



PALADIN ENERGY LTD

ACN 061 681 098

NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

1 December 2014

ASX Market Announcements

By Electronic Lodgement

RETAIL ENTITLEMENT OFFER BOOKLET

As previously announced, Paladin will despatch the Retail Offer Booklet to eligible retail shareholders today. A copy of the Retail Offer Booklet to be despatched and a blank version of the accompanying Entitlement and Application Form is attached, together with the letter forwarded to ineligible shareholders.

The Retail Offer Booklet is also available on the Paladin website www.paladinenergy.com.au and personalised Entitlement and Acceptance Forms can also be downloaded through the Computershare website www.investorcentre.com.

The Retail Entitlement Offer closes for payments by cheque, bank draft or money order at 5.00pm (AEDT), Friday 5 December 2014, and for payments by BPAY at 5.00pm (AEDT), Wednesday 10 December 2014. The Retail Offer Booklet includes important information on the Retail Entitlement Offer including instructions on how to participate.

Further information

Eligible Retail Shareholders who have any questions regarding the Retail Entitlement Offer should contact the Paladin Share Registry on 1300 486 499 (within Australia) or +61 3 9415 4075 (outside of Australia) at any time from 8.30am to 5.00pm (AEDT) Monday to Friday, during the Retail Entitlement Offer period (which opens today).

Yours faithfully
Paladin Energy Ltd

GILLIAN SWABY
Group Company Secretary and
EGM Corporate Services

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither the entitlements nor the new shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state or other jurisdiction of the United States.

Accordingly, the entitlements and the new shares may not be offered or sold in the United States unless they have been registered under the Securities Act, or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. There will be no public offering of the entitlements or the new shares in the United States.

Neither this announcement nor any other documents relating to the offer of entitlements or new shares may be sent or distributed to persons in the United States.

This announcement contains forward-looking statements, which can usually be identified by the use of words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", "continue", "objectives", "outlook", "guidance" or words of similar effect. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Paladin, and which may cause actual outcomes to differ materially from those expressed in the statements contained in this announcement. Forward-looking statements include statements regarding the risks to Paladin's balance sheet and the availability of future funding, Paladin's cost-savings initiatives and their expected impact on operating costs, the outlook for the uranium market and its future deleveraging initiatives. Undue reliance should not be placed on these forward-looking statements. These forward-looking statements are based on information available to Paladin as of the date of this announcement. Except as required by law or regulation (including the ASX Listing Rules) Paladin undertake no obligation to update these forward-looking statements.

Ref: 371939



PALADIN ENERGY LTD

ACN 061 681 098

Retail Entitlement Offer

Details of a 1 for 2 accelerated non-renounceable entitlement offer of new Paladin Energy Ltd shares at an issue price of A\$0.26 per share

Retail Entitlement Offer closes on;

If paying via cheque: 5:00pm (AEDT) on Friday 5th December 2014

If paying via BPAY®: 5:00pm (AEDT) on Wednesday 10th December 2014

If you are an Eligible Retail Shareholder, this is an important document that requires your immediate attention. This Retail Offer Booklet is accompanied by a personalised Entitlement and Acceptance Form and both it and the form should be read in their entirety. This Retail Offer Booklet is not a prospectus under the Corporations Act and has not been lodged with the Australian Securities and Investments Commission. If you have any questions, you should consult your professional adviser or the Paladin Share Registry on 1300 486 499 (within Australia) or +61 3 9415 4075 (outside of Australia) at any time from 8.30am to 5.00pm (AEDT) Monday to Friday, during the Retail Entitlement Offer period.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

IMPORTANT NOTICES

This Retail Offer Booklet is dated 1 December 2014. Capitalised terms in this section have the meaning given to them in this Retail Offer Booklet.

The Retail Entitlement Offer is made in accordance with section 708AA Corporations Act (as notionally modified by ASIC Class Order 08/35). This Retail Offer Booklet does not contain all of the information which an investor may require to make an informed investment decision. The information in this Retail Offer Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

This Retail Offer Booklet should be read in its entirety before you decide to participate in the Retail Entitlement Offer. This Retail Offer Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC.

By returning an Entitlement and Acceptance Form or otherwise paying for your New Shares through BPAY^{®1} in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Retail Offer Booklet and you have acted in accordance with and agree to the terms of the Retail Entitlement Offer detailed in this Retail Offer Booklet.

In this Retail Offer Booklet, references to "you" are references to Eligible Retail Shareholders and references to "your Entitlement" (or "your Entitlement and Acceptance Form") are references to the Entitlement (or Entitlement and Acceptance Form) of Eligible Retail Shareholders.

No overseas offering

This Retail Offer Booklet including the Entitlement and Acceptance Form and any accompanying ASX announcements do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. In particular, this Retail Offer Booklet does not constitute an offer to Ineligible Retail Shareholders and may not be distributed in the United States and the New Shares (and Entitlements to purchase New Shares) may not be offered or sold, directly or indirectly, to persons in the United States.

This Retail Offer Booklet is not to be distributed in, and no offer of New Shares is to be made in countries other than Australia and New Zealand.

No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand.

The distribution of this Retail Offer Booklet (including an electronic copy) outside Australia and New Zealand, is restricted by law. If you come into possession of the information in this booklet, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Your Application for New Shares is subject to all requisite authorities and clearances being obtained for Paladin to lawfully receive your Application Monies.

New Zealand

The New Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of Paladin with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Securities Act 1978 (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

United States disclaimer

None of the information in this booklet or the accompanying Entitlement and Acceptance Form constitutes an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither this booklet (or any part of it), the accompanying ASX announcement nor the accompanying Entitlement and Acceptance Form may be released or distributed directly or indirectly, to persons in the United States.

The New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up by persons in the United States or by persons (including nominees or custodians) who are acting for the account or benefit of a person in the United States, and the New Shares may not be offered, sold or resold in the United States or to, or for the account or benefit of, a person in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable securities laws of any state or other jurisdiction in the United States.

Definitions, currency and time

Defined terms used in this Retail Offer Booklet are contained in section 5.

All references to time are to AEDT, unless otherwise indicated.

All references to '\$' or 'A\$' are references to Australian dollars, unless otherwise noted.

Taxation

There will be tax implications associated with participating in the Retail Entitlement Offer and receiving New Shares. Paladin considers that it is not appropriate to give advice regarding the tax consequences of subscribing for New Shares under this Retail Offer Booklet or the subsequent disposal of any New Shares. Paladin recommends that you consult your professional tax adviser in connection with the Retail Entitlement Offer.

Privacy

Paladin collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's shareholding in Paladin.

By submitting an Entitlement and Acceptance Form, you will be providing personal information to Paladin (directly or through the Paladin Share Registry). Paladin collects, holds and will use that information to assess your Application. Paladin collects your personal information to process and administer your shareholding in Paladin and to provide related services to you. Paladin may disclose your personal information for purposes related to your shareholding in Paladin, including to the Share Registry, Paladin's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, to ASX and regulatory bodies or as otherwise under the Privacy Act 1988 (Cth). You can obtain access to personal information that Paladin holds about you. To make a request for access to your personal information held by (or on behalf of) Paladin, please contact Paladin through the Share Registry.

Governing law

This Retail Offer Booklet, the Retail Entitlement Offer and the contracts formed on acceptance of the Applications are governed by the law of Western Australia, Australia. Each Applicant submits to the exclusive jurisdiction of the courts of Western Australia, Australia.

No representations

No person is authorised to give any information or to make any representation in connection with the Retail Entitlement Offer which is not contained in this Retail Offer Booklet. Any information or representation in connection with the Retail Entitlement Offer not contained in the Retail Offer Booklet may not be relied upon as having been authorised by Paladin or any of its officers.

Past performance

Investors should note that Paladin's past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to) Paladin's future performance including Paladin's future financial position or share price performance.

Future performance

This Retail Offer Booklet contains certain forward-looking statements with respect to the financial condition, results of operations, projects and business of Paladin and certain plans and objectives of the management of Paladin. These forward-looking statements involve known and unknown risks, uncertainties and other factors which are subject to change without notice, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Forward-looking statements are provided as a general guide only and there can be no assurance that actual outcomes will not differ materially from these statements. Neither Paladin, nor any other person, gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statement will actually occur. In particular, such forward-looking statements are subject to significant uncertainties and contingencies, many of which are outside the control of Paladin. A number of important factors could cause actual results or performance to differ materially from the forward looking statements. Investors should consider the forward looking statements contained in this Retail Offer Booklet in light of those disclosures.

Risks

Refer to the 'Risk factors' section of the Investor Presentation included in section 3 of this Retail Offer Booklet for a summary of general and specific risk factors that may affect Paladin.

Trading New Shares

Paladin will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by Paladin or the Share Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

If you are in any doubt, as to these matters you should first consult with your stockbroker, accountant or other professional adviser.

¹ ® registered to BPAY Pty Ltd ABN 69 079 137 518.

IMPORTANT INFORMATION

IF YOU WISH TO PARTICIPATE IN THIS ENTITLEMENT OFFER, WE PROVIDE THE FOLLOWING KEY INFORMATION BELOW. FURTHER DETAIL IS INCLUDED INSIDE THIS BOOKLET.

- IF PAYING BY CHEQUE, YOUR COMPLETED ENTITLEMENT AND ACCEPTANCE FORM AND ACCOMPANYING CHEQUE MUST BE RECEIVED BY COMPUTERSHARE BY **FRIDAY, 5 DECEMBER 2014. If you anticipate delays with your cheque being received by this date, you are able to physically deliver it to a Computershare office in your capital city (refer page 10)**
- CLOSING DATE FOR Bpay ACCEPTANCES IS **WEDNESDAY 10 DECEMBER 2014**
- YOUR ENTITLEMENT AND ACCEPTANCE FORM IS NOW AVAILABLE ONLINE AT WWW.INVESTORCENTRE.COM/AU OR VIA THE PALADIN WEBSITE (WWW.PALADINENERGY.COM/AU) WHICH WILL PROVIDE A Bpay CODE FOR IMMEDIATE PAYMENT. PLEASE REFER TO SECTION 2.8 FOR MORE INFORMATION
- IF YOU HAVE ANY QUESTIONS, PLEASE CALL THE HELPLINE ON **1300 486 499** (WITHIN AUSTRALIA) AND +61 3 9415 4075 (OUTSIDE AUSTRALIA) AS DETAILED ON PAGE 5

IF YOU WISH TO PARTICIPATE, WE ENCOURAGE YOU TO ACCEPT USING THE ONLINE FACILITY AND MAKE YOUR PAYMENT VIA THE Bpay OPTION. PLEASE REFER TO PAGE 11.

Chairman's letter

1 December 2014

Dear Shareholder,

On behalf of Paladin Energy Ltd (**Paladin**), I am pleased to invite you to participate in Paladin's recently announced 1 for 2 fully underwritten accelerated non-renounceable entitlement offer of new Paladin ordinary shares (**New Shares**) at an issue price of \$0.26 per New Share (**Issue Price**) to raise up to approximately \$144 million (**Entitlement Offer**).

On 24 November 2014, Paladin announced a \$205 million raising, comprising a \$61 million placement to HOPU Clean Energy (Singapore) Pte. Ltd. (**HOPU**) (**Placement**) and the Entitlement Offer (together, **Equity Raising**). The Placement settled on 24 November 2014. On 25 November 2014, Paladin announced that it had successfully raised approximately \$50 million through the institutional component of the Entitlement Offer (**Institutional Entitlement Offer**). This retail offer booklet (**Retail Offer Booklet**) relates to the retail component of the Entitlement Offer (**Retail Entitlement Offer**), which will raise approximately a further \$94 million.

The proceeds of the Equity Raising will be applied towards the partial repayment of Paladin's US\$300 million Convertible Bonds due in November 2015.

Under the Entitlement Offer, eligible Shareholders are entitled to acquire 1 New Share for every 2 existing Paladin shares held at 7.00pm (AEDT) 27 November 2014 (**Record Date**). The Issue Price of \$0.26 per New Share represents a 23% discount to the theoretical ex-rights price² of \$0.336.

This Retail Offer Booklet contains a number of important documents including:

- Key Dates for the Entitlement Offer;
- Description of the Entitlement Offer section;
- ASX announcements and Investor Presentation; and
- How to Apply section.

With this Retail Offer Booklet, you will also find your Entitlement and Acceptance Form which details the number of New Shares you are entitled to subscribe for under the Retail Entitlement Offer (**Entitlement**), to be completed in accordance with the instructions provided on the form and the instructions on "How to Apply".

It is important to note that the Retail Entitlement Offer closes at 5.00pm (AEDT) 10 December 2014 for payments by BPAY®, or 5.00pm (AEDT) 5 December 2014 for payments by cheque.

- For acceptances via BPAY®, to participate, you need to ensure that you have paid your Application Monies via BPAY® pursuant to the instructions that are set out on the Entitlement and Acceptance Form by 10 December.
- For acceptances via cheque, to participate, you need to ensure that your completed Entitlement and Acceptance Form and accompanying cheque is received before 5.00pm (AEDT) on 5 December 2014.

Please refer to the instructions on "How to Apply" that accompany this letter for further information.

² Theoretical Ex-Rights Price (**TERP**) is the theoretical price at which shares in Paladin should trade immediately after the ex-date of the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Paladin Shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to Paladin's closing price on 21 November 2014.

The Entitlement Offer is non-renounceable and therefore your Entitlements will not be tradeable on the ASX or any other exchange, or otherwise transferable. Eligible Shareholders who do not take up their Entitlement in full will not receive any value in respect of those Entitlements they do not take up.

New Shares will be fully paid and rank equally in all respects with existing Paladin ordinary shares from allotment and will be entitled to dividends on the same basis as existing Shares.

Please read this Retail Offer Booklet in its entirety and consult your stockbroker, accountant or other independent professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer.

For further information regarding the Retail Entitlement Offer, please call the Paladin Share Registry on 1300 486 499 (within Australia) and +61 3 9415 4075 (outside of Australia) at any time from 8.30am to 5.00pm (AEDT) Monday to Friday, during the Retail Entitlement Offer period.

On behalf of the Board of Paladin, I invite you to consider this investment opportunity and thank you for your ongoing support of our company.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Rick Crabb', written in a cursive style.

