



PALADIN ENERGY LTD
(administrators appointed)

ACN 061 681 098

21 July 2017

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

By Electronic Lodgement

UPDATE ON SALE OF LANGER HEINRICH, TSX AND CREDITORS MEETING

Potential sale of Langer Heinrich Mine

Paladin Energy Limited (administrators appointed) (**Paladin**) refers to its previous announcements regarding a potential option in favour of CNNC Overseas Uranium Holding Ltd (**CNNC**) which, if validly exercised, could entitle CNNC to acquire Paladin's 75% interest in the Langer Heinrich Mine.

- The independent expert has determined that the Fair Market Enterprise Value of Langer Heinrich Mauritius Holdings Limited (**Langer Heinrich Mauritius**) is approximately \$US583M, resulting in a Fair Market Value for Paladin Finance Pty Ltd's (administrators appointed) (**Paladin Finance**) 75% shareholding in the capital of Langer Heinrich Mauritius as at the date of service of the appraisal notice by CNNC (March 8, 2017) of approximately US\$170M. As announced on 5 May 2017, under the terms of the shareholders' agreement a 5% discount to the Fair Market Value applies, meaning Paladin Finance would receive approximately US\$162M for its shares.
- Paladin Finance has interest bearing loans outstanding to Langer Heinrich Uranium (Pty) Limited with a face value of approximately US\$254M at 30 June 2017.
- If CNNC were to exercise its potential option and to acquire the interest bearing loans, subject to receipt of consents, Paladin Finance would ultimately be entitled to receive approximately US\$416M, depending on interest accrued and any other changes in loan amounts or capital structure up to the date of payment.

Whilst the independent expert's valuation is final, Paladin is currently in the process of reviewing the valuation for errors and continues to consider the validity of the potential option.

Under the potential option, CNNC has 30 days from 20 July 2017 to issue a notification of exercise to Paladin Finance.

TSX delisting

The TSX has determined to delist Paladin's shares effective at the close of market on 10 August 2017. The delisting has been imposed for failure by Paladin to meet the continued listing requirements of the TSX including in relation to:

- insolvency or bankruptcy proceedings;
- financial condition and/or operating results; and
- adequate working capital and appropriate capital structure.

The administrators will seek to transfer the TSX register to the ASX as part of any proposal that results in the Company retaining its ASX listing.

First creditors' meeting

At the first creditors meeting, the creditors resolved that a committee would be formed comprised of seven persons representing convertible bondholders, Électricité de France, Nedbank and Paladin employees.

The administrators are seeking expressions of interest in making a recapitalisation proposal in respect of one or more of the companies. The administrators will continue to update the market on material developments during the administration procedure.

Matthew Woods
for and on behalf of
PALADIN ENERGY LIMITED (ADMINISTRATORS APPOINTED)