



PALADIN ENERGY LTD

ACN 061 681 098

11 June 2017

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

By Electronic Lodgement

Dear Sir/Madam

UPDATE ON EDF LONG TERM SUPPLY CONTRACT AND POTENTIAL SALE OF LANGER HEINRICH

Paladin Energy Limited (**Paladin** or the **Company**) (ASX:PDN / TSX:PDN) refers to its previous announcements regarding:

- the request by Électricité de France S.A. (**EDF**) to be granted additional security by Paladin in respect of the prepayment made by EDF under the Long Term Supply Contract (**LTSC**) (including its announcements dated 28 December 2016, 4 January 2017 and 16 May 2017); and
- the potential option in favour of CNNC Overseas Uranium Holding Limited (**CNNC**).

Update on EDF Long Term Supply Contract

As previously announced, Paladin proposed additional security and Paladin and EDF appointed an independent expert to opine on whether the value of the additional security offered by Paladin was sufficient.

The expert has today delivered its final report confirming the initial feedback (announced 16 May 2017) that the value of the additional security is insufficient.

Under the terms of the LTSC, the outstanding amount (being approximately US\$277 million as of the date hereof) must now be repaid within 30 days.

Paladin has proposed to EDF the terms of a standstill of Paladin's payment obligation which terms EDF is reviewing. Paladin will update the market as material developments occur.

Update on potential CNNC option

On 5 May 2017 Paladin announced it would allow an independent valuation process to move forward for the potential CNNC option. Paladin also announced that the valuation was to be

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performed by an independent international investment bank with uranium experience and was expected to take 5 – 6 weeks.

Paladin and CNNC have agreed terms with an independent international investment bank with uranium experience. The expert is expected to be formally appointed on 12 June 2017 and has agreed to provide the valuation as soon as possible and in any event within 30 days of the date of the appointment.

Yours faithfully

Paladin Energy Ltd



ALEXANDER MOLYNEUX
CEO

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