

# Notice of General Meeting

## *Date of Meeting*

Monday, 30 March 2015

## *Time of Meeting*

10:00am Perth time

## *Place of Meeting*

CWA House  
1176 Hay Street  
West Perth  
Western Australia, 6005



**Paladin Energy Ltd**

ACN 061 681 098

## NOTICE OF GENERAL MEETING

TO THE HOLDERS OF ORDINARY SHARES OF  
PALADIN ENERGY LTD:

**NOTICE IS HEREBY GIVEN** that the General Meeting of the members of Paladin Energy Ltd (**Paladin** or the **Company**) will be held at CWA House, 1176 Hay Street, West Perth, Western Australia 6005, on 30 March 2015 at 10:00am WST for the purpose of transacting the following business.

## AGENDA

### BUSINESS

Explanatory notes containing information in relation to each of the following resolutions are included in this Notice of Meeting.

#### **Resolution 1 - Approval of issue of Convertible Bonds and Shares on conversion of Convertible Bonds**

To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

*"That for the purposes of Listing Rule 7.1 of the Listing Rules of the ASX and for all other purposes, the Shareholders of the Company approve:*

- the issue and allotment by the Company of up to US\$150 million aggregate principal amount of 7.00% Convertible Bonds due 31 March 2020, convertible into Ordinary Shares at an initial conversion price of US\$0.356 per Ordinary Share; and
- the issue of Ordinary Shares on conversion of the Convertible Bonds,

each on the terms and conditions set out in the explanatory notes accompanying this Notice of Meeting."

#### **Voting Exclusion**

For the purposes of Resolution 1:

The Company will disregard any votes cast on this Resolution 1 by any person who may participate in the issue and by any person who might obtain a benefit, except a benefit solely in the capacity of a holder of Ordinary Shares if this resolution is passed, or any associate of that person. However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

#### **Resolution 2 - Ratification of Share Issue**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, for the purposes of Listing Rule 7.4 of the Listing Rules of the ASX and for all other purposes, the Shareholders of the Company ratify the allotment and issue of 144,862,817 Ordinary Shares as described in the explanatory notes accompanying this Notice of Meeting."*

#### **Voting Exclusion**

For the purposes of Resolution 2:

The Company will disregard any votes cast on this Resolution 2 by any person who participated in the issue or any associate of that person. However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

#### **Other business**

To deal with any other business which may be brought forward in accordance with the Company's Constitution and the Corporations Act.

By order of the Board



**Gillian Swaby**  
Company Secretary  
Dated: 13 February 2015

## PROXIES

A Shareholder entitled to attend and vote at the above General Meeting of Shareholders (the Meeting) may appoint not more than two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion of the Shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the Shareholder's voting rights. A proxy may, but need not be, a Shareholder.

For Shareholders on the Australian register, proxies must be delivered prior to 10:00am (Perth time) on Saturday, 28 March 2015 to:

### Computershare Investor Services Pty Limited

GPO Box 242  
Melbourne VICTORIA 3001  
AUSTRALIA

Or Facsimile:  
Australia: 1800 783 447  
Overseas: +61 3 9473 2555

### The Registered Office of Paladin Energy Ltd

Level 4, 502 Hay Street  
Subiaco WA 6008  
or PO Box 201  
Subiaco WA 6904

Or Facsimile:  
Australia: 08 9381 4978  
Overseas: +61 8 9381 4978

Members can also submit their proxy voting instructions online at [www.investorvote.com.au](http://www.investorvote.com.au). Please refer to the enclosed voting form for more information about submitting proxy voting instructions online.

## ENTITLEMENT TO VOTE AND RECORD DATE

For the purposes of regulation 7.11.37 of the Corporations Regulations, the Company determines that members holding Shares at 10:00am (Perth time) on 28 March 2015 will be entitled to attend and vote at the General Meeting.

If you cannot attend the meeting in person, you are encouraged to date, sign and deliver the accompanying proxy and return it in accordance with the instructions set out above under the heading 'Proxies'.

