PALADIN ENERGY LTD
ACN 061 681 098

Ref: 376750

12 February 2015

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

By Electronic Lodgement

Dear Sir/Madam

31 December 2014 Half Year Conference Call Presentation

Attached please find the presentation in relation to the 31 December 2014 Half Year Financial Report conference call and investor update to be held tomorrow morning at 6:30am Perth time. Full details in relation to the call were announced on 09 February 2015.

Yours faithfully
Paladin Energy Ltd

JOHN BORSHOFF
Managing Director/CEO

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PALADIN ENERGY LTD

December 2014 Half Year and Quarter Results Conference Call and Investor Update

13 February 2015

John Borshoff – Managing Director/CEO
Craig Barnes– Chief Financial Officer
Mark Chalmers – Executive General Manager, Production

February 2015

Disclaimer and Notes for JORC and NI 43-101 Mineral Resources and Ore Reserves

This presentation includes certain statements that may be deemed “forward-looking statements”. All statements in this presentation, other than statements of historical facts, that address future production, reserve or resource potential, exploration drilling, exploitation activities and events or developments that Paladin Energy Ltd (the “Company”) expects to occur, are forward-looking statements.

Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward looking statements include market prices, exploitation and exploration successes, and continued availability of capital and financing and general economic, market or business conditions.

Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Readers should not place undue reliance on forward-looking information. The Company does not assume any obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.

In the following presentation, for those deposits that are reported as conforming to the Joint Ore Reserves Committee (JORC) 2004 or 2012 code, the terms Inferred Mineral Resources, Indicated Mineral Resources, Measured Mineral Resources, Ore Reserves, Proved Ore Reserves, Probable Ore Reserves and Competent Person are equivalent to the terms Inferred Mineral Resources, Indicated Mineral Resources, Measured Mineral Resources, Mineral Reserves, Proven Mineral Reserves, Probable Mineral Reserves and Qualified Person, respectively, used in Canadian National Instrument 43-101 (NI 43-101).

The technical information in this presentation that relates to Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by David Princep B.Sc. and Simon Solomons B.E., both of whom are Fellows of the Australasian Institute of Mining and Metallurgy. Messrs Princep and Solomons each have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”, and as Qualified Persons as defined in NI 43-101. Messrs Princep and Solomons are full-time employees of the Company and consent to the inclusion of the relevant information in this announcement in the form and context in which it appears.

Previous tonnages, grades, assays and other technical data relating to the Oobagooma deposit are taken from historical records prior to the implementation of the current NI 43-101. While the data is believed to have been acquired, processed and disclosed by persons believed to be technically competent, they were estimated prior to the implementation of NI 43-101 and are therefore regarded as historical estimates for the purposes of NI 43-101 and as an exploration target for the purposes of JORC disclosure. A Qualified Person as defined in NI 43-101 has not done sufficient work to classify the historical estimate as current Mineral Resources. The Company is not treating the historical estimates as current Mineral Resources as defined in NI 43-101 and for this reason the historical estimates should not be relied upon. At present, the Company considers that these resources have no equivalent classification under NI 43-101 and should therefore be considered as unclassified. The historical information is presented on the basis that it may be of interest to investors.

Presentation Outline

- Key Achievements and Update
- Uranium Market Update
- Financial Review
- Project Update
- Positioning for the Future

