



## PALADIN ENERGY LTD

ACN 061 681 098

27 October 2010

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

By Electronic Lodgement

Dear Sir/Madam

### **Paladin Energy Ltd to issue up to US\$300M of Convertible Bonds to fund a concurrent tender for its 2011 Bonds and further growth**

#### **Convertible Bonds**

Paladin Energy Ltd (**Paladin** or the **Company**) announces that it has today launched an offering to raise up to US\$300M of senior, unsecured convertible bonds due 2015 (**Convertible Bonds**).

The proceeds of the issue will be used to fund Paladin's concurrent tender offer (**Tender Offer**) to acquire any and all of its US\$250M issue of convertible bonds due in December 2011 (**2011 Bonds**), 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. Further detail regarding the Tender Offer is set out below.

Following the issue of the Convertible Bonds, Paladin will have issued a total of up to US\$875M of convertible bonds, taking into account the US\$250M issue successfully completed in December 2006 and the US\$325M issue successfully completed in March 2008. Through the Tender Offer, Paladin hopes to retire a significant portion of the 2011 Bonds.

Paladin's key projects in Africa are:

- the Langer Heinrich Mine, located in Namibia, which is operational with a current annual production of 3.7Mlb U<sub>3</sub>O<sub>8</sub> (with an expansion currently being constructed to increase production to 5.2Mlb per annum); and
- the Kayelekera Mine, located in Malawi, which has recently been successfully commissioned and has a nameplate capacity of 3.3Mlb U<sub>3</sub>O<sub>8</sub> per annum.

The bookbuilding period has now commenced and is currently expected to end by 28 October 2010. The Joint Bookrunners and Joint Lead Managers reserve the right to close subscriptions at an earlier time. The Convertible Bonds are being offered to institutional, professional and sophisticated investors only. The offering will occur outside the United States to non-US persons in accordance with Regulation S under the US Securities Act of 1933, as amended. The offering will be made in certain Provinces 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 Joint Bookrunners and Joint Lead Managers are Barclays Capital and J.P. Morgan and the co-manager is Société Générale.

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## Tender Offer

Paladin announces that it has today launched a Tender Offer to acquire any and all of its US\$250M issue of convertible bonds due in December 2011 (ISIN: XS0277770151; Common Code: 027777015).

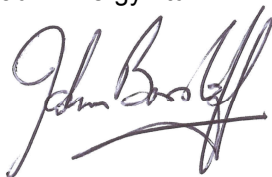
Under the Tender Offer, certain bondholders will be invited to tender any and all of the 2011 Bonds held by them (subject to a minimum tender amount of US\$200,000 in nominal amount of the 2011 Bonds) for purchase by the Company, on the terms and subject to the satisfaction of certain conditions contained in an offer memorandum relating to the 2011 Bonds dated on or about 27 October 2010 (**Tender Offer Memorandum**). Only bondholders to whom it is lawful to make such invitations will be invited to participate in the Tender Offer.

The 2011 Bonds are listed on the Singapore Exchange Trading Limited. The terms and conditions of the Tender Offer are set out in the Tender Offer Memorandum, which will be sent to Bondholders who have properly requested it and who have provided confirmation of their eligibility to participate in the Tender Offer to Bank of New York Mellon as the Company's tender agent.

Paladin will pay US\$201,000 (**Repurchase Price**) for each US\$200,000 in nominal amount of the 2011 Bonds accepted by it for repurchase pursuant to the Tender Offer, and Paladin will also pay accrued but unpaid interest on the 2011 Bonds to (but excluding) the settlement date, which is expected to be an amount of US\$4,125 for each US\$200,000 in nominal amount (**Accrued Interest**) of such 2011 Bonds. In addition, the Repurchase Price will be increased by US\$2,000 (the Repurchase Price so increased to US\$203,000, the **Early Tender Repurchase Price**) for each US\$200,000 in nominal amount of the 2011 Bonds that are validly tendered for purchase by 3.00pm (London time) on 15 November 2010 (the **Early Tender Deadline**) and accepted by Paladin.

This transaction is expected to settle on 30 November 2010. The Dealer Manager to the Tender Offer is Barclays Capital.

Yours faithfully  
Paladin Energy Ltd



**John Borshoff**  
**Managing Director/CEO**

In connection with this issue of Convertible Bonds, Barclays Capital (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 Barclays Capital (or any agent thereof) 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.

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 [www.sedar.com](http://www.sedar.com), for a discussion of risk factors affecting the Company.

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