



PALADIN ENERGY LTD

ACN 061 681 098

27 June 2017

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

By Electronic Lodgement

Dear Sir/Madam

UPDATE ON BONDHOLDER SUPPORT, NEDBANK AND ADDITIONAL FINANCING ARRANGEMENTS

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

- support from holders of 2017 Convertible Bonds and 2020 Convertible Bonds for the Alternative Restructure Proposal; and
- discussions between the Company and Nedbank in relation to Nedbank's rights under the revolving credit facility given the continuing Events of Default under those facilities.

Alternative Restructure Proposal

As announced on 16 May 2017, Paladin has progressed with its stakeholders an alternative solvent restructuring proposal which can be implemented in circumstances where it ceases to hold an interest in the Langer Heinrich Mine (**Alternative Restructure Proposal**).

Paladin is pleased to announce that:

- more than 75% of holders of 2017 Convertible Bonds have entered into binding Commitment Deeds to support the Alternative Restructure Proposal and agreed to forbearance arrangements in respect of the 2017 Convertible Bonds. The level of signed support from the 2017 Convertible Bondholders is now above the required 75% threshold to implement the Alternative Restructure Proposal; and
- 55% of holders of 2020 Convertible Bonds have entered into binding Commitment Deeds to support the Alternative Restructure Proposal and agreed to forbearance arrangements in respect of the 2020 Convertible Bonds. The Company remains in active discussions with a single owner of 33% of the 2020 Convertible Bonds who signed a forbearance arrangement to 30 June 2017, to obtain its support for the Alternative Restructure Proposal and extend its forbearance arrangement to 30 September 2017.

Under the forbearance arrangements, the Bondholders agree not to accelerate or enforce their claims.

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The Commitment Deeds and forbearance arrangements terminate on 30 September 2017 but may terminate earlier if certain events occur.

Nedbank

As announced on 16 May 2017 discussions between the Company and Nedbank have continued in relation to Nedbank's security position under the Alternative Restructure Proposal and Nedbank's current rights under their facilities given the continuing Events of Default under the revolving credit facility.

Nedbank has agreed to extend the current forbearances in relation to the events of default until 31 August 2017. Nedbank has indicated that it is not willing to permit further draws under the Revolving Credit Facility to fund working capital at the Langer Heinrich Mine and may require the facility to be repaid at the expiration of the current forbearance.

Alternate financing arrangements

In light of the feedback from Nedbank, Paladin is in discussions with a third party financier in order to meet several possible funding commitments. These include:

- Paladin's share of the working capital for the Langer Heinrich Mine;
- refinancing the Nedbank Revolving Credit Facility; and
- general corporate purposes of Paladin and its subsidiaries,

(collectively, **Funding Commitments**).

The overarching purpose of these Funding Commitments is to enable Paladin to implement a whole of company solvent restructure, either in the form of the Restructure Proposal announced on 10 January 2017 or the Alternate Restructure Proposal. Paladin is working towards finalising transaction documents in the near future and further details of the facility will be announced at that stage.

Voluntary suspension

As announced on 12 and 20 June 2017, Paladin expects the voluntary suspension to remain until at least the end of June 2017, pending resolution of the matter referred to in those announcements.

Yours faithfully
Paladin Energy Ltd



ALEXANDER MOLYNEUX
CEO