

PERTH, WESTERN AUSTRALIA--(Marketwired - December 27, 2016) - [Paladin Energy Ltd.](#) ("Paladin" or the "Company") (ASX: PDN)(TSX: PDN) has received a notice from Électricité de France ("EdF") regarding EdF's US\$200M pre-payment under the Long Term Off-Take Contract between EdF and Paladin entered into in August 2012 ("Off-Take Contract").

EdF has requested security for the pre-payment in addition to its existing security over 60.1% of the Michelin project in Canada. Under certain circumstances, Paladin may be required to provide additional security and Paladin has been discussing potential additional security, and the value of that additional security, with EdF.

EdF has informed Paladin of its view that the value of the additional security proposed by Paladin is less than the value required by the Off-Take Contract. Paladin has considered EdF's response and does not agree with EdF's position. The matter will now proceed to independent expert valuation in accordance with the terms of the Off-Take Contract. There are no prescribed periods for the independent expert valuation process. If the expert determines that the value of the additional security proposed by Paladin is less than the value required by the Off-Take Contract, the outstanding amount (being approximately US\$260M) must be repaid within 30 days of that determination.

At the same time, as part of discussions with key stakeholders regarding potential options to address the Company's balance sheet position, the Company has made a proposal for EdF to share security over Paladin's assets with Paladin's bondholders. If this proposal is accepted by EdF, the independent expert's valuation would not proceed.

Yours faithfully
[Paladin Energy Ltd.](#)

ALEXANDER MOLYNEUX, CEO

[Paladin Energy Ltd.](#) ACN 061 681 098

Contact

For additional information, please contact:

Andrew Mirco

Investor Relations Contact (Perth)

Tel: +61-8-9423-8162 or Mobile: +61-409-087-171

Email: andrew.mirco@paladinenergy.com.au