeemable at a premium may constitute a payment of interest subject to the withholding tax provisions discussed above. In certain cases, the same could be true for amounts of discount where any Notes are issued at a discount. The statements above do not take any account of any different

definitions of "interest" or "principal" which may prevail under any other law or which may be created by the Terms and Conditions of the Notes or any related documentation.

UNITED STATES TAXATION

The following discussion is a summary based upon present law of certain U.S. federal income tax considerations for prospective purchasers of the Notes. Other than as specifically provided below, this discussion addresses only Non-U.S. Holders (as defined below) purchasing Notes in an original offering. This discussion is a general summary. It is not a substitute for tax advice. This discussion does not address the tax treatment of prospective purchasers subject to special rules, such as financial institutions, insurance companies, tax-exempt entities, dealers in securities or foreign currencies, traders in securities that elect to mark to market, or persons holding the Notes as part of a hedge, straddle, or other integrated financial transaction. This summary does not address the tax laws of any state, local or foreign government.

For purposes of this discussion, a **Non-U.S. Holder** is a beneficial owner of a Note that is (A) not (i) a citizen or individual resident of the United States for U.S. federal income tax purposes, (ii) a corporation or other business entity treated as a corporation organised in or under the laws of the United States or its political subdivisions, (iii) a trust subject to the control of a U.S. person and the primary supervision of a U.S. court or (iv) an estate the income of which is subject to U.S. federal income taxation regardless of its source; and (B) not engaged in a trade or business within the United States to which income from a Note is effectively connected.

The U.S. federal income tax treatment of a partner in a partnership that holds Notes will depend on the status of the partner and the activities of the partnership. Partnerships are urged to consult their own tax advisers regarding the specific tax consequences to their partners of purchasing, owning and disposing of such Notes.

Interest and Dispositions

Subject to the discussion relating to backup withholding below, interest paid on the Notes (including payments made by URENCO USA Inc., Urenco Finance US, LLC and LES as Guarantors, if any) will be treated as arising from sources outside the United States and, therefore, will not be subject to U.S. federal income or source withholding tax.

Any gain realised by a Non-U.S. Holder on the sale or other disposition of a Note generally will be treated as arising from sources outside the United States and, therefore, will not be subject to U.S. federal income or source withholding tax unless such holder is a non-resident alien individual who holds a Note as a capital asset and who is present in the United States more than 182 days in the taxable year of the disposition and certain other conditions are met.

Information Reporting and Backup Withholding

Payments of interest, principal or the proceeds from sale of Notes that are made within the United States or through certain U.S. related financial intermediaries may be reported to the IRS unless a Non-U.S. Holder provides certification of its foreign status. A Non-U.S. Holder can claim a credit against U.S. federal income tax liability for amounts withheld under the backup withholding rules, and it can claim a refund of amounts in excess of its liability by providing required information to the IRS. Prospective investors should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for establishing an exemption.

GERMAN TAXATION

The information about the German taxation of the Notes issued under this Programme set out in the following section is not exhaustive and is based on current tax laws in force at the time of printing of this Base Prospectus which may be subject to change at short notice and, within certain limits, also with retroactive effect.

As under this Programme different types of Notes may be issued, the tax treatment of such Notes can be different due to their specific terms. Therefore, the following section only provides some very generic information on the possible tax treatment of the Notes in Germany. As a consequence, with regard to specific types of Notes issued under this Programme, the tax consequences of an acquisition, holding, sale and redemption might be more disadvantageous than described below. With regard to certain types of Notes, neither official statements of the tax authorities nor court decisions exist, and it is not clear how these Notes will be treated. Furthermore, there is often no consistent view in legal literature about the tax treatment of notes like the Notes, and it is neither

intended nor possible to mention all different views in the following section. Where reference is made to statements of the tax authorities, it should be noted that the tax authorities may change their view even with retroactive effect and that the tax courts are not bound by circulars of the tax authorities and, therefore, may take a different view. Even if court decisions exist with regard to certain types of Notes, it is not certain that the same reasoning will apply to the Notes due to certain peculiarities of such Notes. Furthermore, the tax authorities may restrict the application of judgements of tax courts to the individual case with regard to which the judgement was rendered.

Moreover, the following section cannot take into account the individual tax situation of each investor. Therefore, we recommend that prospective investors should ask their own tax adviser for advice on their individual taxation with respect to an acquisition, holding, sale and redemption of the Notes. Only these advisers are in a position to duly consider the specific situation of the investor. The following statement is, therefore, limited to the provision of a general outline of certain tax consequences in Germany for investors.

