



PALADIN ENERGY LTD

ACN 061 681 098

Ref: 80320

20 February 2008

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

By Electronic Lodgement

Dear Sir/Madam

Convertible Bond Presentation

Attached please find presentation in relation to the Convertible Bond offer.

Yours faithfully
Paladin Energy Ltd

JOHN BORSHOFF
Managing Director

PALADIN ENERGY LTD

The New Energy In The Market

John Borshoff, Managing Director

**Investor CB Presentation
February 2008**



Disclaimer

This presentation includes certain statements that may be deemed “forward-looking statements”. All statements in this presentation, other than statements of historical facts, that address future production, reserve or resource potential, exploration drilling, exploitation activities and events or developments that Paladin Energy Ltd (the “Company”) expects to occur, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward looking statements include market prices, exploitation and exploration successes, and continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. The Company does not assume any obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.



Presentation Outline

- **Uranium Demand & Supply Overview**
- **Paladin Status**
- **Project Update**
- **Outlook**
- **Convertible Bond Issue**



URANIUM DEMAND & SUPPLY OVERVIEW



Nuclear Generating Capacity

January 2008 & future

In Operation (currently)

- **439 REACTORS**
- **372,059 MWE**
- **30 Countries**
- **168Mlbs U_3O_8 required 2008**

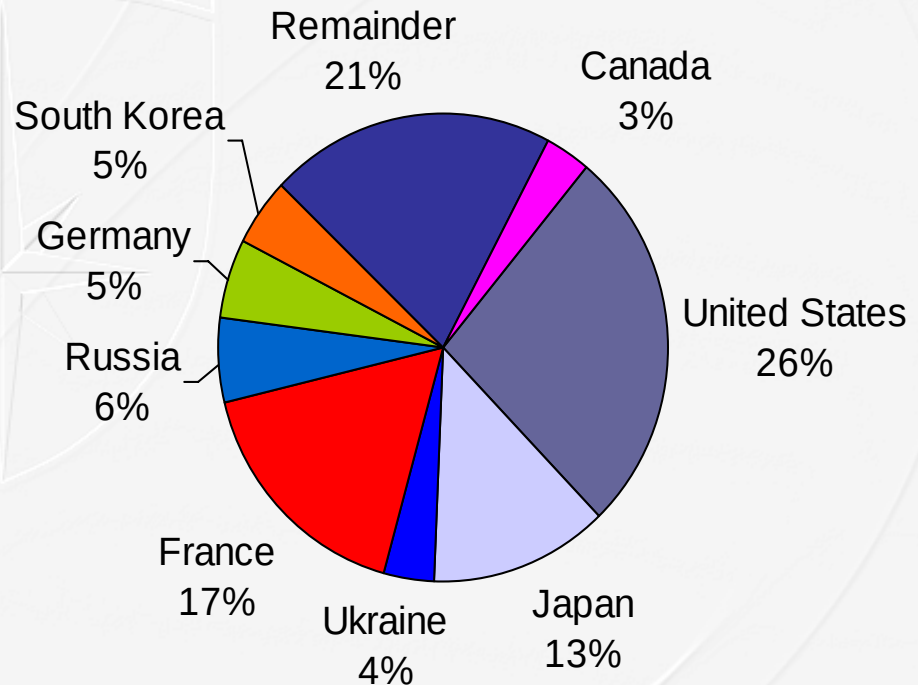
Under construction

- **34 REACTORS**
- **27,798 MWE**
- **12 Countries**

Planned and Proposed (by 2025)