Highlights

- **Strong safety record for 6 months to 31 December 2014**
  - 150 days without a lost time injury (LTI) due to new initiatives and improvements
- **Langer Heinrich production back to design levels**
  - 1.304Mlb U_3O_8 for December 2014 quarter, up 27% from the last quarter
  - sales of 3.161Mlb for 6 month period ending 31 December 2014
- **Significant progress with cost reduction initiatives**
  - bi-carbonate recovery project currently being commissioned
  - target for LHM is C1 unit cost below US$26/lb end FY2015, and low US$20s/lb in FY2017
- **Successful recapitalisation completed in December 2014**
  - private placement (HOPU) and entitlement offer raising A$205M
- **Balance sheet to be further de-risked**
  - Tender Offer launched to acquire any or all of US$300M Convertible Bond due Nov 2015
  - concurrent launch of an offering to raise US$100M 5 year Convertible Bond to partially fund the Tender Offer
  - additional US$50M available, at Paladin's discretion, for issuance to current or potential strategic partners for further funding flexibility
- **Significant progress with strategic alliance discussions**
- **Further expansion potential of existing production centres when uranium price incentive is sufficient**
  - feasibility study for recommencement of production at Kayelekera
  - diversified global project pipeline for future development
  - proven builder/operator

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2015 Will Initiate Price Revival

2014

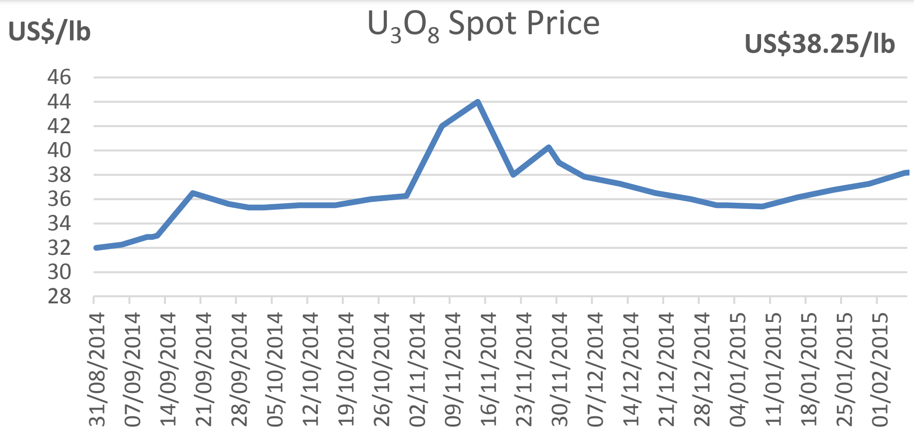
- **Excess supply affected price**
- **Utility long-term contracting at historical lows**
  - 10yr average 150Mlb pa
  - but 2013 only 20Mlb & 2014 only 82Mlb
- **Japanese reactors remained off line**
- **+12Mlb of annual production taken out of spot market**

2015

- **Excess supply largely depleting**
- **Utilities are vastly uncovered beyond 2017**
  - fuel cycle planning requires contracting to commence in 2015
- **2 reactors currently approved for restart**
  - 4 to 6 additional reactors by late 2015
  - more than 20 reactors by end of 2017
- **Lag effect of lost production will impact price in 2015**

The Company expects that the demand supply gap will only widen over the next decade

Uranium Market Snapshot



Source: TradeTech Weekly U3O8 Price

	Current Nuclear Capacity	Under Construction	Planned	Proposed
Reactors / (Capacity)	437 (377.7GWe)	70 (73.5GWe)	183 (203.6GWe)	311 (340.2GWe)

Source: World Nuclear Association (January 2015)

Nuclear Reactor Fleet – Growth Forecast	2014	2020	2025	2030
Reactors	435	504	550	650

