



PALADIN ENERGY LTD

ACN 061 681 098

7 February 2018

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

By Electronic Lodgement

Dear Sir/Madam

LETTER TO SHAREHOLDERS AND HOLDING STATEMENTS SENT

Paladin Energy Ltd attaches a copy of a letter that has been sent to all shareholders today together with a copy of their holding statement reflecting their post-restructure shareholding.

Yours faithfully
Paladin Energy Ltd

ALEXANDER MOLYNEUX
CEO

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Letter to shareholders

7 February 2018

Dear fellow shareholder

Effectuation of DOCA, transfer of your Paladin shares and resumption of trading on the ASX

As you may know, Paladin Energy Ltd (**Paladin**), Paladin Finance Pty Ltd and Paladin Energy Minerals NL (together, the **Companies**) appointed Hayden White, Gayle Dickerson and Matthew Woods, of KPMG, as joint and several administrators of the Companies on 3 July 2017.

Following the Companies going into administration, a proposal was put forward by a group of Paladin's unsecured bondholders to implement a capital restructure of Paladin (**Restructure**) pursuant to a deed of company arrangement dated 8 December 2017 (**DOCA**), in order to avoid liquidation and enable the Companies to continue operating as a going concern.

It was a condition of the DOCA that the Court make orders pursuant to section 444GA of the *Corporations Act 2001* (Cth), which the Court did on 18 January 2018. All other conditions to the DOCA have now been satisfied and Paladin advises that the DOCA was effectuated on Thursday, 1 February 2018 and the deed administration of Paladin has consequently come to an end. Management of Paladin has now reverted to its reconstituted board of directors.

In accordance with clause 5.1(c) of the DOCA, 98% of your Paladin shares have been transferred to creditors and other investors and 2% of your Paladin shares will be retained by you (with fractional holdings to be rounded down to the nearest whole share). The share register of Paladin has been updated to reflect this transfer and your new holding statement, reflecting your updated shareholding, is released with this letter. For example, if you held 10,000 Paladin shares prior to the restructure you will now only hold 200 Paladin shares.

We refer to Paladin's application for reinstatement of its securities to trading on the ASX, announced on Friday, 2 February 2018. The expected timing for reinstatement to the ASX on a deferred settlement basis is Friday, 16 February 2018. It is expected shareholders will be able to trade the remaining Paladin shares they hold on a normal T+2 basis on Friday, 23 February 2018.

Whilst we have had a tumultuous time brought about by relentlessly low uranium prices, Paladin is much better positioned going forward as a result of the Restructure and initiatives we have taken to continue to reduce operating cost. At the same time, we're seeing 'green shoots' in the global uranium market as a result of various supply cuts announced at the end of 2017.

We know that in the mining industry the longest and most savage bear markets often set up the longest and best bull runs, and to call the last few years in the uranium market 'savage' would be an understatement.

Paladin remains uniquely positioned as a large independent pure-play uranium company operating the strategic, tier one Langer Heinrich Mine plus a leading suite of exploration and development assets.

This has been a challenging period for Paladin and its shareholders. On behalf of the new board of directors, I thank you for your patience.

Yours faithfully

Rick Crabb
Chairman
PALADIN ENERGY LTD

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