



PALADIN ENERGY LTD

ACN 061 681 098

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Ref: 315091

2 August 2013

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

By Electronic Lodgement

Dear Sir/Madam

Paladin Energy Ltd Announces Proposed Institutional Placement of Shares

Paladin Energy Ltd ("**Paladin**") today announced that it intends to undertake an institutional private placement of ordinary shares ("**Placement**") for up to 15% of Paladin's issued share capital. The Placement is to be conducted by way of a variable price bookbuild.

As at 30 June 2013, Paladin's cash position was US\$78.1M, compared to cash of US\$112.9M at 31 March 2013. The movement in cash position from March to June was affected by working capital changes and timing of receipts from sales. The Company has continued to achieve significant improvement in operational performance at both Langer Heinrich and Kayelekera and recently delivered record operational results for the June quarter. Paladin also expects only modest capital expenditure requirements at its operating assets following the successfully concluded expansions of capacity at Langer Heinrich and Kayelekera over recent years. Furthermore, Paladin has identified a number of material optimisation and cost reduction measures to further enhance its operational and financial results.

Today's equity raising along with these previously announced initiatives is expected to provide adequate funding for the Company into the September quarter of 2014 even in the event that the spot uranium price was to remain at the average level of the past 12 months of US\$42.50/lb.¹

While Paladin's uranium market analysis indicates likely uranium price increases over the near and medium term, the Board has decided to pursue this equity raising to provide the Company with enhanced funding flexibility. The raising will also allow Paladin to defer consideration of a potential divestment of equity in Langer Heinrich until such a time when a price reflective of the asset's fundamental value can be obtained.

The Placement will be made pursuant to exemptions from prospectus requirements under applicable securities laws and is subject to receipt of all applicable regulatory approvals, including approval of the Toronto Stock Exchange.

¹ Assuming a minimum equity raising of approximately US\$75 million

August 2, 2013

The bookbuild process for the Placement will occur during a trading halt in Australia and Canada which are expected to remain in place until the markets re-open on the ASX on Monday, 5 August 2013 and the Re-open on the TSX on Friday, 2 August 2013.

Trading Halt

This announcement will not lift the current trading halt.

Yours faithfully
Paladin Energy Ltd



JOHN BORSHOFF
Managing Director / CEO

Additional Notes:

This news release may not be released or distributed in the United States and does not constitute an offer of shares for sale in the United States or in any other jurisdiction in which such an offer would be illegal. The shares referred to herein have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act") or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States unless the shares are registered under the Securities Act or offered and sold in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and other applicable U.S. state securities laws.

Caution regarding forward-looking information: Except for historical information contained in this news release, this news release contains "forward-looking statements" and "forward-looking information" within the meaning of securities laws of applicable jurisdictions. The forward-looking statements and forward-looking information include, but are not limited to, statements with respect to Paladin's intentions to undertake a private placement of shares, Paladin's expectations regarding capital expenditure requirements at its operating assets, optimisation and cost reduction measures to enhance financial and operational results, funding needs through the September 2014 quarter and future uranium prices. Assumptions upon which such forward-looking statements and forward-looking information are based include that all regulatory approvals to the Placement will be obtained and all other conditions to completion of the Placement will be satisfied or waived, that optimisation and cost reduction measures will continue to be successful, that exploration, production and pre-development programs will proceed as planned, that the Langer Heinrich Uranium Mine and the Kayelekera Uranium Mine will meet their respective targeted annual full production rates and that the average Uranium Spot price for the next 12 months is at least US\$42.50/lb. Management believes these assumptions are reasonable. However, the forward-looking statements and forward-looking information involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Paladin, and its officers, employees, agents or associates. Such risks, uncertainties and other factors include, but are not limited to: risks related to the availability of equity financing and risks related to mining operations, including political risks and instability and risks related to international operations, actual results of current exploration activities, conclusions of economic evaluations, changes in project parameters as plans continue to be refined, as well as those factors discussed in the section entitled "Risk Factors" in Paladin's most recent Annual Information Form available under Paladin's profile on SEDAR at www.sedar.com. Although Paladin has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements and forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Actual results, performance or achievements may vary materially from those suggested by such forward-looking statements and forward-looking information. Readers are cautioned not to place undue reliance on forward-looking statements and forward-looking information and Paladin assumes no obligation to update such information, except as required by applicable law.