## REVOCAION OF PROXIES

A Shareholder executing and delivering a proxy has the power to revoke it in accordance with the provisions of the *Corporations Act*, which provides that every proxy may be revoked by an instrument in writing executed by the Shareholder or by his or her attorney authorised in writing and delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof at which the proxy is to be used, or to the chairman of the Meeting on the day of the Meeting or any adjournment thereof, or in any other manner permitted by law.

A proxy is valid only in respect of the Meeting.

## DIRECT VOTING

A direct vote will enable Shareholders to vote on resolutions considered at the Meeting by lodging their votes with the Company prior to the meeting. Direct voting will enable Shareholders to exercise their voting rights without the need to attend the meeting or appoint a proxy.

A Shareholder may lodge a direct vote by using the voting form provided with this Notice.

A Shareholder may lodge a direct vote by indicating on the voting form that the Shareholder is casting the Shareholder's vote directly and then placing a mark in one of the boxes opposite each item of business on the voting form. All of the Shareholder's Ordinary Shares will be voted in accordance with such direction, unless the Shareholder indicates that the Shareholder's direction is:

- (a) to vote only a portion of the Shareholder's votes on any item; or
- (b) to cast the Shareholder's votes in different ways on any item,

by inserting the number of Shares in the appropriate box or boxes.

If a Shareholder indicates that the Shareholder is lodging the Shareholder's votes directly and then does not mark any of the boxes on a given item, no votes will be voted on that item.

If a Shareholder indicates that the Shareholder is lodging the Shareholder's votes directly and then marks more than one box on an item, the Shareholder's vote on that item will be invalid. If a Shareholder inserts a number of Shares in boxes on any item that in total exceed the number of Ordinary Shares the Shareholder holds as at the voting entitlement time, the Shareholder's vote on that item will be invalid, unless the Shareholder inserted a number of Shares in one box only on an item which exceeds the number of Ordinary Shares that the Shareholder holds at that time, in which case the Shareholder's vote will be taken to be valid for the number of Ordinary Shares actually held by that Shareholder at that time.

Please note, a Shareholder who has cast a direct vote may attend the Meeting, however, the Shareholder's attendance cancels the direct vote unless the Shareholder instructs the Company or the Share Registry otherwise.

Members can also submit their direct voting instructions online at [www.investorvote.com.au](http://www.investorvote.com.au). Please refer to the enclosed voting form for more information about submitting direct voting instructions online.

## BODY CORPORATE REPRESENTATIVES

A body corporate member or proxy may elect to appoint a representative, rather than appoint a proxy, in accordance with section 250D of the Corporations Act. Where a body corporate appoints a representative, Paladin requires written proof of the representative's appointment to be lodged with, or presented to, Paladin before the Meeting.

## CUSTODIANS AND NOMINEES

Custodians and nominees are able to vote online and receive confirmation of their votes by accessing this website: [www.intermediaryonline.com](http://www.intermediaryonline.com). This website allows intermediaries to choose whether to cast a direct vote or lodge a proxy vote.

## RESOLUTIONS

All items of business require ordinary resolutions, which means that, to be passed, the item needs the approval of a simple majority of votes cast by shareholders entitled to vote on the resolution.

## EXPLANATORY NOTES

The following information is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Meeting.

The Directors recommend Shareholders read this in full before making any decision in relation to the resolutions.

## BACKGROUND TO THE RESOLUTIONS

On 24 November 2014, the Company announced a placement and entitlement offer, through which it raised a total of approximately A\$205 million.

The placement of 144,862,817 Ordinary Shares to HOPU Clean Energy (Singapore) Pte Ltd (**HOPU**) was at an issue price of A\$0.42 per share, and represented approximately 15% of the Company's issued capital at the time of issue.

