PALADIN ENERGY LTD
ACN 061 681 098

14 January 2008

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

By Electronic Lodgement

Dear Sir/Madam

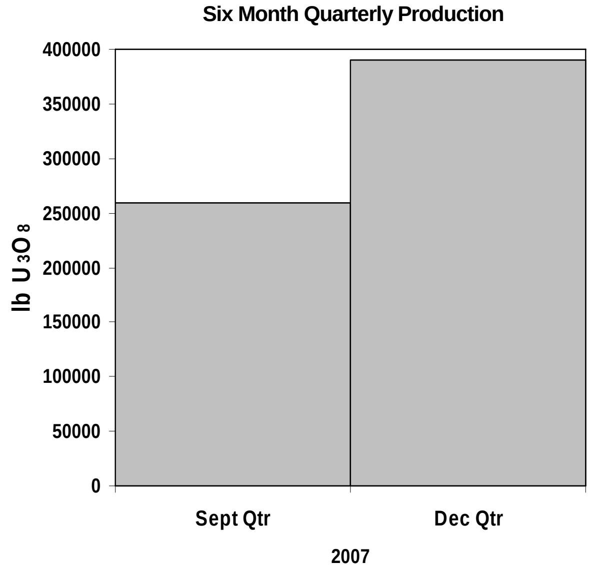
LANGER HEINRICH URANIUM PROJECT
ACHIEVES SIX-MONTH PRODUCTION FORECAST

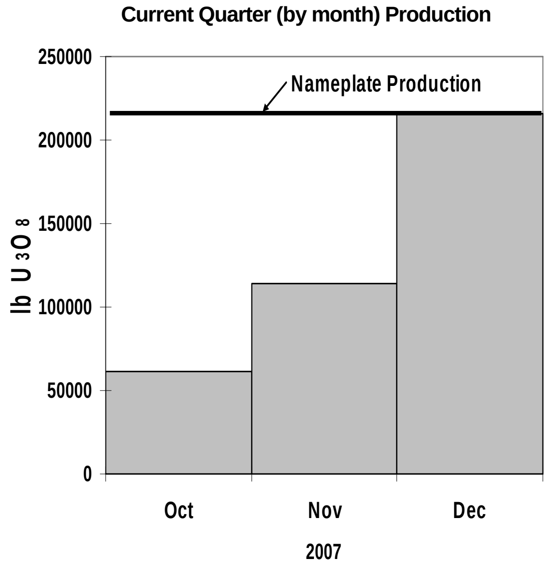
- **Plant achieves designed production level of 2.6Mlb of U_3O_8/annum**
- **Four additional Ion Exchanger (IX) columns successfully commissioned**
- **Design work progressing on Stage Two Expansion to increase capacity to 3.7Mlb/annum**

Paladin Energy Ltd ("Paladin") is pleased to advise that the Company's Langer Heinrich operations achieved the project's stated production target for the December quarter of 2007. Significantly, the Company now expects Langer Heinrich to produce at its nameplate design of 2.6Mlb of uranium oxide (U_3O_8) for the calendar year 2008.

December 2007 quarter production amounted to 390,807lb U_3O_8, giving a total production of 650,562lb for the six-month period, 1 July to 31 December 2007, thus meeting the Company's stated target for this period of 650,000lb.

This achievement represents a major milestone for the Langer Heinrich Project, with U_3O_8 production for December reaching 215,984lb. Quarterly production ramp up performance for the past 6 months and monthly ramp up production for the current quarter are shown below indicating nameplate production was reached in December.





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Plant Improvements

The production uplift achieved in December essentially resulted from the culmination of general metallurgy modification of the plant the most significant being the installation of the four new Ion Exchanger (IX) columns that were commissioned on 21 December with excellent results. Production from the IX section to the dryer/precipitation circuit averaged 7,692lb U_3O_8 per day for December (i.e. nameplate), including an average of 10,470lb per day from 21 December when three of the four new IX columns were put on-line (the fourth column is being held in reserve and will be utilised for water polishing to further optimise CCD wash efficiency).

During the March quarter, work at Langer Heinrich will focus on further improving plant operating efficiencies. These efforts principally will focus on improving throughput and recovery in the crushing and scrubbing section, improving CCD wash efficiencies and drying capability.

Production Ramp Up Analysis (Jan 07 to Dec 07)

The initial ramp up schedule, as announced in early 2005 forecast a design production of 2.6Mlb/annum of U_3O_8 to be achieved by 1 July 2007. The subsequent target deferral to January 2008 was caused primarily by material failure of leach tank liners in late January 2007 (one month into the ramp up phase) which caused consequent damage to the heat exchangers and took five months to rectify. In this period, the Company's ability to optimise plant throughput was heavily constrained and with this limitation most of the plant could not be adequately tested for bottlenecks and optimisation.

The major optimisation/ramp up work could only begin after July 2007, when all heat exchangers were on-line, modification to the CCD circuit in October 2007, installation of the IX columns and improving drier capability during the December 2007 quarter were the key improvement areas that have driven the significant production rate improvement.

Also, ore-body definition and mining development schedule continue to exceed expectations, providing a solid foundation for further plant optimisation and expansion.

Work is progressing on the engineering design and specification for the Stage II production expansion to 3.7Mlb/annum. Construction is expected to commence early in 2008, with mechanical completion scheduled for calendar year-end 2008.

Paladin is Delivering

In achieving the critical production milestone for its flagship project at Langer Heinrich the pathway has re-opened for Paladin to pursue its stated objectives. The validation of the ability of its management to deliver gives credence to the other elements of the Company's strategy for continued growth. With the Stage 2 expansion underway at Langer Heinrich (planned to achieve 3.7Mlb U_3O_8 annual production by the end of 2008) and its next mine at Kayelekera firmly on schedule for completion of construction also at the end of 2008 (designed to produce 3.3Mlb/annum), its stated annual production target of 7Mlb for 2010 remains soundly on track. As has been previously indicated the opportunity exists for further organic growth within these projects and this could add up to 2Mlb U_3O_8 to total annual production in the near term beyond 2010.

Yours faithfully
Paladin Energy Ltd

JOHN BORSHOFF
Managing Director