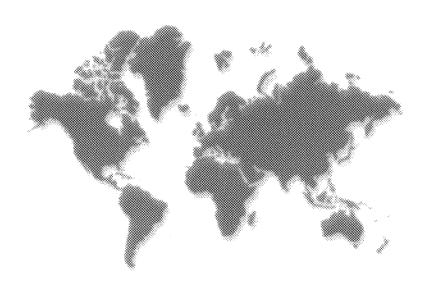


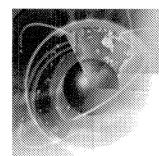
Status Report for MAPLE Reactors & New Processing Facility



2006 December 13





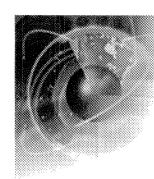




Presentation Outline

- Ownership and project schedule
- Operating improvements
- Technical progress and path forward
- Communications with the CNSC
- Summary





Ownership and Project Schedule

- AECL owns the Dedicated Isotope Facilities, i.e., the MAPLE reactors and the New Processing Facility
 - Contractual agreement finalized with MDS Nordion 2006
 February
- AECL committed to isotope production from the Dedicated Isotope Facilities by 2008 October
- In order to achieve this, AECL is working to a challenging schedule

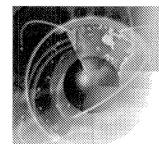




Operating Improvements

AECL has:

- made organizational changes in DIF Operations and MMIR Project
- implemented a comprehensive System Performance Monitoring Program
- implemented an Operations owned, utility based Corrective Action Program
- implemented the DIF Continuous Improvement Plan (CIP) and MMIR Project Improvement Plan (PIP)



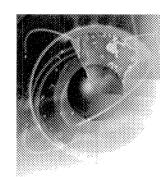


Operating Improvements (Cont'd)

AECL has:

- increased QA presence in the field
- introduced the use of event free tools Observation
 & Coaching, Three-Way Communications, etc.
- implemented Operational Readiness Review process to declare each facility ready for operation at each stage
- completed the maintenance outage in preparation for 5 MW tests without an event free day reset



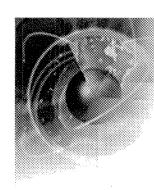


Technical Progress and Path Forward

MAPLE:

- Completed inspection and remediation to the installed systems to comply with Design requirements
- Reviewed field work, preventive maintenance program completeness, non-conformances to ensure the MAPLE 1 is ready to operate
- PCR issue poised for resolution following significant work by AECL and independent organizations
- Testing of the MAPLE 1 Reactor at 5 MW will allow AECL to confirm cause of PCR and develop engineered solution(s) to mitigate the problem

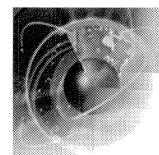




Technical Progress and Path Forward (Cont'd)

New Processing Facility:

- Significant amount of work to complete in order to ensure successful commissioning of NPF
- NPF ready to start active commissioning by 2007 October





Communications With the CNSC

Open communication with CNSC staff has enabled emerging issues to be tabled and efficiently resolved through:

- regular verbal updates with the CNSC staff
- monthly Senior Executives meetings
- monthly Licensing meetings
- Commissioning and Technical meetings as required e.g., walkthrough of key licensing submission (5 MW Safety Case)



Summary

At the midpoint of the current licensing term, AECL is making steady progress against all commitments and requirements and will continue to:

- safely operate the Dedicated Isotope Facilities as a capable, competent organization, with the sufficient number of qualified and CNSC-certified staff and programs in place
- resolve technical issues, complete nuclear commissioning and meet its obligations for continued isotope production and supply
- Continue to implement improvement programs that support safe, high-quality operation, and draw on the lessons learned by others in the industry
- meet all regulatory criteria on health, safety, security, the environment, and Canada's international obligations



