



PALADIN RESOURCES LTD

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

By Electronic Lodgement

Dear Sir/Madam

Another Yellowcake Sales Contract Secured for Langer Heinrich

The Directors are pleased to announce that Paladin Resources Ltd ("Paladin") has secured a second sales contract for a portion of its yellowcake (U_3O_8) production from the Langer Heinrich Uranium Mining Operation, scheduled for commissioning in September 2006. This sales arrangement with a US utility is subject to finalisation of all necessary legal documentation.

The sales contract is for the purchase of 2,080,000lbs U_3O_8 for delivery between 2007 and 2012. Pricing will be market related to be determined at time of each delivery with escalating floor and ceiling price components.

Paladin negotiations with nuclear power utilities worldwide are showing that a strong appetite exists not only for additional uranium but also for a new supplier which can demonstrate credibility and security of supply in the market.

As had been previously stated the price of uranium has been increasing steadily over the past five years and significant upward price pressure remains as a result of forecast shortages of supply. In a situation where new mine production is now essential to meet increasing demand, this places Paladin in an excellent position to become a significant player in the global uranium market.

Yours faithfully
Paladin Resources Ltd

JOHN BORSHOFF
Managing Director