

SE News
 HD **Paladin losses lift after mine shuts**
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A THIRD consecutive year of weak **uranium** prices has led to Paladin **Energy**'s half-year net loss rising to \$US255 **million** (\$A282 **million**).

The **uranium** producer does not expect any short-term improvement, shutting one of its two producing mines last week and reducing production guidance for the year.

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However Paladin predicts the nuclear power industry will recover and the long-term future will be positive for **uranium** producers, with the current mine closures and lack of investment in new supply leading to sharp price rises.

Chinese giant, **China** National Nuclear Corp agreed last year to pay Paladin \$US190 **million** for a 25 per cent **stake** in Langer Heinrich mine in Namibia, with regulatory approval expected this year.

The **company**'s shares were up half a cent to 48 cents by 1300 AEDT. Paladin's loss widened by 32 per cent from a \$US193.5 **million** half year loss last year.

The result was inflated by a \$US226.5 **million** impairment on its Queensland exploration assets.

Stripping those out, Paladin's gross result was a \$US29.3 **million** loss compared to an \$US11.3 **million** profit last year.

It blamed the loss on a 21 per cent fall in the **uranium** price and higher impairment of inventory at the loss-making Kayelekera mine in Malawi it put on care and maintenance last week.

By the end of the year Paladin had cut its basic cost of production in the December quarter by 8.0 per cent to \$US27.50 a pound at the Langer Heinrich mine in Namibia and 24 per cent to \$US33.10 at the more costly Kayelekera.

Paladin's average realised **uranium** sales price for the six months was \$US38.40 a pound, compared to \$US72 at the time of the 2011 Fukushima nuclear accident that triggered shutdowns of reactors around the world. Following the decision to close Kayelekera, Paladin has revised 2014 production guidance from 8.3-8.7 **million** pounds to 7.8-8.0 **million** pounds.

CO chinuc : China National Nuclear Corp. | palrs : Paladin Energy Limited
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