Source: World Nuclear Association / Paladin Nuclear

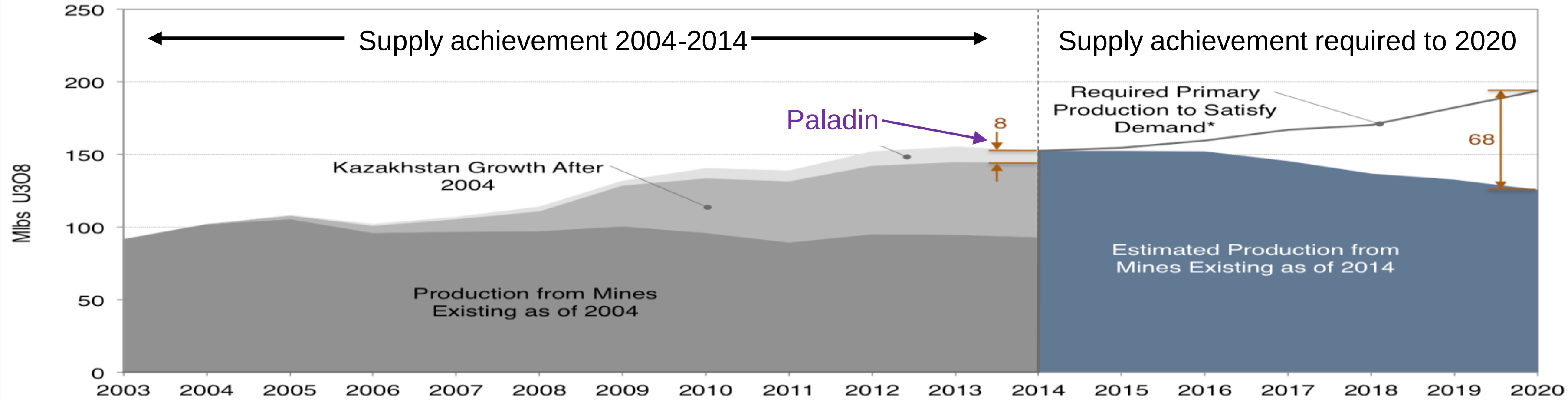
- Dramatic uranium spot price increase 2nd half 2014 (~60%) with increased volatility
- Spot market fundamentals improving as supply tightens and demand rises
- 2014 term market contract volumes four times that of 2013
- Additional term contracting imminent which is expected to result in additional term price improvement
- Globally, 5 reactors entered commercial operation in 2014
- Planned/Proposed reactor forecasts continue to rise

- Exponential global reactor fleet growth post 2020
- Long-term market demand fundamentals require extraordinary growth in uranium supply

Uranium Macro-environment and Outlook

Uranium price should normalise to pre-Fukushima level within 2 years

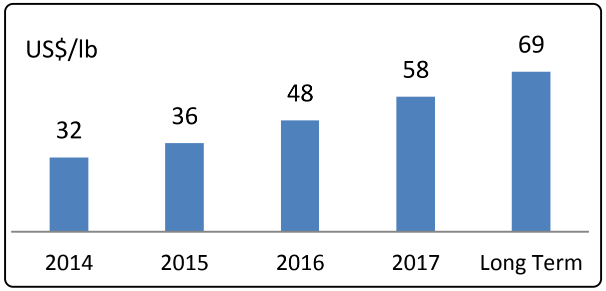
A near/medium term supply shortage appears unavoidable post 2015. New primary supply will have to contribute ~70Mlb to meet demand requirements before 2020



Key updates post Fukushima: The fast growing demand is visible and will shift the current demand/supply situation in the near future

The significant supply shortfall now appears inevitable and is expected to result in major uranium price increases

Consensus price projections – **no price incentive exists**



China:

- China has restarted its ambitious nuclear programme, to expand capacity from 18GW in 2014 to 58GW by 2020. Currently 27 nuclear reactors under construction
- Will become the world leader in nuclear growth and base capacity by 2025

Japan:

- Sendai 1 & 2 received all necessary approvals with restart expected Q2 2015. NRA safety approval for Takahama 3 & 4 expected momentarily for restart later in 2015.
- Japan is on track to restart 30-32 of its nuclear reactor fleet by 2019

Others:

- Middle East, India, Russia significant growth regions

Source: *Company information, broker research reports*

Presentation Outline

Profit & Loss
December 2014 Half Year

- **Revenue of US$109.7M, down 36% on 2013* primarily as a result of placing KM on care and maintenance**
  - 3.161Mlb sold at average realised price of US$34.3/lb
  - sales of 1.911Mlb in December 2014 quarter

