



PALADIN ENERGY LTD

ACN 061 681 098

3 July 2017

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

By Electronic Lodgement

Dear Sir/Madam

EDF DEMAND / BONDHOLDER SUPPORT

EDF DEMAND

Paladin Energy Limited (**Paladin** or the **Company**) (ASX:PDN / TSX:PDN) refers to its announcements dated 12 and 20 June 2017, regarding the standstill of Paladin's payment obligation to Electricite de France S.A. (EDF).

Paladin approached EDF to grant a standstill in respect of enforcement by EDF of the approximately US\$277 million due to it on 10 July 2017, under the Long Term Supply Agreement signed in 2012, to allow time for the Alternative Restructure Proposal to be implemented.

Paladin commenced negotiations with EDF before the independent expert ruling on 9 June 2017 that the additional security offered proposed by Paladin was insufficient. Standstill agreement terms were negotiated with EDF but have not yet been signed. EDF has now informed Paladin that it is not prepared to enter into a standstill agreement and requires payment of the amount when due on 10 July 2017. Paladin is considering the implications of EDF's position for the future of the Company.

BONDHOLDER SUPPORT

Paladin refers to its announcement dated 27 June 2017 regarding discussions with a single owner of 33% of the 2020 Convertible Bonds to extend its forbearance arrangements. The owner has agreed to extend its forbearance arrangements to 30 September 2017 with documentation pending exchange. Accordingly, holders of 88% of the principal outstanding of the 2020 Convertible Bonds have now agreed to forbearance arrangements to 30 September 2017.

Paladin has already announced it is above the 75% level of support from holders of the 2017 Convertible Bonds for similar forbearance arrangements. Under the forbearance arrangements, Bondholders agree not to accelerate or enforce their claims. The forbearance arrangements terminate on 30 September 2017 unless terminated earlier if certain events occur.

POTENTIAL SALE OF LANGER HEINRICH

Paladin refers to its previous announcements regarding a potential option in favour of CNNC Overseas Uranium Holding Ltd to acquire Paladin's interest in the Langer Heinrich Mine (**LHM**).

The expert determination process in respect of the valuation of Paladin's interest in the LHM is continuing. The international investment bank which has been appointed to provide a valuation of the LHM is expected to deliver its expert determination on 20 July 2017. After delivery of the expert determination, CNNC will have 30 days to notify Paladin of its exercise of the potential option.

Yours faithfully
Paladin Energy Ltd

A handwritten signature in blue ink, appearing to read 'Alex Molyneux', is positioned above the printed name and title.

ALEXANDER MOLYNEUX
CEO

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