PALADIN ENERGY LTD
ACN 061 681 098

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

By Electronic Lodgement

Dear Sir/Madam

**Langer Heinrich Uranium Project -
Production Unaffected by Namibian Power Cuts**

Paladin Energy Ltd ("Paladin") advises that its projected production expansion at the Company's Langer Heinrich Uranium Project in Namibia will not be affected by the national power shortfall announced on 22 January 2008 by Namibia's state electricity utility, Namibia Power Corporation Proprietary Limited ("Nampower").

As the Company reported in September 2007, the current Langer Heinrich Stage II expansion requires no major upgrades to existing mine power and water services. Langer Heinrich is a relatively low energy consuming project. The Company has sufficient power supply contracted from Nampower to meet present and projected energy requirements for its Stage II expansion. Langer Heinrich has 16.5MW of power available, compared with other higher energy consuming Namibian mines, which require 40MW to 80MW. Langer Heinrich also has standby generating capacity onsite. Work is progressing on schedule to meet the Stage II production capacity target of 3.7Mlb/year, with mechanical completion scheduled as previously advised for calendar year-end 2008.

Namibia's domestic generating capacity is unable to meet peak demand. Nampower currently sources additional electricity from South Africa, Zambia and Zimbabwe, however these countries now face domestic power shortfalls. As a result, Nampower has announced that up to 20 per cent load shedding may be required during hours of peak demand. To date, Langer Heinrich has not been subjected to load shedding, but the Company will be able to cope with possible cutbacks without impacting production levels.

The Company's Kayelekera Project in Malawi is also unaffected by the power shortfalls currently impacting southern African countries. Kayelekera will be energy self-sufficient, with on-site power being provided by a 10MW containerised diesel-driven power plant which has arrived in-country.

The Kayelekera Project remains on schedule for a December 2008 start to commissioning. Plant modules will be commissioned sequentially as construction is completed. The Company anticipates completing Kayelekera construction by the end of 2008, with production ramp-up occurring early in the March quarter of 2009.

Yours faithfully
Paladin Energy Ltd

JOHN BORSHOFF
Managing Director

Grand Central, First Floor, 26 Railway Road, Subiaco Western Australia 6008 Postal: PO Box 201, Subiaco Western Australia 6904
Tel: +61 (8) 9381 4366 Fax: +61 (8) 9381 4978 Email: paladin@paladinenergy.com.au Website: www.paladinenergy.com.au