The Company has now also entered into an agreement with J.P. Morgan Securities plc as Sole Lead Manager (the **Sole Lead Manager**) to issue:

- (a) US\$100 million aggregate principal amount of 7.00% Convertible Bonds due 31 March 2020, convertible into Ordinary Shares at an initial conversion price of US\$0.356 per Ordinary Share (**Firm Convertible Bonds**) for gross proceeds of US\$100 million; and
- (b) if agreed between the Company and the Sole Lead Manager (**Upsize Option**) on or prior to 14 March 2015, up to a further US\$50 million aggregate principal amount of such convertible bonds (**Optional Convertible Bonds**, and together with the Firm Convertible Bonds, the **Bonds** or **Convertible Bonds**) to existing or potential strategic partners for gross proceeds of up to US\$50 million,

conditional upon the Company's shareholders approving the issue of the Convertible Bonds and the issue of Ordinary Shares upon conversion. The proposed Convertible Bond issue is being managed by the Sole Lead Manager, J.P. Morgan Securities plc.

The net proceeds of the Firm Convertible Bonds and, to the extent required, of the placement and the entitlement offer will be used to fund the Company's concurrent tender offer to repurchase for cash any or all of its outstanding US\$300 million 3.625% convertible bonds due 4 November 2015, with any remaining proceeds being used for general corporate purposes. The net proceeds of any Optional Convertible Bonds, if issued, will be used for additional funding flexibility.

Resolution 1 seeks shareholder approval for the issue of the Convertible Bonds and the Ordinary Shares that are issuable upon conversion of the Convertible Bonds.

Resolution 2 seeks shareholder approval for the ratification of the issue of the Ordinary Shares placed to HOPU.

## ORDINARY RESOLUTIONS

### Resolution 1 - Approval of issue of Convertible Bonds and Shares on conversion of Convertible Bonds

#### Listing Rule 7.1

Listing Rule 7.1 provides, subject to exceptions, that a company may not issue or agree to issue equity securities which represent more than 15% of the company's issued share capital at the beginning of any 12 month period without obtaining shareholder approval.

At the time of the placement to HOPU in November 2014, the Company utilised its 15% capacity under Listing Rule 7.1. Accordingly, for the Company to issue the Convertible Bonds it is necessary for Shareholders to approve the issue of the Convertible Bonds and the issue of Ordinary Shares issuable upon conversion of the Convertible Bonds.

In addition, if Shareholders approve the issue of the Convertible Bonds, the Convertible Bonds, and the Ordinary Shares issued on the conversion of the Convertible Bonds will not be counted towards the Company's 15% threshold set by Listing Rule 7.1.

#### Information for Shareholders

Listing Rule 7.3 requires the following information to be provided to Shareholders for the purpose of seeking approval of an issue under Listing Rule 7.1:

- (a) The Company intends to issue US\$100 million aggregate principal amount of Firm Convertible Bonds, convertible into Ordinary Shares at a conversion price described below.
- (b) Pursuant to the Upsize Option, the Company with the agreement of the Sole Lead Manager may elect to issue up to a further US\$50 million aggregate principal amount of Optional Convertible Bonds to existing or potential strategic partners.
- (c) It is intended that the Convertible Bonds will be issued on or about 31 March 2015.
- (d) The Convertible Bonds will be issued at 100% of their principal amount, in minimum denominations of US\$250,000, and integral multiples of US\$1,000 in excess thereof.
- (e) The Convertible Bonds will be subscribed for by the Sole Lead Manager, J.P. Morgan Securities plc, on behalf or for the account of, and issued to the nominee of the relevant clearing systems and held for the account of:
  - in the case of the Firm Convertible Bonds, Australian and international institutional and professional investor clients of the Sole Lead Manager, J.P. Morgan Securities plc; or
  - in the case of any Optional Convertible Bonds, existing or potential strategic partners selected by the Company with the approval of the Sole Lead Manager.
- (f) The Convertible Bonds carry a coupon of 7.00% per annum payable semi-annually in arrears.
- (g) The Convertible Bonds are convertible into Ordinary Shares at an initial conversion price (share price at close prior to transaction launch) of US\$0.356 per Ordinary Share, representing a conversion premium of approximately 25% above the reference price (share price at close prior to transaction launch) of Ordinary Shares at the time of pricing (US\$1.0000/A\$1.2975 based on exchange rates at the time of fixing the reference price). The initial conversion price is subject to adjustment in the event of a Change of Control and in certain other circumstances in accordance with certain provisions which are described in the Schedule to this Notice of Meeting. The number of Ordinary Shares that would be issued on conversion of the Convertible Bonds (assuming exercise of the Upsize Option) at the initial conversion price is 421,348,315, which, after issue and assuming no other issues of Ordinary Shares in the intervening time, would represent approximately 25.2% of the outstanding Ordinary Shares.