1. *Taxation of German tax residents*

Persons (individuals and corporate entities) who are tax resident in Germany (in particular, persons having a residence, habitual abode, seat or place of management in Germany) are subject to income taxation (income tax or corporate income tax, as the case may be, plus solidarity surcharge thereon plus church tax and/or trade tax, if applicable) on their worldwide income, regardless of its source, including interest from debt of any kind (such as the Notes) and, in general, capital gains.

(a) Private investors (being individuals holding the Notes as private assets (*Privatvermögen*))

In the case of German tax-resident individual investors (*unbeschränkt Steuerpflichtige*) holding the Notes as private assets (*Privatvermögen*), the following applies:

(i) Income

The Notes should qualify as other capital receivables (*sonstige Kapitalforderungen*) in terms of section 20 para 1 no 7 German Income Tax Act ('**ITA**' – *Einkommensteuergesetz*).

Accordingly, payments of interest on the Notes should qualify as taxable savings income (*Einkünfte aus Kapitalvermögen*) pursuant to section 20 para 1 no 7 ITA.

Capital gains / capital losses realised upon sale of the Notes, computed as the difference between the acquisition costs and the sales proceeds reduced by expenses directly and factually related to the sale, should qualify as positive or negative savings income in terms of section 20 para 2 sentence 1 no 7 ITA. Where the Notes are acquired and/or sold in a currency other than Euro, the acquisition costs will be converted into Euro at the time of acquisition, the sales proceeds will be converted into Euro at the time of sale and the difference will then be computed in Euro. If the Notes are assigned, redeemed, repaid or contributed into a corporation by way of a hidden contribution (*verdeckte Einlage in eine Kapitalgesellschaft*) rather than sold, as a rule, such transaction is treated like a sale. Losses from the sale of Notes can only be offset against other savings income and, if there is not sufficient other positive savings income, carried forward in subsequent assessment periods.

Pursuant to a tax decree issued by the Federal Ministry of Finance dated 9 October 2012, a bad debt loss (*Forderungsausfall*) and a waiver of a receivable (*Forderungsverzicht*), to the extent the waiver does not qualify as a hidden contribution, shall not be treated like a sale. Accordingly, losses suffered upon such bad debt loss or waiver shall not be tax-deductible. Pursuant to an amendment issued on 9 December 2014 to the decree dated 9 October 2012, the same applies where, based on an agreement with the depositary institution, the transaction costs are calculated on the basis of the sale proceeds taking into account a deductible amount. However, the Issuer takes the view that losses suffered for other reasons (e.g. because the Notes are linked to a reference value and such reference value decreases in value) should be tax-deductible, subject to the ring- fencing rules described above and subject to the following paragraph. Investors should note that such view of the Issuer must not be understood as a guarantee that the tax authorities and/or courts will follow such view.

Pursuant to a further tax decree issued by the Federal Ministry of Finance dated 9 October 2012, where notes provide for instalment payments (e.g. Instalment Notes), such instalment payments shall always qualify as taxable savings income (*Einkünfte aus Kapitalvermögen*)

within the ambit of section 20 para 1 no 7 ITA, unless the terms and conditions of the notes provide explicit information regarding redemption or partial redemption during the term of the notes and the contractual parties comply with these terms and conditions. It is further stated in the tax decree that, if, in the case of notes with instalment payments, there is no final payment at maturity, the expiry of such notes shall not qualify as a sale-like transaction, which means that any remaining acquisition costs could not be deducted for tax purposes. Similarly, any remaining acquisition costs of notes with instalment payments shall not be tax-deductible if the notes do not provide for a final payment or are terminated early without a redemption payment because the value of the respective underlying has, for example, reached prescribed thresholds (e.g. in knock-out structures). Although this tax decree only refers to notes with instalment payments, it cannot be excluded that the tax authorities apply the above principles also to other kinds of full risk notes.

If the Notes are allocated to an activity of letting and leasing of property, the income from the Notes qualifies, deviating from the above, as income from letting and leasing of property. In such a case, the taxable income is calculated as the difference between the income and income-related expenses (*Werbungskosten*).

(ii) Taxation of income

Savings income is taxed at a separate tax rate for savings income (*gesonderter Steuertarif für Einkünfte aus Kapitalvermögen*), which is 26.375 per cent. (including solidarity surcharge (*Solidaritätszuschlag*)) plus, if applicable, church tax. When computing the savings income, the saver's lump sum amount (*Sparer-Pauschbetrag*) of EUR 801 (EUR 1,602 in the case of jointly assessed husband and wife or registered partners) will be deducted. The deduction of the actual income related expenses, if any, is excluded.

