



PALADIN ENERGY LTD

ACN 061 681 098

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21 November 2013

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

By Electronic Lodgement

Dear Sir/Madam

Annual General Meeting Presentation and Chairman's Address

Attached please find the presentation in relation to the Annual General Meeting to be held today, together with the Chairman's Address.

Yours faithfully
Paladin Energy Ltd

JOHN BORSHOFF
Managing Director/CEO



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CHAIRMAN'S ADDRESS AT 2013 ANNUAL GENERAL MEETING

Operationally the past financial year has been a watershed for Paladin. Both the Langer Heinrich and Kayelekera mines delivered record production with the result that the combined 8.255Mlb U₃O₈ annual production was well within the stated guidance. As announced last week, the first quarter of the current financial year has also seen impressive production numbers.

Safety performance at both operations during the financial year was to the high standard expected and in fact better than the Australian average standard. However, subsequent to year end a fatality at Kayelekera and then at Langer Heinrich was a sad reminder that safety cannot be taken for granted. A full review of all aspects of safety within the Group is now underway to better ensure that a culture of "zero harm" is ingrained.

It is a frustrating irony for Paladin's employees and shareholders that, following some seven years of continuous building, expansion, upgrade and modification at both operations, this impressive operational platform should be reached when the spot price for uranium is at an eight year low. As a consequence, the return to the Governments of Namibia and Malawi through royalties and taxes has also diminished. However, although our product marketing team has worked hard to achieve the best prices possible, the uranium price is totally beyond Paladin's control.

As detailed further in the Annual Report, the Board and management of Paladin feel confident that a strong future exists for the uranium industry and, for that reason, we continue to support the existing operations. The Langer Heinrich mine is clearly a world class, long life, lower quartile cost mine with a bright future. Unfortunately the Kayelekera mine due to the nature and location of the ore body, is a higher cost operation although significant improvement in cash operating costs has been achieved.

The important long-term off-take contract with Électricité de France in August 2012 which delivered a US\$200M prepayment to Paladin represented a key component of Paladin's strategic initiatives aimed at improving the Company's balance sheet. The other component involves a potential sale of a minority interest in the Langer Heinrich mine. The sharp decline in the uranium price during the latter part of this sale process had the consequence that the Paladin Board decided to terminate the process after the preferred bidder advised on 1 August 2013 that it wanted to renegotiate the terms, including price, at the final stage of the process. The Board determined it would not be in the best interests of shareholders to continue those particular negotiations.

Having regard to the delay in a potential Langer Heinrich transaction and the continuing weak uranium price the Board took the prudent approach to make a placement of shares to stabilise its cash position well into 2014. It is true that this placement was made at a discount greater than we would have preferred. The Board did consider undertaking a share purchase plan for the benefit of retail shareholders but unfortunately the share price traded down well below the 70 cents placement price making such a plan unattractive for such shareholders.

The Paladin Board has kept the door open for the sale of a minority interest in Langer Heinrich and a rejuvenated sale process is continuing, with a number of interested nuclear industry participants. It is important for shareholders to understand that the underlying value of Langer Heinrich, being a high quality long life mine, is based not on today's spot price but on an anticipated long term outlook for the uranium price in the light of forecast supply restraints.

In addition to the work on reducing production costs, the Company has moved to reduce costs throughout the organisation such as significantly deferring exploration and, unfortunately, making

redundant a number of our staff. Regardless, our intention remains to retain our core capability in anticipation of improvement in the uranium price. Your Board is fully committed to getting value back into the Company, which we consider to be in a sound operational and strategic position to take advantage of the anticipated improvement in the uranium price.

On behalf of the Board, I wish to thank all staff for remaining loyal and dedicated to the Company during these difficult economic times. As announced on Tuesday this week, the Company has agreed with Mr John Borshoff for him to continue as Managing Director and Chief Executive Officer until 31 December 2014 with the option for the parties to agree (having regard to agreed performance objectives) an extension for a further one or two years. The Board recognises the importance of Mr Borshoff's contribution to the strategic negotiations concerning the Langer Heinrich minority interest sale and debt reduction.

Despite what I feel has been speculative and sensationalised media reporting, it is encouraging to see that there has in fact been overwhelming shareholder support for all resolutions to be put at today's Annual General Meeting. On behalf of the Board I thank shareholders for their support and I sincerely hope that the future will offer due reward for all employees, shareholders and supporting communities.

RICK CRABB
Chairman