Rick Crabb
Chairman

Summary of the Equity Raising

Placement	
Placement Price	\$0.42 per new share
Size	144.9 million new shares
Gross proceeds	\$61 million
Entitlement Offer	
Ratio	1 New Share for every 2 existing Paladin ordinary shares
Issue Price	\$0.26 per New Share
Size	555.3 million New Shares
Gross proceeds	\$144 million

Key dates

Activity	Date
Announcement of the Entitlement Offer	24 November 2014
Record Date for Entitlement Offer (7.00pm AEDT)	27 November 2014
Retail Offer Booklet and Entitlement & Acceptance Form dispatched	1 December 2014
Retail Entitlement Offer opens	1 December 2014
Allotment of New Shares under the Institutional Entitlement Offer	4 December 2014
New Shares issued under the Institutional Entitlement Offer commence trading on a normal basis	4 December 2014
Closing date for acceptances under Retail Entitlement Offer for cheques (5.00pm AEDT)	5 December 2014
Closing date for acceptances under Retail Entitlement Offer for BPAY® (5.00pm AEDT) (Closing Date)	10 December 2014
Allotment of New Shares issued under the Retail Entitlement Offer	17 December 2014
Normal ASX trading for New Shares issued under the Retail Entitlement Offer commences	18 December 2014
Dispatch of holding statements for New Shares issued under the Retail Entitlement Offer	19 December 2014

This timetable is indicative only. The Directors may vary these dates, in consultation with the Lead Manager, subject to the Listing Rules. An extension of the Closing Date will delay the anticipated date for issue of the New Shares.

The Directors also reserve the right not to proceed with the whole or part of the Entitlement Offer any time prior to allotment and issue of the New Shares. In that event, the relevant Application Monies (without interest) will be returned in full to Applicants.

The commencement of quotation of new shares under the Placement and New Shares under the Entitlement Offer is subject to confirmation from ASX. Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted. Eligible Retail Shareholders wishing to participate in the Retail Entitlement Offer are encouraged to submit their Entitlement and Acceptance Form as soon as possible after the Retail Entitlement Offer opens.

Enquiries

Telephone: 1300 486 499 (within Australia) and +61 3 9415 4075 (outside of Australia) between 8.30am and 5.00pm (AEDT) Monday to Friday during the Retail Entitlement Offer period.
Alternatively, contact your stockbroker, solicitor, accountant or other professional adviser.

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1 Summary of options available to you

If you are an Eligible Retail Shareholder³, you may take one of the following actions:

- take up all of your Entitlement;
- take up part of your Entitlement; or
- do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements.

If you are a retail shareholder that is not an Eligible Retail Shareholder, you are an “**Ineligible Retail Shareholder**”. Ineligible Retail Shareholders are not entitled to participate in the Entitlement Offer.

Options available to you	Key considerations
1. Take up all of your Entitlement	<ul style="list-style-type: none">• You may elect to purchase New Shares at the Issue Price (<i>see the How to Apply Section for instructions on how to take up your Entitlement</i>).• The New Shares will rank equally in all respects with existing Shares.• For acceptances via BPAY®, the Retail Entitlement Offer closes at 5.00pm (AEDT) on 10 December 2014. For acceptances via cheque, the Retail Entitlement Offer closes at 5.00pm (AEDT) on 5 December 2014.• If you take up all of your Entitlement, you may also apply for additional New Shares under the Top Up Facility.
2. Take up part of your Entitlement	<ul style="list-style-type: none">• If you only take up part of your Entitlement, the part not taken up will lapse.
3. Do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements	<ul style="list-style-type: none">• If you do not take up your Entitlement, you will not be allocated New Shares and your Entitlements will lapse. Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable and cannot be traded on ASX or any other exchange, nor can it be privately transferred.• If you do not take up your Entitlement in full you will not receive any payment or value for those Entitlements not taken up.

³ See Section 4.1.

2 How to apply

2.1 Important information

Please read the enclosed:

- Important Notices;
- Chairman's letter;
- ASX Announcements, including the Investor Presentation⁴;
- Additional Information;
- Entitlement and Acceptance Form; and
- other information made publicly available by Paladin.

2.2 Overview of the Offer

The Equity Raising comprises a \$61 million Placement to HOPU and an Entitlement Offer. The Entitlement Offer is an offer of approximately 555.3 million shares at \$0.26 per New Share to raise up to approximately \$144 million (before costs).

The Entitlement Offer has three components:

- (a) an Institutional Entitlement Offer – an initial offer to Eligible Institutional Shareholders, to raise approximately \$50 million. Entitlements under the Institutional Entitlement Offer (**Institutional Entitlements**) were non-renounceable;
- (b) an Institutional Shortfall Bookbuild – Institutional Entitlements not taken up and Entitlements of ineligible institutional shareholders were sold through a bookbuild process on 25 November 2014; and
- (c) the Retail Entitlement Offer – an offer to Eligible Retail Shareholders to raise approximately \$94 million. Retail Entitlements are also non-renounceable.

New Shares issued under the Institutional Entitlement Offer are to be issued at the same price and at the same ratio as those being offered under the Retail Entitlement Offer. Paladin's ASX announcement of 26 November 2014, in relation to completion of the Institutional Entitlement Offer, is set out in section 3.

2.3 The Placement

Under the Placement, 144.9 million new shares were issued to HOPU on 24 November 2014 to raise approximately \$61 million at the Placement Price (being \$0.42 per share issued under the Placement).

2.4 The Institutional Entitlement Offer

On 25 November 2014, Paladin successfully completed the Institutional Entitlement Offer to raise approximately \$50 million at an Issue Price of \$0.26 per New Share. New Shares are expected to be issued under the Institutional Entitlement Offer on 4 December 2014.

⁴ The enclosed ASX Announcements, including the Investor Presentation are current as at 26 November 2014. There may be other announcements that have been made by Paladin after 26 November 2014 and throughout the Retail Entitlement Offer period that may be relevant in your consideration of whether to take part in the Retail Entitlement Offer. Therefore, it is prudent that you check whether any further announcements have been made by Paladin before submitting an Application.

2.5 The Retail Entitlement Offer

The Retail Entitlement Offer is being made pursuant to section 708AA of the Corporations Act (as modified by ASIC Class Order 08/35) which allows rights issues to be offered without a prospectus, provided certain conditions are satisfied.

As a result, this Retail Entitlement Offer is not being made under a prospectus and it is important for Eligible Retail Shareholders to read and understand the information on Paladin and the Retail Entitlement Offer made publicly available, prior to taking up all or part of their Entitlement. In particular, please refer to the enclosed materials, Paladin's interim and annual reports and other announcements made available at www.paladinenergy.com or asx.com.au (including Paladin's annual report for the year ended 30 June 2014 released to ASX on 28 August 2014 and the half year report for the six months ended 31 December 2013 released to ASX on 13 February 2014).

The Retail Entitlement Offer constitutes an offer to Eligible Retail Shareholders only. Eligible Retail Shareholders who are on Paladin's share register on the Record Date are entitled to acquire 1 New Share for every 2 Shares held on the Record Date. The issue price of \$0.26 per New Share represents a discount of 23% to the TERP. Fractional Entitlements will be rounded up to the nearest whole number of New Shares.

The Entitlement Offer is non-renounceable. Accordingly, Entitlements do not trade on the ASX or any other exchange, nor can they be privately transferred or otherwise disposed of.

The Retail Entitlement Offer opens on 1 December 2014. For acceptances via BPAY®, the Retail Entitlement Offer closes at 5.00pm (AEDT) on 10 December 2014. For acceptances via cheque, the Retail Entitlement Offer closes at 5.00pm (AEDT) on 5 December 2014.

2.6 Your Entitlement

An Entitlement and Acceptance Form setting out your Entitlement accompanies this Retail Offer Booklet. Eligible Retail Shareholders may subscribe for all or part of their Entitlement. If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

Any New Shares not taken up by the Closing Date may be made available to those Eligible Retail Shareholders who took up their full Entitlement and applied for additional New Shares under the Top Up Facility. There is no guarantee that such Shareholders will receive the number of New Shares applied for under the Top Up Facility, or any. There is no cap on the number of additional New Shares that Eligible Retail Shareholders may apply for under the Top Up Facility, although the number of New Shares available under the Top Up Facility will not exceed the shortfall from the Retail Entitlement Offer. The Directors reserve the right to allocate and issue New Shares under the Top Up Facility at their discretion.

Eligible Retail Shareholders who do not participate fully in the Retail Offer will have their percentage holding in Paladin reduced. All shareholders, including those Eligible Retail Shareholders who participate in the Retail Entitlement Offer, will have their percentage holding in Paladin reduced by the Placement.

2.7 Options available to you

The number of New Shares to which Eligible Retail Shareholders are entitled is shown on the accompanying Entitlement and Acceptance Form. If you are an Eligible Retail Shareholder you may:

- (a) take up your Entitlement in full and, if you do so, you may apply for additional New Shares under the Top Up Facility (refer to section 2.8);

- (b) take up part of your Entitlement, in which case the balance of your Entitlement would lapse (refer to section 2.9); or
- (c) allow your Entitlement to lapse (refer to section 2.10).

Ineligible Retail Shareholders may not take up any of their Entitlements.

Paladin reserves the right to reject any Entitlement and Acceptance Form that is not correctly completed or that is received after the Closing Date.

For acceptances via BPAY®, the Retail Entitlement Offer closes at 5.00pm (AEDT) on 10 December 2014. For acceptances via cheque, the Retail Entitlement Offer closes at 5.00pm (AEDT) on 5 December 2014. (However, these dates may be varied by Paladin, in accordance with the Listing Rules and the Underwriting Agreement).

2.8 Taking up all of your Entitlement in full and participating in the Top Up Facility

If you wish to take up your Entitlement in full, follow the instructions set out on the Entitlement and Acceptance Form. If you apply to take up all of your Entitlement, you may also apply for additional New Shares under the Top Up Facility.

Paying by cheque

If you are paying by cheque, bank draft or money order - please return your completed Entitlement and Acceptance Form together with your Application Monies in accordance with section 2.12 for the amount shown on the Entitlement and Acceptance Form to the Share Registry so that it is received no later than **5.00pm (AEDT) on 5 December 2014** at one of the addresses set out below:

By hand delivery (not to be used if mailing)

Computershare Investor Services Pty Limited

Perth	Level 2, 45 St Georges Terrace, Perth WA 6000
Adelaide	Level 5, 115 Grenfell Street, Adelaide SA 5000
Brisbane	117 Victoria Street, West End QLD 4101
Melbourne	452 Johnston Street, Abbotsford VIC 3067
Sydney	Level 4, 60 Carrington Street, Sydney NSW 2000
Auckland	Level 2, 159 Hurstmere Road, Takapuna, Auckland

By post

Computershare Investor Services Pty Limited
GPO Box 505
Melbourne Vic 3001

Personalised Entitlement and Acceptance Forms and Application Monies will not be accepted at Paladin's registered or corporate offices, or other offices of the Share Registry.

Paying by BPAY®

You may also take up all of your Entitlement and apply for additional New Shares under the Top Up Facility by payment of the Application Monies through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form. If payment is made through BPAY®, you do not need to return the Entitlement and Acceptance Form. Your payment must be received by no later than **5.00pm (AEDT) on 10 December 2014**.

If you do not return the Entitlement and Acceptance Form, amounts received by Paladin in excess of the Issue Price multiplied by your Entitlement (**Excess Amount**) may be treated as an application to apply for as many additional New Shares as your Excess Amount will pay for in full.

Please note that your Entitlement and Acceptance Form is now available online at www.investorcentre.com/au or via the Paladin website (www.paladinenergy.com.au) which will provide your BPAY® reference number for immediate payment. If you have not logged in previously, you can select the 'Access a Single Holding button', enter your HIN/SRN and postcode and follow the prompts then choose to view 'Statements & Documents', then click on 'Entitlement and Acceptance Form' to view your personalised form. You may also print out your form and hand deliver it or send with your cheque, bank draft or money order to the addresses as outlined above.

Top Up Facility

If you apply for additional New Shares under the Top Up Facility and your application is successful (in whole or in part) your New Shares will be issued at the same time that other New Shares are issued under the Retail Entitlement Offer. There is no guarantee you will receive any New Shares under the Top Up Facility. The Directors reserve their right to allocate and issue New Shares under the Top Up Facility at their discretion.

Refund amounts, if any, will be paid in Australian dollars. You will be paid by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first-named in the case of joint holders).

2.9 Taking up part of your Entitlement and allowing the balance to lapse

If you wish to take up part of your Entitlement, complete the Entitlement and Acceptance Form for the number of New Shares you wish to take up and follow the other steps required in accordance with section 2.8. You may arrange for payment by cheque (by 5.00pm (AEDT) on 5 December 2014) or by BPAY® (by 5.00pm (AEDT) on 10 December 2014) in accordance with the instructions on the Entitlement and Acceptance Form. If payment is made through BPAY® and Paladin receives an amount that is less than the Issue Price multiplied by your Entitlement (**Reduced Amount**), your payment may be treated as an application for as many New Shares as your Reduced Amount will pay for in full.

2.10 Allowing your Entitlement to lapse

If you do not wish to accept all or any part of your Entitlement, do not take any further action and that part of your Entitlement will lapse.

2.11 Consequences of not accepting your Entitlement

If you do not accept all of your Entitlement in accordance with the instructions set out above, any New Shares that you would have otherwise been entitled to under the Retail Entitlement Offer (or New Shares that relate to the portion of your Entitlement that has not been accepted) may be acquired by the Lead Manager or sub-underwriters or under the Top Up Facility.

2.12 Payment

The consideration for the New Shares (including under the Top Up Facility) is payable in full on application by a payment of \$0.26 per New Share. The Entitlement and Acceptance Form must be accompanied by a cheque, bank draft or money order for the Application Monies. Cheques must be drawn in Australian currency on an Australian bank and made payable to '**Paladin Energy Ltd – Entitlement Issue**' and crossed 'Not Negotiable'. Alternatively, you may arrange for payment of the Application Monies through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

If you choose to pay by cheque, it is your responsibility that your cheque is received by no later than 5.00pm (AEDT) on 5 December 2014 and that you have available sufficient funds for your cheque to clear.

If you choose to pay by BPAY®, it is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5.00pm (AEDT) on 10 December 2014. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment and you should therefore take this into consideration when making payment.

Eligible Retail Shareholders must not forward cash by mail. Receipts for payment will not be issued.

