



PALADIN ENERGY LTD

ACN 061 681 098

24 April 2012

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\$274M 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 2017 (**Convertible Bonds**).

The offer size was US\$274M.

Commenting on the Convertible Bond issue, Paladin's Managing Director/CEO, John Borshoff, said "The successful completion of this raising significantly strengthens the balance sheet and in conjunction with the tender offer addresses the major portion of the 2013 convertible bonds in good time. The capital raising has placed Paladin in a strong position to pursue its growth objectives and to optimise the benefit to the Company of the strong interest being shown by various potential strategic partners.

Over the past 7 years, Paladin has achieved a unique position in the uranium mine supply landscape. This has created numerous potential opportunities for Paladin to develop having established 2 successful mining operations and a valuable project pipeline all supported by a team of professionals able to turn vision into outcome."

In conclusion John Borshoff said "Paladin represents an opportunity with high credibility in the nuclear industry as a builder/operator. This raising positions Paladin strongly for its ongoing negotiations with the various parties in respect of asset sales for the ultimate benefit of all shareholders while at the same time improving our balance sheet".

The Convertible Bonds carry a coupon of 6.00% per annum payable semi-annually in arrear and are convertible into Paladin shares at an initial conversion price of US\$2.190 per share, representing a conversion premium of approximately 25% above the reference price of Paladin shares at the time of pricing (C\$1.739 at close of trading on TSX on 20 April 2012 or US\$1.752/A\$1.690 based on exchange rates at the time of fixing the reference price). 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 30 April 2017. Paladin has the right to redeem all outstanding Convertible Bonds at their principal amount plus accrued interest in certain circumstances including, on or after 14 May 2015, 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.

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The Convertible Bonds were offered to institutional, professional and sophisticated investors only. The offering occurred outside the United States 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 30 April 2012, subject to the receipt of customary approvals, including TSX approval.

The proceeds of the issue will be used in part to fund Paladin's concurrent tender offer (**Tender Offer**) to acquire up to US\$200M (or such higher amount as it determines in its absolute discretion) of its US\$325M issue of convertible bonds due in March 2013 (**2013 Bonds**), with any amount not applied to the Tender Offer being utilised to strengthen the Company's balance sheet and pursue future growth opportunities.

The Joint Bookrunners and Joint Lead Managers are Barclays Bank PLC (**Barclays**), Royal Bank of Canada and UBS AG, Australia Branch. The Sole Global Co-ordinator is Barclays.

We confirm we request that the trading halt in the Company's securities be lifted.

Yours faithfully
Paladin Energy Ltd



John Borshoff
Managing Director/CEO

In connection with this issue of Convertible Bonds, Barclays (or any person acting for Barclays) 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 (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 OF AUSTRALIA AND ACCORDINGLY WILL ONLY BE OFFERED IN AUSTRALIA IN CIRCUMSTANCES THAT DO NOT REQUIRE SUCH DISCLOSURE.

THE TENDER OFFER WILL BE MADE AVAILABLE TO PERSONS IN 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 OF AUSTRALIA AND ACCORDINGLY WILL ONLY BE MADE AVAILABLE IN AUSTRALIA IN CIRCUMSTANCES PERMITTED BY REGULATION 7.9.97 OF THE CORPORATIONS REGULATIONS 2001 OF AUSTRALIA.

Caution Regarding Forward-Looking Statements: Statements in this news release, including regarding the proposed issue of Convertible Bonds, the Tender Offer, and the use of proceeds from the issue of Convertible Bonds to fund the Tender Offer, to strengthen the Company's balance sheet and to pursue 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, that any 2013 Bonds will be repurchased 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.

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