



COMPANY ANNOUNCEMENT

3 January 2007

Commissioning of Langer Heinrich Uranium Project

GRD Limited is pleased to attach the announcement by Paladin Resources Ltd regarding the successful completion of the construction and staged commissioning of the Langer Heinrich Uranium Project in Namibia.

GRD Minproc carried out the EPCM contract for the project. The Board of Paladin has acknowledged that the construction and staged commissioning of the Langer Heinrich Project "was achieved within the original schedule and within the specified capital budget".

The full statement by the Directors of Paladin Resources Ltd is attached.

ENDS

For further information contact:

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GRD Limited

GRD is an engineering and development company.

Engineering:

GRD Minproc is a leading independent engineering construction business providing high value services and specialising in the design, procurement and construction of mineral resource and waste-to-resources projects. The company has honed its technical and project management skills at the cutting edge of the international resource industry.

The company's process engineering and project record are internationally recognised with extensive experience gained in copper, gold and nickel, developing practical and innovative solutions to ensure clients a maximum project rate of return. GRD Minproc's clients include BHP Billiton, Newcrest, Anglo American, CVRD, and Gold Fields Limited.¹

GRD Minproc was awarded the 2005 WA Engineering Excellence Award, International Projects and Exports, for the Kansanshi copper project in Zambia.

Kirfield Limited is a construction and fabrication company offering specialised manufacturing services to the mining and resources industries.

Development:

Global Renewables has assembled the world's leading technologies to maximise the recovery of resources from the municipal solid waste stream.

The UR-3R Process[®] is a mechanical biological treatment (MBT) that treats municipal solid waste through integrated sorting, biological digestion and composting processes. Global Renewables has technology licence arrangements with ISKA for the ISKA[®] Percolation and Sorain Cecchini Techno SRL (SCT) for resource separation and composting for the patented UR-3R Process[®].

Global Renewables owns and operates an urban waste treatment project incorporating the UR-3R Process[®] at Eastern Creek in Sydney, Australia. The Eastern Creek UR-3R Facility is designed to process 175,000 tonnes of municipal solid waste per annum (11 percent of Sydney's waste)². The Facility is a public private partnership and operates under a 25 year contract with WSN Environmental Solutions.

Global Renewables is also preferred bidder for the Lancashire Waste Partnership PFI Project, one of the largest waste contracts of its type in the United Kingdom. The contract will see Global Renewables finance, design, construct and operate an integrated network of waste management facilities with an average processing capacity of 600,000 tonnes per annum. The A\$5 billion, 25 year contract requires an initial capital cost of around A\$500 million.

¹ Projects include the Niquel do Vermelho nickel project, the Ravensthorpe nickel project, the Langer Heinrich uranium project and the Bogoso BIOX[®] gold project.

² Officially opened in September 2004, the Eastern Creek UR-3R Facility is designed to produce biogas sufficient to produce 17,000 megawatt hours of green energy (enough to power 2,250 households), 200,000 tonnes of Emission Reduction Units per annum (carbon credits equivalent to taking 30,000 cars off the road), and more than 20,000 tonnes of AS4454 certified organic growth media per annum, in addition to recyclable products (paper, glass, steel, plastics and aluminium). 1,500,000 tonnes of the Emission Reduction Units have been forward purchased by Mitsui & Co (Australia) Limited and BP Australia Ltd.



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

By Electronic Lodgement

Dear Sir/Madam

LANGER HEINRICH URANIUM PROJECT, NAMIBIA Production Milestone Successfully Achieved

The Directors of Paladin Resources Ltd ("Paladin") are very pleased to advise that the construction and staged commissioning of the Langer Heinrich Uranium Project (LHU) has been successfully achieved with a smooth transition of the project to Paladin's operational staff.

GRD Minproc, the Project Manager, has demobilized the primary construction work force keeping a select team of 50 construction people on site to complete any priority construction rectification work. Worldwide, this is the first complete new conventional uranium mining operation to come into production in a decade. **This historic and extremely significant milestone was achieved within the original schedule and within the specified capital budget.** The Board of Paladin extends its congratulations to the Staff and Management of both Paladin and its wholly owned subsidiary Langer Heinrich Uranium Pty Ltd, including all the contractors involved on the project, for having produced such an outstanding result for Paladin.

The mining operation is well advanced, supplying ore to the crusher. The crushing, scrubbing, attritioning, leaching/heating, CCD's and tails discharge slurry circuit are balanced, providing pregnant liquors to the uranium oxide extraction circuit. This circuit consisting of ion exchange, precipitation, elution and product preparation is fully functional and has produced Paladin's first uranium oxide concentrate commonly known as "yellowcake". **The alkaline leach process is validated and performing to predicted outcome producing drummed uranium oxide product.** Although a number of teething problems have been identified in the plant in the course of commissioning, none are considered major and will be remedied in the coming weeks.

The process of plant optimisation and construction rectification work will now continue as the LHU operational team proceed with the ramp up phase to achieve the name plate production rate for Stage 1 of 2.6 million lbs yellowcake per annum.

The production that will result from Langer Heinrich represents an important step forward in the challenge to meet the rapidly growing demand for uranium in a rejuvenated nuclear industry. With continued positive price outlook expected for a decade or more, timing of Paladin's production is optimal in consolidating the Company as the pre-eminent new producer.

Yours faithfully
Paladin Resources Ltd

JOHN BORSHOFF
Managing Director