Each bondholder may elect, at any time during a conversion period commencing the 41<sup>st</sup> day after the closing date of the issue of Convertible Bonds and ending the date falling six New York business days prior to the final maturity date, to convert its Convertible Bond into Ordinary Shares at the then applicable conversion price. Bondholders' conversion rights may be exercised following exercise by the Company of its right to redeem the Convertible Bonds, as described below, up until the sixth New York business day prior to the date fixed by the Company for such redemption.

- (h) Each bondholder will have the option to require the Company to redeem all or some of such holder's Convertible Bonds at their principal amount, together with accrued interest:
  - if the Ordinary Shares are delisted from both the ASX and the Toronto Stock Exchange and such delisting continues for a continuing period of at least 10 calendar days; or
  - upon a Change of Control (as described in the Schedule).
- (i) The Company has the option to redeem all but not some only of the outstanding Convertible Bonds prior to their maturity date at their principal amount, plus accrued interest, in certain circumstances described in the Schedule including:
  - on or after 31 March 2018, if the price of Ordinary Shares, translated into US dollars at the prevailing exchange rate, exceeds 130% of the conversion price for at least 20 consecutive dealing days ending within 5 business days of the Company's notice electing to redeem the Convertible Bonds;
  - if conversion rights shall have been exercised and/or purchases (and corresponding cancellations) and/or redemptions effected in respect of 85% or more in principal amount of the Convertible Bonds originally issued;
  - subject to exceptions, within the period commencing 30 days and ending on the date 75 days following a Change of Control (or, if later, ending on the date 75 calendar days following the date of delivery of a Change of Control notice).
- (j) Unless previously redeemed, purchased or cancelled, the Convertible Bonds will be redeemed at their principal amount, together with accrued interest, on 31 March 2020.
- (k) The Ordinary Shares to be issued upon conversion of the Convertible Bonds will rank *pari passu* with, and on the same terms as, the existing Ordinary Shares on issue.
- (l) Further details of the terms and conditions of the Convertible Bonds are set out in the Schedule.
- (m) The net proceeds of the Firm Convertible Bonds referenced in Resolution 1 and, to the extent required, of the placement and entitlement offer referred to above, will be used to fund the Company's concurrent tender offer to repurchase for cash any or all of its outstanding US\$300 million 3.625% convertible bonds due 4 November 2015. The net proceeds of any Optional Convertible Bonds, if issued, will be used for additional funding flexibility.

## Resolution 2 - Ratification of Share Issue

The 144,862,817 Ordinary Shares referred to in Resolution 2 were issued on 24 November 2014 to HOPU.

### Listing Rule 7.4

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval, provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The effect of such ratification is to restore a company's maximum discretionary power to issue further shares constituting up to 15% of the issued capital of the company without requiring shareholder approval.

### Information for Shareholders

Listing Rule 7.5 requires the following information to be provided to Shareholders for the purpose of seeking approval under Listing Rule 7.4:

- (a) The number of Ordinary Shares issued to HOPU pursuant to the placement was 144,862,817 Ordinary Shares.
- (b) The Ordinary Shares were issued to HOPU at A\$0.42 per Ordinary Share.
- (c) The Ordinary Shares issued to HOPU rank *pari passu* with, and on the same terms as, the existing Ordinary Shares on issue.
- (d) The proceeds raised through the allotment of the Ordinary Shares issued to HOPU and, to the extent required, of the entitlement offer, will partially fund the Company's concurrent tender offer to repurchase for cash any or all of its outstanding US\$300 million 3.625% convertible bonds due 4 November 2015 with any remaining proceeds being used for general corporate purposes.

