



HD FED:Chinese private equity buys Paladin stake

WC 243 words

PD 24 November 2014

SN Australian Associated Press Financial News Wire

SC AAPFIN

LA English

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PALADIN SYDNEY, Nov 24 AAP - A Chinese private equity firm is buying a 15 per cent stake in Paladin Energy as part of a \$205 million capital raising by the Australian uranium miner.

HOPU will spend \$61 million on its stake in Paladin as the Perth-based miner undertakes a capital raising to help shore up its balance sheet.

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The Foreign Investment Review Board has given the go ahead for the Chinese investor to own just under a fifth of Paladin's shares.

Paladin is also trying to raise \$144 million from existing investors through a non-renounceable entitlement share offer.

Chief executive John Borshoff said HOPU would be a long-term, strategic investment partner for Paladin.

"HOPU's investment demonstrates its confidence in the uranium industry and its understanding of Paladin's unique positioning in the uranium sector," he said in a statement on Monday.

Paladin shares have been placed into a two-day trading halt as it undertakes its capital raising.

The money it raises will help repay more than \$300 million in convertible bonds which are due in November 2015.

Paladin, which has projects in Namibia and Malawi, says it is focusing on cutting costs.

The miner said it believes uranium prices have recovered from the 2011 Fukushima nuclear disaster in Japan, with recent price increases, from \$28 to \$44 a pound, a sign that geopolitical tensions had tightened supply.

AAP saj/bt/

CO palrs : Paladin Energy Limited

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AN Document AAPFIN0020141124eabo000b5