



PALADIN RESOURCES LTD

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Ref:F5934

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Company Announcements Office
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Sale of Non-Core South Australian Uranium Property Database

Paladin is pleased to advise that it has sold to Deep Yellow Ltd (DYL) a non-core uranium exploration property in the Frome Basin in South Australia together with the licensing of a comprehensive regional database covering the Frome Basin area.

The consideration to be received comprises 7,500,000 fully paid shares in DYL and 12,500,000 unlisted options exercisable at 12 cents on or before 15 July 2008. The issue of these securities is subject to the approval of DYL shareholders.

With Paladin focussing its efforts on development of its advanced uranium projects in Namibia and Malawi, the Directors believe it more advantageous to the Company to allow, through DYL, the ongoing evaluation and progression of its non-core properties and databases it held in the Napperby, NE Arunta, the Frome regions of Northern Territory and South Australia. This enables the opportunity to allow development of these projects to then benefit Paladin by flow through from any upside through its growing equity holding in DYL.

Yours faithfully
Paladin Resources Ltd

JOHN BORSHOFF
Managing Director