

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

PALADIN ENERGY LIMITED

ABN

47 061 681 098

Quarter ended ("current quarter")

31 December 2007

Consolidated statement of cash flows

		Current quarter US\$'000	Year to date US\$'000
	Cash flows related to operating activities		
1.1	Receipts from product sales and related debtors (refer Note 1.25)	23,672	43,717
1.2	Payments for (a) exploration and evaluation	(4,107)	(7,077)
	(b) development		
	(c) production	(14,639)	(26,097)
	(d) administration	(1,399)	(3,870)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	1,578	4,452
1.5	Interest and other costs of finance paid (refer Note 1.25)	(7,389)	(8,694)
1.6	Income taxes paid		
1.7	Other income	30	213
	Net Operating Cash Flows	(2,254)	2,644
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments	-	(17,758)
	(c) other fixed assets *	(24,928)	(30,501)
1.9	Proceeds from sale of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
	Net Investing Cash Flows	(24,928)	(48,259)
1.13	Total operating and investing cash flows (carried forward)	(27,182)	(45,615)

* includes mine construction for the Kayelekera Uranium Project

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1.13	Total operating and investing cash flows (brought forward)	US\$'000 (27,182)	US\$'000 (45,615)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	9,250	9,464
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	1,724	2,966
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Debt facility establishment costs	(355)	(421)
	Net Financing Cash Flows	10,619	12,009
	Net increase (decrease) in cash held	(16,563)	(33,606)
1.20	Cash at beginning of quarter/year to date	165,775	182,786
1.21	Exchange rate adjustments to item 1.20	(221)	(189)
1.22	Cash at end of quarter	148,991	148,991

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter US\$'000
1.23	Aggregate amount of payments to the parties included in item 1.2	426
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

1.1 – Receipts from product sales and related debtors in the six month period to 31 December 2007 includes US\$15,463,500 from the sale of 215,000 pounds of third party uranium purchased in the quarter ending 30 June 2007.

1.5 – Interest and other costs of finance paid for the quarter ended 31 December 2007 includes a US\$5.6 million bi-annual interest payment on the convertible bonds.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available US\$'000	Amount used US\$'000
3.1 Loan facilities	71,000	69,554
3.2 Credit standby arrangements	-	-
3.3 US\$250m convertible bonds issued on 15 December 2006 with a coupon rate of 4.5% maturing 15 December 2011 at a conversion price of US\$7.685 per share.		

Estimated cash outflows for next quarter

	US\$'000
4.1 Exploration and evaluation	4,000
4.2 Mine development (reflected in fixed assets 1.8(c))	50,000
Total	54,000

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter US\$'000	Previous quarter US\$'000
5.1 Cash at bank and in hand	2,783	481
5.2 Short-term bank deposits	36,410	35,634
5.3 Bank overdraft	-	-
5.4 Other (provide details) US Treasuries bonds	109,798	129,660
Total: cash at end of quarter (item 1.22)	148,991	165,775

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	N/A			
6.2 Interests in mining tenements acquired or increased	Malawi Exclusive Prospecting Licence 0225	Granted to Paladin (Africa) Limited 12 December 2007	Nil	100%

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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1 Preference securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	613,007,369	613,007,369		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	10,320,000	10,320,000	A\$1.00	A\$1.00
7.5 +Convertible debt securities (Convertible bonds) Refer Note 3.3	32,530,904			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	190,000 2,820,000 1,565,000 1,400,000 2,733,670		Exercise price A\$1.50 A\$2.80 A\$5.50 A\$5.50 A\$8.77	Expiry date 15.07.08 13.01.09 28.04.09 05.07.09 01.02.12
7.8 Issued during quarter				
7.9 Exercised during quarter	3,320,000 7,000,000		A\$1.00 A\$1.00	30.11.07 20.12.07
7.10 Expired during quarter	400,000		A\$8.77	29.12.12
7.11 Debentures (totals only)				

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7.12	Unsecured notes (totals only)		
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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



(Company secretary)

Date: 31 January 2008

Print name: Gill Swaby

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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