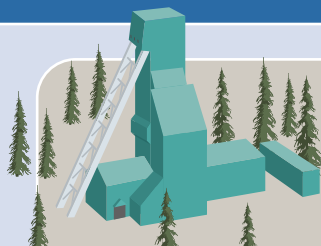




Cameco's Markets

Uranium | Investing in clean electricity

Essentially all of the world's uranium is used to produce fuel for nuclear power stations. Utilities acquire most of their uranium and fuel processing services under long-term contracts with negotiated terms. The remainder is acquired on spot markets for delivery within one year. Uranium prices are published weekly in US dollars by Ux Consulting and TradeTech on their respective websites.

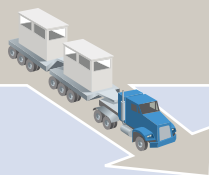


Mining

Uranium ore is mined and milled to produce uranium concentrates (U_3O_8).

2008 world mine production:
115 million pounds U_3O_8 (estimated)

Cameco's position: One of the world's largest uranium producers accounting for about 15% of world production. Seven companies provide more than 81% of the world's uranium production.



Secondary Supplies

The large gap between mine production and world uranium consumption is made up primarily from stockpiles held by utilities. Other secondary sources include decommissioned weapons, recycled material from spent reactor fuel, reprocessed material from the enrichment process, and civil stockpiles. With the exception of recycled material, these sources are finite and are being drawn down. Secondary supplies feed into the fuel cycle at the conversion, enrichment and electricity generation stages.

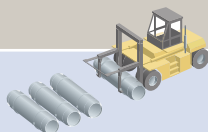
Cameco's position: Cameco supplements its mine production with uranium from long-term purchase arrangements, spot purchases and inventories.

Conversion

Uranium concentrates are purified through refining and converted to uranium hexafluoride (UF_6), a chemical form required for the enrichment process.

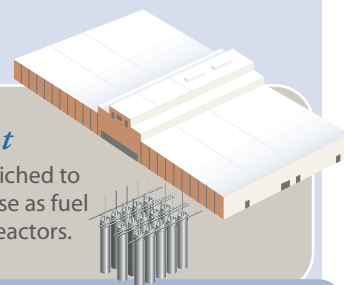
Western world UF_6 production capacity:
51 million kilograms uranium nameplate

Cameco's position: One of only three western world conversion suppliers accounting for 35% of western world nameplate capacity. Cameco is also the world's only commercial provider of uranium conversion for Candu reactors.



Enrichment

Uranium is enriched to prepare it for use as fuel in light water reactors.



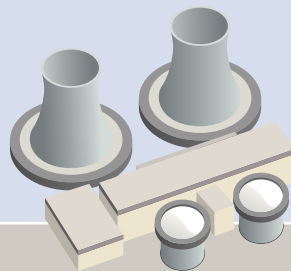
Cameco's position: Cameco holds a 24% interest in Global Laser Enrichment LLC which is developing next-generation enrichment technology toward construction of a commercial-scale plant in the US.

Electricity Generation

Utilities operate about 436 nuclear reactors in 31 countries providing approximately 14.7% of the world's electricity.

2008 world uranium consumption: 172 million pounds U_3O_8 equivalent (estimated)

Cameco's position: Owns 31.6% of a nuclear power plant with four operating reactors in southern Ontario and delivered more than 34 million pounds of uranium in 2008 to customers around the world.

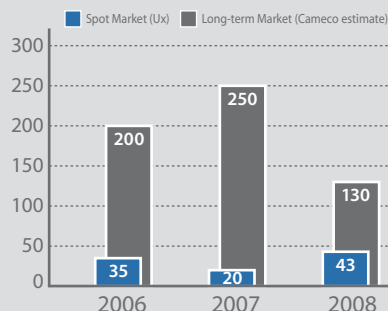


Uranium Outlook

For more than 20 years, nuclear power reactors have consumed far more uranium than was produced each year. The gap was made up by inventories and secondary supplies that are being drawn down.

Cameco estimates that cumulative uranium consumption requirements will reach about 2.0 billion pounds over the next 10 years. Existing mine supply and secondary supplies are expected to meet about 80% of this demand. The other 20% or about 400 million pounds must come from new or expanded mines.

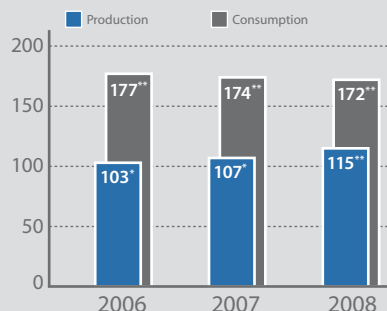
Spot and Long-term Uranium Contract Volumes (million lbs U₃O₈)



Sources: Ux and Cameco

World Market (million lbs U₃O₈)

The world continues to consume more uranium than it produces.



Sources: World Nuclear Association* and Cameco**

Conversion Outlook

World demand for UF₆ and natural UO₂ conversion services was estimated to be about 66 million kilograms of uranium (kgU) in 2008. Western world demand accounted for 58 million kgU with the remaining 8 million kgU from conversion suppliers in Russia, China and Eastern Europe.

Over the next 10 years, world demand is expected to increase by 32% to about 87 million kgU in 2018. In 2009, total conversion demand is expected to increase by 5%.

Spot market prices for UF₆ conversion declined in Europe and North America during 2008. Long-term prices were steady in North America and rose by 3% in Europe.

Electricity Generation Outlook

The nuclear industry is experiencing stable growth through capacity factor improvements, refurbishments, power uprates, life extensions, and in the developing world, aggressive new-build programs. There are 436 reactors operating worldwide and the total is expected to rise to more than 530 over the next 10 years.

In the longer term, global demand for nuclear power may grow more dramatically due to increased electricity demand and the growing need for cleaner baseload electricity generation.

Contracting

Cameco's uranium and conversion services are sold primarily under long-term contracts. Prices are established by a number of methods including fixed prices adjusted by inflation indices, reference prices (published spot and long-term indicators near time of delivery) and annual price negotiations. Contracts may also contain floor prices, ceiling prices and other negotiated provisions that affect realized prices. The goal of our contracting strategy is to secure a solid base of earnings and cash flow to allow us to maintain our core asset base and pursue growth opportunities over the long term. We seek to reduce volatility in our future earnings and cash flow, while providing both protection against decreases in market price and retaining exposure to future market price increases.

Forward-Looking Statements

Statements contained in this document, which are not current statements or historical facts are forward-looking information or statements which may be material and that involve risks, uncertainties and other factors that could cause actual results to differ materially. They represent management's views as of March 27, 2009 and should not be considered current as of any subsequent date. We specifically disclaim any obligation to update our views except to the extent required by applicable securities laws. This information is presented for the purpose of assisting Cameco's shareholders in understanding management's current views, and may not be appropriate for other purposes. It is subject to material risk factors that could cause actual results to differ materially, and is based upon a number of material assumptions which may prove to be incorrect. For example, our estimates regarding future world uranium consumption, world demand for conversion services and increases in the number of reactors operating worldwide, assume the continuing development of, demand for, and reliance upon nuclear energy, and are subject to the risk that greater demand develops for alternate products and services. These and other risk factors and assumptions are discussed in detail in our current annual information form and most recent annual and quarterly MD&A, which you should read before making any decision to invest in Cameco.



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