



PALADIN ENERGY LTD

ACN 061 681 098

Ref: 376503

12 February 2015

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

By Electronic Lodgement

Dear Sir/Madam

Issue of Convertible Bonds to Fund Concurrent Tender Offer for 2015 Bonds

Convertible Bonds

Paladin Energy Ltd (**Paladin** or the **Company**) announces that it has today launched an offering to raise US\$100M of senior, unsecured convertible bonds due 31 March 2020 (**Convertible Bonds**) for the purpose of completing the Tender Offer (**Tender Offer**). In addition 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 to fund Paladin's concurrent Tender Offer to acquire any or all of its US\$300M convertible bonds due November 2015 issued by the Company on 4 November 2010 (**2015 Bonds**). The amount of up to US\$50M will be used for additional funding flexibility. Further details regarding the Convertible Bonds and Tender Offer are set out below.

The Convertible Bonds bookbuilding period has now commenced and is currently expected to close on **12 February 2015**. The Sole Lead Manager reserves the right to close subscriptions at any time on 12 February 2015. The Convertible Bonds are being offered to institutional, professional and sophisticated investors only. The offering will occur outside the United States to non-U.S. persons in accordance with Regulation S under the U.S. Securities Act of 1933, as amended (**Securities Act**). The offering will be made on a private placement basis in Canada in the Provinces of British Columbia, Ontario and Québec in minimum subscription amounts of at least US\$250,000 in 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 approval of shareholders at a general meeting expected to be held on 30 March 2015 and the receipt of customary approvals, including ASX approval.

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

Tender Offer

Paladin announces that it has today launched a Tender Offer to acquire any or all of its 2015 Bonds (ISIN: XS0554868165; Common Code: 055486816).

Under the Tender Offer, certain bondholders will be invited to tender any or all of the 2015 Bonds held by them (subject to a minimum tender amount of US\$200,000 in principal amount of the 2015 Bonds) for purchase by the Company, on the terms and subject to the satisfaction of certain conditions contained in an offer memorandum relating to the 2015 Bonds dated 12 February 2015 (**Tender Offer Memorandum**). Only bondholders to whom it is lawful to make such invitations will be invited to participate in the Tender Offer. The Tender Offer is also conditional on settlement of the Convertible Bonds.

The 2015 Bonds are listed on the Singapore Exchange Securities Trading Limited. The terms and conditions of the Tender Offer are set out in the Tender Offer Memorandum, which will be sent to Bondholders who have properly requested it and who have provided confirmation of their eligibility to participate in the Tender Offer to The Bank of New York Mellon as the Company's Tender Agent.

Paladin will pay US\$1,000 (**Repurchase Amount**) for each US\$1,000 in principal amount of the 2015 Bonds accepted by it for repurchase pursuant to the Tender Offer, together with accrued but unpaid interest to (but excluding) the settlement date (the **Accrued Interest**, and together with the Repurchase Amount, the **Settlement Amount**). The Tender Offer period begins on the date of the Tender Offer Memorandum and will expire at 4.00pm (London time) on 27 March 2015 unless extended, re-opened or terminated as provided in the Tender Offer Memorandum.

The Tender Offer is expected to settle on or around **2 April 2015**, subject to settlement of the Convertible Bonds. The Sole Dealer Manager to the Tender Offer is J.P. Morgan.

Yours faithfully
Paladin Energy Ltd



JOHN BORSHOFF
Managing Director/CEO

In connection with the 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.