



PALADIN ENERGY LTD

ACN 061 681 098

13 March 2015

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

By Electronic Lodgement

Dear Sir/Madam

Update on Issue 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 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 14 March 2015, for Paladin to issue up to a further US\$50M of senior, unsecured convertible bonds to existing or potential strategic partners on the same terms as the US\$100M Convertible Bonds (the **Upsize Option**).

Paladin is in ongoing confidential discussions with prospective strategic investors in relation to a potential investment in up to US\$50M of convertible bonds (which would be issued by way of Paladin electing to exercise the Upsize Option).

In order to allow Paladin to progress, and potentially finalise, its discussions with one or more of these strategic investors, Paladin and J.P. Morgan have agreed to extend the period during which Paladin may exercise the Upsize Option from 14 March 2015 to 24 March 2015. There is no guarantee that the current discussions will result in any investment by a preferred investor or investors being finalised.

If Paladin exercises the Upsize Option on or before 24 March 2015, Paladin will release a further announcement at this time.

Yours faithfully
Paladin Energy Ltd

JOHN BORSHOFF
Managing Director/CEO

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 regarding the proposed issue of Convertible Bonds and the Upsize Option 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 that the Upsize Option will be exercised in whole or in part. 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.