2.13 Entitlement and Acceptance Form is binding

A completed and lodged Entitlement and Acceptance Form, or a payment made through BPAY® constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Retail Offer Booklet and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid application for New Shares. The Directors' (or their delegates') decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Monies or making a payment by BPAY®, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that (among other things):

- (a) you acknowledge that you have read and understand this Retail Offer Booklet and your personalised Entitlement and Acceptance Form in their entirety;
- (b) you agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Retail Offer Booklet, and Paladin's constitution;
- (c) you authorise Paladin to register you as the holder(s) of New Shares allotted to you;
- (d) you declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- (e) you declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- (f) you acknowledge that once Paladin receives your personalised Entitlement and Acceptance Form or any payment of Application Monies via BPAY®, you may not withdraw your application or funds provided except as allowed by law;

- (g) you agree to apply for and be issued up to the number of New Shares specified in the personalised Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY[®], at the Issue Price per New Share;
- (h) you authorise Paladin, the Lead Manager, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- (i) you declare that you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- (j) you acknowledge that the information contained in this Retail Offer Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- (k) you acknowledge that this Retail Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in Paladin and is given in the context of Paladin's past and ongoing continuous disclosure announcements to ASX;
- (l) you acknowledge the statement of risks in the "Risks" section of the Investor Presentation included in the Section 3 of this Retail Offer Booklet, and that investments in Paladin are subject to risk;
- (m) you acknowledge that none of Paladin, the Lead Manager, or their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of Paladin, nor do they guarantee the repayment of capital;
- (n) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares on the Record Date;
- (o) you authorise Paladin to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- (p) you represent and warrant (for the benefit of Paladin, the Lead Manager and their respective related bodies corporate and affiliates) that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, are not an Ineligible Retail Shareholder and are otherwise eligible to participate in the Retail Entitlement Offer;
- (q) you represent and warrant that the law of any place does not prohibit you from being given this Retail Offer Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Retail Entitlement Offer;
- (r) you are an Eligible Retail Shareholder and are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Retail Entitlement Offer;
- (s) you acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or under the laws of any other jurisdiction outside Australia or New Zealand; and

- (t) you have not and will not send any materials relating to the Retail Entitlement Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States.

2.14 Brokerage and stamp duty

No brokerage fee is payable by Eligible Retail Shareholders who accept their Entitlement. No stamp duty is payable for subscribing for New Shares under the Retail Entitlement Offer.

2.15 Notice to nominees and custodians

The Retail Entitlement Offer is being made to all Eligible Retail Shareholders. Nominees with registered addresses in the eligible jurisdictions, irrespective of whether they participate under the Institutional Entitlement Offer, may also be able to participate in the Retail Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold existing Shares, provided that the applicable beneficiary would satisfy the criteria for an Eligible Retail Shareholder.

Nominees and custodians which hold Shares as nominees or custodians will have received, or will shortly receive, a letter from Paladin. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to:

- (a) beneficiaries on whose behalf they hold existing Shares who would not satisfy the criteria for an Eligible Retail Shareholder;
- (b) Eligible Institutional Shareholders who received an offer to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not); or
- (c) Ineligible Institutional Shareholders who were ineligible to participate in the Institutional Entitlement Offer.

In particular, persons acting as nominees for other persons may not take up Entitlements on behalf of, or send any documents relating to the Retail Entitlement Offer to, any person in the United States.

Paladin is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares. Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Retail Entitlement Offer is compatible with applicable foreign laws.

Paladin is not able to advise on foreign laws.

2.16 Withdrawal of the Entitlement Offer

Subject to applicable law, Paladin reserves the right to withdraw the Entitlement Offer at any time before the issue of New Shares, in which case Paladin will refund any Application Monies already received in accordance with the Corporations Act and will do so without interest being payable to applicants.

2.17 Enquiries

If you have not received or you have lost your personalised Entitlement and Acceptance Form, or have any questions, please contact the Paladin Share Registry on 1300 486 499 (within Australia) and +61 3 9415 4075 (outside of Australia) at any time from 8.30am to 5.00pm (AEDT) Monday to Friday, during the Retail Entitlement Offer period. If you have any further questions, you should contact your stockbroker, solicitor, accountant or other professional adviser.

Eligible Retail Shareholders should be aware that an investment in Paladin involves risks. The key risks identified by Paladin are set out from page 20 of the Investor Presentation (in section 3).

3 ASX announcements and investor presentation



PALADIN ENERGY LTD

ACN 061 681 098

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24 November 2014

ASX Market Announcements

By Electronic Lodgement

PLACEMENT, ENTITLEMENT OFFER AND UPDATE ON OPERATIONS AND OUTLOOK

Paladin Energy Ltd ("Paladin" or the "Company") is pleased to announce a number of measures to recapitalise the Company and address its medium term funding requirements, including the convertible bonds due in November 2015. Following these measures, and other initiatives to be implemented in early 2015, Paladin expects to be fully funded until at least June 2016¹.

- **Placement to HOPU Clean Energy (Singapore) Pte. Ltd. ("HOPU") of ~A\$61 million (~US\$52 million), at A\$0.42 per share**
 - HOPU to subscribe for ~144.9 million shares, representing 15% of Paladin's current capital base, at A\$0.42 per share, a ~15% premium to the 30 day VWAP² of A\$0.364 per share
 - All necessary approvals have been received and the investment is not subject to any conditions
 - Mr Zhang, Senior Managing Director of HOPU has been invited to join the Board of Paladin
 - Foreign Investment Review Board (FIRB) approval has been received that allows for an investment by HOPU in Paladin of up to 19.99%
 - HOPU Investments is a private equity firm focusing on China-related investment opportunities
- **Underwritten Entitlement Offer to raise ~A\$144 million (~US\$125 million), at A\$0.26 per share**
 - Fully underwritten 1-for-2 Entitlement Offer to raise ~A\$144 million (~US\$125 million)
 - The Entitlement Offer price of A\$0.26 per share ("Entitlement Offer Price") represents a ~23% discount to TERP³.
 - HOPU has committed to subscribe for its full entitlement under the institutional tranche of the Entitlement Offer and will participate in last-in-relief sub-underwriting of the retail tranche of the Entitlement Offer to bring its shareholding up to a maximum of 15% of issued capital following the Placement and Entitlement Offer
- **Proceeds from the Placement and Entitlement Offer are intended to address Paladin's existing 2015 convertible bonds ("2015 CBs")**
 - Further initiatives intended for early 2015 to provide cash buffer for working capital to fund operations and financing costs, such that Paladin will be fully funded to at least June 2016¹

¹ Assumes completion of the Placement and Entitlement Offer as well as other deleveraging initiatives targeted for early 2015 (discussed further below). Also assumes a spot uranium price of approximately US\$38/lb and achievement of current production guidance and budgeted costs

² Volume weighted average price of Paladin shares traded on ASX from 13 October to 21 November 2014

³ TERP is the theoretical price at which Paladin shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Paladin shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to Paladin's closing price on 21 November 2014

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CEO and Managing Director, John Borshoff, commented, "The recapitalisation package will allow Paladin to significantly de-risk its balance sheet and enhance its future funding flexibility. We look forward to welcoming HOPU to the Paladin share register as a long-term, strategic investment partner with financial capacity. HOPU's investment demonstrates its confidence in the uranium industry and its understanding of Paladin's unique positioning in the uranium sector. It also increases Paladin's funding options going forward."

Paladin Chairman Rick Crabb welcomes Mr Wendong Zhang to the Paladin Board. "Mr Zhang's experience as a Chinese banker on Wall Street and strong connection through the HOPU network into Chinese industry will provide a fresh dynamic to our Board. I am very much looking forward to the new paradigm that the HOPU strategic investment presents for our Company."

HOPU Chairman, Mr Fang Fenglei, said "Paladin is a successful explorer, developer, operator and acquirer of uranium assets. We are extremely pleased to enter into a strategic partnership with a reputable player with strong operational capabilities. We look forward to working closely with Paladin's team in the pursuit of its future strategic objectives."

Operational outlook update

Paladin has also today confirmed that it remains on track to meet production guidance for FY2015 at 5.4Mlb to 5.8Mlb U₃O₈. The Langer Heinrich mine has now successfully introduced the new resin in the NIMCIX circuits and scaling issues are fully resolved. The new resin will reduce operating costs through reduced reagent consumption and will also increase the circuit uranium transfer capacity and overall process recovery. Construction of the Bicarbonate Recovery Plant at Langer Heinrich is well advanced and scheduled for commissioning in January 2015.

The above mentioned initiatives put Paladin in a strong position to achieve its long term C1 cost target of low US\$20s/lb at Langer Heinrich.

Uranium outlook

The initiatives announced today are occurring at an opportune time as the uranium market is clearly recovering from its post Fukushima malaise with Paladin well situated to benefit from any upturn. Uranium spot price recovery in recent months from a low of US\$28/lb to a recent high of US\$44/lb indicates both a tightness in supply and the effects of possible realignment of some supply sources due to negative geopolitical developments. With China as the nuclear growth leader, confirming its strong commitment in build up of its reactor fleet over the next 30 years combined with supply shortfalls identified in the mid-term, Paladin believes uranium is set for a long period of price strength.

Primary product available for the spot market has declined appreciably, largely due to production cutbacks that occurred during FY2014, which are all now affecting supply into the spot market for FY2015 and beyond. Factors contributing to production cutbacks and availability of product in the spot market include: Paladin placing Kayelekera on care and maintenance; Paladin's sale of a minority equity stake in Langer Heinrich with its associated off-take arrangement; the sole uranium producer in Uzbekistan (Navoi) realigning previous spot market material into multi-year sales agreements with two major utility buyers; and US ISR producers and Rossing restricting production only to what they need to deliver into long term contracts. Consequently some 10Mlb to 12Mlb of annual production is removed from the market, thus creating a supply squeeze in the prompt spot market.

Also, in Japan, authorities have cleared the final hurdle for restart of the Sendai 1 & 2 reactors paving the way for a revival of the stalled Japanese nuclear industry. Start-up of the Sendai 1 & 2 reactors will signify confidence in follow-on approvals on those applications accounting for 18 additional reactors located across 12 sites in Japan.

Placement to raise ~A\$61 million

Paladin has today signed a subscription agreement with HOPU, one of the leading China based private equity firms, under which HOPU will unconditionally subscribe for ~144.9 million fully paid ordinary shares in Paladin ("Placement"), being 15% of Paladin's current capital base, representing approximately 13% of Paladin's issued capital following the Placement.

The Placement will raise ~A\$61 million (~US\$52 million) based on an issue price of A\$0.42 per share, representing a ~11% premium to the closing price of Paladin shares on 21 November 2014 and a ~15% premium to the 30 day volume weighted average price of Paladin shares traded on ASX for the period ending 21 November 2014. The

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new shares issued under the Placement will rank equally in all respects with existing Paladin shares. As the Placement shares will be issued on 24 November 2014 prior to the Entitlement Offer record date, HOPU is expected to be eligible for participation in the Entitlement Offer.

In addition to the Placement, HOPU has committed to subscribe for its full entitlement under the institutional tranche of the Entitlement Offer (representing an investment of ~A\$19 million), and will participate in last-in-relief sub-underwriting of the retail tranche of the Entitlement Offer to bring its shareholding up to a maximum of 15% of issued capital following the Placement and Entitlement Offer.

Depending on the acceptances under the Entitlement Offer, HOPU's pro forma shareholding post completion of the Placement and Entitlement Offer, will be between 13% and 15%.

Paladin intends to enlarge its Board by appointing Mr. Zhang from HOPU as a director. Mr. Zhang has over 23 years of experience in financial services and international capital markets and was among the first generation of Chinese bankers on Wall Street. Previous experience includes three global investment banks in three cities and co-founder of two boutique investment advisory firms focusing on China opportunities. Mr. Zhang holds a B.A. in engineering and economics from Dartmouth College, USA.

Entitlement Offer to raise ~A\$144 million

Eligible Shareholders (being shareholders with a registered address in Australia or New Zealand and, for the institutional component only, shareholders in certain other jurisdictions) will be entitled to subscribe for 1 new Paladin share for every 2 existing Paladin shares held as at 7:00pm (AEDT) on the record date of Thursday, 27 November 2014. The Entitlement Offer Price of A\$0.26 per new share represents a ~23% discount to the theoretical ex-entitlement share price ("TERP")⁴ of A\$0.336 per share. New shares issued under the Entitlement Offer will rank equally with existing ordinary shares.

The institutional tranche of the Entitlement Offer is open from Monday, 24 November 2014 to Tuesday, 25 November 2014 and the retail tranche of the Entitlement Offer ("Retail Entitlement Offer") will be open from Monday, 1 December 2014 to Wednesday, 10 December 2014. Further details of the Retail Entitlement Offer will be despatched to eligible shareholders on Monday, 1 December 2014. Existing retail shareholders will have the opportunity to apply for additional shares above their entitlement as part of the retail Entitlement Offer. The Entitlement Offer is non-renounceable and entitlements will not be tradeable or otherwise transferrable. The Entitlement Offer is fully underwritten.

Ongoing initiatives Paladin is engaged in ongoing discussions with major international nuclear utilities, who have expressed a strategic interest in Paladin with a view to crystallising considerable value in early 2015.

The rationale for these entities is the opportunity it provides to access the Paladin platform including technical capabilities and intellectual property, world class asset pipeline, the opportunity to enter into additional arms-length offtake contracts and possible equity participation on developing projects. This in turn will provide additional funds to both deleverage the balance sheet and support growth objectives. As an alternative to this strategic investment, Paladin will consider a potential long-dated convertible bond, the attractiveness of which will be considered against any proposals received from potential strategic partners.

The Board of Paladin reiterates that, given the status of these initiatives and the measures announced today, it considers there will be no requirement for a further call on Paladin shareholders to meet its debt obligations in the medium term and expects to be fully funded until at least 30 June 2016.⁵ With an improving uranium price environment as well as continued strategic interest in the Company and its operations, Paladin believes that it is also well placed to address the expiry of its remaining convertible bonds due in April 2017.

J.P. Morgan Australia Limited ("J.P. Morgan") is acting as financial adviser to Paladin in relation to the Placement and as a sole underwriter, bookrunner and lead manager for the Entitlement Offer.

