



PALADIN ENERGY LTD

ACN 061 681 098

24 September 2010

Company Announcements Office
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

By Electronic Lodgement

Dear Sir/Madam

Paladin Bid for NGM Resources Ltd – Defeating Conditions Triggered

Paladin Energy Ltd (**Paladin**) today announces that its off-market scrip takeover offer (**Offer**) for NGM Resources Ltd (**NGM**) will lapse at the end of the offer period on 08 October 2010 as a consequence of the non-fulfilment of certain defeating conditions contained in Paladin's bidder's statement.

Paladin's bidder's statement of 02 September 2010 made clear that Paladin's Offer was subject to a number of defeating conditions, which included (in paragraphs 10.12(l) and (m)) that prior to the conclusion of the offer period, (i) there should be no outbreak of hostilities (whether war was declared or not), or terrorism, or mobilisation of armed forces, material increase in the intensity of any of the above events or other event beyond the control of NGM or the relevant subsidiary which affects or is likely to affect, and (ii) no change occurs, is discovered or becomes public which could reasonably be expected to have a materially adverse effect on, the assets, liabilities, financial position, performance, profitability or prospects of NGM or any of its subsidiaries.

On 16 September 2010, forces associated with al-Qaida in the Magreb (North Africa) (**AQIM**) entered the town of Arlit in Niger's uranium mining region and abducted seven people, employed by the French uranium company Areva and its construction contractor, Vinci. Areva subsequently evacuated expatriate personnel from its operations in the north of the country and, in response to a request by the Government of Niger, France has dispatched anti-terrorism forces and reconnaissance aircraft to Niger. According to The Associated Press, in order "to kidnap seven foreigners from inside their homes, al-Qaida-linked gunmen in northern Niger forced their way past the security cordon of one of the world's most heavily guarded mining towns." Such action "shows a new level of brazenness".

In the light of these material unforeseen events, NGM's ability to safely access, explore and develop the resource base of its exploration tenements following the completion of the takeover bid would be seriously compromised. Safety concerns would prevent Paladin Group expatriate personnel from working in Niger's uranium region within a suitably secure environment for an, as yet, unknown period of time. As a consequence of these recent developments in Niger, the conditions of the Offer referred to above are no longer capable of being fulfilled. Paladin does not intend to free the Offer from these conditions; accordingly, the bid will lapse at 5.00pm (Perth time) on 08 October 2010, when all acceptances or the contracts resulting from acceptances of the Offer will become void.

Paladin currently holds approximately 22.48% of the NGM shares on issue and has a relevant interest in 59.73% of the NGM shares (resulting from the above holding and acceptances under the Offer received to date). It is Paladin's present intention to retain its current 22.48% shareholding in NGM. Paladin maintains its interest in Niger as a strategic region, recognising the country's long history in uranium production and potential for further discovery. The Company will maintain a watch on the security situation there in order to determine its future strategy in regard to Niger.

Yours faithfully
Paladin Energy Ltd

JOHN BORSHOFF
Managing Director/CEO