The taxation of savings income shall take place mainly by way of levying withholding tax (please see (iii) below). If and to the extent German withholding tax has been levied, such withholding tax shall, in principle, become definitive and replace the investor's income taxation. If no withholding tax has been levied other than by virtue of a withholding tax exemption certificate (*Freistellungsauftrag*) and in certain other cases, the investor is nevertheless obliged to file a tax return, and the savings income will then be taxed within the assessment procedure. However, the separate tax rate for income from capital investments applies in most cases also within the assessment procedure. In certain cases, the investor may apply to be assessed on the basis of its personal tax rate if such rate is lower than the above tax rate. Also in this case, actual income related expenses are not deductible.

If the income from the Notes qualifies as income from letting and leasing of property, the investor has to report income and income-related expenses (*Werbungskosten*) in its tax return and the balance will be taxed at the investor's individual income tax rate of up to 47.475 per cent. (including solidarity surcharge) and, as the case may be, church tax.

(iii) German withholding tax (*Kapitalertragsteuer*)

With regard to savings earnings (*Kapitalerträge*), e.g. interest or capital gains, German withholding tax (*Kapitalertragsteuer*) will be levied if the Notes are held in a custodial account which the investor maintains with a German branch of a German or non-German credit or financial services institution or with a German securities trading business or a German securities trading bank (a **German Disbursing Agent**) and such German Disbursing Agent credits or pays out the earnings. If the Notes are not held in a custodial account, German withholding tax will nevertheless be levied if the Notes are issued as definitive securities and the savings earnings are paid by a German Disbursing Agent against presentation of the Notes or interest coupons (a so-called "over-the-counter transaction" – *Tafelgeschäft*).

The tax base is, in principle, equal to the taxable gross income as set out in (i) above (i.e. prior to withholding). However, in the case of capital gains, if the acquisition costs of the Notes are not proven to the German Disbursing Agent in the form required by law (e.g. in the case of over-the-counter transactions, or if the Notes are transferred from a non-EU custodial account), withholding tax is applied to 30 per cent. of the proceeds from the redemption or sale of the Notes. When computing the tax base for withholding tax purposes, the German Disbursing Agent may deduct any negative savings income or accrued interest paid of the same calendar year or of previous calendar years.

The Issuer is, in general, not obliged to levy German withholding tax in respect of payments on the Notes. If however, the Issuer is deemed to be resident in Germany for tax purposes and if, further, the Notes qualify as hybrid instruments (e.g. silent partnership, profit participating notes, jouissance rights (*Genussrechte*)), German withholding tax has to be imposed by the Issuer irrespective of whether or not the Notes are held in a custodial account maintained with a German Disbursing Agent; unless, *inter alia*, profit participating notes or jouissance rights are held in collective safe custody with a domestic central securities depository in which case German withholding tax on coupon payments has to be levied by the German Disbursing Agent or, in the absence of such agent, by the domestic central securities depository.

German withholding tax will be levied at a flat withholding tax rate of 26.375 per cent. (including solidarity surcharge) plus, if applicable, church tax.

As of 1 January 2015, an electronic information system for withholding of church tax applies to individuals subject to church tax in relation to investment income, with the effect that church tax will be collected by the German Disbursing Agent by way of withholding unless the investor has filed a blocking notice (Sperrvermerk) with the German Federal Central Tax Office (Bundeszentralamt für Steuern) in which case the investor will be assessed to church tax.

No German withholding tax will be levied if the investor filed a withholding tax exemption certificate (*Freistellungsauftrag*) with the German Disbursing Agent, but only to the extent the savings income does not exceed the maximum exemption amount shown on the withholding tax exemption certificate. Currently, the maximum exemption amount is EUR 801 (EUR 1,602 in the case of jointly assessed husband and wife or registered partners). Similarly, no withholding tax will be levied if the investor has submitted to the German Disbursing Agent a certificate of non-assessment (*Nichtveranlagungs-Bescheinigung*) issued by the relevant local tax office.

