



PALADIN ENERGY LTD

ACN 061 681 098

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Company Announcements Office
Australian Securities Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

By Electronic Lodgement

Dear Sir/Madam

Kayelekera Uranium Project, Malawi US\$167M Project Finance Completed – First Drawdown

Paladin Energy Ltd is pleased to announce the first drawdown of US\$84.5M under the Kayelekera Project Financing Loan (Facility).

The Kayelekera Uranium Mine is currently in its production ramp-up phase. The first drawdown will be reimbursed to Paladin Energy Ltd for funds spent on completing the project, with the remainder of the Facility to be applied to the Project and working capital expenditure.

The Facility is provided by a syndicate of banks made up of Société Générale, Standard Bank and Nedbank Capital and is the same syndicate of banks that provided project finance for Langer Heinrich Stage I.

The US\$167M project finance package consists of:-

- US\$145M Project Financing Facility – currently drawn to US\$84.5M
- US\$12M Cost overrun Facility – currently funded with US\$8M cash
- US\$10M Performance Bond Facility

US\$110M of the US\$145M project finance facility is backed by the Export Credit Insurance Corporation of South Africa ("ECIC").

"The successful drawdown on this Facility in the face of the current credit markets stands testament to the robust economics of the Kayelekera Uranium Mine and the ongoing support from the lenders. With the support of ECIC and Paladin's commitment to source materials from South Africa during construction, Paladin has been able achieve a very competitive cost of funding when compared to other projects of this nature." said John Borshoff, Managing Director and Chief Executive Officer.

"I congratulate the Malawian government, the lending syndicate, ECIC and our team for completing the first ever mining project finance facility in Malawi. This again highlights Paladin's ability to secure favourable bank debt finance for its development projects".

Yours faithfully
Paladin Energy Ltd

JOHN BORSHOFF
Managing Director/CEO