⁴ TERP is the theoretical price at which Paladin shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Paladin's shares will trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to Paladin's closing price on 21 November 2014

⁵ Assumes completion of the Placement, Entitlement Offer and completion of other deleveraging initiatives targeted for early 2015. Also assumes a spot uranium price of approximately US\$38/lb and achievement of current production guidance and budgeted costs

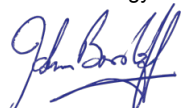
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The key dates for the Entitlement Offer are:

Key events	Date ⁶
Trading halt, Institutional Entitlement Offer opens and Placement settlement & allotment	Monday, 24 November 2014
Institutional Entitlement Offer closes and Institutional Entitlement Offer shortfall bookbuild	Tuesday, 25 November 2014
Trading halt lifted	Wednesday, 26 November 2014
Entitlement Offer record date	7.00pm (Sydney time) Thursday, 27 November 2014
Retail entitlement offer booklets despatched and Retail Entitlement Offer opens	Monday, 1 December 2014
Institutional Entitlement Offer settlement	Wednesday, 3 December 2014
Institutional Entitlement Offer allotment	Thursday, 4 December 2014
Retail Entitlement Offer closes (cheques only)	Friday, 5 December 2014
Retail Entitlement Offer closes (BPAY only)	Wednesday, 10 December 2014
Retail Entitlement Offer allotment	Wednesday, 17 December 2014
Quotation of Retail Entitlement Offer shares	Thursday, 18 December 2014
Retail Entitlement Offer holding statements despatched	Friday, 19 December 2014

Eligible retail shareholders will be sent a retail entitlement offer booklet on 1 December 2014 including a personalised entitlement and acceptance form which will provide further details of how to participate in the Retail Entitlement Offer.

Yours faithfully
Paladin Energy Ltd



JOHN BORSHOFF
Managing Director/CEO

⁶ All dates are indicative only. Paladin reserves the right to change these dates without prior notice.

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About Paladin

Paladin is a publicly-listed company with listings on the Australian, Canadian and the Namibian stock exchanges and has its headquarters in Perth, Western Australia. The Company specialises in uranium exploration, project development and uranium mining operations. It is the only company in the world to have developed two modern conventional uranium mines in the past 20 years and is recognised for successfully applying innovative mining technologies to both its Langer Heinrich Mine in Namibia and its Kayelekera Mine in Malawi. Paladin has an installed capacity to produce a total of 8.5Mlb per annum from both these operations.

While creating this production base over the past eight years, Paladin has concurrently established a strategically important, geographically diverse, project pipeline to support future growth of its uranium production base. Paladin has succeeded in positioning itself uniquely amongst the major uranium suppliers of the world with demonstrated successful achievements and offers a proven platform from which to replicate the growth that it has achieved over the past eight years with minimal risk.

About HOPU

HOPU Investments is a private equity firm focusing on China-related investment opportunities. With offices located in Beijing, Hong Kong, and Singapore, HOPU's team has unique expertise in investment, financing and capital markets, as well as diverse experience working with State Owned Enterprises and private entrepreneurs.

HOPU's key investment focus is to create, develop and pursue investment opportunities that are driven by China's ongoing economic reforms and developments, in particular in consumer, energy, mining, agriculture and financial services sectors.

HOPU Investments has recently raised US\$1.85 billion committed capital for HOPU USD Master Fund II from investors comprising of sovereign wealth and global institutional investors. For further information in relation to HOPU please contact Victoria Liu at victoria.liu@hopucap.com

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This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither the entitlements nor the new shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state or other jurisdiction of the United States.

Accordingly, the entitlements and the new shares may not be offered or sold in the United States unless they have been registered under the Securities Act, or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. There will be no public offering of the entitlements or the new shares in the United States.

Neither this announcement nor any other documents relating to the offer of entitlements or new shares may be sent or distributed to persons in the United States.

This announcement contains forward-looking statements, which can usually be identified by the use of words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", "continue", "objectives", "outlook", "guidance" or words of similar effect. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Paladin, and which may cause actual outcomes to differ materially from those expressed in the statements contained in this announcement. Forward-looking statements include statements regarding the risks to Paladin's balance sheet and the availability of future funding, Paladin's cost-savings initiatives and their expected impact on operating costs, the outlook for the uranium market and its future deleveraging initiatives. Undue reliance should not be placed on these forward-looking statements. These forward-looking statements are based on information available to Paladin as of the date of this announcement. Except as required by law or regulation (including the ASX Listing Rules) Paladin undertake no obligation to update these forward-looking statements.



PALADIN ENERGY LTD

PLACEMENT, ENTITLEMENT OFFER, AND COMPANY OUTLOOK

24 November 2014

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Disclaimer



This presentation and any oral presentation accompanying it has been prepared by Paladin Energy Ltd ("Paladin" or "the Company") in relation to a pro-rata non-renounceable entitlement offer (the "Entitlement Offer") of new shares in Paladin ("New Shares").

Summary information

You should not act or refrain from acting in reliance on this presentation material. The information in this presentation is of a general nature and does not purport to be complete nor does it contain all of the information which would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act 2001 (Cth) ("Corporations Act"). Further this overview of Paladin does not purport to be all inclusive or to contain all information which recipients may require in order to make an informed assessment of Paladin's prospects. It should be read in conjunction with Paladin's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au.

You should conduct your own investigation and perform your own analysis in order to satisfy yourself as to the accuracy and completeness of the information, statements and opinions contained in this presentation before making any investment decision.

Not financial product advice

This presentation is for information purposes only and is not financial product or investment advice or a recommendation to acquire Paladin shares. It has been prepared without taking into account the objectives, financial situation or needs of individuals.

Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek legal and taxation advice appropriate to their jurisdiction.

Forward looking statements

This presentation includes certain statements that may be deemed "forward-looking statements". All statements in this presentation, other than statements of historical facts, that address future production, reserve or resource potential, exploration drilling, exploitation activities, funding initiatives and their impact on the balance sheet and capital structure, the uranium market and events or developments that Paladin expects to occur, are forward-looking statements.

Although Paladin believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward looking statements include market prices, exploitation and exploration successes, and continued availability of capital and financing and general economic, market or business conditions.

Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Paladin does not assume any obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.

To the maximum extent permitted by applicable laws, Paladin makes no representation and can give no assurance, guarantee or warranty, express or implied, as to, and takes no responsibility and assumes no liability for, the authenticity, validity, accuracy, suitability or completeness of, or any errors in or omission, from any information, statement or opinion contained in this presentation.

Investment risk

An investment in Paladin shares is subject to investment and other known and unknown risks, some of which are beyond the control of Paladin. Paladin does not guarantee any particular rate of return or the performance of Paladin. Persons should have regard to the risks outlined in this presentation.

Neither the underwriter, nor any of its advisers, nor the advisers of Paladin, have authorised, permitted or caused the issue, submission, dispatch or provision of this presentation and, except to the extent referred to in this presentation, none of them makes or purports to make any statement in this presentation and there is no statement in this presentation which is based on any statement by any of them.

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Foreign selling restrictions

See the section below entitled "Foreign Selling Restrictions" for restrictions on participation in the offering by residents of the United States, Canada and other jurisdictions outside of Australia and New Zealand.

Presentation Outline

- ✦ Recapitalisation Overview
- ✦ Uranium Market Update
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- ✦ Outlook And Conclusion
- ✦ Key Risks
- ✦ Foreign Selling Restrictions

Recapitalisation overview

Paladin announces a number of measures to recapitalise the company and address the medium term funding requirements, including the 2015 CB maturity

Equity raising	<ul style="list-style-type: none"> ✦ Equity raising totaling ~A\$205 million (~US\$177 million¹) to be applied towards repayment of Paladin's US\$300 million Convertible Bonds due in November 2015 ("2015 CBs"), comprising: <ul style="list-style-type: none"> – ~A\$61 million (~US\$52 million) placement to HOPU Clean Energy (Singapore) Pte. Ltd. ("HOPU") ("Placement"); and – ~A\$144 million (~US\$125 million) accelerated non-renounceable entitlement offer ("Entitlement Offer") (together, the "Equity Raising")
Participation of HOPU as cornerstone investor	<ul style="list-style-type: none"> ✦ HOPU has agreed to invest up to ~A\$80-88 million (~US\$69-76 million) in Paladin <ul style="list-style-type: none"> – Placement at A\$0.42 per share, a ~15% premium to Paladin's 30-Day VWAP² of A\$0.364, for 15.0% of current issued capital – Commitment to subscribe for full entitlement under the institutional tranche of the Entitlement Offer – Participating in last-in-relief sub-underwriting of the retail tranche of the Entitlement Offer to bring HOPU's shareholding up to a maximum of 15.0% of issued capital following the Equity Raising ✦ Nominee director to be appointed to the Board ✦ Post-Equity Raising shareholding of between 13.0% and up to 15.0%, depending on acceptances under the Entitlement Offer (likely to be up to 15.0% due to nature of sub-underwriting commitment)
Entitlement Offer	<ul style="list-style-type: none"> ✦ Fully underwritten 1-for-2 Entitlement Offer to raise ~A\$144 million (~US\$125 million) ✦ The Entitlement Offer price of A\$0.26 (~C\$0.25)³ per share ("Entitlement Offer Price") represents a ~23% discount to TERP⁴ ✦ Entitlements of institutional shareholders not taken up (and those of shareholders ineligible to receive entitlements under the Entitlement Offer) will be placed to investors by way of an institutional bookbuild at the same fixed Entitlement Offer Price ✦ Retail tranche of the Entitlement Offer ("Retail Entitlement Offer") has been fully sub-underwritten (including to HOPU). Any retail shortfall will be placed to sub-underwriters at the Entitlement Offer Price
Ongoing initiatives	<ul style="list-style-type: none"> ✦ Paladin is engaged in discussions on a number of initiatives for which results are expected in early 2015, to provide further longer term funding flexibility. These initiatives include: <ul style="list-style-type: none"> – Potential strategic investment in Paladin by one or more major international nuclear utilities, who have a strategic interest in Paladin's production assets and development projects, and in Paladin generally; and/or – A potential long-dated convertible bond, the attractiveness of which will be considered against any proposals received from potential strategic partners

¹ Assumes an AUDUSD exchange rate of 0.8625 as at 21 November 2014; ² Volume weighted average price of Paladin shares traded on ASX from 13 October to 21 November 2014; ³ Assumes an AUDCAD exchange rate of 0.9758 as at 21 November 2014; ⁴ TERP is the theoretical price at which Paladin shares should trade immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Paladin's shares will trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to Paladin's closing price on 21 November 2014.

Offer structure

Sources and uses summary

Sources of capital	A\$mm	US\$mm	Uses of capital	A\$mm	US\$mm
Cash on balance sheet (30 Sep 2014)	243	210	Repayment/tender for 2015 CBs	348	300 ¹
Placement	61	52	Transaction costs	6	5
Entitlement Offer	144	125	Cash on balance sheet	94	81
Total sources of capital	\$448	\$387	Total uses of capital	\$448	\$387

Transaction highlights

- ✦ **Reduces balance sheet leverage and funding costs**
- ✦ **Introduction of HOPU, a long-term investment partner with financial capacity, to the Paladin share register**
 - the Placement, at a ~15% premium to Paladin's 30-Day VWAP of A\$0.364, reduces dilution for current shareholders and demonstrates HOPU's strong confidence in Paladin's robust asset base
- ✦ **Proceeds from the Placement and Entitlement Offer are intended to address Paladin's existing 2015 Convertible Bonds ("2015 CBs")**
- ✦ **Assuming current spot prices prevail, following the outcomes of the initiatives in early 2015, Paladin will be fully funded to at least June 2016²**
 - cash buffer provides sufficient working capital to fund operations and financing costs
 - no further material liabilities until 2017

Note: Analysis assumes an AUDUSD exchange rate of 0.8625 as at 21 November 2014. ¹ Potential exists to tender for 2015 CBs at a discount; ² Assuming spot uranium prices of approximately US\$38/lb and achievement of current production guidance and budgeted costs.

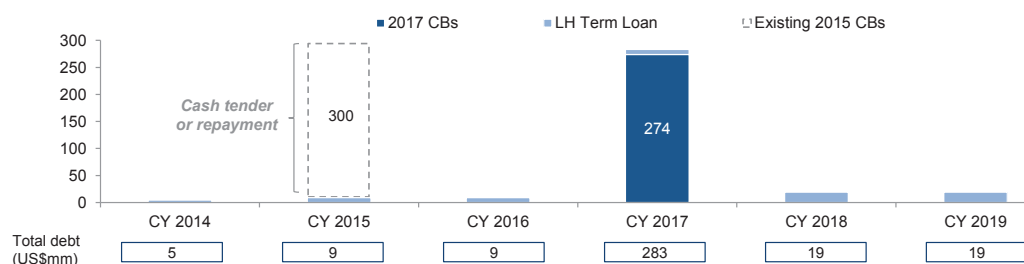
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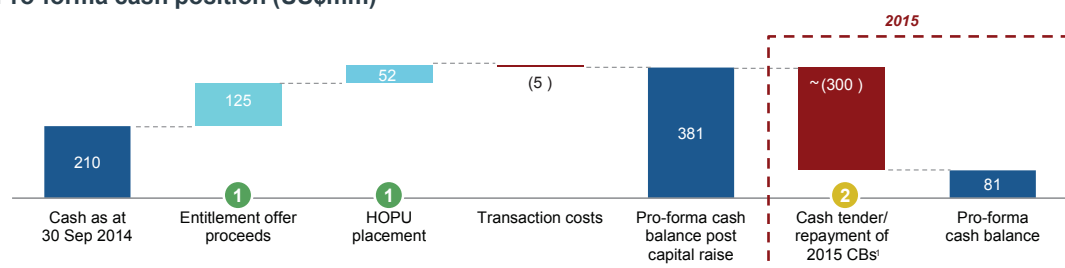
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Pro-forma debt profile

Debt maturity profile (US\$mm)



Pro-forma cash position (US\$mm)



¹ Potential exists to tender for 2015 CBs at a discount.

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Pro-forma balance sheet

(USD mm)	30 Sep 2014	(+) Equity proceeds (-) Trans. costs	Pro Forma	(-) Repayment of 2015 CBs	Pro forma
Cash	210	171 (177 - 6)	381	(300)	81
LH Facility	70		70		70
2015 CBs	300		300	(300)	-
2017 CBs	274		274		274
New long-dated CBs	-		-		-
Total Debt	644		644		344
Net Debt (ND)	434		263		263
Market value of equity (E) as at 21 November 2014	317	177	494		494
Book value of equity (BE)	344	177	521		521
Total capitalisation (ND + E)	751		757		757
Gearing (ND / (ND + E))	57.9%		34.8%		34.8%
Total capitalisation (ND + BE)	778		784		784
Gearing (ND / (ND + BE))	55.8%		33.6%		33.6%

2015

✦ Following the Equity Raising, Net Debt is expected to decrease from US\$434mm to US\$263mm and gearing will decrease from ~58 to 35% on a (ND / (ND + E)) basis or ~56 to 34% on a (ND / (ND + BE)) basis

Note: Analysis assumes an AUDUSD exchange rate of 0.8625 and Paladin share price of A\$0.38 as at 21 November 2014.