(b) Non-private investors (being corporations or individuals holding the Notes as business assets (*Betriebsvermögen*))

In the case of German tax-resident corporations or individual investors (*unbeschränkt Steuerpflichtige*) holding the Notes as business assets (*Betriebsvermögen)*, interest payments and capital gains will be subject to corporate income tax at a rate of 15 per cent. or income tax at a rate of up to 45 per cent., as the case may be (in each case plus 5.5 per cent. solidarity surcharge thereon). In addition, trade tax may be levied, the rate of which depends on the municipality where the business is located. Further, in the case of individuals, church tax may be levied. Capital losses may be ring-fenced.

The provisions regarding German withholding tax (*Kapitalertragsteuer*) apply, in principle, as set out in section (a)(iii) above. However, investors holding the Notes as business assets cannot file a withholding tax exemption certificate with the German Disbursing Agent. Instead, no withholding tax will be levied on capital gains from the redemption, sale or assignment of the Notes if, for example, (a) the Notes are held by a company satisfying the requirements of section 43 para 2 sentence 3 no 1 ITA or (b) the proceeds from the Notes qualify as income of a domestic business and the investor notifies this to the German Disbursing Agent by use of the officially required form.

Any withholding tax levied is credited as prepayment against the German (corporate) income tax amount. If the tax withheld exceeds the respective (corporate) income tax amount, the difference will be refunded within the tax assessment procedure.

2. *Taxation of persons who are not tax resident in Germany*

Persons who are not tax resident in Germany are not subject to tax with regard to income from the Notes unless (i) the Notes are held as business assets (*Betriebsvermögen*) of a German permanent establishment (including a permanent representative) which is maintained by the investor or (ii) the income from the Notes qualifies for other reasons as taxable German source income which may be the case, inter alia, for certain hybrid instruments mentioned above at 1(a)(iii). If a non- resident person is subject to tax with its income from the Notes, in principle, similar rules apply as set out above with regard to German tax resident persons (please see 1. above).

If, the income is subject to German tax as set out in the preceding paragraph, German withholding tax will be applied like in the case of a German tax resident person.

3. *Taxation if Notes qualify as equity or equity-like*

If a Note qualifies as equity or equity-like from a German tax perspective, in addition to the rules set out above, income and deemed income may be subject to income taxation, trade tax and, even if interest on the Note is not paid out by a German Disbursing Agent, to withholding tax.

Further, capital gains achieved by an investor holding the Notes as private assets might be re-qualified as business income and, thus, taxable at the investor's individual income tax rate. Capital gains and dividend income might also be (partly) tax-exempt according to section 3 no 40 ITA or to section 8b German Corporate Income Tax Act (*Körperschaftsteuergesetz*) - requiring a minimum shareholding quota of 10 per cent. in relation to dividends received by a corporate investor.

4. *Application of the tax provisions of the German Investment Tax Act*

The application of the German Investment Tax Act (*Investmentsteuergesetz*) requires the holding of units in an investment fund (*Anteile an Investmentfonds*).

Pursuant to the German Investment Tax Act, securities can only qualify as investment fund units if the terms and conditions of such securities inter alia provide that the investment fund or the investment fund manager is subject to investment regulatory supervision in its state of residence, the objective business purpose of the fund is the mere investment and administration of the fund's assets for the collective account of the investors (i.e. no active entrepreneurial management of the assets), the fund's assets are invested in accordance with the risk diversification principle, at least 90 per cent. of the fund's net asset value is invested into qualifying assets such as cash deposits, securities, money market instruments and derivatives, the investment into non-listed companies is subject to certain limitations, the fund hold less than 10 per cent. of the capital in a particular corporation, and leveraging is only allowed on a short-term basis up the 30 per cent. of the fund's net asset value.

Depending on the specific terms and conditions of the Notes, the German Investment Tax Act should generally not apply to the Notes.

DUTCH TAXATION

The following summary of certain Dutch taxation matters is based on the laws and practice in force as of the date of this Base Prospectus and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of a Note, and does not purport to deal with the tax consequences applicable to all categories of investors.

For the purpose of this summary it is assumed that no holder of a Note has or will have a substantial interest, or – in case the holder of a Note is an entity – a deemed substantial interest, in the Issuer.

Generally speaking, an individual holding a Note has a substantial interest in the Issuer if (a) such individual, either alone or together with his partner, directly or indirectly has, or (b) certain relatives of such individual or his partner directly or indirectly have, (I) the ownership of a right to acquire the ownership of or certain rights over, shares representing 5 per cent. or more of either the total issued and outstanding capital of the Issuer or the issued and outstanding capital of any class of shares of the Issuer, or (II) the ownership of, or certain rights over, profit participating certificates (winstbewijzen) that relate to 5 per cent. or more of either the annual profit or the liquidation proceeds of the Issuer.

