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NMED and International Isotopes Agree to Waste Limitations for Proposed Uranium Deconversion Facility in Hobbs

Agreement Spells out Waste Volume and Time Storage and Disposal Specifications

(Santa Fe, N.M.) The New Mexico Environment Department has reached an agreement with International Isotopes Inc. that specifies waste storage limitations for the proposed uranium deconversion and fluorine extraction processing facility in Hobbs. The INIS facility will deconvert depleted uranium from facilities like Louisiana Energy Services' uranium enrichment plant under construction in Eunice, N.M.

"We've diligently worked out an agreement that will protect the state and the citizens of New Mexico into the future while also allowing this business to operate here," said New Mexico Environment Department Secretary Ron Curry. "The agreement exceeds specifications for the facility that New Mexico could have achieved through the federal licensing process. We are gratified to reach an agreement that stipulates no waste from the facility will be disposed within the State of New Mexico."

The agreement specifies enforceable storage limits for uranium at the INIS Plant. The agreement requires the company to include the memorandum's specifications in its NRC licensing proceeding.

This Memorandum of Agreement is important for two reasons," said Steve Laflin, International Isotopes' President and CEO. "First, it represents completion of an important step in our progress towards preparing the NRC license application. Second, it typifies the company's continued commitment to protecting the environment and working closely with NMED to ensure project transparency and regulatory cooperation. The agreement implements certain terms for the facility that have been mutually agreed upon between the Company and NMED. Both parties have agreed that these terms will

be incorporated into the company's Nuclear Regulatory Commission license application and eventually into the NRC license itself, where applicable."

The facility, which the company plans to build about 15 miles west of Hobbs, is expected to have an initial deconversion capacity equivalent to processing approximately 575 depleted UF6 tails cylinders per year. The facility will deconvert uranium into end products of high purity, anhydrous hydrofluoric acid and silicon tetrafluoride gas. Those products can be used for a range of industrial manufacturing applications. Uranium waste will be disposed of at a facility outside New Mexico that is licensed to accept that waste. INIS holds patents that give it exclusive rights to the Fluorine Extraction Process.

Under the agreement, onsite storage of uranium at the plant cannot exceed 2,200,000 kilograms of uranium or approximately 300 48Y cylinders. Of that amount, no more than 1 million kilograms of uranium will be in the form of depleted uranium oxide. If the facility exceeds that amount of storage, it will be required to stop receiving uranium.

The facility can only store for a maximum of two years any one 48Y cylinder of depleted uranium hexafluoride, or full disposal container of depleted uranium oxide. INIS must also notify the department within five business days if the facility reaches 2 million kgU of total uranium or 900,000 KgU in the form of depleted uranium oxide. NMED will also have access to inspect the facility along with NRC inspectors.

The state of New Mexico required strong conditions limiting the storage and disposal of the company's uranium byproducts that will prevent the buildup of radioactive by products in the state.

NMED required in the agreement that it will have input during the NRC licensing process for the facility. The state's memorandum with INIS is similar to the agreement NMED negotiated with LES because both agreements called for similar waste storage limits and stipulated that NMED would be part of the NRC licensing process.

INIS expects to submit its NRC license application for the facility in December. It will also pursue state permits for the facility including groundwater discharge, air quality and hazardous waste.

International Isotopes Inc. manufactures a full range of nuclear medicine calibration and reference standards, high purity fluoride gases and a variety of cobalt-60 products such as teletherapy sources, according to the company. INIS provides radioisotopes and radiochemicals for medical devices, calibration, clinical research, life sciences, and industrial applications and provides a host of analytical, measurement, recycling, and processing services on a contract basis to clients.

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