Placement and Entitlement Offer Indicative timetable

Event	Date ¹
Trading halt on ASX, Placement and Entitlement Offer announcement	Pre-market, Monday, 24 November 2014
Institutional tranche of the Entitlement Offer ("Institutional Entitlement Offer") opens	9:30am, Monday, 24 November 2014
Placement settlement & allotment	Monday, 24 November 2014
Institutional Entitlement Offer closes	Tuesday, 25 November 2014
Institutional Entitlement Offer shortfall bookbuild	Tuesday, 25 November 2014
Trading halt on ASX lifted	Wednesday, 26 November 2014
Entitlement Offer record date	Thursday, 27 November 2014
Retail entitlement offer booklets despatched and Retail Entitlement Offer opens	Monday, 1 December 2014
Institutional Entitlement Offer settlement	Wednesday, 3 December 2014
Institutional Entitlement Offer allotment	Thursday, 4 December 2014
Retail Entitlement Offer closes (cheques only)	Friday, 5 December 2014
Retail Entitlement Offer closes (BPAY only)	Wednesday, 10 December 2014
Retail Entitlement Offer settlement	Tuesday, 16 December 2014
Retail Entitlement Offer allotment	Wednesday, 17 December 2014
Quotation of Retail Entitlement Offer shares	Thursday, 18 December 2014
Retail Entitlement Offer holding statements despatched	Friday, 19 December 2014

¹ Timetable is indicative and subject to change

HOPU – long term strategic investor



About HOPU

- Private equity firm focusing on China-related investment opportunities with offices located in Beijing, Hong Kong, and Singapore
- Key investment focus is to create, develop and pursue investment opportunities that are driven by China's ongoing economic reforms and developments
- HOPU has recently raised US\$1.85 billion committed capital for HOPU USD Master Fund II from investors comprising sovereign wealth and global institutional investors



Investment Rationale

- Strong views on the future of the uranium market and broader Chinese involvement in the sector going forward
- Paladin investment key to realising this value
- Extensive due diligence completed
- Ability to participate in strategic direction via appointment of Board nominee

Key benefits to Paladin

- Long term, strategic investor with financial capacity
- Placement made at a premium, recognising intrinsic/strategic value of Paladin
- Enhances future funding flexibility and funding options
- Investment has the potential to attract other Chinese investment
- Strengthens balance sheet – funds raised will be applied to paydown debt

HOPU's investment demonstrates its confidence in the uranium industry and its understanding of Paladin's unique positioning in the uranium sector

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HOPU – subscription agreement



- ✦ **15% placement at A\$0.42 per share, being a premium of ~15% to the 30 day VWAP¹ to 21 November of A\$0.364**
- ✦ **FIRB approval allows for an investment by HOPU in Paladin of up to 19.99%**
- ✦ **Committed to subscribe for full entitlement under institutional component of Entitlement Offer, and sub-underwrite retail tranche**
- ✦ **For so long as HOPU remains a 10% holder:**
 - HOPU has the right to appoint a nominee director to the Board
 - Paladin has consultation rights in relation to disposals of HOPU's shares in Paladin
- ✦ **Arrangements to be put in place to govern information sharing and management with HOPU and the nominee director**

¹ Volume weighted average price of Paladin shares traded on ASX from 13 October to 21 November 2014

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Ongoing discussions with strategic partners

✦ **Paladin continues to strengthen strategic alliances**

- Partnership with HOPU announced
- Discussions ongoing with major nuclear utilities
- Paladin has established a clear and realistic roadmap for discussions
- Decision on preferred utility/strategic partner to be made in the near future

✦ **Paladin rationale**

- Create strategic alliance with major nuclear utilities
- Paladin holds unique global platform and achievements attracting high interest
- Provides opportunity for funding to deleverage the balance sheet
- Provides a partner to jointly fund new developments

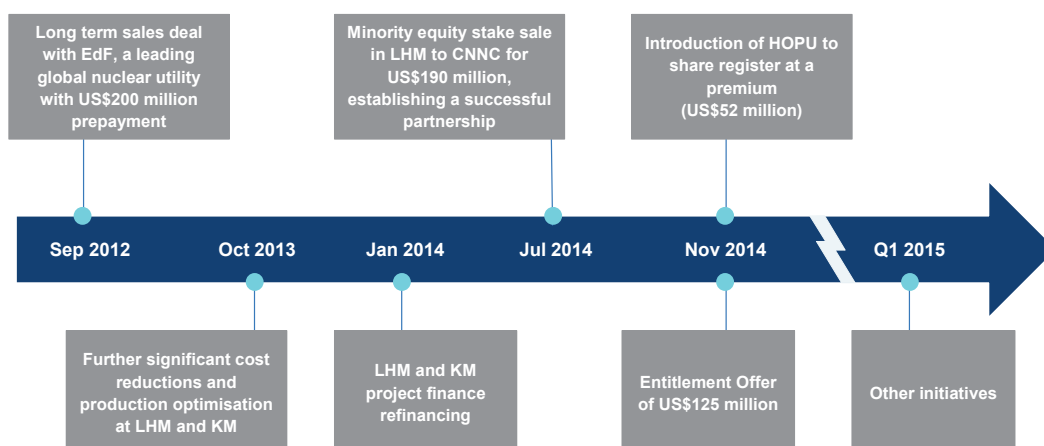
✦ **Strategic partner rationale**

- Opportunity to jointly develop a world class asset pipeline
- Ability to leverage off Paladin's know-how and achievements
- Access to market-leading technical capabilities and intellectual property
- Opportunity to secure arms length off-take agreements

✦ **Paladin objective**

- Paladin is engaged in discussions on a number of initiatives for which results are expected in early 2015, to provide further longer term funding flexibility

Deleveraging remains a key priority



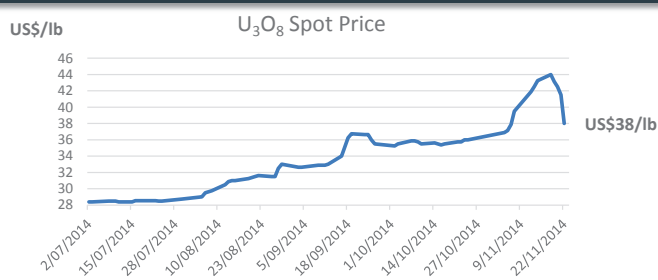
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Uranium market snapshot



	Current Nuclear Capacity	Under Construction	Planned	Proposed
Reactors / (Capacity)	436 (376.3GWe)	71 (74.6GWe)	174 (191.3GWe)	301 (331.4GWe)

Source: World Nuclear Association (October 2014)

Nuclear Reactor Fleet – Growth Forecast	2014	2020	2025	2030
Reactors	435	504	550	650

Source: World Nuclear Association / Paladin

- Dramatic uranium spot price increase since May (~50%)
- Spot market fundamentals improving as supply tightens and demand rises
- Term market contract volumes already triple that of entire 2013
- Additional term contracting imminent, which is expected to result in term price improvement
- Globally, nuclear focus is strengthening as reactors enter commercial operation
- Japan clears its final hurdle for nuclear restart
- Increasing number of reactors being approved in China
- Exponential global reactor fleet growth forecasted post 2020
- Long-term market demand fundamentals require extraordinary growth in uranium supply

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Uranium market update



- ✦ **US Mid-Term elections expected to boost US nuclear power programme**
- ✦ **Japanese reactor restarts imminent**
 - Japanese utilities have submitted applications for safety reviews for 20 reactors
 - Sendai 1 & 2 (Kyushu Electric) received restart approval from Prefecture Governor on 7 November; restart expected first quarter CY2015
 - recent estimates place a total of 5-6 reactors operating by end of 2015 and 12 reactors by late 2016; more than 20 reactors could be operational by end of 2017
- ✦ **Reduction in global uranium production underway**
 - Kayelekera/Honeymoon (Uranium One) placed on care and maintenance
 - restricted operations at Rossing and US-based ISR producers (existing contract deliveries)
 - Kazakhstan announced growth in uranium output to slow dramatically to less than 2% in 2014
 - global uranium production forecasted to decline from the 2013 level of 154Mlb down to 148Mlb (or less) in 2014

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Investment highlights



- ✦ **Only uranium mining company to remain independent and available for association**
- ✦ **Corporate culture and strategy since inception designed for efficiency and growth**
- ✦ **A uranium mining house with a geographically diversified asset base**
- ✦ **Achievements that define Paladin**
 - Successful mine establishment
 - Implementation of highly advantageous technical innovation
 - Established a project pipeline as the nursery for future growth
 - Offers a de-risked platform
- ✦ **Near term opportunities for growth**
 - Langer Heinrich Stage IV (increasing production to 8.2Mlbpa)
 - Restart of Kayelekera (immediate addition of 3.3Mlbpa)
 - Highly prospective pipeline projects
- ✦ **A management and technical team with proven expertise and demonstrated ability**
- ✦ **Vision, commitment and knowledge of both the geology, mining and uranium/nuclear industry generally**

Presentation Outline

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Outlook

- ✦ **Guidance for FY15 of 5.4Mlb to 5.8Mlb U₃O₈**
- ✦ **FY15 priorities**
 - further cost rationalisation at operations and corporate level
 - strong operational performance through production optimisation
 - deleveraging the balance sheet
 - remaining positioned to take advantage of the future uranium price resurgence
 - continue improvement in health and safety performance
- ✦ **Fully committed to preserving Paladin's strategic position**
 - Board and management focused on Paladin's sustainability at current prices
- ✦ **Fully committed to realising value for shareholders**
 - capitalise on very high strategic value of Paladin
 - ability to increase production quickly when and as required
 - capitalise on the innovation and experience developed to date
 - exploit the asset base

Conclusion

- ✦ **Funding plan in place to deal with \$300 million 2015 CB maturity, while providing sufficient cash surplus for coming years**
- ✦ **Paladin positioned to meet expanded production target when incentive pricing is sufficient**
- ✦ **Focused on further cost rationalisation and production optimisation**
- ✦ **Focus will be maintained on**
 - Strong operational performance
 - Continuing to develop management team and expertise
 - Becoming a Tier 1 producer
- ✦ **Significant de-risking of balance sheet providing investors with leverage to uranium price upswing and growth**

There will not be another company like Paladin.

Paladin is a unique proposition, having developed from grass roots into an emerging and significant uranium mining house with high strategic value and of interest to emerging and existing nuclear economies.

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- ✦ Foreign Selling Restrictions

Key risks

There are various risks and uncertainties attached to an investment in Paladin, which may affect the future operating and financial performance of Paladin and the market value of Paladin shares. Shareholders should note that many of these risks are partially or completely outside the control of the Company, its Directors and senior management. Please refer to the expanded key risks on the following pages of this presentation for further details.

Potential investors should consider whether the shares offered are a suitable investment having regard to the risk factors detailed in this section as well as their own personal investment objectives and financial circumstances (and following consultation with financial or other professional advisors, where required).

The risks set out in this presentation are not, and should not be considered to be or relied on as, an exhaustive list of the risks relevant to an investment in Paladin. The risks outlined are general in nature in that regard has not been had to the investment objectives, financial situation, tax position or particular needs of any investor.

Additional risks and uncertainties that Paladin is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect Paladin's operating and financial performance or market value of shares.

It should be noted that a reference to Paladin in this "Key Risks" section should be taken to include, where relevant, a reference to projects in which Paladin has an interest.

Commodity prices and market dynamics

- Paladin derives the majority of its revenue from the sale of uranium and as such fluctuations in the global uranium market may materially affect the Company's financial performance
- The price of, and demand for, uranium is a significant factor in determining the Company's financial performance, however such price and demand remains sensitive to a number of external economic and political factors beyond Paladin's control, including (amongst others): global uranium supply and demand trends, political developments in uranium producing and nuclear power generating countries/regions, unanticipated destabilising events (such as the "Fukushima incident" and persistent delays in Japanese reactor operations, etc.), currency exchange rates, general economic conditions and other factors. As a result, Paladin cannot provide an assurance as to the prices it will achieve for any of its uranium product in the future
- In addition, difficulties encountered in negotiations with customers may adversely affect Paladin's financial performance if the price that customers are willing to pay and/or the quantity of uranium required by customers are below expectations. Paladin currently does not engage in any hedging or derivative transactions to manage uranium price movements

General operational risks

- Uranium production, as with all mining operations, involves risks or hazards which, even with a combination of experience, knowledge and careful evaluation, may not be able to be adequately mitigated

Key risks (cont'd)



General operational risks (cont'd)

- Paladin's mining operations may be affected by the following (amongst other things): weather/natural disasters and other force majeure events; unexpected maintenance or technical problems; unplanned capital expenditure; variations in geological conditions; increases in labour costs; industrial action and other factors
- Paladin is currently undertaking a number of cost management and optimisation initiatives, but it cannot be assured that these will be delivered fully or in the timeframes intended, or that the extent of the savings delivered will be as anticipated
- Industrial action between the company and unions could disrupt the company's operations. A shortage of skilled personnel may increase Paladin's costs and may adversely affect its production levels and profitability

Risks associated with general indebtedness

- Paladin has debt obligations in the form of unsecured convertible bonds and a project financing facility, in relation to which Langer Heinrich Mauritius Holdings Limited and Langer Heinrich Uranium (Pty) Ltd do not provide guarantees or security over the project assets; the facility will also have a financial covenant holiday for the first four 6-monthly calculations periods commencing 31 December 2014
- Whilst Paladin is proactively working towards deleveraging its balance sheet, the presence of debt obligations increase the company's vulnerability in the event of general and/or industry-specific adverse economic conditions, and may limit the ability to borrow additional funds. Financial and other restrictive covenants contained in the debt governance agreements may also limit Paladin's financial flexibility and could lead to a requirement to repay debt if breached
- If Paladin is not able to complete the further initiatives currently intended for early CY2015 to address its funding requirements, or for whatever reason Paladin is unable to manage its indebtedness and the restrictions applicable to it as a result of this indebtedness, Paladin's financial performance and position may be adversely affected