Generally speaking, an entity holding a Note has a substantial interest in the Issuer if such entity, directly or indirectly has (I) the ownership of, a right to acquire the ownership of, or certain rights over, shares representing 5 per cent. or more of either the total issued and outstanding capital of the Issuer or the issued and outstanding capital of any class of shares of the Issuer, or (II) the ownership of, or certain rights over, profit participating certificates (winstbewijzen) that relate to 5 per cent. or more of either the annual profit or the liquidation proceeds of the Issuer. An entity holding a Note has a deemed substantial interest in the Issuer if such entity has disposed of or is deemed to have disposed of all or part of a substantial interest on a non-recognition basis.

For the purpose of this summary, the term entity means a corporation as well as any other person that is taxable as a corporation for Dutch corporate tax purposes. Where this summary refers to "The Netherlands" or "Dutch", it refers only to the European part of the Kingdom of The Netherlands.

Investors are advised to consult their professional advisers as to the tax consequences of purchase, ownership and disposition of a Note.

Withholding Tax

All payments by the Issuer under the Notes can be made free of withholding or deduction of any taxes of whatsoever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein.

Taxes on Income And Capital Gains

A holder of a Note who derives income from a Note or who realises a gain on the disposal or redemption of a Note will not be subject to Dutch taxation on such income or capital gains unless:

(i) the holder is or is deemed to be resident in The Netherlands, Bonaire, Saint Eustatius or Saba; or

(ii) the income or gain is attributable to an enterprise or part thereof which is either effectively managed in The Netherlands, Bonaire, Saint Eustatius or Saba or carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in The Netherlands, Bonaire, Saint Eustatius or Saba; or

(iii) the holder is an individual and the income or gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) in The Netherlands as defined in the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*).

Gift and Inheritance Tax

Dutch gift or inheritance taxes will not be levied on the occasion of the transfer of a Note by way of gift by, or on the death of, a holder, unless;

(i) the holder is or is deemed to be resident in The Netherlands for the purpose of the relevant provisions; or

(ii) the transfer is construed as an inheritance or a gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in The Netherlands for the purpose of the relevant provisions.

For purposes of Dutch gift and inheritance tax, an individual with Dutch nationality will be deemed to be resident in The Netherlands if he has been resident in The Netherlands at any time during the ten years preceding the date of the gift or his death.

For purposes of Dutch gift tax, an individual not holding Dutch nationality will be deemed to be resident in The Netherlands if he has been resident in The Netherlands at any time during the twelve months preceding the date of the gift.

For purposes of Dutch gift and inheritance tax, a gift that is made under a condition precedent is deemed to have been made at the moment such condition precedent is satisfied. If the condition precedent is fulfilled after the death of the donor, the gift is deemed to be made upon the death of the donor.

Value Added Tax

The issuance or transfer of a Note, and payments made under a Note, will not be subject to value added tax in The Netherlands.

Other Taxes and Duties

The subscription, issue, placement, allotment, delivery or transfer of a Note will not be subject to registration tax, capital tax, customs duty, transfer tax, stamp duty or any other similar tax or duty in The Netherlands.

Residence

A holder of a Note will not be or deemed to be resident in The Netherlands for Dutch tax purposes by reason only of the holding of a Note or the execution, performance, delivery and/or enforcement of a Note.

THE PROPOSED FINANCIAL TRANSACTIONS TAX ("FTT")

On 14 February 2013, the European Commission published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However Estonia has since stated that it will not participate.

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in financial instruments (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective Noteholders are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated programme agreement (as modified and/or supplemented and/or restated from time to time, the **Programme Agreement**) dated 31 October 2016, agreed with the Issuer and the Guarantors a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". In the Programme Agreement, the Issuer (failing which, the Guarantors) has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this selling restriction entitled "*Public Offer Selling Restriction under the Prospectus Directive*" only, the expression an **offer of Notes to the public** in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression **Prospectus Directive** means Directive 2003/71/ EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or any Guarantor; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No.25 of 1948, as amended; the **FIEA**) and disclosure under the FIEA has not been, and will not be, made with respect to the Notes. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

