



PALADIN ENERGY LTD

ACN 061 681 098

PALADIN ENERGY LTD TO INVITE TENDERS FOR REPURCHASE FOR CASH OF ANY OR ALL OF ITS OUTSTANDING U.S.\$300,000,000 3.625 PER CENT. CONVERTIBLE BONDS DUE 2015 (ISIN: XS0554868165) CONVERTIBLE INTO ORDINARY SHARES OF PALADIN ENERGY LTD ISSUED ON 4 NOVEMBER 2010 (THE BONDS)

Paladin Energy Ltd (**Paladin**) refers to the Bonds, which are listed on the Singapore Exchange Securities Trading Limited (the **SGX-ST**).

Paladin announces that it has today launched a tender offer, pursuant to which certain holders of the Bonds (the **Bondholders**) will be invited to tender any or all of their Bonds for repurchase by Paladin for cash (the **Tender Offer**) (subject to a minimum tender amount of U.S.\$200,000, and integral multiples of U.S.\$1,000 in excess thereof, in principal amount of the Bonds). Paladin may accept any or all of its outstanding Bonds for repurchase pursuant to the Tender Offer.

Concurrent with the Tender Offer, Paladin has announced that it intends to issue U.S.\$100,000,000 fixed rate convertible bonds due 2020, convertible into ordinary shares of the Company (the **2020 Bonds**) and, in addition, the Company may elect (over the next 30 days from the today's date) to issue up to a further U.S.\$50,000,000 fixed rate convertible bonds due 2020 (the **2020 Further Bonds**, and together with the 2020 Bonds, the **New Bonds**) on the same terms, for additional balance sheet flexibility. The Tender Offer is (a) conditional in all respects on the issue by the Company, on or before the Settlement Date (as defined below) of the New Bonds, which issue is in turn subject to approval by shareholders of the Company at a general meeting expected to be held on 30 March 2015, and (b) made under and on the terms and subject to the conditions contained in the Tender Offer Memorandum dated 12 February 2015 (the **Tender Offer Memorandum**). The Tender Offer Memorandum 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 **Tender Agent**). Only Bondholders to whom it is lawful to make such invitations will be invited to participate in the Tender Offer.

Terms and phrases used in this notice but not otherwise defined have the meaning given to those terms in the Tender Offer Memorandum.

The amount in cash in United States dollars to be paid for each U.S.\$1,000 of the principal amount of the Bonds accepted for repurchase will be determined by multiplying the Tender Price for the Bonds of 100.0% (expressed as a percentage) by such principal amount, rounded to the nearest cent (such product, the **Repurchase Amount**), together with accrued but unpaid interest from and including the latest interest payment date in respect of such Bond to, but not including, the Settlement Date (the **Accrued Interest**, and together with the Repurchase Amount, the **Settlement Amount**). The Company in its sole discretion, will determine the aggregate principal amount of the outstanding Bonds to be repurchased (if any).

The Tender Offer begins 10.00 a.m. (Sydney time) on the date of the Tender Offer Memorandum (the **Launch Date**) and will expire at 4.00 p.m. (London time) on 27 March 2015 (the **Expiration Deadline**), unless extended, re-opened or terminated as provided in the Tender Offer Memorandum.

In order to be eligible to receive the Settlement Amount, Bondholders must validly tender their Bonds by the Expiration Deadline, as the case may be, by (1) submitting a valid Tender Application by e-mail to the Dealer Manager at Paladin Tender Offer 2015 DM@jpmorgan.com; and (2) submitting (or causing their Direct Participants to submit) a valid electronic Tender Confirmation to the relevant Clearing Systems. The Tender Confirmation must thereafter be notified by the relevant Clearing System to The Bank of New York Mellon as Tender Agent in order for Bonds tendered by the Bondholders to be accepted for repurchase.

Bondholders should be aware that the Clearing Systems typically set deadlines for receipt of the Tender Confirmations from their participants that are in advance of the deadlines set out above. Bondholders must adhere to such deadlines to ensure that the relevant Clearing System receives a valid confirmation of the Bondholder's Tender Confirmation on or prior to the deadlines set out above. Under the Tender Offer, all Tender Applications and Tender Confirmations will be irrevocable except in the limited circumstances described in the Tender Offer Memorandum.

