Paladin Energy Ltd Announces Successful Raising of Initial US$100M Through Convertible Bonds

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PERTH, AUSTRALIA--(Marketwired - February 12, 2015) - **Paladin Energy Ltd** (TSX: PDN) (ASX: PDN) (**"Paladin" or the "Company"**) reports that, overnight, the Company launched an offering to raise US$100M of senior, unsecured convertible bonds due March 31, 2020 (**Convertible Bonds**). The US$100M proceeds of the issue along with the existing cash balance will be used in part to fund Paladin's concurrent tender offer (**Tender Offer**) to acquire any or all of its US$300M convertible bonds due November 2015 (**2015 Bonds**). In addition, the Company may elect (over the next 30 days) to issue up to a further US$50M of senior, unsecured convertible bonds to existing or potential strategic partners, on the same terms. The additional amount of up to US$50M, if raised, will be used for additional funding flexibility.

Paladin is delighted to announce the pricing of its issue of senior unsecured Convertible Bonds to institutional, professional and sophisticated investors.

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

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

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

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

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

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

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

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