The Netherlands

Zero Coupon Notes in definitive form may only be transferred or accepted directly or indirectly, within, from or into The Netherlands through the mediation of either the Issuer or a member firm of Euronext Amsterdam with due observance of the Savings Certificates Act (*Wet inzake Spaarbewijzen*) (including identification and registration requirements) (as amended), provided that no mediation is required in respect of (i) the transfer and acceptance of rights representing an interest in a Zero Coupon Note in global form, (ii) the initial issue of those Notes to the first holders thereof, (iii) any transfer and delivery by individuals who do not act in the conduct of a profession or trade, and (iv) the issue and trading of those Notes, if they are physically issued outside The Netherlands and are not distributed in The Netherlands in the course of primary trading or immediately thereafter. As used herein, **Zero Coupon Notes** are Notes which qualify as savings certificates under the Savings Certificates Act, i.e. Notes that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that any Notes will only be offered by it in The Netherlands to Qualified Investors (*gekwalificeerde beleggers*) (as defined in the Dutch Financial Supervision Act (*Wet op het financieel toezicht*)), unless such offer is made in accordance with the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuer, any Guarantor, the Trustee and any other Dealer shall have any responsibility therefor.

None of the Issuer, any Guarantor, the Trustee and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating any such sale.

GENERAL INFORMATION

Authorisation

The establishment and current update of the Programme and the issue of Notes have been duly authorised by resolutions of the Management Board of the Issuer dated 2 May 2008 and 21 October 2016 and resolutions of the shareholders of the Issuer dated 2 May 2008 and 14 October 2016 and the giving of the Guarantees has been duly authorised by resolutions of the Board of Directors of URENCO Limited dated 2 May 2008 and 20 October 2016, written resolutions of the Board of Directors dated 2 May 2008 and 18 October 2016 and resolutions of the shareholders of URENCO UK Limited dated 2 May 2008 and 14 October 2016, written resolutions of the Board of Directors dated 21 October 2016 and resolutions of the shareholders of URENCO Finance UK Limited dated 14 October 2016, resolutions of the Management Board dated 2 May 2008 and 10 October 2016 and resolutions of the shareholders dated 2 May 2008 and 14 October 2016 and resolutions of the Supervisory Board dated 2 May 2008 and 21 October 2016 of URENCO Nederland B.V., resolutions of the shareholders of URENCO Deutschland GmbH dated 2 May 2008 and 14 October 2016, resolutions of the Board of Managers and resolutions of the shareholders of Louisiana Energy Services, LLC each dated 28 May 2010 and 14 October 2016, written resolutions of the Board of Directors and resolutions of the shareholders of URENCO Enrichment Company Limited each dated 14 October 2016, resolutions of the Board of Directors and resolutions of the shareholders of URENCO USA Inc. each dated 14 October 2016 and unanimous written consent of the Board of Managers and resolutions of the shareholders of URENCO Finance US, LLC each dated 21 October 2016.

Listing of Notes

It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the London Stock Exchange's Regulated Market will be admitted separately as and when issued, subject only to the issue of a Global Note or Notes initially representing the Notes of such Tranche. Applications have been made to the UK Listing Authority for Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's Regulated Market. The listing of the Programme is expected to be granted on or around 4 November 2016.

Documents Available

For the period of 12 months following the date of this Base Prospectus, physical copies of the following documents will, when published, be available for inspection from the registered office of URENCO Limited and from the specified office of the Paying Agent for the time being in London:

(a) the constitutional documents of the Issuer (with a direct and accurate English translation thereof), URENCO Limited, URENCO UK Limited, URENCO Enrichment Company Limited, URENCO Finance UK Limited, URENCO Nederland B.V. (with a direct and accurate English translation thereof), URENCO Deutschland GmbH (with a direct and accurate English translation thereof), URENCO USA Inc., Louisiana Energy Services, LLC and URENCO Finance US, LLC;

(b) the audited financial statements of the Issuer in respect of the financial year ended 2014, the audited financial statements of the Issuer in respect of the financial year ended 2015, the separate annual financial statements of each Guarantor in respect of the financial year ended 2014 and the separate annual financial statements of each Guarantor in respect of the financial year ended 2015, in each case together with the audit reports prepared in connection therewith;

(c) the most recently published audited separate annual financial statements of the Issuer and each Guarantor, the most recently published unaudited consolidated interim financial statements of URENCO Limited, and the most recently published (audited or unaudited) as the case may be, interim financial statements (if any) of the Issuer and each Guarantor, in each case together with any audit or review reports prepared in connection therewith;

(d) the Trust Deed, the Agency Agreement and the forms of the Global Notes, the Notes in definitive form, the Coupons and the Talons;

