



PALADIN ENERGY LTD

ACN 061 681 098

28 October 2010

Company Announcements Office
Australian Securities Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

By Electronic Lodgement

Dear Sir/Madam

Paladin Energy Ltd announces successful raising of US\$300M through Convertible Bonds

Paladin Energy Ltd (**Paladin** or the **Company**) is delighted to announce the pricing of its issue of senior, unsecured convertible bonds due 2015 (**Convertible Bonds**).

The offer size was US\$300M.

Commenting on the Convertible Bond issue, Paladin's Managing Director/CEO, John Borshoff, said "Paladin is perfectly positioned in terms of its production growth, pipeline of projects and for acquisition of quality opportunities. This highly successful capital raising will enable Paladin to extract the maximum value from these areas of growth and continue to create and build value."

The Convertible Bonds carry a coupon of 3.625% per annum payable semi-annually in arrear and are convertible into Paladin shares at an initial conversion price of US\$5.665 per share, representing a conversion premium of approximately 32.5% above the reference price of Paladin shares at the time of pricing (C\$4.39 at close of trading on TSX on 26 October 2010 or US\$4.275/A\$4.391 based on exchange rates at the time of pricing). The initial conversion price is subject to adjustment in certain circumstances.

Unless previously redeemed, purchased or cancelled, the Convertible Bonds will be redeemed at par on 4 November 2015. Paladin has the right to redeem all outstanding Convertible Bonds at their principal amount plus accrued interest in certain circumstances including, on or after 18 November 2013, if the Paladin share price, translated into US dollars at the prevailing exchange rate, exceeds for a specified period of time 130% of the conversion price.

The Convertible Bonds were offered to institutional, professional and sophisticated investors only. The offering occurred outside the United States to non-US persons in accordance with Regulation S under the US Securities Act of 1933, as amended. The offering was made in Canada in minimum subscription amounts of at least US\$200,000 principal amount of Convertible Bonds.

The payment and settlement date of the Convertible Bonds is expected to be on or around 4 November 2010, subject to the receipt of customary approvals, including TSX approval.

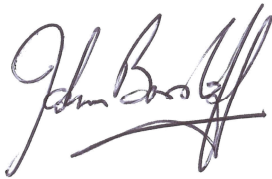
The proceeds of the issue will be used to fund Paladin's concurrent tender offer (**Tender Offer**) to acquire from eligible bondholders its US\$250M issue of convertible bonds due in December 2011, with any amount not applied to the Tender Offer being utilised to fund in part the proposed expansion of the Langer Heinrich Mine and to pursue future growth opportunities.

The Joint Bookrunners and Joint Lead Managers are Barclays Capital and J.P. Morgan and the co-manager is Société Générale Corporate & Investment Banking.

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Yours faithfully
Paladin Energy Ltd



John Borshoff
Managing Director/CEO

In connection with this issue of Convertible Bonds, Barclays Capital (the **Stabilising Manager**) (or any person acting for Barclays Capital) may effect transactions with a view to supporting the market price of the Convertible Bonds at a level higher than that which might otherwise prevail for a limited period. However, there may be no obligation on the Stabilising Manager (or any agent of the Stabilising Manager) to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilising shall be in compliance with all applicable laws, regulations and rules (and, without limitation, shall not be undertaken in circumstances where it is reasonable to expect such action would have an effect on the price at which securities are traded on a financial market, within the meaning of the Corporations Act, in Australia).

NOTHING IN THIS DOCUMENT CONSTITUTES AN OFFER OF SECURITIES FOR SALE OR AN OFFER TO PURCHASE ANY SECURITIES, OR AN INVITATION TO ANY PERSON TO MAKE SUCH AN OFFER, IN ANY JURISDICTION.

THE CONVERTIBLE BONDS OF PALADIN ENERGY LIMITED HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE US SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE CONVERTIBLE BONDS MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY OTHER APPLICABLE SECURITIES LAWS OR PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY OTHER APPLICABLE SECURITIES LAWS. THE CONVERTIBLE BONDS WILL BE OFFERED TO LIMITED CLASSES OF INVESTORS IN OTHER JURISDICTIONS ONLY AS PERMITTED BY APPLICABLE LAWS. THE CONVERTIBLE BONDS WILL NOT BE OFFERED UNDER A DISCLOSURE DOCUMENT FOR THE PURPOSES OF PART 6D.2 OF THE CORPORATIONS ACT 2001 AND ACCORDINGLY WILL ONLY BE OFFERED IN AUSTRALIA IN CIRCUMSTANCES THAT DO NOT REQUIRE SUCH DISCLOSURE.

THE TENDER OFFER WILL NOT BE MADE AVAILABLE TO PERSONS IN THE REPUBLIC OF ITALY. THE TENDER OFFER WILL BE MADE AVAILABLE TO PERSONS IN OTHER JURISDICTIONS ONLY AS PERMITTED BY APPLICABLE LAWS. THE TENDER OFFER WILL NOT COMPLY WITH DIVISION 5A OF PART 7.9 OF THE CORPORATIONS ACT 2001 AND ACCORDINGLY WILL ONLY BE MADE AVAILABLE IN AUSTRALIA IN CIRCUMSTANCES PERMITTED BY REGULATION 7.9.97 OF THE CORPORATIONS ACT 2001.

Caution Regarding Forward-Looking Statements: Statements in this news release, including regarding the proposed issue of Convertible Bonds and the use of proceeds therefrom such as the Tender Offer, expansion of the Langer Heinrich Mine and future growth opportunities, are forward-looking statements. Forward-looking statements are subject to risks and uncertainties that may cause actual results to differ from those expressed or implied by such statements. There can be no guarantee such statements will be realised. In particular, there can be no assurance as to the amount of Convertible Bonds that will be issued or that the funds raised will be sufficient to achieve the expected use of proceeds. Reference should be had to Paladin's public disclosure documents, including its most recent Annual Information Form, which are available under Paladin's profile at sedar.com, for a discussion of risk factors affecting the Company.