The above issue price of A\$0.42 per Ordinary Share represented approximately a 15% premium to the 30 day volume weighted average price of the Ordinary Shares on the ASX. Following settlement of the placement, HOPU held approximately 13% of the issued Ordinary Shares. In connection with this placement, HOPU undertook the following commitments and acquired the following rights:

- (1) Commitment to subscribe for its full entitlement under the institutional tranche of the entitlement offer announced by the Company on 24 November 2014 and participate in last-in relief sub-underwriting of the retail tranche of the entitlement offer to bring its shareholding up to a maximum of 15% of the issued Ordinary Shares following the entitlement offer; and
- (2) Right to appoint a nominee for election to the Paladin Board so long as HOPU holds at least 10% of the outstanding Ordinary Shares, on a non-diluted basis.

Mr. Wendong Zhang was appointed as HOPU's nominee to the Paladin Board on 25 November 2014 and will be subject to re-election at the next annual general meeting of the Company provided HOPU then holds at least 10% of the outstanding Ordinary Shares, on a non-diluted basis.

The Company wishes to ratify the issue pursuant to Listing Rule 7.4 in order to allow the Company to have the right to place up to a further 15% of its issued capital at any time during the next 12 months, should circumstances require.

## SCHEDULE - KEY FEATURES OF THE CONVERTIBLE BONDS

The following is a summary of the principal features of the Convertible Bonds which the Paladin Board considers may be material to the decision of shareholders to approve or not approve the issue of the Convertible Bonds. The full text of the terms and conditions may be viewed on the Company's website at [www.paladinenergy.com.au](http://www.paladinenergy.com.au), or under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### ISSUER

Paladin Energy Ltd.

### THE BONDS

Up to US\$150 million 7.00% Convertible Bonds due 2020.

### THE OFFERING

The Bonds are being offered and sold by the Sole Lead Manager outside the United States in accordance with Regulation S under the Securities Act ("Offer" or "Offering"). The Offering in Australia is only to select investors who are sophisticated or professional investors within the meaning of sections 708(8), (10) and (11) of the Corporations Act and who are not "retail clients" within the meaning of section 761G of the Corporations Act.

### ISSUE PRICE

100% of the principal amount.

### DENOMINATION

US\$250,000 or any amount in excess thereof which is an integral multiple of US\$1,000.

### CLOSING DATE

On or about 31 March 2015 (the "Closing Date").

### INTEREST

The rate of interest payable on the Bonds will be 7.00% per annum. Interest will be payable on the Bonds in cash semi-annually in arrears in equal instalments, on 31 March and 30 September in each year (each an "Interest Payment Date"), commencing with the Interest Payment Date falling on 30 September 2015.

All payments in respect of the Bonds shall be made without deduction of or withholding for or on account of any present or future taxes imposed or levied by or on behalf of the Commonwealth of Australia or any political subdivision or any authority thereof or therein having power to tax unless such deduction or withholding is required by law. In the event that any such deduction or withholding is required, the Issuer shall pay additional amounts in respect thereof ("Additional Amounts"), subject to certain exceptions.

### CONVERSION RIGHT

Unless previously redeemed or purchased and cancelled, Bondholders will have the right to convert Bonds into Ordinary Shares at the then applicable Conversion Price at any time on or after the 41st day after the closing date of the issue of Convertible Bonds 2015, provided that the relevant Conversion Date shall fall no later than the date falling six New York business days prior to the Final Maturity Date or, if such Bond is to be redeemed prior to the Final Maturity Date pursuant to the provisions referred to in "Redemption at the Option of the Issuer" or "Redemption for Taxation Reasons" below, then not later than the sixth New York business day before the date fixed for redemption thereof.