(e) a copy of this Base Prospectus; and

(f) any future Base Prospectus, prospectuses, information memoranda, supplements to this Base Prospectus and any Final Terms (save that a Final Terms relating to a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and identity) and any other documents incorporated herein or therein by reference.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Significant or Material Change

There has been no significant change in the financial or trading position of URENCO Limited and its subsidiaries since 30 June 2016. There has been no significant change in the financial or trading position of URENCO Finance N.V., Urenco Enrichment Company Limited, URENCO Finance UK Limited, URENCO Nederland B.V., URENCO Deutschland GmbH (and its subsidiary URENCO Logistics GmbH), Urenco USA Inc., Louisiana Energy Services, LLC (and its subsidiary, NEF Series 2004, LLC), URENCO Finance US, LLC, URENCO UK Limited (and its subsidiary, URENCO UK Pension Trustee Company Limited), since 31 December 2015 and there has been no material adverse change in the financial position or prospects of URENCO Finance N.V., URENCO Limited and its subsidiaries, Urenco Enrichment Company Limited, URENCO Finance UK Limited, URENCO Nederland B.V., URENCO Deutschland GmbH (and its subsidiary URENCO Logistics GmbH), Urenco USA Inc., Louisiana Energy Services, LLC (and its subsidiary, NEF Series 2004, LLC), URENCO Finance US, LLC or of URENCO UK Limited (and its subsidiary, URENCO UK Pension Trustee Company Limited), since 31 December 2015.

Litigation

None of the Issuer, any Guarantor or any of their respective subsidiaries is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer, any Guarantor or any of their respective subsidiaries are aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer, any Guarantor or any of their respective subsidiaries.

Auditors

The auditors of the Issuer and URENCO Nederland B.V. are Deloitte Accountants B.V., who have audited the non-consolidated separate financial statements of the Issuer and URENCO Nederland B.V. that have been prepared in accordance with the International Financial Reporting Standards for the financial year ended 31 December 2014 and the non-consolidated separate financial statements of the Issuer and URENCO Nederland B.V. that have been prepared in accordance with the International Financial Reporting Standards for the financial year ended 31 December 2015. The auditors of the Issuer and URENCO Nederland B.V. have no material interest in the Issuer or URENCO Nederland B.V.

The auditors of URENCO Limited, URENCO UK Limited, URENCO Enrichment Company Limited and URENCO Finance UK Limited are Deloitte LLP, who have audited the financial statements of URENCO Limited, URENCO UK Limited, URENCO Enrichment Company Limited and URENCO Finance UK Limited that have been prepared in accordance with FRS 101 (Reduced Disclosure Framework) for the financial year ended 31 December 2014 and the financial statements of URENCO Limited, URENCO UK Limited, URENCO

Enrichment Company Limited and URENCO Finance UK Limited that have been prepared in accordance with FRS 101 (Reduced Disclosure Framework) for the financial year ended 31 December 2015. The auditors of URENCO Limited, URENCO UK Limited, URENCO Enrichment Company Limited and URENCO Finance UK Limited have no material interest in URENCO Limited, URENCO UK Limited, Urenco Enrichment Company Limited and URENCO Finance UK Limited.

The auditors of URENCO Deutschland GmbH are Deloitte & Touche GmbH, who have audited the non-consolidated separate financial statements of URENCO Deutschland GmbH that have been prepared in accordance with generally accepted auditing standards in Germany for the financial year ended 31 December 2014 and the non-consolidated separate financial statements of URENCO Deutschland GmbH that have been prepared in accordance with generally accepted auditing standards in Germany for the financial year ended 31 December 2015. The auditors of URENCO Deutschland GmbH have no material interest in URENCO Deutschland GmbH.

The auditors of Louisiana Energy Services, LLC and URENCO USA Inc. are Deloitte & Touche LLP, who have audited the consolidated financial statements of Louisiana Energy Services, LLC that have been prepared in accordance with the International Financial Reporting Standards for the financial year ended 31 December 2014 and the consolidated financial statements of Louisiana Energy Services, LLC that have been prepared in accordance with the International Financial Reporting Standards for the financial year ended 31 December 2015; and the separate financial statements of URENCO Finance US, LLC that have been prepared in accordance with the International Financial Reporting Standards for the financial year ended on 31 December 2014 and the separate financial statements of URENCO Finance US, LLC that have been prepared in accordance with the International Financial Reporting Standards for the financial year ended 31 December 2015.

The reports of the auditors of the Issuer and each Guarantor are incorporated in the form and context in which they are included or incorporated.

Post-issuance information

The Issuer does not intend to provide any post-issuance information in relation to any issues of Note.

