



## PALADIN ENERGY LTD

ACN 061 681 098

Ref: 323005

15 October 2013

ASX Market Announcements  
Australian Securities Exchange  
20 Bridge Street  
SYDNEY NSW 2000

By Electronic Lodgement

Dear Sir/Madam

### Response to Media Reports

As highlighted in the recent Quarterly Activities Report released 10 October 2013, Paladin's mines are operating at record levels. Production costs continue to trend lower with plans implemented to reduce costs further. Cost reductions have been implemented across the organisation that will reduce the draw on existing cash balances and extend the deadline for further cash. Further, Paladin stands by its comment made in the quarterly that the Company has reasonable confidence in an outcome to alleviate shareholder concerns regarding debt and expects to provide more detail in relation to this transaction in November.

In response to the media articles, Paladin wishes to highlight the following:

1. Paladin's project finance facilities are primarily secured against project assets. The securities do cover the long term contracts which are with a number of utilities. These contracts do not allow the buyer to unilaterally cancel. In any event, any cancellation of these contracts would not trigger a cross default under Paladin's existing convertible bonds. Both convertible bonds "exclude default in respect of Project Finance Indebtedness".
2. All of Paladin's sales contracts are market practice and the ability to terminate is limited to non-performance (delivery of material) or the company being placed in receivership.
3. Paladin's sales are not reliant or limited to sales contracts and a portion of production is placed into the spot market. The global uranium spot market is liquid and trades in excess of levels where Paladin's production would make a material price impact.
4. The next material debt maturity is the US\$300M Convertible Bond maturing November 2015 and the Company is fully compliant with the terms of the bonds.

Paladin reiterates its comments made in the quarterly report regarding the renewed interest in the sale of a minority position in the Langer Heinrich Mine.

Yours faithfully  
Paladin Energy Ltd

**John Borshoff**  
Managing Director/CEO