



PALADIN RESOURCES LTD

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Ref: 48450

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The Company Announcements Officer
Australian Stock Exchange Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Paladin Resources Limited to Issue US\$250 Million of Convertible Bonds

Paladin Resources Ltd ("Paladin") wishes to announce that it has launched an offering to raise US\$250 million of unsubordinated, unsecured convertible bonds (the "Convertible Bonds") due 2011. Proceeds from the offering will be used to further advance the development of the Kayelekera Project in Malawi, establish a uranium marketing subsidiary, fund opportunities as they arise for acquisitions and corporate growth and for general corporate purposes. Paladin's uranium marketing subsidiary will, amongst other things, establish its own uranium inventory to afford the Paladin Group flexibility and stability of ongoing supply, in a dynamic uranium market.

The bookbuilding period will begin upon issue of this statement and is expected to end on 1 December 2006. The Joint Lead Managers and Bookrunners reserve the right to close subscription at an earlier time. The Convertible Bonds are being offered to institutional, professional and sophisticated investors. The offering will occur outside the United States to non-U.S. persons in accordance with Regulation S under the U.S. Securities Act of 1933 as amended. The offering will be made in certain Provinces in Canada to "accredited investors" only.

The payment and settlement date is expected to be on or around 15 December, 2006. Paladin intends to apply for listing of the Convertible Bonds on the Singapore Stock Exchange.

The Joint Lead Managers and Bookrunners are RBC Capital Markets ("RBC") and UBS Limited ("UBS").

Yours faithfully
Paladin Resources Ltd

JOHN BORSHOFF
Managing Director

Not for distribution to United States newswire services or for dissemination in the United States.

In connection with this issue RBC and/or UBS may effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail for a limited period after the issue date. However, there may be no obligation on RBC and/or UBS or any agent thereof to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period

NOTHING IN THIS DOCUMENT CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE CONVERTIBLE BONDS OF PALADIN LIMITED HAVE NOT BEEN, AND WILL NOT, BE REGISTERED UNDER THE US SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE CONVERTIBLE BONDS MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY OTHER APPLICABLE SECURITIES LAWS OR PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY OTHER APPLICABLE SECURITIES LAWS.