Bondholders may revoke tenders of Bonds in certain circumstances following amendment of the Tender Offer as set out in the Tender Offer Memorandum.

Bonds validly tendered on or prior to the Expiration Deadline and accepted for repurchase by Paladin shall be settled, subject to the right of Paladin to extend or amend or terminate the Tender Offer in accordance with the Tender Offer Memorandum, on the settlement date (the **Settlement Date**), which is expected to be on or about 2 April 2015. **For the avoidance of doubt, notwithstanding anything to the contrary described herein or in the Tender Offer Memorandum, the Tender Offer and the Company's obligations to repurchase any tendered Bonds (including under any Purchase Contracts and any Priority Tender Bonds, as defined in the Tender Offer Memorandum) is conditional on the issue by the Company, on or before the Settlement Date, of the New Bonds.**

Bondholders who validly tender Bonds pursuant to the Tender Offer on or prior to the Expiration Deadline which are accepted for purchase will receive the Settlement Amount payable on the Settlement Date.

A Bondholder that subscribes for or purchases New Bonds pursuant to an allocation from the Sole Lead Manager pursuant to their initial issue will be able to obtain priority in acceptance for repurchase of Bonds validly tendered by it pursuant to the Tender Offer, subject to the terms of the Tender Offer, as set out in the Tender Offer Memorandum.

Paladin expects to make (1) an announcement on or about 30 March 2015 on the final results of the Tender Offer stating the aggregate Settlement Amount payable by the Company, the aggregate principal amount of the Bonds it will repurchase on the Settlement Date and the aggregate principal amount of the Bonds remaining outstanding following completion of the Tender Offer, conditional only on the issue by the Company, on or before the Settlement Date, of the New Bonds; (2) an announcement on or about 31 March 2015 stating that the Company's

acceptance of tenders to repurchase Bonds have become unconditional; and (3) an announcement on or about 6 April 2015 stating that settlement has taken place, the total consideration paid by the Company for the Bonds repurchased by it pursuant to the Tender Offer and the aggregate principal amount of the Bonds remaining outstanding following completion of the Tender Offer.

Paladin is under no obligation to accept for repurchase any Bonds tendered pursuant to the Tender Offer (other than Priority Tender Bonds in accordance with the terms and subject to the conditions contained in the Tender Offer Memorandum). Subject to the aforesaid and the terms of the Tender Offer Memorandum, the acceptance for repurchase by Paladin of Bonds tendered pursuant to the Tender Offer is at the sole discretion of Paladin and tenders may be rejected by Paladin for any reason.

Subject to applicable law and its obligations in respect of Bonds tendered on a priority basis as described in "Amendment and Termination" in the Tender Offer Memorandum, Paladin expressly reserves the right to extend, re-open, amend, waive any condition of, or terminate the Tender Offer at any time. Details of any such extension, re-opening, amendment, waiver or termination will be announced as provided in the Tender Offer Memorandum as soon as reasonably practicable after the relevant decision is made.

This announcement does not constitute an offer to buy, or a solicitation of an offer to sell, any Bonds and no such offer, solicitation, purchase or sale shall be made in any jurisdiction in which such offer, solicitation, purchase or sale would be unlawful.

The Bonds have not been registered under the Securities Act or the securities laws of any state of the United States or other jurisdiction.

The distribution of the Tender Offer Memorandum in certain jurisdictions may be restricted by law. Bondholders and any other person into whose possession the Tender Offer Memorandum comes are required by Paladin and J.P. Morgan Securities plc, as the Dealer Manager, to inform themselves about, and to observe, any such restrictions.

For and on behalf of
Paladin Energy Ltd



John Borshoff
Managing Director
12 February 2015

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 NEW BONDS 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 NEW 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 NEW BONDS WILL BE OFFERED TO LIMITED CLASSES OF INVESTORS IN OTHER JURISDICTIONS ONLY AS PERMITTED BY APPLICABLE LAWS. THE NEW 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 New Bonds, the Tender Offer, and the use of proceeds from the issue of New Bonds to fund the Tender Offer, 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 New Bonds that will be issued, that any 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 Paladin.

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.