- **Gross profit of US$3.9M (2013*: gross loss of US$29.3M)**
  - average cost of sales of US$33.5/lb, down 15% on 2013*
  - average unit C1 costs for the half year increased to US$32.3/lb due to decrease in production
  - gross US$ C1 costs for the half year were 5% lower than 2013*

- **Admin, marketing and non-production costs of US$10.2M, down 23% on 2013***

- **Total exploration expenditure of US$3.1M, down 14% on 2013***

references to 2013 are to the equivalent six months ended 31 December 2013

Balance Sheet
December 2014 Half Year

- **Stronger balance sheet**

- **Cash and cash equivalents of US$333.9M, up US$245.1M**
  - net proceeds from share placement and entitlement issue of US$166.9M
  - net proceeds received from LHM minority sale of US$167.0M
  - LHM project debt repayments of US$35.4M
  - interest paid of US$15.5M
  - net cash outflow from operations after capital expenditure of US$25.5M (includes working capital movements)
  - corporate, exploration and other expenditure of US$12.4M

- **Net debt of US$305.6M, down US$280.4M or 48%**
  - LHM minority sale and equity capital raising, totalling US$333.9M
  - LHM project debt repayment of US$35.4M

- **Current gearing ratio of 40%, down from 58% at 30 June 2014**

Cash Flow
December 2014 Half Year

- **Cash outflow from operating activities of US$40.5M**
  - includes interest paid of US$15.5M, down 7% on 2013*
  - includes negative working capital movements of US$19.5M

- **Cash outflow from investing activities of US$9.7M, down 44% on 2013***
  - US$7.4M capital expenditure, down 51% on 2013*
  - US$2.4M exploration expenditure, down 8% on 2013*

- **Cash inflow from financing activities of US$297M**
  - US$166.9M net share placement and entitlement issue proceeds
  - US$167.0M net proceeds received from LHM minority sale
  - US$35.4M LHM project debt repayment

references to 2013 are to the equivalent six months ended 31 December 2013

Cost Reductions for FY15

Corporate and exploration cost reductions

- admin, marketing and non production costs for the half year down 23%
- FY15 corporate costs cut by US$2.4M, down 17% over FY14
- FY15 exploration costs cut by US$1.0M, down 12% over FY14
- executive/senior management 10% pay reduction extended for another 12 months
- corporate cost review ongoing

Cost reductions and optimisation at LHM

- gross US$ C1 costs for the half year down by 5%
- targeting gross US$ C1 cost reductions of 6% over FY15
- other costs reduction initiatives:
  - reducing warehouse inventory costs
  - reducing contractors
  - negotiating lower reagent prices
  - negotiating cost savings with mining contractor
- targeting processing cost reductions with the Bi-Carbonate Recovery Project

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Langer Heinrich Project Update

Step change production improvement from last Sept qtr

- Dec qtr 1.3Mlb, up 27% from past qtr
- recovery of 84.5% up from 80.7% from past qtr
- currently producing at or above design

Low quartile cost producer

- C1 cost in Dec qtr declining post anomalous Sept qtr (scaling and maintenance)
- targeting sub US$26/lb at end of FY2015
- targeting low US$20's for FY2017

Guidance revised to 5.2–5.5Mlb U_3O_8

- revised slightly downward by 5%
- **do not plan to makeup shortfall from Sept qtr**

Production optimisation with further unit cost reduction

- hydrosort for improved beneficiation recovery
- increased leach temperature
- improved wash and IX performance
- reduced reagent and water consumption with bi-carbonate recovery project currently being commissioned

+20 years project life

- further expansion potential at lower feed grades

	Actual 6 Months Dec'14 YTD	Actual Sept Qtr	Actual Dec Qtr
Ore processed	1.66Mt	0.745Mt	0.917Mt
Ore feed grade	769ppm	765ppm	773ppm
Recovery	83.0%	80.7%	84.8%
U_3O_8 production	2.331Mlb	1.027Mb	1.304Mlb