Joint venture and counterparty risk

- Paladin does not own 100% of all projects in which it is involved. Accordingly, Paladin's financial performance is subject to key customers, contractors, joint venture partners and other counterparties continuing to perform and manage their obligations to a standard acceptable to Paladin and in accordance with the agreed contracts. This is beyond Paladin's control
- The financial performance of Paladin will be exposed to any failure by participants of a joint venture to which Paladin is or may become a party to agree on a plan or any plan to develop a jointly owned asset, or a refusal or inability of any joint owner of an asset to contribute its share of funding of the cost of the development of a jointly owned asset
- In addition, there is a risk of failure or default (financial or otherwise) by a participant to any joint venture to which Paladin is or may become a party. There is also a risk of insolvency or managerial failure by any of the contractors used by Paladin in any of its activities or by any of the other service providers used by Paladin for any activity. There is a risk of legal or other disputes with participants in any joint venture to which Paladin is or may become a party
- Any failure by any counterparty to perform its obligations may have a material adverse effect on Paladin and there can be no assurance that Paladin would be successful in attempting to enforce any of its contractual rights through legal action

Key risks (cont'd)



Securing financing for development of Paladin's projects

- In the ordinary course of operations and development, Paladin is required to issue financial assurances, including insurances and bond/bank guarantee instruments, to secure statutory and environmental performance undertakings and commercial arrangements. Paladin's ability to provide such assurances is subject to external financial and credit market assessments, and its own financial position
- No assurance can be given that any financing required from time to time will be available on terms favourable to Paladin. In such circumstances, if Paladin is either unable to secure financing or secure financing on favourable terms, this may have a material adverse effect on Paladin
- In the event that Paladin decides to undertake an acquisition/s, new projects, further expansions and/or further exploration and feasibility studies additional funds may be required. As such, Paladin may need to raise additional debt or equity in the future, however, there is no assurance that Paladin will be able to obtain the required funding, or that the terms associated with that funding will be favourable, which may have an adverse effect on Paladin

Occupational health and safety risks

- It is Paladin's intention to conduct its activities to the highest standards of occupational health and safety. Paladin has systems in place for the management of risks, however uranium exploration and mining is inherently a high risk environment with little margin for error. In addition, several of the projects in which Paladin has an interest are located in developing countries, and embedding systems for managing occupational health and safety risks, and maintaining and ensuring compliance with these systems, may present challenges for Paladin. Further, some of these interests are in countries where HIV/AIDS, Ebola, malaria and other diseases may represent a threat to maintaining a skilled workforce in Paladin's projects. There can be no assurance that such infections will not affect project staff, and there is the risk that operations would be suspended in the event of such a safety threat. The temporary suspension of operations would have an impact on Paladin's financial position and on the value of its shares
- If there is a failure to comply with necessary occupational health and safety requirements, this could result in safety claims, fines, penalties and compensation for damages against Paladin, as well as reputational damage

Production estimates

- Actual future production may vary from targets and projections of future production for a number of reasons. Further, depending on the prices Paladin is able to achieve for its uranium products, it may not be economically feasible to maintain expected levels of production or to continue commercial production at some or all of Paladin's projects. There is greater risk that actual production will vary from estimates of production made for projects under exploration or not yet in production, or from operations that are to be expanded

Exploration and project development/expansion risks

- Paladin's primary business is the mining, processing and sale of uranium. The Company is also focused on exploration for, and commercial development of, mineral deposits across Australia and in Canada

Key risks (cont'd)



Exploration and project development/expansion risks (cont'd)

- Several of the projects in which Paladin has an interest are currently either in exploration or development stage, or are undergoing expansion. Uranium exploration and mine development generally involves a high degree of risk and is subject to hazards and risks such as (but not limited to): unusual and unexpected geological formations; conditions involved in the drilling and removal of material, any of which could result in damage and/or destruction to plant and equipment, loss of life or property, environmental damage and possible legal liability; obtaining stakeholder approvals; changes in reserves, commodity prices, exchange rates, construction costs and design requirements; delays in construction or expansion plans
- As a result, progressing exploration and development projects into production, as well as expanding existing producing assets, may take longer and/or cost more to develop than planned and expected production rates may not be achieved. There is also a risk that no additional uranium is discovered or able to be delineated
- Exploration activities are speculative by nature and therefore are often unsuccessful. Such activities also require substantial expenditure and can take several years before it is known whether they will result in additional mines being developed. Accordingly, if the exploration activities undertaken by Paladin do not result in additional reserves or identified resources cannot be converted into reserves, there may be an adverse effect on Paladin's financial performance
- In addition, as described in the "Authorisations, permits and licences not obtained" paragraph below, the exploitation of successful discoveries involves obtaining the necessary authorisations, permits and licenses from relevant authorities that may require conditions to be satisfied and the exercise of discretions by such authorities. The decision to proceed to further exploitation may also require the participation of other companies whose interest and objectives may not be the same as those of Paladin
- The information provided in this presentation in relation to Paladin's projects is the current estimate of uranium resources and reserves, capital and operating cost, as determined from geological data obtained from drill holes and other exploration techniques and feasibility studies conducted to date

Mineral resource and ore reserve estimates

- The mineral resources and ore reserves for Paladin's assets are estimates only and no assurance can be given that any particular recovery level will in fact be realised. Paladin's estimates are prepared in accordance with the JORC Code, but they are expressions of judgment from qualified professionals based on knowledge, experience, industry practice and resource modelling. As such, resource and reserve estimates are necessarily imprecise and depend to some extent on interpretations, which may ultimately prove to be inaccurate and require adjustment or revision. Adjustments and revisions to resources and reserves could in turn affect Paladin's development and mining plans, including the ability to sustain or increase levels of production in the longer term
- Often, resources and reserve estimates are appropriate when made, but may change significantly over time as new information becomes available. Should Paladin encounter mineralisation or geological formations different from those predicted by past drilling, sampling and interpretations, estimates may need to be adjusted in a way that could adversely affect Paladin's operations and may have an impact on development and mining plans
- There is also a risk that exploration targets are not met and resources cannot be converted into reserves

Key risks (cont'd)



Changes in capital and operating cost estimates

- Whilst every care has been made in estimating the capital cost and future operating costs for Paladin's projects, including contingency, the actual cost structure experienced in constructing facilities and operating mines or process plants may vary from current estimates. Any such variations could adversely affect Paladin's future financial position and performance
- The board and management of Paladin have discretion concerning the use of Paladin's capital resources as well as the timing of expenditures. Capital resources may be used in ways not previously anticipated or disclosed. The results and effectiveness of the application of capital resources are uncertain. If they are not applied effectively, Paladin's financial and/or operation performance may be affected
- As mentioned in the "general operational risks" paragraph above, Paladin is currently focused on reducing the operating and unit costs at its Langer Heinrich mine, but it cannot be assured that the extent of savings delivered will be as anticipated

Foreign exchange rates risks

- Uranium sales are generally contracted in US\$. Paladin's key assets are located in southern Africa and costs are incurred in Namibian dollars and Malawi Kwacha. Accordingly, fluctuations in the A\$ relative to the US\$, Namibian dollar and Malawi Kwacha may materially affect the cash flow and earnings which Paladin will realise from its operations in A\$ terms
- Paladin currently does not engage in any hedging or derivative transactions to manage currency risks

Dividends

- Paladin expects to retain all earnings and other cash resources in the short term for the future operation and development of its business
- Payment of any future dividends will be at the discretion of Paladin's Board of directors after taking into account many factors, including Paladin's operating results, financial condition and current and anticipated cash needs
- No dividend has been paid during the 2014 financial year and no dividend is recommended for the 2015 financial year. The payment of dividends in the future is not guaranteed

Changes in Government or general Government policy

- Changes in legislative and administrative regimes, taxation laws, interest rates, other legal and government policies in Australia, Namibia, Malawi and other jurisdictions in which Paladin's assets are located within, may have an adverse effect on the assets, operations and ultimately the financial performance of Paladin and the market price of Paladin shares

Changes in accounting policies

- Changes in accounting policies may have an adverse impact on Paladin

Key personnel

- Paladin's future success depends on the expertise and continued service of certain key executives and technical personnel. Although Paladin enters into employment and incentive arrangements with such personnel to secure their services, Paladin cannot guarantee the retention of their services. Should key personnel leave, Paladin's business and financial performance may be adversely affected

Key risks (cont'd)



Environmental and social risk

- Uranium exploration and mine development is an environmentally hazardous activity which may give rise to substantial costs for environmental rehabilitation, damage control and losses. With increasingly heightened government and public sensitivity to environmental sustainability, environmental regulation is becoming more stringent. Paladin could be subject to increasing environmental responsibility and liability, including laws and regulations dealing with discharges of materials into the environment, plant and wildlife, protection, the reclamation and restoration of certain of its properties, the storage, treatment and disposal of wastes and other issues
- Paladin operates in various markets, some of which face greater inherent risks relating to security, enforcement of obligations, fraud, bribery and corruption. Paladin has a comprehensive anti-bribery and corruption compliance guide, and honours the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Convention)
- Sanctions for non-compliance with these laws and non regulations may include administrative, civil and criminal penalties, revocation of permits, reputational issues, increased licence conditions and corrective action orders. These laws sometimes apply retroactively. In addition, a party can be liable for environmental damage without regard to that party's negligence or fault. Increased costs associated with regulatory compliance and/or with litigation could have a material and adverse effect on Paladin's financial performance

Authorisations, permits and licences may be withdrawn or not obtained

- Uranium exploration and prospective production are dependent upon the granting and maintenance of appropriate licences, permits and regulatory consents (authorisations) which may not be granted or may be withdrawn or made subject to limitations at the discretion of, inter alia, government or regulatory authorities. Although the authorisations may be renewed following expiry or granted (as the case may be), there can be no assurance that such authorisations will be continued, renewed or granted, or as to the terms of such renewals or grants. If there is a failure to obtain or retain the appropriate authorisations or there is a delay in obtaining or renewing them or they are granted subject to additional onerous conditions, this may adversely affect the ability of Paladin to conduct its exploration or development operations, which may adversely affect Paladin's financial performance

Asset impairments

- Paladin reviews the carrying amounts of its tangible and intangible assets periodically to determine whether there is any indication that the carrying amount of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the amount of the impairment, if any
- Changes in assumptions underlying the carrying value of certain assets, including assumptions relating to uranium prices, foreign exchange rates and market conditions, could result in impairment of such assets
- No assurance can be given as to the absence of significant impairment charges in future periods, including as a result of further restructuring activities or changes in assumptions underlying carrying values as a result of adverse market conditions in the industry in which Paladin operates

Reliance on transport facilities

- Paladin depends on the availability and affordability of reliable transportation facilities, infrastructure and certain suppliers to deliver its products to market. A lack of these could impact Paladin's production and development of projects

Key risks (cont'd)



Insurance

- Paladin seeks to maintain a range of insurance covers for business operations. However, Paladin's insurance will not cover every potential risk associated with its operations. The occurrence of a significant adverse event, the risks of which are not fully covered by insurance, could have a material adverse effect on Paladin's financial condition and financial performance

Dependence on key customer and supplier relationships

- Paladin relies on various key customer and supplier relationships, and the loss or deterioration of any of these relationships could have a material adverse effect on Paladin's operations, financial condition and prospects
- Paladin relies on contractors to conduct aspects of its operations including mining operations and projects and is exposed to risks related to their activities
- An interruption in raw material, electricity, gas or water supply, a deterioration in the quality of raw materials or inputs supplied or an increase in the price of those raw materials or inputs could adversely impact the quality, efficiency or cost of production
- Any or all of these events could have an adverse impact on Paladin's operations and its financial condition and financial performance

Litigation and legal matters

- Paladin is exposed to the risk of claims and lawsuits incidental to the ordinary course of business, including claims for damages and commercial disputes relating to its business, products or services, and any claims which are successful could adversely affect Paladin's business or financial position

Underwriting risks

- Paladin has entered into an underwriting agreement which contains customary termination events for arrangements of this type. There is a risk that if the underwriter exercises its rights to terminate the underwriting agreement, the Entitlement Offer will not proceed

Key risks (cont'd)



General risks associated with investment in equity capital

- There are general risks associated with investments in equity capital. The trading price of shares in Paladin is subject to the uncertainty of equity market conditions and may fluctuate with movements in equity capital markets in Australia and internationally. For example, share prices of many companies are affected by broad-based factors which may be entirely unrelated to the specific operations or performance of the relevant company and outside the company's control
- Generally applicable factors which may affect the market price of shares include:
 - general movements in Australian and international capital markets;
 - investor sentiment;
 - Australian and international economic conditions and outlook;
 - changes in interest rates and the rate of inflation;
 - change in government regulation and policies;
 - announcement of new technologies;
 - geo-political stability, including unanticipated political events, international hostilities and acts of terrorism.
- This may result in the market price for new shares offered under the Entitlement Offer being less or more than the Offer Price. No assurances can be given that the new shares offered under the Entitlement Offer will trade at or above the Offer Price.
- The past performance of Paladin is not necessarily an indication as to future performance of Paladin as the trading price of shares can go up or down. None of Paladin, its Board or any other person guarantees the market performance of the new shares or the future performance of Paladin or any return on an investment in Paladin

Presentation Outline

- ✦ Recapitalisation Overview
- ✦ Uranium Market Update
- ✦ Key Investment Highlights
- ✦ Outlook And Conclusion
- ✦ Key Risks
- ✦ Foreign Selling Restrictions

Foreign selling restrictions



International Offer Restrictions

This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Canada

The New Shares have not been nor will they be qualified by prospectus for sale to the public under applicable Canadian securities laws and, accordingly, any offer and sale of such securities in Canada is being made on a basis that is exempt from the prospectus requirements of Canadian securities laws.

The information in this document does not and shall not constitute an offer or invitation to, or a solicitation of, the public in any Canadian jurisdiction to subscribe for any securities.

The information in this document may constitute an offering memorandum in certain of the provinces of Canada. Securities legislation in certain of the provinces of Canada provides purchasers with, or requires that purchasers of New Shares be provided with, rights of action for rescission or damages if an offering memorandum contains a misrepresentation. A "misrepresentation" is generally defined under applicable provincial securities laws to mean an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading in light of the circumstances in which it was made. These remedies must be exercised within the prescribed time limits. The Company is providing these rights to purchasers based on the jurisdiction of residence of purchasers as a term of the Company's acceptance of any offer to purchase New Shares.

The following is a summary of the relevant rights of action for damages or rescission, or both, available to certain purchasers resident in certain of the provinces of Canada. This summary is subject to the express provisions of the securities legislation of the relevant province and the rules, regulations and other instruments thereunder and reference is made to the complete text of such provisions. Such provisions may contain limitations and statutory defences on which the Company may rely. Purchasers should refer to the applicable provisions of securities laws for the complete text of these rights or consult with a legal advisor.

