



PALADIN RESOURCES LTD

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21 May 2007

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

By Electronic Lodgement

Dear Sir/Madam

Response to article in *The West Australian* 19 May 2007

Paladin Resources Ltd ("Paladin") wishes to respond to the article entitled "Panel blasts Paladin on scrapped U-deal" which appeared in *The West Australian* on Saturday, 19 May 2007.

The article, reporting the decision of the Takeovers Panel in proceedings brought by Areva NC Australia Pty Ltd ("Areva") relating to Paladin's takeover bid for Summit Resources Limited ("Summit"), is inaccurate and incomplete in several respects.

First, while the Takeovers Panel made a declaration of "unacceptable circumstances" it did **not**, as the article suggests, say that Paladin (or, for that matter, Summit) had "failed to meet [its] responsibilities to shareholders".

Paladin also notes that, notwithstanding the Panel's finding on the existence of "unacceptable circumstances", the Panel stated that no evidence was produced to suggest that "many, if any" Summit shareholders who accepted Paladin's bid were influenced by the initial statement by Paladin that it would support a proposed alliance agreement between Summit and Areva.

Finally, the Panel noted that to require Paladin to vote its Summit shares in favour of the transaction with Areva at a Summit EGM would "force Paladin into a commercial alliance with Areva that Paladin now did not wish to be in and that would potentially cause harm to the new and existing shareholders of Paladin".

Paladin notes that the Summit directors continue to unanimously recommend that Summit shareholders **ACCEPT** Paladin's offer, which is scheduled to close at 5:00pm (Perth time) on 25 May 2007 (unless extended).

Yours faithfully
Paladin Resources Ltd

JOHN BORSHOFF
Managing Director