



PALADIN ENERGY LTD

ACN 061 681 098

28 June 2013

By Email: Tonia.Oliveira@asx.com.au

Tonia Oliveira
Senior Adviser, Listing Compliance
ASX Compliance Pty Limited
Level 8, Exchange Plaza
2 The Esplanade
PERTH WA 6000

Dear Madam

ASX Aware Query

1. No.
2. Previous announcements by the Company with respect to strategic initiatives did not disclose any details of the nature of potential strategic initiatives (other than to “unlock value from some of Paladin’s assets”), the assets involved, the potential percentage of the assets that may be the subject of the “initiative” or the expected inflow of funds or other consideration to the Company.

As such the Company does not consider that the mere deferment of the announcement of a “result” from its strategic initiatives would be expected by a reasonable person to have a material effect on the price or value of its securities.

The reference to strategic initiatives has been made in numerous market releases during 2012 and one important initiative was concluded and announced on 15 August 2012 (long term off-take contract with Électricité de France S.A with a US\$200M prepayment). Subsequent announcements referred to ongoing deferment of the results of other unspecified initiatives. Consistent with these previous releases, the announcement was intended as a periodic update on the progress of Paladin’s unspecified initiatives.

3. N/A.
4. N/A.
5. No.
6. Refer to the answer to Q2.
7. N/A.
8. N/A.
9. The Company confirms that it is in compliance with the Listing Rules, in particular Listing rule 3.1.

Yours sincerely
Paladin Energy Ltd

RICK CRABB

Chairman
311668_1



ASX Compliance Pty Limited
ABN 26 087 780 489
Level 8 Exchange Plaza
2 The Esplanade
PERTH WA 6000

GPO Box D187
PERTH WA 6840

Telephone 61 8 9224 0000
Facsimile 61 8 92212020
www.asx.com.au

27 June 2013

Ms Gillian Swaby
Company Secretary
Paladin Energy Limited

By email: Gillian.swaby@paladinenergy.com.au

Dear Gillian

Paladin Energy Limited (the “Entity”): ASX aware query

ASX Limited (“ASX”) refers to the following:

1. The Entity’s announcement entitled “31 March 2013 Interim Financial Report and MD&A” lodged with ASX Market Announcements Platform and released at 6:39pm (EST) on 14 May 2013 which includes the following statement:

“Strategic initiatives to unlock value from some of Paladin’s assets have advanced with keen interest and final bids are being assessed. Results expected during the June 2013 quarter.”

2. The recent change in the price of the Entity’s securities from a closing price of \$0.91 on Monday 24 June 2013 to an intra-day low of \$0.84 on Tuesday 25 June 2013, to a closing price of \$0.82 on Wednesday 26 June 2013. We note a substantial increase in the volume traded over this period.

3. The Entity’s announcement entitled “Strategic Initiative Update” lodged with ASX Market Announcements Platform and released at 10:33am (EST) on 26 June 2013 (the “Announcement”) which includes the following:

“Paladin wishes to advise that the strategic initiative outcome expected to be finalised at the end of June has been delayed to mid to late August. Advanced negotiations have been ongoing with two nuclear parties regarding finalising a minority equity position in the Company’s flagship Langer Heinrich Project in Namibia.

The Company is confident a sale will be successfully achieved, however, a revised bid from one of the parties has meant a reconsideration and the approval process will be extended. Paladin believes it is in the best interests to accommodate this and, as such, finalisation of the transaction has moved into the September quarter.”

4. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities.

5. The definition of “aware” in Chapter 19 of the Listing Rules. This definition states that:

“an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity.”

Additionally, you should refer to section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B “When does an entity become aware of information”*.

6. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

“3.1A Listing rule 3.1 does not apply to particular information while each of the following requirements is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- It would be a breach of a law to disclose the information;*
- The information concerns an incomplete proposal or negotiation;*
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- The information is generated for the internal management purposes of the entity; or*
- The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed.”

7. ASX’s policy position on the concept of “confidentiality” which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B “Listing Rule 3.1A.2 – the requirement for information to be confidential”*. In particular, the Guidance Note states that:

“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”

Having regard to the above, we ask that you answer the following questions in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does the Entity consider the revised bid from one of the parties meaning its reconsideration and the approval process being extended to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view.
3. If the answer to question 1 is “yes”, when did the Entity first become aware of the revised bid from one of the parties?
4. If the answer to question 1 is “yes” and the Entity first became aware of the revised bid from one of the parties before the time that it lodged the Announcement, please explain why this information was not released to the market at an earlier time. Please comment specifically on when you believe the entity was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps the Entity took to ensure that the information was released promptly and without delay.
5. Does the Entity consider the delay of the finalisation of the strategic initiative outcome expected to be finalised at the end of June to mid to late August, to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
6. If the answer to question 5 is “no”, please advise the basis for that view.

7. If the answer to question 5 is “yes”, when did the Entity first become aware of the delay of the finalisation of the of the strategic initiative outcome expected to be finalised at the end of June to mid to late August?
8. If the answer to question 5 is “yes” and the Entity first became aware of the delay of the finalisation of the strategic initiative outcome expected to be finalised at the end of June to mid to late August, before the time that it lodged the Announcement, please explain why this information was not released to the market at an earlier time. Please comment specifically on when you believe the entity was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps the Entity took to ensure that the information was released promptly and without delay.
9. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

When and where to send your response

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than 5:00pm (WST) on Friday 28 June 2013. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity’s securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Entity’s obligation is to disclose the information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at tonia.oliveira@asx.com.au or by facsimile to +61 8 9221 2020. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Entity’s obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in the Entity’s securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and

- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

[Sent electronically without signature]

Tonia Oliveira

Senior Adviser, Listings Compliance (Perth)