



## PALADIN ENERGY LTD

ACN 061 681 098

Ref: 151606

3 December 2009

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

By Electronic Lodgement

Dear Sir/Madam

### Settlement of Areva Proceedings

Paladin Energy Ltd (Paladin) is pleased to announce that it has reached an agreement to resolve its dispute with Areva NC (Australia) Pty Ltd (Areva). The settlement is subject to certain conditions precedent. Please refer to the announcement today by Summit Resources Limited made as part of its rights issue (copy of extract attached) for details of the settlement.

Paladin is very pleased with the settlement as (if the settlement becomes unconditional) it:

- (a) resolves the dispute with Areva, and thereby paves the way for Paladin and Areva to work co-operatively as shareholders of Summit Resources Ltd; and
- (b) effectively brings to an end the proceedings described in Summit Resources Limited's announcement of today.

Yours faithfully  
Paladin Energy Ltd

**JOHN BORSHOFF**  
Managing Director/CEO

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| <p><b>Extract from release to Australian Securities Exchange Limited made by Summit Resources Limited on 3 December 2009</b></p> |
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**ANNEXURE**

**Conditional Settlement Agreement**

On 11 April 2007, Summit Resources Limited (**Summit**) and Areva NC (Australia) Pty Ltd (**Areva**) entered into a strategic alliance whereby Areva would subscribe for shares. That strategic alliance was documented in the Strategic Alliance Agreement, the Subscription Deed and the Deed of Undertaking executed by Summit and Areva on 11 April 2007. The terms of the documents comprising the strategic alliance were detailed in the supplementary target's statement released by Summit to the market on 11 April 2007.

On 3 August 2007, Summit announced that its wholly owned subsidiary, Summit Resources (Aust) Pty Ltd (**SRA**), had agreed with Resolute Limited and Mt Isa Uranium Pty Ltd (**MIU**) to settle the legal proceedings commenced against them by SRA on 28 July 2006 (the **underlying proceedings**).

Areva subsequently applied to the Supreme Court of Western Australia for orders under section 237 of the Corporations Act 2001 (Cth) seeking leave to intervene in the underlying proceedings in the name of SRA.

The background to, and a summary of, Areva's application to intervene in the underlying proceedings is set out in the announcement made by Summit on 6 August 2007.

Areva's application to intervene in the underlying proceedings was heard by the Honourable Chief Justice Martin in May and June 2009. Judgment is yet to be delivered by the Honourable Chief Justice.

On 16 October 2009, Summit entered into a conditional agreement with (amongst others) Areva, Resolute, Paladin Energy Ltd (**Paladin**) and MIU (the **settlement agreement**). The conditional settlement is made without any party admitting liability to another.

If the settlement agreement becomes unconditional by the Honourable Chief Justice making orders in the form sought by the parties:

- the underlying proceedings and Areva's application to intervene in the underlying proceedings will be dismissed with no order as to costs;
- Areva and Summit (along with its related parties) will provide broad releases to one another;
- Summit will pay the sum of A\$4.5 million to Areva of which A\$2.5 million is paid in satisfaction of the break fee that Summit agreed to pay Areva in the event that the strategic alliance did not proceed; and
- Areva's existing rights (if any) under the terms of the Strategic Alliance Agreement will be assigned to Paladin and the strategic alliance will otherwise be brought to an end.

Summit will make a further announcement to the market once it becomes known whether the Honourable Chief Justice will make the orders sought by the parties. There is no guarantee that such orders will be made, or made in the form sought by the parties.