



PALADIN ENERGY LTD
(subject to deed of company arrangement)
ACN 061 681 098

2 January 2018

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

By Electronic Lodgement

DIRECTIONS HEARING AND DOCA UPDATE

Paladin Energy Limited (subject to deed of company arrangement) (**Company** or **Paladin**) refers its previous announcements regarding the proposal received from a group of Paladin's bondholders to implement a capital restructure of Paladin pursuant to the terms of a deed of company arrangement dated 8 December 2017 (**DOCA**). It is a condition to completion of the DOCA that the Court make orders pursuant to section 444GA of the *Corporations Act 2001* (Cth).

Directions hearing and final hearing date

A directions hearing was held this morning in the Supreme Court of New South Wales where various procedural and timetabling orders were made.

A final hearing date has now been set for **10am (AEDT) on 16 January 2018** before Justice Black at the Supreme Court of New South Wales, Queens Square, Sydney.

If shareholders wish to appear at the final hearing to oppose the section 444GA application, they will need to file with the Court, and serve on the deed administrators, a notice of appearance in the prescribed Court form and any affidavit evidence on which they intend to rely.

Explanatory Statement and Independent Expert's Report

On 22 December 2017, the deed administrators made available to shareholders an Explanatory Statement providing further information in relation to the section 444GA process and an Independent Expert's Report.

As previously announced, the Court may only approve the proposed restructure under section 444GA of the Corporations Act where it is satisfied that shares in Paladin have no value. An independent expert was engaged to prepare a report opining on whether the shares in Paladin have any value. As noted in the Independent Expert's Report, the independent expert has found that, among other things:

- Paladin's net debt materially exceeds the value of its assets, and accordingly, in the independent expert's opinion, the shares have nil value; and

- if Paladin was placed into liquidation, there would be no return to shareholders.

These documents are available from the Paladin website (<http://www.paladinenergy.com.au/announcements>), the deed administrators website (<https://home.kpmg.com/au/en/home/services/advisory/deal-advisory/services/restructuring/creditors-shareholders/paladin.html>) and the ASX platform (<http://www.asx.com.au>).

Shareholders (and their advisors and any other interested persons) should read the Explanatory Statement and accompanying Independent Expert's Report carefully and in their entirety before making a decision regarding whether to take any action in respect of the section 444GA application.

DOCA update

The Court approving the section 444GA application is one of a number of conditions to the DOCA that need to be satisfied in order for the proposed restructure to be implemented. Other conditions which remain outstanding include:

- Paladin raising US\$115 million pursuant to the issue of new secured notes (**New Notes Issue**); and
- all conditions (required by ASX) to the reinstatement of Paladin to trading on the ASX being satisfied.

Paladin is pleased to advise that the US\$115 million raising is now fully underwritten. Receipt of the subscription funds will occur once the DOCA takes effect. Paladin is working to satisfy the remaining outstanding conditions to the DOCA by the end of January 2018.

Since Paladin's announcement on 22 December 2017 regarding the sale of Electricité de France S.A.'s claims against Paladin, to Deutsche Bank AG, London Branch (**DB**), DB has given Paladin notice that it has assigned portions of its acquired claims to other funds. At this stage DB has notified Paladin that less than 10% of the acquired claims have been assigned.

Paladin will provide the market with further updates as they become available.

Matthew Woods

for and on behalf of

PALADIN ENERGY LIMITED (SUBJECT TO DEED OF COMPANY ARRANGEMENT)

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