

**HD** Langer Heinrich Sells 25 Percent of Shares to **Chinese**

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**WC** 594 words

**PD** 22 January 2014

**ET** 21:41

**SN** All Africa

**SC** AFNWS

**LA** English

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Swakopmund, Jan 22, 2014 (New Era/All Africa Global Media via COMTEX) -- Paladin **Energy** that owns Langer Heinrich **Uranium** mine in the Erongo Region has sold a 25 percent ownership **stake** in the mine to the **Chinese Uranium** Corporation Ltd, a wholly owned subsidiary of **Chinese** National Nuclear Corporation (CNNC) for U\$190 **million** (about N\$2 **billion**).

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The off take component of the agreement will allow CNNC to **purchase** its pro-rata share of product at the prevailing market spot price. This also offers an opportunity for Paladin to benefit by securing additional long-term off take arrangements with CNNC, at arm's length rates, from Paladin's shares of Langer Heinrich's production. CNNC has also agreed to pay a U\$20 **million** non-refundable deposit to Paladin. The General Manager for International Affairs of Paladin **Energy**, Gregory Walker, made the announcement yesterday in Swakopmund after the transaction was concluded in Australia on Sunday. He says the Namibian government has already been formally informed about the agreement, which will be of great significance to the future development of the country. According to Walker, Paladin **Energy** was already looking for a strategic investor to join the **Uranium** giant, Langer Heinrich.

"We are pleased that the negotiations were successfully concluded last Saturday, which resulted in a transaction taking place in Beijing **China**," Walker explained. According to him this is a very positive and strategic development for Langer Heinrich and Namibia as the **company** was looking forward to bring a partner on board for investment that would level the current debt of the **company**.

"The past three years were extremely difficult for the **uranium** industry as **uranium** prices went through dramatic difficulties due to the Fukushima incident of March 2011. We have seen mine closures and mines going on maintenance. It has been without a doubt the toughest times for the **uranium** industry. However, we want to make sure that the **company** remains robust until **uranium** prices recover with the deal we just concluded," Walker said. He went on to say that the industry still remains unsure when **uranium** prices would recover, but they now have the financial backing to hold on until such time.

"But in clearer terms this strategic partnership has two aspects, one is to make money but also to concentrate on somebody that is a significant player in nuclear **energy**. We all know that **China** is a dominant force in this department as they have a sizable demand for nuclear **energy**. There is no doubt that **China** is a one of the biggest players in terms of nuclear **energy**, since they have plans to set up at least five nuclear power stations this year alone. This is an indication of the connection of **China** and the importance **uranium** would play for their **energy** supply," Walker went on to say.

Although the boards of Paladin and CNNC approved the transaction, the finalisation of the agreement is still subject to the approval of the regulatory authorities in **China** and Namibia.

CNNC is a major force in the **Chinese** national nuclear technology industry and boast a full range of nuclear-technology industries, while they also play an important role in developing nuclear power and related power plants. The joint venture is said to be representing a formidable partnership focused on advancing global **uranium** production and is also expected to increase **uranium** prices, as well as the long-term growth and development of the globally important **mining** operation at Langer Heinrich.

**CO** pairs : Paladin Energy Limited

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