Dealers transacting with the Issuer and the Guarantors

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer, any of the Guarantors and their affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer, any of the Guarantors or their respective affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer, the Guarantors or their respective affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer and/or the Guarantors routinely hedge their credit exposure to the Issuer and/or the Guarantors consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments

Third Party Information

The Issuer and Guarantors confirm that the third party information set out under the heading "Description of the Group" includes extracts from information and data, including market information and data, released by publicly available sources in the United Kingdom and elsewhere. The Issuer and Guarantors have relied on the accuracy of such information without carrying out an independent verification thereof. This information has

been accurately reproduced and, as far as the Issuer and the Guarantors are aware and are able to ascertain from information published by each such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Such information, data and statistics may be approximations or estimates or use rounded numbers.

ISSUER

URENCO Finance N.V.
Drienemansweg 1
7601 PZ
Almelo
The Netherlands

GUARANTORS

URENCO Limited
URENCO Court
Sefton Park
Bells Hill
Stoke Poges
Buckinghamshire SL2 4JS
United Kingdom

URENCO UK Limited
Capenhurst
Chester
Cheshire
CH1 6ER
United Kingdom

URENCO Enrichment Company Limited
URENCO Court
Sefton Park
Bells Hill
Stoke Poges
Buckinghamshire SL2 4JS
United Kingdom

URENCO Finance UK Limited
URENCO Court
Sefton Park
Bells Hill
Stoke Poges
Buckinghamshire SL2 4JS
United Kingdom

URENCO Nederland B.V.
Drienemansweg 1
7601 PZ
Almelo
The Netherlands

URENCO USA Inc.
275 Highway 176
Eunice
New Mexico 88231
United States of America

URENCO Deutschland GmbH
Rontgenstrasse 4
48599 Gronau
Germany

Louisiana Energy Services, LLC
275 Highway 176
Eunice
New Mexico 88231
United States of America

URENCO Finance US, LLC
275 Highway 176
Eunice
New Mexico 88231
United States of America

TRUSTEE

Citicorp Trustee Company Limited
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

ISSUING AND PRINCIPAL PAYING AGENT

Citibank, N.A., London Branch
Citigroup Centre
Canada Square
E14 5LB
United Kingdom

OTHER PAYING AGENT

Banque Internationale à Luxembourg, société anonyme
69 route d'Esch
L-2953 Luxembourg

ARRANGER

Citigroup Global Markets Limited
Citigroup Centre
Canada Square, Canary Wharf
London E14 5LB
United Kingdom

DEALERS

Barclays Bank PLC
5 The North Colonnade
Canary Wharf
London E14 4BB
United Kingdom

BNP Paribas
10 Harewood Avenue
London NW1 6AA
United Kingdom

Citigroup Global Markets Limited
Citigroup Centre
Canada Square, Canary Wharf
London E14 5LB
United Kingdom

HSBC Bank plc
8 Canada Square
London E14 5HQ
United Kingdom

The Royal Bank of Scotland plc
135 Bishopsgate
London EC2M 3UR
United Kingdom

LEGAL ADVISERS

To the Issuer and the Guarantors as to English and U.S. law

Freshfields Bruckhaus Deringer LLP
65 Fleet Street
London EC4Y 1HS
United Kingdom

To the Dealers and the Trustee as to English law

Allen & Overy LLP
One Bishops Square
London E1 6AD
United Kingdom

To the Issuer and the Guarantors as to Dutch law

Freshfields Bruckhaus Deringer LLP
Strawinskylaan 10
1077 XZ Amsterdam
The Netherlands

To the Issuer and the Guarantors as to German law

Freshfields Bruckhaus Deringer LLP
Bockenheimer Anlage 44
60322 Frankfurt am Main
Germany

AUDITORS

To the Issuer and URENCO Nederland B.V

Deloitte Accountants B.V.
Grote Voort 207
8041 BK Zwolle
The Netherlands

To URENCO Limited, URENCO UK Limited, URENCO Enrichment Company Limited and URENCO Finance UK Limited

Deloitte LLP
2 New Street Square
London EC4A 3BZ
United Kingdom

To URENCO Deutschland GmbH

Deloitte & Touche GmbH
Schwannstraße 6
40476 Düsseldorf
Germany

To Louisiana Energy Services, LLC, URENCO USA Inc. and URENCO Finance US, LLC

Deloitte & Touche LLP
2200 Ross Avenue
Dallas, Texas 75201
United States of America