

HD Paladin **Energy** to raise A\$205M via placement, entitlement offer

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LP Paladin **Energy** Ltd. plans to raise about A\$205 **million** via a private placement and an underwritten entitlement offer to recapitalize the **company** and meet its medium-term funding requirements, according to a Nov. 24 news release.

Under the placement, HOPU Clean **Energy** (Singapore) Pte. Ltd. will unconditionally subscribe for about 144.9 **million** fully paid ordinary shares in the ASX-listed **uranium** producer priced at 42 Australian cents apiece, for gross proceeds of A\$61 **million**.

TD Paladin will issue the new shares, representing 15% of its current capital base, within the day. The **China**-based private **equity firm** will then hold about 13% of the **company**'s issued capital following the placement.

In line with the offering, HOPU Managing Director Wendong Zhang was appointed to Paladin's board.

HOPU will be eligible to participate in a nonrenounceable entitlement offer that Paladin will undertake to raise the remaining A\$144 **million**.

Under the offer, eligible shareholders may subscribe for 1 new share for every 2 existing shares as of the record date Nov. 27. Paladin **Energy** will offer the entitlements for 26 cents per share.

"The recapitalization package will allow Paladin to significantly de-risk its balance sheet and enhance its future funding flexibility," Paladin **Energy** CEO and Managing Director John Borshoff said.

Proceeds from the private placement and entitlement offer will be used to fund the **company**'s convertible **bonds** due November 2015, and will serve as a cash buffer for working capital.

Separately, Paladin noted that it remains on track to meet its 2015 production guidance of between 5.4 **million** pounds and 5.8 **million** pounds of U3O8. The **company** earlier lowered its production forecast for the September quarter due to issues at its Langer Heinrich mine in Namibia.

The Langer Heinrich mine introduced a new resin in the NIMCIX circuits, while scaling issues were also resolved. Construction of the bicarbonate recovery plant at the site is scheduled for commissioning in January 2015.

These initiatives put Paladin in a strong position to achieve its long-term cash cost target of US\$20 per pound at Langer Heinrich, the **company** said.

CO palrs : Paladin Energy Limited

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