### CONVERSION PRICE

The initial Conversion Price shall be US\$0.356 per Ordinary Share. The Conversion Price will be subject to adjustment in certain circumstances described below, including upon the making of a Dividend by the Issuer and upon the occurrence of a Change of Control.

The Bonds will include provisions consistent with the Company's existing outstanding convertible bonds to adjust the Conversion Price to provide compensation to the Bondholders for the dilutive effect of certain corporate actions of the Company including:

1. stock splits;
2. bonus share issues;
3. dividends;
4. rights issues of Shares and other securities and rights to Shareholders at less than 95% of current market value; and
5. placements of Shares and other securities and rights wholly for cash or for no consideration at less than 95% of current market value.

The Conversion Price applicable to conversions during a Change of Control Period will also be adjusted as described in "Change of Control" below.

The full text of the adjustment provisions appear in the terms and conditions of the Bonds which may be viewed on the Company's website at [www.paladinenergy.com.au](http://www.paladinenergy.com.au), or under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### FINAL MATURITY

Unless previously purchased and cancelled, redeemed or converted, the Bonds will be redeemed in cash on 31 March 2020 (the "Final Maturity Date") at their principal amount.

### REDEMPTION AT THE OPTION OF THE ISSUER

The Issuer will be entitled to redeem all but not some only of the outstanding Bonds at their principal amount plus accrued interest to but excluding the date fixed for redemption:

1. at any time on or after 31 March 2018, if on each of at least 20 consecutive dealing days ending not earlier than five days prior to the giving of the notice of redemption, the "Parity Value" (defined as the number of Ordinary Shares which would be issued on conversion of US\$250,000 in principal amount of the Bonds multiplied by the closing price of Ordinary Shares on the relevant day translated into US dollars at prevailing exchange rates) shall have been at least US\$325,000; or
2. if at any time prior to the date on which the relevant notice of redemption is given, Conversion Rights shall have been exercised and/or purchases (and corresponding cancellations) and/or redemptions effected in respect of 85% or more in principal amount of the Bonds originally issued and consolidated and forming a single series with the Bonds); or
3. within 45 days after the end of the Change of Control Period as described in "Change of Control" below.

## REDEMPTION FOR TAXATION REASONS

In the event of certain changes affecting taxes of the Commonwealth of Australia or any political subdivision or any authority thereof or therein having power to tax giving rise to an obligation on the Issuer to pay Additional Amounts (as described in "Interest" above), the Issuer may, subject to certain conditions being satisfied, give notice to redeem the Bonds in whole, but not in part, at any time at their principal amount, together with accrued but unpaid interest to such date.

Upon such notice being given, a Bondholder may elect not to have his Bond redeemed, in which case such holder will not be entitled to receive payment of such Additional Amounts in respect of any payments on the Bonds.

## OPTIONAL REDEMPTION BY BONDHOLDERS

Unless the Bonds have been previously redeemed, repurchased and cancelled or converted, each Bondholder shall have the right, at such Bondholder's option, following:

1. the occurrence of a "Change of Control" as described below; or
2. in the event that the Ordinary Shares are delisted from both ASX and TSX and such circumstance continues for at least 10 calendar days,

to require the Issuer to redeem such Bondholder's Bonds at their principal amount together with accrued interest.

## CHANGE OF CONTROL

In the event of a Change of Control of the Issuer, Bondholders will have the right to during the period commencing on the occurrence of the Change of Control and ending on 30 calendar days after such occurrence (or, if later, 30 days after notice of the Change of Control is given by the Company to the Bondholders) (the "Change of Control Period"):

1. put the Bonds to the Issuer at their principal amount together with accrued interest; or
2. convert the Bonds at the Change of Control Conversion Price calculated in accordance with the following formula:

$$\text{COCCP} = \text{OCP} / (1 + (\text{CP} \times \text{c}/\text{t}))$$

where:

COCCP is the Change of Control Conversion Price

OCP means the Conversion Price in effect on the relevant Conversion Date (disregarding the application of the Change of Control provision)

