



PALADIN ENERGY LTD

ACN 061 681 098

12 February 2015

Company Announcements Office
Australian Securities Exchange Limited
20 Bridge Street
SYDNEY NSW 2000
Dear Sir/Madam

By Electronic Lodgement

Successful Raising of US\$100M Through Convertible Bonds

Paladin Energy Ltd (**Paladin** or the **Company**) is delighted to announce the pricing of its issue of senior unsecured convertible bonds due 2020 (**Convertible Bonds**) to institutional, professional and sophisticated investors.

The Convertible Bonds offering size was US\$100M. As disclosed previously, the Company may elect (over the next 30 days) to issue up to a further US\$50M of senior, unsecured convertible bonds to existing or potential strategic partners, on the same terms.

The US\$100M proceeds of the issue along with the existing cash balance will be used in part to fund Paladin's concurrent tender offer (**Tender Offer**) to acquire any or all of its US\$300M convertible bonds due November 2015 (**2015 Bonds**). The additional amount of up to US\$50M, if raised, will be used for additional funding flexibility.

Commenting on the Convertible Bonds issue, Paladin's Managing Director/CEO, John Borshoff, said "the successful completion of this raising along with the concurrent tender offer for the 2015 CBs eliminates all of the near term refinancing risk and both reduces and extends the Company's debt maturity profile. This significant de-risking of the balance sheet, along with the expected recovery in uranium prices, ensures Paladin remains well positioned to capitalise on its unique standing in the uranium market."

"We remain fully committed to realising value for shareholders and our recently completed initiatives have provided the Company a strong base from which to continue negotiations with current and potential strategic partners on other initiatives, which will provide further funding flexibility and help fast track both consolidation and the development of our world class asset pipeline."

The Convertible Bonds carry a coupon of 7.00% per annum payable semi-annually in arrears and are convertible into Paladin shares at an initial conversion price of US\$0.356 per share, representing a conversion premium of approximately 25.0% above the reference price of Paladin shares at the time of pricing (based on an exchange rate of US\$1.000 = A\$1.2975 at the time of fixing the reference price). The initial conversion price is subject to adjustments in accordance with the terms & conditions of the Convertible Bonds.

Unless previously converted, redeemed, purchased or cancelled the Convertible Bonds will be redeemed at par on 31 March 2020. Under certain circumstances, Paladin has the right to redeem all of the outstanding Convertible Bonds at their principal amount plus accrued interest including, on or after 31 March 2018, if the Paladin share price, translated into US dollars at the prevailing exchange rate, exceeds for a specified period of time 130% of the then prevailing conversion price.

The Convertible Bonds were offered to institutional, professional and sophisticated investors only. The offering occurred outside the United States in accordance with Regulation S under the US Securities Act of 1933, as amended. The offering was made in Canada (British Columbia, Ontario and Québec) in minimum subscription amounts of at least US\$250,000 principal amount of Convertible Bonds.

The payment and settlement date of the Convertible Bonds is expected to be on or around 31 March 2015, subject to the approval of shareholders at a general meeting expected to be held on 30 March 2015 and receipt of

customary approvals, including ASX approval.

The Sole Lead Manager and Bookrunner on the Convertible Bonds offering is J.P. Morgan Securities plc. (**J.P. Morgan**). Nedbank Capital and The Standard Bank of South Africa Limited are the Co-Managers.

The Company hereby requests that the halt placed on the trading of its securities on ASX accordingly be lifted.

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, including regarding the proposed issue of Convertible Bonds, the Tender Offer, and the use of proceeds from the issue of 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, that any 2015 Bonds will be repurchased or that the funds raised will be sufficient to achieve the expected use of proceeds. 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.