



PALADIN ENERGY LTD

ACN 061 681 098

18 January 2011

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

By Electronic Lodgement

Dear Sir/Madam

Redemption of outstanding convertible bonds due 2011

As foreshadowed in its announcement of 17 December 2010, Paladin Energy Ltd has now redeemed all of its outstanding 4.50% convertible bonds due 2011 (ISIN XS0277770151). For further information, please see the attached announcement made to the Singapore Exchange Securities Trading Limited.

Yours faithfully
Paladin Energy Ltd

John Borshoff
Managing Director/CEO

THIS ANNOUNCEMENT DOES NOT CONSTITUTE AN OFFER TO BUY, OR A SOLICITATION OF AN OFFER TO SELL, ANY BONDS AND NO SUCH OFFER, SOLICITATION, PURCHASE OR SALE SHALL BE MADE IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION, PURCHASE OR SALE WOULD BE UNLAWFUL.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION.

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PALADIN ENERGY LTD

PALADIN ENERGY LTD
(formerly Paladin Resources Ltd)
(ACN 061 681 098)

**REDEMPTION OF OUTSTANDING U.S.\$250,000,000 4.50 PER CENT. CONVERTIBLE BONDS
DUE 2011 (ISIN XS0277770151) CONVERTIBLE INTO ORDINARY SHARES OF PALADIN
ENERGY LTD ISSUED ON 15 DECEMBER 2006 (THE BONDS)**

Paladin Energy Ltd (formerly Paladin Resources Ltd) (**Paladin**) refers to its announcement on 16 December 2010 regarding the exercise of its optional redemption right pursuant to Condition 7(b)(ii) of the Bonds (the **Optional Redemption Announcement**). Paladin wishes to announce that it has today redeemed all Remaining Bonds (as defined in the Optional Redemption Announcement) in full and that all Remaining Bonds will be cancelled in accordance with Condition 7(g) of the Bonds. The Remaining Bonds will be delisted on 19 January 2010.

This announcement does not constitute an offer to buy, or a solicitation of an offer to sell, any Bonds and no such offer, solicitation, purchase or sale shall be made in any jurisdiction in which such offer, solicitation, purchase or sale would be unlawful.

The Bonds have not been registered under the Securities Act or the securities laws of any state of the United States or other jurisdiction.

For and on behalf of
Paladin Energy Ltd

John Borshoff
Managing Director/CEO
18 January 2011