



## PALADIN ENERGY LTD

ACN 061 681 098

23 April 2012

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

*By Electronic Lodgement*

Dear Sir/Madam

### **Paladin Energy Ltd to issue US\$225M, with the option to upsize to approximately US\$275M, of Convertible Bonds to fund a concurrent tender for its 2013 Bonds and further growth**

#### **Convertible Bonds**

Paladin Energy Ltd (**Paladin** or the **Company**) announces that it has today launched an offering to raise US\$225M, with the option to upsize to approximately US\$275M, of senior, unsecured convertible bonds due 2017 (**Convertible Bonds**).

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. Further detail regarding the Tender Offer is set out below.

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> per annum ramping up to 5.2Mlb U<sub>3</sub>O<sub>8</sub> per annum); and
- the Kayelekera Mine, located in Malawi, which has recently been successfully commissioned, is in last stages of ramp-up 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 the end of 23 April 2012. 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-U.S. persons in accordance with Regulation S under the U.S. Securities Act of 1933, as amended (**Securities Act**). The offering will be made on a private placement basis in Canada in the Provinces of Ontario and Québec 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 Joint Bookrunners and Joint Lead Managers are Barclays Bank PLC (**Barclays**), Royal Bank of Canada (**RBC**) and UBS AG, Australia Branch (**UBS**). The Sole Global Co-ordinator is Barclays.

#### **Tender Offer**

Paladin announces that it has today launched a 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 the 2013 Bonds (ISIN: XS0349087451; Common Code: 034908745).

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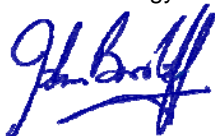
Under the Tender Offer, certain bondholders will be invited to tender any and all of the 2013 Bonds held by them (subject to a minimum tender amount of US\$200,000 in nominal amount of the 2013 Bonds) for purchase by the Company, on the terms and subject to the satisfaction of certain conditions contained in an offer memorandum relating to the 2013 Bonds dated 23 April 2012 (**Tender Offer Memorandum**). Only bondholders to whom it is lawful to make such invitations will be invited to participate in the Tender Offer. The Tender Offer is also conditional on the issue by Paladin, on or before the expiry of the Tender Offer, of the Convertible Bonds in aggregate nominal amount sufficient to fund the repurchase of validly tendered 2013 Bonds accepted by Paladin for repurchase pursuant to the Tender Offer.

The 2013 Bonds are listed on the Singapore Exchange Securities 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\$198,000 (**Repurchase Price**) for each US\$200,000 in nominal amount of the 2013 Bonds accepted by it for repurchase pursuant to the Tender Offer, and Paladin will also pay accrued but unpaid interest on the 2013 Bonds accepted by it for repurchase pursuant to the Tender Offer to (but excluding) the settlement date, which is expected to be an amount of US\$2,166.67 for each US\$200,000 in nominal amount (**Accrued Interest**) of such 2013 Bonds. In addition, the Repurchase Price will be increased by US\$2,000 (the Repurchase Price so increased to US\$200,000, the **Early Tender Repurchase Price**) for each US\$200,000 in nominal amount of the 2013 Bonds that are validly tendered for purchase by 12 noon (London time) on 8 May 2012 (the **Early Tender Deadline**) and accepted by Paladin. The Tender Offer begins on the date of the Tender Offer Memorandum and will expire at 3.00pm (London time) on 22 May 2012 unless extended, re-opened or terminated as provided in the Tender Offer Memorandum.

The Tender Offer is expected to settle on 29 May 2012. The Dealer Manager to the Tender Offer is Barclays.

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 ramping up of the mines, 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](http://sedar.com), for a discussion of risk factors affecting the Company.

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