PERTH, WESTERN AUSTRALIA--(Marketwired - July 30, 2015) - Paladin Energy Ltd (TSX: PDN) (ASX: PDN) ("Paladin" or the "Company") is pleased to advise of a material reduction in its forecast FY16 cash flow break-even level through a sustainable reduction in its forward all-in cash costs (including capital expenditure, corporate costs and debt servicing). These measures (outlined below) will reduce Paladin's total cash costs by more than US$33M (compared to FY15). Further measures that will be implemented within the Dec 2015 quarter are expected to bring the Company's overall cash flow to a break-even level that is sustainable even if the current low uranium price environment continues.

Paladin still firmly believes the uranium market is near an inflection point, after which materially higher prices are expected. The cost reduction initiatives outlined today, in conjunction with the pending measures, are intended to make the Company cash flow positive during FY16, enhancing shareholder leverage to any future uranium price upturn.

Key elements of the Company's cost reduction initiatives include:

- Langer Heinrich Mine - Revised forecast forward C1 cash cost of approximately US$26/lb for FY16 based on 5.2Mlb of production reducing from US$29.07/lb in FY15. This will result in a significant decrease in total cash cost (including royalties, transport, logistics and capital expenditure) reducing from US$36.44/lb in FY15 to US$30.74/lb and represents a reduction of almost US$6/lb including a deferment of US$10M capital expenditure into FY17. Key elements of the reduction include renegotiation of terms with the mining contractor, reduced reagent consumption linked to further optimisation of the Bicarbonate Recovery Plant and deferment of some planned capital expenditure.

- Corporate and exploration - 35% cut in corporate costs to US$9.7M and exploration rationalised for FY16 focussed on essential exploration, including a small amount of potentially high impact drilling. Total corporate and exploration costs are reduced to approximately US$16M.

- Kayelekera care and maintenance - US$5M saving resulting in Kayelekera care and maintenance costs of approximately US$11M for FY16.

This US$33M cash cost saving is a key step for Paladin to achieve sustainability in the current low uranium price environment. Paladin expects, as a minimum, to be cash flow neutral by the end of calendar year 2015. The further cost reductions undergoing review in the next three months will be implemented once verified and are aimed at lowering total all-in cash costs to achieve the cash flow neutral position. Alongside the cost reductions, a revised Life of Mine plan for Langer Heinrich is well advanced and Paladin expects its completion to result in further operational improvements.

The costs and efficiency gains announced in this release are part of a focussed effort to put Paladin in a sustainable position and preserve shareholder value. Continued cost reduction, combined with the positive outlook for uranium and the globally competitive position of our flagship Langer Heinrich Project, means Paladin will have greater leverage to an improving uranium market with its established projects, an extensive project pipeline and industry-leading IP as it continues its optimisation initiatives.

Additional information:

Langer Heinrich Cost Guidance

In early FY15, Paladin provided future C1 cost guidance to the market. This guidance was provided in FY14 terms. The following table updates that guidance after allowing for annual cost escalation of 3% and the cost reduction program, including the current deferment of capital.

Table: Updated Cost Guidance (US$/lb)

Period	Original Guidance		Revised Guidance
	FY2014 Terms	Escalated to Actual Year*	
End FY15	24.5	25.2	Benefit of BRP realised in June quarter, 26.03 achieved in June quarter (24.
End FY16	23.0	24.4	Now 26.0 anticipated due to optimisation delay due to capex deferral to FY1
End FY17	22.0	24.0	24.5 anticipated

**Assumes 3% annual cost escalation from FY14 and provides real dollar cost estimate for each year.*

Reduction in Payments to Management, Directors and Staff

As part of the 35% reduction in corporate costs, Paladin's management and staff will take a 10% salary cut (in addition to the previous 10% salary cut affecting senior management) and the Board will further reduce fees payable to the Non-Executive Chairman and Non-Executive Directors by 20%. In addition, the Managing Director has offered, and the Board has accepted, a further 20% salary reduction. Previously to this, the salary of the Managing Director had been reduced by 35% and Board fees reduced by 10%.

ACN 061 681 098

Contact

For additional information, please contact:

John Borshoff
Managing Director/CEO
Tel: +61-8-9381-4366 or
Mobile: +61-419-912-571
Email: john.borshoff@paladinenergy.com.au

Greg Taylor
Investor Relations Contact
Tel: +1 905 337-7673 or
Mobile: +1 416-605-5120 (Toronto)
Email: greg.taylor@paladinenergy.com.au