



Organization of Canadian Nuclear Industries
2-1730 McPherson Court, Pickering, ON
L1W 3E6
Telephone: (905) 839-0073
www.oci-aic.org

May 28, 2013

Phil Guselle
President and General Manager
Candu Energy Inc.
2285 Speakman Drive
Mississauga, ON L5K 1B1

CANMOX Project

Dear Phil:

The Organization of Canadian Nuclear Industries (OCI) and its 175 member companies strongly support the Candu Energy Inc. proposal to construct and commission two to four Enhanced CANDU 6 (EC6) units along with a CANDU MOX fuel fabrication facility for the purpose of dispositioning the UK's plutonium stockpiles while producing cost effective electricity for the UK grid (the CANMOX project).

As you know OCI led a trade mission of 11 major nuclear suppliers to the UK in March of this year in order to meet with key organizations in the UK nuclear industry and identify opportunities for Canadian and UK suppliers to partner on the CANMOX project. These meetings gave us confidence that CANDU technology is well suited for the plutonium disposition mission and that the Canadian and UK nuclear industries have the complementary skills and capabilities to license and construct EC6 reactors and a CANDU MOX fuel plant for this important mission.

We are also confident that our Canadian and Ontario nuclear suppliers can readily work within the UK business environment and legal system. The UK is Ontario's second most important trading partner after the USA and is a key market for Ontario's value added products and services such as aerospace components, computer and telecom equipment. We believe that continued and expanded collaboration among Canadian and UK firms on the CANMOX project will lead to mutually beneficial technology licensing agreements.

OCI companies also anticipate that they will be successful in securing export financing for sale of their products and service through the Canadian Export Development Corporation (EDC).

Phil, we look forward to working with Candu Energy on this exciting project

Yours sincerely,

Ron Oberth
President