



PALADIN ENERGY LTD

ACN 061 681 098

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

By Electronic Lodgement

Dear Sir/Madam

Langer Heinrich Mine, Namibia Execution of US\$141M Project Finance Facility for Stage 3 Expansion

The Directors of Paladin Energy Ltd ("Paladin") are pleased to advise that the financing documentation required for the Stage 3 expansion has been finalised and executed. The Stage 3 expansion of Langer Heinrich Mine in Namibia will increase production to 5.2Mlb pa from its current capacity of 3.7Mlb pa.

The initial development funding for the project has been via Paladin's existing cash reserves. The Langer Heinrich Stage 3 expansion is now fully financed and is on track to reach nameplate capacity in the 1st quarter of 2012.

Paladin and a syndicate of banks executed a **US\$141M Project Financing Facility**, consisting of a 6 year Project Finance Facility of US\$135M with a Costs Overrun Facility of US\$6M. The facility is being provided without a parent company guarantee from Paladin. The facilities are being provided by Société Générale (as Agent), Nedbank Capital, Standard Bank Plc, Barclays Capital (the investment banking division of Barclays Bank PLC) and Rand Merchant Bank, a division of FirstRand Bank Limited (RMB). Drawdown on the financing is subject to fulfilment of conditions precedent usual for this type of facility.

Paladin continues its close association with Société Générale, Nedbank Capital and Standard Bank which provided the project finance for the initial construction of the Langer Heinrich Uranium Project in Namibia. We now also welcome Barclays and RMB into the syndicate and we are pleased they have supported the Company in financing the expansion of the Langer Heinrich Mine in Namibia.

The execution of the Project Financing Facility in challenging financial markets is testimony to the Langer Heinrich Mine's status as a world class operation and the strength of the long term fundamentals in the uranium market.

Yours faithfully
Paladin Energy Ltd

JOHN BORSHOFF
Managing Director/CEO