Kayelekera Project Strategically Positioned

Transition to C&M smoothly completed

Water management plan approved

- plant and equipment ready for controlled release of surplus run-off into local inland waters
- discharged water to be at internationally recognised standards
- stakeholder consultations undertaken
- process expected to commence once wet season sets in

Restart feasibility study underway

- minimal risks on restart with the plant established and operational performance proven
- approximately 50% of resource remaining with exploration upside
- a quick restart is key feature
- a potentially strong cash generator
- future grid power now top government priority (further savings of ~US$4/lb and work has commenced)

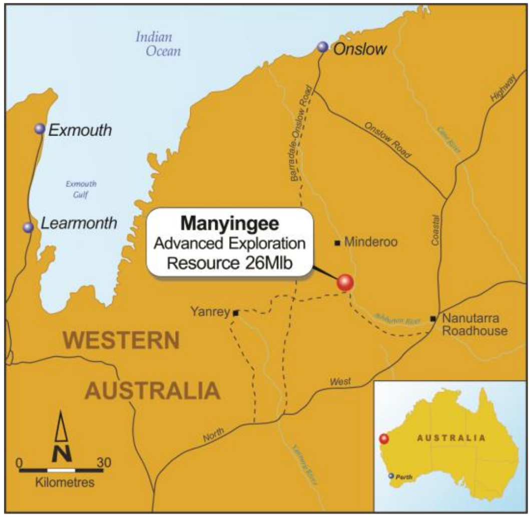
Government of Malawi support solid

- Paladin committed to restart of operations when uranium price is justified and further exploration

Key Pipeline Projects (being advanced)

MANYINGEE WA

- **Moving toward Field Leach Trial (FLT)**
- **Low-cost ISR project targeting 2Mlb pa U_3O_8 production**
  – existing mining lease
  – Paladin has the expertise to develop
  – advancing hydrogeological, metallurgical test work, etc
- **2018 development target (price dependent)**
  – field leach testing planned 2016
- **Significant room for resource expansion in the region**



MICHELIN DEPOSIT Canada

- **Michelin project area mineral resources 100.8Mlb U_3O_8 Measured and Indicated and 39.8Mlb U_3O_8 Inferred**
  – drilling has successfully upgraded Michelin deposit Measured & Indicated mineral resource by 25% to 84Mlb U_3O_8, with 23Mlb U_3O_8 remaining in Inferred
- **2021 development target (price dependent)**
  – Paladin believes the project has the potential to be placed amongst the world's largest economically viable uranium projects – likely to start at around 5Mlb pa with expansion potential
- **Based on prospectivity expect further mineral resources to be discovered within tenements**

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Funding Initiative Overview

Sources and uses

Sources of capital	US$M	Uses of capital	US$M
Cash position as at 31 December 2014	334	Repayment/tender for 2015 CBs	300
New CB issue - Base amount	100	Transaction costs	3
- Additional (discretionary)	50	Cash to balance sheet	181
Total sources of capital	**$484**	**Total uses of capital**	**$484**

