



PALADIN ENERGY LTD

ACN 061 681 098

24 March 2015

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

By Electronic Lodgement

Dear Sir/Madam

Paladin Accepts CIC for Additional US\$50M of Convertible Bonds

Paladin Energy Ltd (**Paladin**) refers to its announcements of 12 February 2015 regarding the launch and pricing of an offering of US\$100M of senior, unsecured convertible bonds due 31 March 2020 (**Convertible Bonds**), further details of which are set out in the Notice of General Meeting released 24 February 2015 in relation to the shareholder meeting to be held on 30 March 2015.

As described in the 12 February 2015 and 13 March 2015 announcements and in the Notice of General Meeting, the agreement between Paladin and J.P. Morgan Securities plc (**J.P. Morgan**) (as sole lead manager) in relation to the issue of the US\$100M Convertible Bonds provides that Paladin and J.P. Morgan may agree, on or prior to 24 March 2015, for Paladin to issue up to a further US\$50M of Convertible Bonds to existing or potential strategic partners (the **Upsize Option**).

Paladin is pleased to confirm that it has exercised the Upsize Option and agreed to issue US\$50M of Convertible Bonds to Leader Investment Corporation, a controlled subsidiary of China Investment Corporation (**CIC**). The US\$50M Convertible Bonds will be issued to CIC on the same terms and conditions as the previously announced US\$100M Convertible Bonds that are to be issued to clients of J.P. Morgan. The terms and conditions of the US\$150M Convertible Bonds are summarised in the Notice of General Meeting.

CIC has obtained FIRB approval for the acquisition of the US\$50M Convertible Bonds and the issue of the aggregate of US\$150M Convertible Bonds is now only subject to shareholder approval at the General Meeting of Paladin shareholders to be held on 30 March 2015. If shareholder approval is received at the General Meeting, it is intended that the US\$150M Convertible Bonds will be issued on or about 31 March 2015.

As previously advised, approximately US\$100M of the proceeds of the US\$150M Convertible Bond issue will be used to repurchase the US\$300M 3.625% convertible bonds due November 2015, in full and approximately 6 months prior to the due date. The remaining proceeds will be used to provide Paladin with additional funding flexibility.

CEO and Managing Director, John Borshoff, commented, "The investment by CIC provides Paladin with additional funding flexibility and bolsters our cash position thereby, further reducing the need for any additional funding in the medium term and enabling Paladin to fully capitalise on its strategic value. More importantly, Paladin's new relationship with CIC as one of the largest sovereign wealth funds in the world sets a possible platform for Paladin's future development and growth to become a true Tier 1 uranium producer amongst its peers."

Yours faithfully
Paladin Energy Ltd

JOHN BORSHOFF
Managing Director/CEO

About Paladin

Paladin is a publicly-listed company with listings on the Australian, Canadian and the Namibian stock exchanges and has its headquarters in Perth, Western Australia. The Company specialises in uranium exploration, project development and uranium mining operations. It is the only company in the world to have developed two modern conventional uranium mines in the past 20 years and is recognised for successfully applying innovative mining technologies to both its Langer Heinrich Mine in Namibia and its Kayelekera Mine in Malawi. Paladin has an installed capacity to produce a total of 8.5Mlb per annum from both these operations.

While creating this production base over the past eight years, Paladin has concurrently established a strategically important, geographically diverse, project pipeline to support future growth of its uranium production base. Paladin has succeeded in positioning itself uniquely amongst the major uranium suppliers of the world, with demonstrated successful achievements.

About China Investment Corporation

Headquartered in Beijing, China Investment Corporation (CIC) was founded on 29 September 2007 as a wholly state-owned company incorporated in accord with China's Company Law. The company was established as a vehicle to diversify China's foreign exchange holdings and seek maximum returns for its shareholder within acceptable risk tolerance. CIC seeks sustainable and long-term risk-adjusted financial returns on its global investment portfolio and is operated strictly on a commercial basis.

In connection with this issue of Convertible Bonds, J.P. Morgan (or any person acting for J.P. Morgan) 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 J.P. Morgan (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 the Convertible Bonds and the repurchase of November 2015 convertible bonds 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 or repurchase of the November 2015 convertible bonds. 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 www.sedar.com, for a discussion of risk factors affecting the Company. Readers should not place undue reliance on forward-looking information. Paladin does not undertake to update any forward-looking information except as required by applicable laws.