Ontario

The right of action for damages or rescission described herein is conferred by section 130.1 of the Securities Act (Ontario) (the "Ontario Act"). The Ontario Act provides, in relevant part, that every purchaser of securities pursuant to an offering memorandum (such as this document) shall have a statutory right of action for damages or rescission against the issuer and any selling security holder in the event that the offering memorandum contains a misrepresentation, as defined in the Ontario Act.

Foreign selling restrictions (cont'd)



Ontario (cont'd)

A purchaser who purchases securities offered by the offering memorandum during the period of distribution has, without regard to whether the purchaser relied upon the misrepresentation, a statutory right of action for damages or, alternatively, while still the owner of the securities, for rescission against the issuer and any selling security holder provided that:

- (a) if the purchaser exercises its right of rescission, it shall cease to have a right of action for damages as against the issuer and the selling security holders, if any;
- (b) the issuer and the selling security holders, if any, will not be liable if it proves that the purchaser purchased the securities with knowledge of the misrepresentation;
- (c) the issuer and the selling security holders, if any, will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied upon;
- (d) the issuer and the selling security holders, if any, will not be liable for a misrepresentation in "forward-looking information" ("FLI"), as such term is defined under applicable Canadian securities laws, if it proves that:
 - (i) the offering memorandum contains, proximate to the FLI, reasonable cautionary language identifying the FLI as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection set out in the FLI, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the FLI; and
 - (ii) the issuer had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the FLI; and
- (e) in no case shall the amount recoverable exceed the price at which the securities were offered.

Section 138 of the Ontario Act provides that no action shall be commenced to enforce these rights more than:

- (a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- (b) in the case of an action for damages, the earlier of:
 - (i) 180 days after the date that the purchaser first had knowledge of the facts giving rise to the cause of action; or
 - (ii) three years after the date of the transaction that gave rise to the cause of action.

The rights referred to in section 130.1 of the Ontario Act do not apply in respect of an offering memorandum (such as this document) delivered to a prospective purchaser in connection with a distribution made in reliance on the accredited investor exemption if the prospective purchaser is:

- (a) a Canadian financial institution or a Schedule III bank (each as defined in section 1.1 of NI 45-106);
- (b) the Business Development Bank of Canada incorporated under the Business Development Bank of Canada Act (Canada); or
- (c) a subsidiary of any person referred to in paragraphs (a) and (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary.

Alberta and British Columbia

Purchasers in Alberta and British Columbia are not entitled to the statutory rights described above.

Foreign selling restrictions (cont'd)



General

The foregoing summary is subject to the express provisions of the securities legislation of the applicable provinces and the rules, regulations and other instruments thereunder, and reference should be made to the complete text of such provisions. Such provisions may contain limitations and statutory defences on which the issuer, the initial purchasers and other parties may rely, including limitations and statutory defences not described herein.

The rights of action described above are in addition to and without derogation from any other right or remedy available at law to the investor. Canadian investors should refer to the applicable provisions of the securities legislation of their province of residence for the particulars of these rights and consult with their own legal advisers prior to deciding whether to invest in securities of the Company.

Cayman Islands

No offer or invitation to subscribe for New Shares may be made to the public in the Cayman Islands.

China

The information in this document does not constitute a public offer of the New Shares, whether by way of sale or subscription, in the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). The New Shares may not be offered or sold directly or indirectly in the PRC to legal or natural persons other than directly to "qualified domestic institutional investors".

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Foreign selling restrictions (cont'd)



Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Foreign selling restrictions (cont'd)



United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares. This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA.

This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

United States

The New Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or any applicable state securities laws. The New Shares are being offered and sold (A) within the United States only to "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act and (B) outside of the United States in reliance on Regulation S under the Securities Act.

Paladin Energy Ltd – contact details



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PALADIN ENERGY LTD

ACN 061 681 098

**NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES
OR FOR DISSEMINATION IN THE UNITED STATES**

26 November 2014

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

By Electronic Lodgement

Dear Sir/Madam

SUCCESSFUL COMPLETION OF A\$50 MILLION INSTITUTIONAL ENTITLEMENT OFFER

Paladin Energy Ltd ("**Paladin**" or the "**Company**") is pleased to announce today the successful completion of the accelerated institutional component of its non-renounceable entitlement offer (**Institutional Entitlement Offer**) announced on Monday, 24 November 2014.

The Institutional Entitlement Offer raised gross proceeds of approximately A\$50 million at the entitlement offer price of A\$0.26 per share (**Entitlement Offer Price**). Existing institutional shareholders strongly supported the offer, taking up more than 86% of their entitlements. This includes the full participation by new shareholder HOPU Clean Energy (Singapore) Pte. Ltd. ("**HOPU**") for its entitlement following the settlement and allotment of the placement to HOPU on Monday 24 November 2014 which raised approximately A\$61 million. The fixed price bookbuild of entitlements not taken up under the Institutional Entitlement Offer was heavily oversubscribed.

New shares issued under the Institutional Entitlement Offer will rank equally with existing Paladin shares and are expected to be allotted on Thursday, 4 December 2014. Trading will commence on a normal settlement basis on ASX the same day.

Commenting on the outcome of the Institutional Entitlement Offer, Paladin CEO and Managing Director, John Borshoff said, "We are very pleased with the outcome of the Institutional Entitlement Offer and we thank our existing institutional investors for their ongoing strong support of Paladin."

Commencement of Retail Entitlement Offer

A further approximately A\$94 million is expected to be raised through the retail component of the Entitlement Offer (**Retail Entitlement Offer**). The Retail Entitlement Offer has been fully underwritten.

Retail shareholders eligible to participate under the terms of the Retail Entitlement Offer (**Eligible Retail Shareholders**) will be able to subscribe for 1 New Share for every 2 Paladin ordinary shares held at 7.00pm (Sydney time) on Thursday, 27 November 2014 (the **Record Date**), at the same Entitlement Offer Price as under the Institutional Entitlement Offer.

Level 4, 502 Hay Street, Subiaco, Western Australia 6008 Postal: PO Box 201, Subiaco, Western Australia 6904
Tel: +61 (8) 9381 4366 Fax: +61 (8) 9381 4978 Email: paladin@paladinenergy.com.au Website: www.paladinenergy.com.au

Ref: 371671

The Retail Entitlement Offer will open on Monday, 1 December 2014. The Retail Entitlement Offer will close at 5.00pm (AEDT) 10 December 2014 for payments by BPAY®, or 5.00pm (AEDT) 5 December 2014 for payments by cheque.

How to Participate in Retail Entitlement Offer

Eligible Retail Shareholders wishing to participate in the Retail Entitlement Offer should carefully read the Retail Offer Booklet, which will be despatched on Monday, 1 December 2014, and follow the instructions set out on the personalised Entitlement and Acceptance Form that will accompany the Retail Offer Booklet. The Retail Offer Booklet will also be made available on that day on the Paladin website, www.paladinenergy.com.au. Personalised Entitlement and Acceptance Forms can also be downloaded through the Computershare website at www.investorcentre.com/au. The form will include all Bpay® particulars and will be available online from 1 December 2014.

Any enquiries in relation to the Retail Entitlement Offer should be directed to the following information line:-

Telephone: 1300 486 499 (within Australia) and +61 3 9415 4075 (outside of Australia) between 8.30am and 5.00pm (AEDT) Monday to Friday during the Retail Entitlement Offer period.

As a result of this announcement, Paladin requests its trading halt to be lifted and for its shares to recommence trading today on an ex-entitlement basis.

Yours faithfully
Paladin Energy Ltd



GILLIAN SWABY
Group Company Secretary and
EGM Corporate Services

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither the entitlements nor the new shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state or other jurisdiction of the United States.

Accordingly, the entitlements and the new shares may not be offered or sold in the United States unless they have been registered under the Securities Act, or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. There will be no public offering of the entitlements or the new shares in the United States.

Neither this announcement nor any other documents relating to the offer of entitlements or new shares may be sent or distributed to persons in the United States.

This announcement contains forward-looking statements, which can usually be identified by the use of words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", "continue", "objectives", "outlook", "guidance" or words of similar effect. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Paladin, and which may cause actual outcomes to differ materially from those expressed in the statements contained in this announcement. Forward-looking statements include statements regarding the expected outcome from Paladin's Retail Entitlement Offer. Undue reliance should not be placed on these forward-looking statements. These forward-looking statements are based on information available to Paladin as of the date of this announcement. Except as required by law or regulation (including the ASX Listing Rules) Paladin undertake no obligation to update these forward-looking statements.

4 Additional Information

4.1 Eligibility of Retail Shareholders

The Retail Entitlement Offer is being offered to all Eligible Retail Shareholders only.

Eligible Retail Shareholders are Shareholders on the Record Date who:

- (a) have a registered address in Australia or New Zealand or are a Shareholder that Paladin has otherwise determined is eligible to participate;
- (b) are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States;
- (c) were not invited to participate in the Institutional Entitlement Offer and were not treated as an ineligible institutional shareholder under the Institutional Entitlement Offer; and
- (d) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus, circular or other similar disclosure document to be lodged or registered.

Paladin may (in its absolute discretion) extend the Retail Entitlement Offer to any Institutional Shareholder in foreign jurisdictions which did not participate in the Institutional Entitlement Offer (excluding the United States and subject to compliance with applicable laws).

The Retail Entitlement Offer is not being extended to the Ineligible Retail Shareholders because of the small number of such Shareholders, the number and value of Shares that they hold and the cost of complying with the applicable regulations in jurisdictions outside Australia and New Zealand. Paladin may (in its absolute discretion) extend the Retail Entitlement Offer to shareholders who have registered addresses outside Australia and New Zealand (except the United States) in accordance with applicable law and without any requirement for a prospectus, circular or other similar disclosure document to be lodged or registered. In particular, any extension of the Retail Entitlement Offer to Shareholders who are resident in Canada will only be to Shareholders who are resident in Canada who are "accredited investors" within the meaning of applicable Canadian securities laws.

4.2 Ranking of New Shares

The New Shares issued under the Retail Entitlement Offer will be fully paid and rank equally with existing Shares.

4.3 Allotment

Paladin has applied for quotation of the New Shares on ASX. It is expected that allotment of the New Shares under the Retail Entitlement Offer will take place no more than 5 Business Days after the close of the Retail Entitlement Offer. Application Monies will be held by Paladin on trust for Applicants until the New Shares are allotted. No interest will be paid on Application Monies.

Subject to approval being granted, it is expected that normal trading of New Shares allotted under the Retail Entitlement Offer will commence at 10.00am (AEDT) on 18 December 2014.

It is the responsibility of Applicants to determine the number of New Shares allotted and issued to them prior to trading in the New Shares. The sale by an Applicant of New Shares prior to receiving their holding statement is at the Applicant's own risk.

4.4 Reconciliation

In any entitlement offer, investors may believe that they own more existing Shares on the record date than they ultimately do. This may result in a need for reconciliation to ensure all eligible Shareholders have the opportunity to receive their full Entitlement.

Paladin may need to issue a small quantity of additional New Shares to ensure all eligible Shareholders have the opportunity to receive their appropriate allocation of New Shares. The price at which these New Shares will be issued will be the same as the Issue Price.

Paladin also reserves the right to reduce the number of an Entitlement or New Shares allocated to eligible Shareholders or persons claiming to be eligible Shareholders, if their Entitlement claims prove to be overstated, if they or their nominees fail to provide information requested to substantiate their Entitlement claims, or if they are not eligible Shareholders.

4.5 Underwriting

The Entitlement Offer is fully underwritten by the Lead Manager.

Paladin and the Lead Manager have entered into an Underwriting Agreement under which it has been agreed that the Lead Manager will fully underwrite and act as lead manager in respect of the Equity Raising. Customary with these types of arrangements:

- (a) Paladin has provided various representations and warranties;
- (b) Paladin has indemnified the lead manager, its directors, officers, employees and advisors against losses in connection with the Equity Raising;
- (c) the Underwriting Agreement includes a number of termination events, including (but not limited to):
 - (i) a statement contained in the offer materials is or becomes false, misleading or deceptive (including by omission) or likely to mislead or deceive or the offer materials omit any information they are required to contain (having regard to the relevant Corporations Act requirements);
 - (ii) ASX announces that Paladin will be removed from the official list or that Shares are suspended from quotation by ASX for any reason;
 - (iii) Paladin withdraws the Entitlement Offer;
 - (iv) there is a delay in the timetable for the Entitlement Offer, without the prior consent of the Underwriter;
 - (v) market related termination events in respect of a fall in the uranium spot price;
 - (vi) market related termination events in respect of a fall in the S&P/ASX 200; and
- (d) the Lead Manager will receive fees of 3.5% of the proceeds of the Entitlement Offer and 2.0% of the proceeds of the Placement.

4.6 Continuous Disclosure

Paladin is a "disclosing entity" under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual reports and half yearly reports.

Paladin is required to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the stock markets conducted by ASX. In particular, Paladin has an obligation under the Listing Rules (subject to certain exceptions) to notify ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of Paladin shares. That information is available to the public from ASX.

5 Definitions

AEDT means Australian Eastern Daylight Savings Time.

Applicant means an Eligible Retail Shareholder who has applied to subscribe for New Shares by submitting an Entitlement and Acceptance Form or arranging for payment through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form.

Application means the submission of an Entitlement and Acceptance Form accompanied by the relevant Application Monies or arranging for payment of the relevant Application Monies through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form.

Application Monies means the aggregate amount payable for the New Shares applied for in a duly completed Entitlement and Acceptance Form or through BPAY®.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 and the securities exchange operated by it.

Business Day has the same meaning as in the Listing Rules.

Closing Date means 10 December 2014, the day the Retail Entitlement Offer closes for application payments through BPAY®.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of Paladin.

Eligible Institutional Shareholder means an institutional or sophisticated Shareholder on the Record Date who:

- (a) is not an Ineligible Institutional Shareholder; and
- (b) has successfully received an offer under the Institutional Entitlement Offer (either directly or through a nominee).

Eligible Retail Shareholder means a Shareholder on the Record Date who:

- (a) has a registered address in Australia or New Zealand or is a Shareholder that Paladin has otherwise determined is eligible to participate (provided that in the case of any such Shareholder who is resident in Canada, such Shareholder must be an "accredited investor" within the meaning of applicable Canadian securities laws);
- (b) is not in the United States and is not a person (including a nominee or custodian) acting for the account or benefit of a person in the United States;
- (c) was not invited to participate in the Institutional Entitlement Offer and was not treated as an Ineligible Institutional Shareholder under the Institutional Entitlement Offer; and
- (d) is eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus to be lodged or registered.