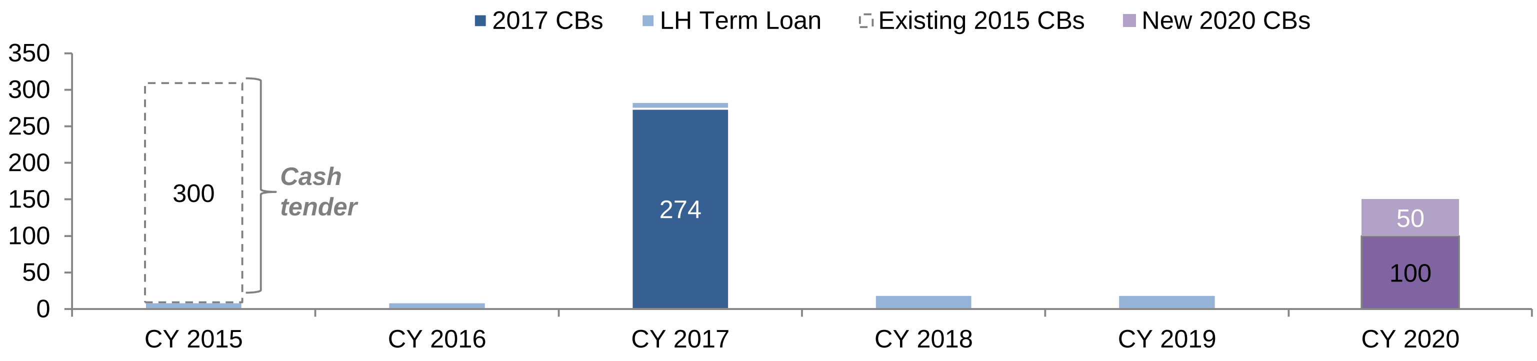
Transaction overview

- **Launched an offering to raise up to US$150M of senior, unsecured convertible bonds due March 2020 (New CB)**
  - $100M proceeds of the new Convertible Bond offering along with existing cash balance will be used to fund a concurrent Tender Offer to acquire any or all of Paladin's existing US$300M Convertible Bonds due November 2015
  - ability to raise further $50M at the Company's discretion by issuing New CB to current or strategic partners on same terms, within 30 days post new CB pricing, for additional funding flexibility

Event	Expected Date
New CB + Tender Offer launched	12 February 2015
Expected New CB pricing	Post-market, 12 February 2015
Tender Offer period	12 February – 27 March 2015
Shareholder meeting to seek approval for New CB issue	30 March 2015
Tender Offer results announcement	30 March 2015
New CB Issue settlement	31 March 2015
Tender Offer settlement	2 April 2015

2015 CB Maturity Addressed

Pro-forma debt maturity profile



	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020
Total debt (US$mm)	9	9	283	19	19	100 – 150

Transaction rationale

- **Eliminates all of the 2015 refinancing risk and extends debt maturity profile, in line with expected recovery in market consensus uranium prices**
- **Provide further longer term funding flexibility and additional leverage in ongoing negotiations with potential strategic partners on other initiatives**
- **Significant de-risking of balance sheet providing investors with exposure to uranium price upswing and growth**
- **Reduced funding costs**

Ongoing Discussions with Strategic Partners

Paladin continues to strengthen strategic alliances

- partnership with HOPU announced
- discussions ongoing with major nuclear utilities
- Paladin has established a clear and realistic roadmap for discussions
- decision on preferred utility/strategic partner to be made in the near future

Paladin rationale

- strategic alliance with major nuclear utilities creates a stronger company
- able to attract high interest through its unique global platform and achievements
- provides opportunity for funding to leverage growth
- provides partner/s to jointly fund new developments

Strategic partner rationale

- opportunity to jointly develop a world class asset pipeline
- ability to leverage off Paladin's know-how and achievements
- access to market-leading technical capabilities and intellectual property
- opportunity to secure arm's length off-take agreements from Paladin share of production

Paladin objective

- Paladin is engaged in discussions with a number of nuclear utilities and related organisations for establishing a strategic alliance for which results are expected in the first half of 2015.

Conclusions and Outlook

- **Guidance revised to 5.2-5.5Mlb U_3O_8 for FY2015**
- **2015 priorities**
  - focus on optimisation of operations and achieving production targets
  - continue cost rationalisation at operations and corporate level
  - remaining positioned to take advantage of the future uranium price resurgence
  - closing its next strategic growth plan by forming key alliances with nuclear utilities for a "win-win" situation to leverage growth and need for sector consolidation
- **Paladin's current operations and pipeline projects**
  - ready for expansion when incentive prices are sufficient
  - ability to leverage growth via strategic alliance

Projects (calendar years)

Uranium Price Dependent

2016 Restart KM

2017/18 Stage 4 Expansion LH

2018/19 Manyingee

2021 Michelin Project

+2022 Other Pipeline Projects

Plus opportunity to develop other projects through acquisitions

Major Producer Status

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