CP means the conversion premium of 25% (expressed as a fraction)

c means the number of days from and including the date of the Change of Control to but excluding the Maturity Date

t means the number of days from and including the Closing Date to but excluding the Maturity Date

A "Change of Control" occurs if:

1. an offer is made to all (or as nearly as may be practicable all) Shareholders (or all (or as nearly as may be practicable all) Shareholders other than the offeror and/or any associate (as defined in section 12 of the Corporations Act) of the offeror) to acquire the whole or any part of the issued ordinary share capital of the Issuer (an "Offer"); or
2. any person proposes a scheme of arrangement with regard to such acquisition (other than an Exempt Newco Scheme) (a "Scheme");

and (such offer or scheme having become or been declared unconditional in all respects) more than 50% of the voting rights of the issued share capital of the Issuer have or will become unconditionally vested in the offeror and/or such associate(s) as aforesaid. A "Change of Control" will also occur if an event occurs which has a like or similar effect.

In the event that a Change of Control occurs and the Bondholders do not exercise their rights to put the Bonds to the Company or convert the Bonds during the Change of Control Period, the Company may redeem the Bonds at its option as described in "Redemption at the Option of the Issuer" above.

## NEGATIVE PLEDGE

The terms of the Bonds will contain a negative pledge restricting security being given by the Issuer and its Principal Subsidiaries in respect of certain indebtedness including indebtedness in respect of any bonds, notes or capital markets indebtedness or any guarantee thereof.

"Principal Subsidiaries" includes, in general, any subsidiary of the Company whose:

- (a) profits on ordinary activities before tax represents 10% or more of the consolidated profits on ordinary activities before tax of the Company and its subsidiaries; or
- (b) total assets represent 10% or more of the consolidated total assets of the Company and its subsidiaries,

in each case as calculated by reference to the then latest audited financial statements of such subsidiary and the then latest audited consolidated financial statements of the Company.

## EVENTS OF DEFAULT

The terms of the Bonds will include events of default consistent with the terms of the Company's existing outstanding convertible bonds, including (subject to certain exceptions, grace periods and materiality thresholds):

1. non-payment of amounts due on the Bonds;
2. other breaches of the Company's obligations with respect to the Bonds;
3. cross-default in respect of other financial indebtedness of the Company or its subsidiaries in excess of US\$10,000,000;
4. non-payment of judgment debts not bonded, discharged or appealed in excess of US\$10,000,000;
5. execution of legal process against a substantial part of the Company's or any subsidiary's assets; and
6. insolvency, liquidation or similar events affecting the Company or its subsidiaries.

Upon the occurrence of such an event, the Trustee may (and if instructed by the holders of 25% or more in principal amount of the Bonds, must) declare the Bonds immediately due and repayable at their principal amount, together with accrued but unpaid interest.

## TRUST DEED

The Bonds will be constituted by a trust deed expected to be dated on or about 31 March 2015 ("Trust Deed") between the Issuer and the Trustee.

## TRUSTEE

The Bank of New York Mellon acting through its London branch.

## GOVERNING LAW

The Bonds and the Trust Deed (and any non-contractual obligations arising out of or in connection with the Bonds or the Trust Deed) will be governed by, and construed in accordance with, English law.

## USE OF PROCEEDS

The net proceeds of the issue of the Firm Convertible Bonds are expected to amount to approximately US\$97 million, subject to adjustment for certain expenses in connection with the Offering.

The net proceeds of the Firm Convertible Bonds will be used to partially fund the Company's concurrent tender offer to acquire any or all of the US\$300,000,000 3.625% convertible bonds due 4 November 2015 issued by the Company on 4 November 2010 (2010 Bonds). Under the terms of the tender offer, holders of the 2010 Bonds who receive an allocation of the new Bonds from the Sole Lead Manager as part of their initial issue will be entitled to tender and have accepted for repurchase by the Company 2010 Bonds in a principal amount 2.5 times the principal amount of the new Bonds for which they subscribe pursuant to such allocation.

The net proceeds of the Optional Convertible Bonds, if issued, will be used for additional funding flexibility.



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