Entitlement means the right to subscribe for New Shares pursuant to the Entitlement Offer.

Entitlement and Acceptance Form means the Entitlement and Acceptance Form accompanying this Retail Offer Booklet.

Entitlement Offer means the Institutional Entitlement Offer and the Retail Entitlement Offer.

Equity Raising means the Placement and the Entitlement Offer.

HOPU means HOPU Clean Energy (Singapore) Pte. Ltd. (Registration Number: 201432967H).

Ineligible Institutional Shareholder means a Shareholder who is an institutional or sophisticated Shareholder on the Record Date with a registered address outside Australia and New Zealand or any other jurisdiction that Paladin and the Lead Manager agree to whom ASX Listing Rule 7.7.1(a) applies.

Ineligible Retail Shareholder means a Shareholder (or beneficial holder of Shares) on the Record Date with a registered address outside Australia and New Zealand or any other jurisdiction that Paladin and the Lead Manager agree to whom ASX Listing Rule 7.7.1(a) applies.

Institutional Entitlement means Entitlements under the Institutional Entitlement Offer.

Institutional Entitlement Offer means the accelerated pro rata non-renounceable offer to Eligible Institutional Shareholders.

Investor Presentation means the presentation to investors, released to ASX on 24 November 2014 and incorporated in section 3 of this Retail Offer Booklet.

Issue Price means \$0.26 per New Share.

Lead Manager means J.P. Morgan Australia Limited ABN 52 002 888 011.

Listing Rules means the official listing rules of ASX.

Paladin means Paladin Energy Ltd ACN 061 681 098.

Placement Price means \$0.42 per share issued under the Placement.

New Shares means Shares to be allotted and issued under the Entitlement Offer, including (as the context requires) the shortfall from the Entitlement Offer issued under the Top Up Facility or to the Lead Manager or sub-underwriters.

Record Date means 7.00pm (AEDT) on 27 November 2014.

Retail Entitlement Offer means the pro rata non-renounceable offer to Eligible Retail Shareholders to subscribe for 1 New Share for every 2 Shares of which the Shareholder is the registered holder on the Record Date, at an issue price of \$0.26 per New Share pursuant to this Retail Offer Booklet.

Retail Offer Booklet means this document.

Share means a fully paid ordinary share in the capital of Paladin.

Share Registry means Computershare Investor Services Pty Limited ABN 48 078 279 277.

Shareholder means a holder of Shares.

Placement means the placement to HOPU.

TERP means the theoretical price at which Paladin shares should trade immediately after the ex-date of the Entitlement Offer.

Top Up Facility means the facility described in section 2.8 under which Eligible Retail Shareholders may apply for New Shares in excess of their Entitlement.

Underwriting Agreement means the underwriting agreement dated 24 November 2014 between Paladin and the Lead Manager.

US Securities Act means the US Securities Act of 1933, as amended.

Corporate information

Company

Paladin Energy Ltd
Level 4, 502 Hay Street,
Subiaco WA 6008 Australia

Tel: +61 8 9381 4366
www.paladinenergy.com.au

Australian Legal Adviser

Herbert Smith Freehills
QV.1 Building, 250 St Georges Terrace
Perth WA 6000 Australia

Tel: +61 8 9211 7777
www.hsf.com

Share Registry

Computershare Investor Services Pty Limited
Level 2, 45 St Georges Tce
Perth, WA, Australia

Tel: +61 8 9323 2000
www.computershare.com.au

Paladin Share Registry Information Line

Australia: 1300 486 499
International: +61 3 9415 4075
Open 8.30am to 5.00pm (AEDT) Monday to Friday during the Retail Entitlement Offer period



Paladin Energy Ltd
ACN 061 681 098

For all enquiries:

Phone:

(within Australia) 1300 486 499

(outside Australia) +61 3 9415 4075

Web:

www.investorcentre.com

Make your payment:



See overleaf for details of the Offer and how to make your payment

Non-Renounceable Entitlement Offer — Entitlement and Acceptance Form

 **Your payment by cheque must be received by 5:00pm (AEDT) Friday 5 December 2014**

 **Your payment by BPAY® must be received by 5:00pm (AEDT) Wednesday 10 December 2014**

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

This form relates to a 1 for 2 accelerated non-renounceable entitlement offer of New Shares in Paladin Energy Ltd ABN 47 061 681 098 ("Paladin") at an issue price of A\$0.26 per share ("Offer"). Capitalised terms used in this form have the same meaning as in the retail offer booklet dated 1 December 2014 accompanying this form ("Retail Offer Booklet") unless otherwise defined.

Step 1: Registration name & Offer details

Details of the shareholding and entitlements for this Offer are shown overleaf.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

Step 2: Make your payment

You can apply to accept either all or part of your Entitlement. If you accept your full Entitlement, you can also apply for additional New Shares. Enter the number of New Shares you wish to apply for and the amount of payment for those New Shares.

By making your payment you confirm that you have read and understood the Retail Offer Booklet and you make and agree to be subject to all the representations, declarations, warranties and agreements in the Retail Offer Booklet, and that you agree to all of the terms and conditions as detailed in the Retail Offer Booklet.

Choose one of the payment methods shown below.

BPAY®: See overleaf for payment instructions. Application Monies must be received by 5:00pm (AEDT), Wednesday 10 December 2014. Do not return the payment slip with your BPAY payment.

Cheque: Complete the reverse side of the payment slip and detach and return with your payment. Application Monies must be received by 5:00pm (AEDT), Friday 5 December 2014. Make your cheque, bank draft or money order payable in Australian dollars to "**Paladin Energy Ltd Entitlement Issue**" and cross "**Not Negotiable**". The cheque must be drawn from an Australian bank. Cash is not accepted.

Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques received may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the payment slip. Receipts will not be forwarded. Funds cannot be debited directly from your account.

Entering your contact details is not compulsory, but will assist us if we need to contact you.

Turn over for details of the Offer →

Paladin Energy Ltd Non-Renounceable Entitlement Offer


Payment must be received by 5:00pm (AEDT) Friday 5 December 2014 for applicants paying by cheque.

Payment must be received by 5:00pm (AEDT) Wednesday 10 December 2014 for applicants paying by BPAY.

Entitlement and Acceptance Form

STEP 1

Registration name & Offer details

 For your security keep your SRN/
HIN confidential.

Registration name:

Entitlement No:

Offer details:

Existing shares entitled to participate as at
7:00pm (AEDT) 27 November 2014:

Entitlement to New Shares
on a 1 for 2 basis:

Amount payable on full acceptance
at \$0.26 per New Share:

STEP 2

Make your payment

BPAY:



Billers Code: 238816
Ref No:

Contact your financial institution to make your
payment from your cheque or savings account by
5:00pm (AEDT), Wednesday 10 December 2014.

Lodgement of Acceptance

If you are applying for New Shares and your payment is being made by
BPAY, you do not need to return the payment slip below. Your payment
must be received by no later than 5:00pm (AEDT) Wednesday 10 December
2014. Applicants should be aware that their own financial institution may
implement earlier cut off times with regards to electronic payment, and
should therefore take this into consideration when making payment. Neither
Computershare Investor Services Pty Limited ("CIS") nor Paladin Energy Ltd
("Paladin") accepts any responsibility for loss incurred through incorrectly
completed BPAY payments. It is the responsibility of the applicant to ensure
that funds submitted through BPAY are received by this time.

Privacy Notice

The personal information you provide on this form is collected by CIS, as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of
securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send
you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details
provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and
ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in
supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer
where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside
Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details,
including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer
at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.
[Detach here](#)

Cheque:



Make your cheque, bank draft or money order payable to "Paladin
Energy Ltd Entitlement Issue" and cross "Not Negotiable".

Return your cheque with the below payment slip by 5:00pm (AEDT),
Friday 5 December 2014 to:

Computershare Investor Services Pty Limited
GPO BOX 505 Melbourne Victoria 3001 Australia

If you are paying by cheque, bank draft or money order the payment slip below
must be received by CIS by no later than 5:00pm (AEDT) Friday 5 December
2014. You should allow sufficient time for this to occur. A reply paid envelope is
enclosed for shareholders in Australia. Other eligible Shareholders will need to
affix the appropriate postage. Return the payment slip below with cheque
attached. Neither CIS nor Paladin accepts any responsibility if you lodge the
payment slip below at any other address or by any other means.

Paladin Energy Ltd Acceptance Payment Details

Entitlement taken up:

--	--	--	--	--	--	--	--

Number of additional New
Shares applied for:

--	--	--	--	--	--	--	--

Amount enclosed at \$0.26 per
New Share:

A\$

--	--	--	--	--	--	--	--

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Entitlement No:

Payment by cheque must be received by 5:00pm (AEDT) Friday 5 December 2014

Contact Details

Contact
Name

Daytime

Telephone

Cheque Details

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
				A\$



Paladin Energy Ltd
ACN 061 681 098

└ 000001 000 PDN
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Dear Shareholder

PALADIN ENERGY LTD ACCELERATED NON-RENOUNCEABLE ENTITLEMENT OFFER - NOTIFICATION TO INELIGIBLE RETAIL SHAREHOLDERS

On 24 November 2014, Paladin Energy Ltd (**Paladin**) announced an A\$205 million equity raising of new fully paid ordinary shares in Paladin (**New Shares**) via a placement of New Shares to HOPU Clean Energy (Singapore) Pte. Ltd. (**HOPU**) to raise approximately A\$61 million (**Placement**) and an accelerated 1 for 2 non-renounceable pro-rata entitlement offer of New Shares to eligible existing holders of Paladin ordinary shares to raise approximately A\$144 million (**Entitlement Offer**) (together, the **Equity Raising**).

The proceeds from the Equity Raising will be applied towards repayment of Paladin's US\$300 million Convertible Bonds due in November 2015.

The Entitlement Offer comprises an offer to certain eligible institutional shareholders (**Institutional Entitlement Offer**) and an offer to Eligible Retail Shareholders (defined below) to participate at the Offer Price and offer ratio noted below (**Retail Entitlement Offer**). The Entitlement Offer is being made by Paladin in accordance with section 708AA of the *Corporations Act 2001* (Cth) (the **Act**) (as modified by Australian Securities and Investments Commission Class Order and other applicable relief), meaning that no prospectus needs to be prepared.

The Retail Entitlement Offer is being made to Eligible Retail Shareholders (defined below) on the basis of 1 New Shares for every 2 existing Paladin ordinary shares held at 7.00pm (Sydney, Australia time) on 27 November 2014 (**Record Date**) (**Entitlement**).

This letter is to inform you that you are not an Eligible Retail Shareholder, and to explain why you will not be able to subscribe for New Shares under the Entitlement Offer or sell or transfer Entitlements. This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares.

You are not required to do anything in response to this letter.

Why am I not eligible to participate in the Retail Entitlement Offer?

Shareholders who are eligible to participate in the Retail Entitlement Offer (**Eligible Retail Shareholders**):

- are registered as a holder of ordinary shares in Paladin as at 7.00pm (Sydney, Australia time) on the Record Date;
- have a registered address on the Paladin register in Australia or New Zealand or are a shareholder that Paladin has otherwise determined is eligible to participate;
- are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States;
- were not invited to participate (other than as a nominee in respect of other underlying holdings) in the Institutional Entitlement Offer and were not treated as an ineligible institutional Shareholder under the Institutional Entitlement Offer; and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus, circular, or other similar disclosure document to be lodged or registered.

The restrictions upon eligibility under the Retail Entitlement Offer arise because of the legal and regulatory requirements in countries other than Australia or New Zealand and the potential costs to Paladin of complying with these legal and regulatory requirements compared with the relatively small number of shareholders in those countries, the relatively small number of existing Paladin ordinary shares they hold and the relatively low value of New Shares to which those shareholders would otherwise be entitled.

Paladin has determined, pursuant to section 9A(3)(a) of the Act and Listing Rule 7.7.1(a) of the ASX Listing Rules, that it would be unreasonable to make offers to shareholders, in all countries outside Australia and New Zealand unless Paladin has otherwise determined a shareholder is eligible to participate, in connection with the Retail Entitlement Offer. Unfortunately, according to our records, you do not satisfy the eligibility criteria for an Eligible Retail Shareholder stated above. Accordingly, in compliance with ASX Listing Rule 7.7.1(b), Paladin wishes to advise you that it will not be extending the Retail Entitlement Offer to you and you will not be able to subscribe for New Shares under the Retail Entitlement Offer. You will not be sent the documents relating to the Retail Entitlement Offer or be able to subscribe for New Shares under the Retail Entitlement Offer.

As the Retail Entitlement Offer is non-renounceable, you will not receive any payment or value for entitlements in respect of any New Shares that would have been offered to you if you were eligible to participate in the Retail Entitlement Offer.

You are not required to do anything in relation to this letter.

For further information on the Entitlement Offer or if you believe that you are an Eligible Retail Shareholder, you can call the Paladin Offer Information Line on 1300 486 499 (within Australia) or +61 3 9415 4075 (International callers) from 8.30am to 5.00pm (Sydney, Australia time) Monday to Friday during the Entitlement Offer period. If you have any further questions, you should contact your stockbroker, accountant or other professional adviser.

On behalf of the Board and Management of Paladin, I thank you for your continued support.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Rick Crabb', written in a cursive style.

Rick Crabb
Chairman

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Important information

This letter is issued by Paladin Energy Ltd, ABN 47 061 681 098 ("Paladin"). This letter is not a prospectus or offering document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any securities in Paladin in any jurisdiction. This letter will not form any part of any contract for the acquisition of Paladin ordinary shares.

This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. No action has been, or will be, taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction outside Australia or New Zealand. In particular, neither the Entitlements nor the New Shares referred to herein have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements may not be issued to, purchased or traded by, or taken up or exercised by, and the Entitlements and New Shares may not be offered or sold to, persons in the United States or persons who are acting for account or benefit of persons in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. The Entitlements and the New Shares to be offered and sold in the Retail Entitlement Offer may only be sold outside the United States in 'offshore transactions' (as defined in Rule 902(h) under the Securities Act) in compliance with Regulation S under the Securities Act.

The provision of this document is not, and should not be considered as, financial product advice. The information in this document is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional advisor.

