



PALADIN RESOURCES LTD

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

30 November 2006

Dear Sir/Madam

Paladin Resources Ltd Announces Pricing of US\$250 Million of Convertible Bonds

Paladin Resources Ltd. ("Paladin") (ASX and TSX: PDN) is very pleased to announce the pricing of its issue of US\$250 million of convertible bonds due 2011 (the "Convertible Bonds").

The Convertible Bonds are unsubordinated, unsecured obligations of Paladin, carry a coupon of 4.50% per annum payable semi-annually and are convertible into Paladin shares at US\$7.685 per share, representing a conversion premium of approximately 38% above the price of Paladin shares at the time of pricing (A\$7.090 on 30 November 2006, or US\$5.569 based on current exchange rates).

Unless previously redeemed or converted, the bonds will be redeemed at par on 15 December 2011. Paladin has the right to redeem all outstanding Convertible Bonds at their principal amount on or after 5 January 2010 if the Paladin share price exceeds for a specified period of time 130% of the conversion price. Application has been made for the Convertible Bonds to be listed on the Singapore Stock Exchange.

The Convertible Bonds were offered to institutional, professional and sophisticated investors outside of the United States to non-U.S persons in accordance with Regulation S under the US Securities Act of 1933, as amended. The offering was made in certain Provinces in Canada to "accredited investors" only. A prospectus will also be lodged in Australia in connection with this issue.

Settlement is expected on or about 15 December 2006. 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.

Paladin's Managing Director, John Borshoff, said "The success of this convertible bond is a reflection of investor optimism and support for both Paladin and the uranium market."

The Joint Lead Managers and Bookrunners to the offering were RBC Capital Markets ("RBC") and UBS Limited ("UBS").

Yours faithfully
Paladin Resources Ltd

GILLIAN SWABY
Company Secretary

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 RBS 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.

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

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.