



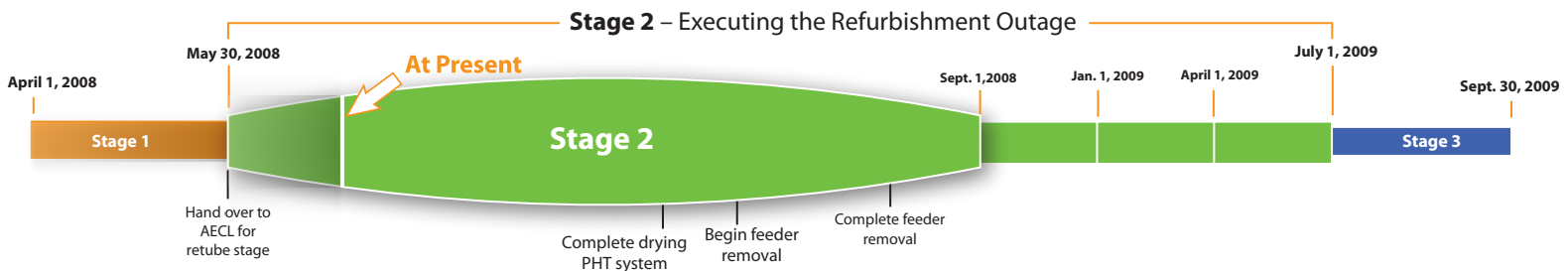
Refurb Report



June 4, 2008

Stage 1 Complete

Last Friday, we realized a major milestone in our refurbishment project when we turned over the fueling machine vaults, or retube work areas, to AECL. This on-time, on-budget handover was a major accomplishment for our team, which was only possible because of the collective focus on getting every job done safely and meeting the schedule.

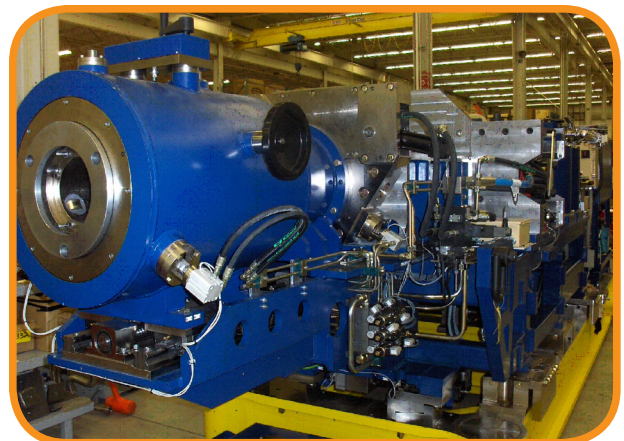


Reaching the end of Stage 1 highlighted our team's successful completion of many key activities. Beginning with the March 28, 2008 shutdown, we focused on defueling the reactor core by removing all 4,560 fuel bundles from the 380 channels. We then drained the heavy water from the primary heat transport (PHT) system. In addition, boiler secondary side cleaning, removal of eight large air coolers and other related jobs were performed.

Our focus has now turned to Stage 2 – Executing the Refurbishment Outage. This stage, which is scheduled to run until July 1, 2009, includes retubing the reactor and refurbishing and upgrading other key components and systems.

Our partner AECL will lead the Stage 2 retubing work, which includes the replacement of all 380 fuel channel assemblies, calandria tubes and the entire length of connecting inlet and outlet feeder piping, as well as a number of support activities. Executing these activities requires a lot of specialized tooling, such as this volume reduction machine, which AECL has supplied.

The retube work also involves the operation of the structures that will be used to store the radioactive reactor components following their removal during the retube process. In April 2008, we received from the CNSC the approval to operate these waste storage structures.



Over the next couple of months our focus will be on drying the primary heat transport (PHT) system and then removing the feeder tubes.

The number of people on site has grown to approximately 1,300. Our qualified nuclear employees continue to work closely together with AECL employees and other contractors to ensure we safely execute Stage 2.