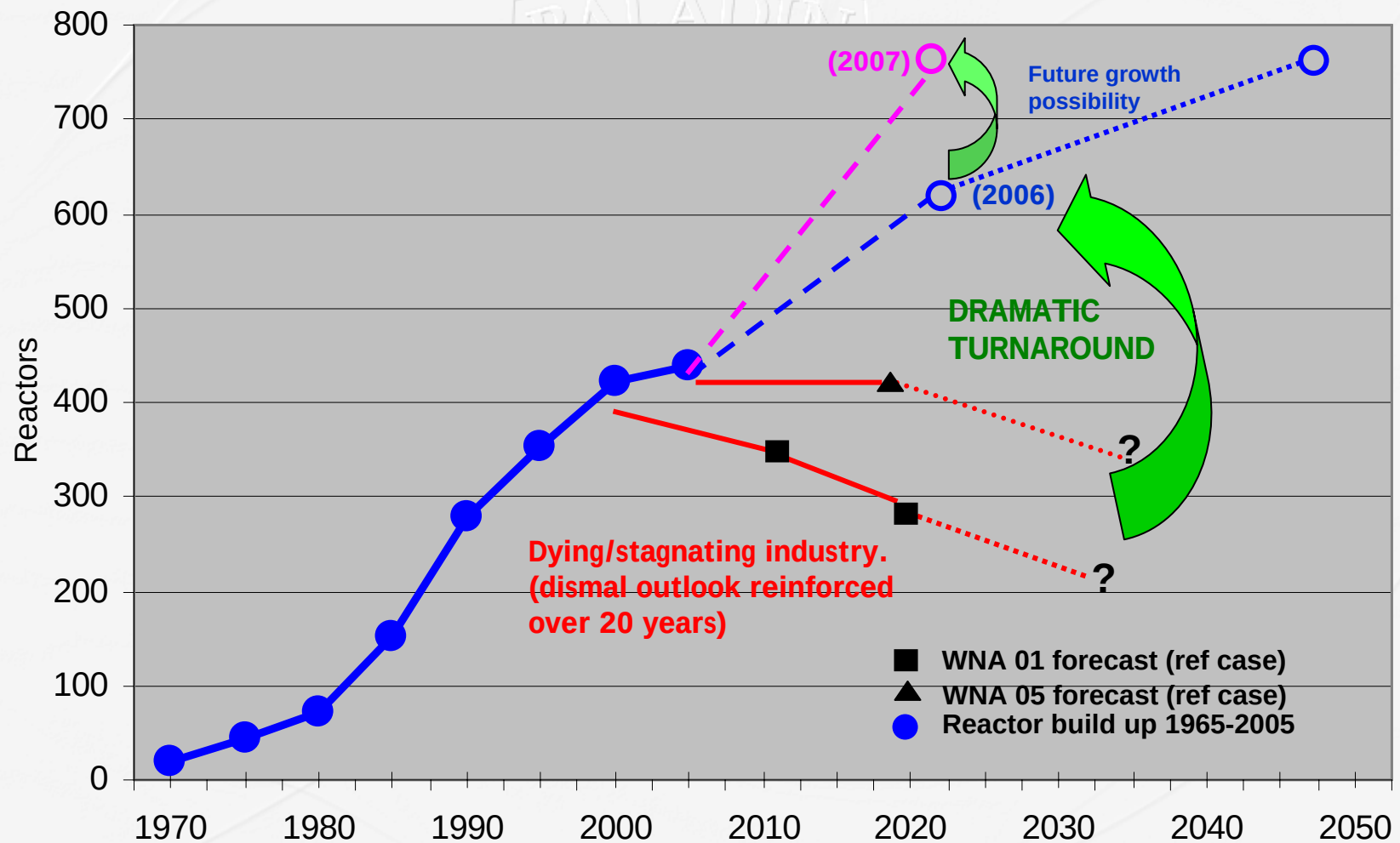
- **315 REACTORS**
- **293,690 MWE**
- **34 Countries**

Currently



The Nuclear Reactor Fleet (1965 to 2050)

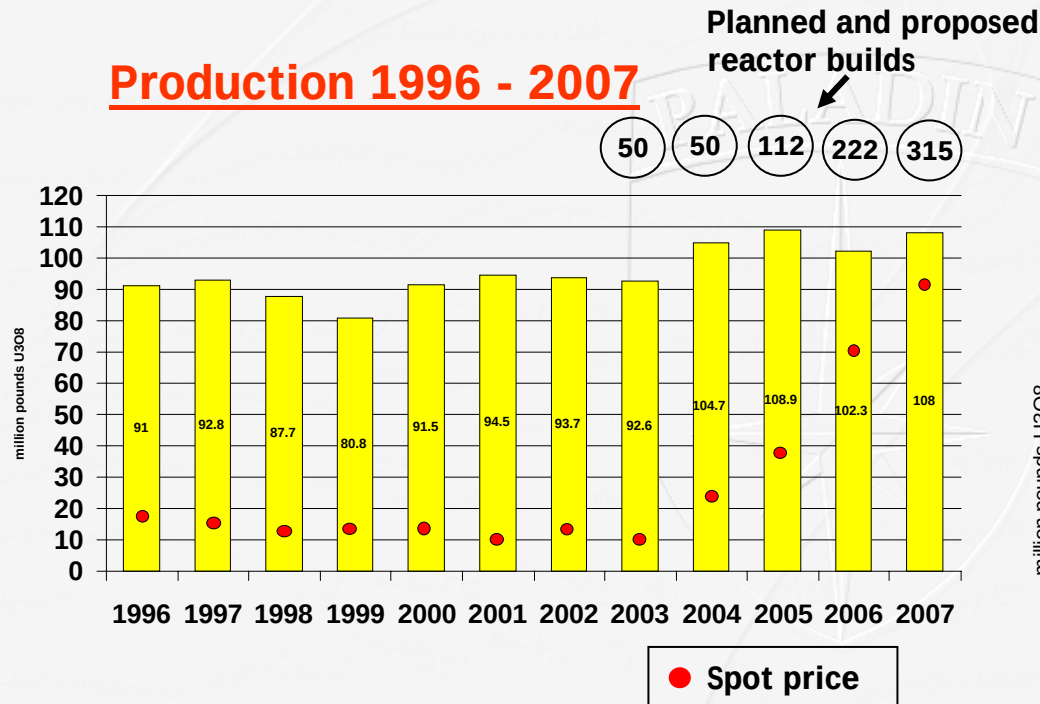
from stagnation to full revival





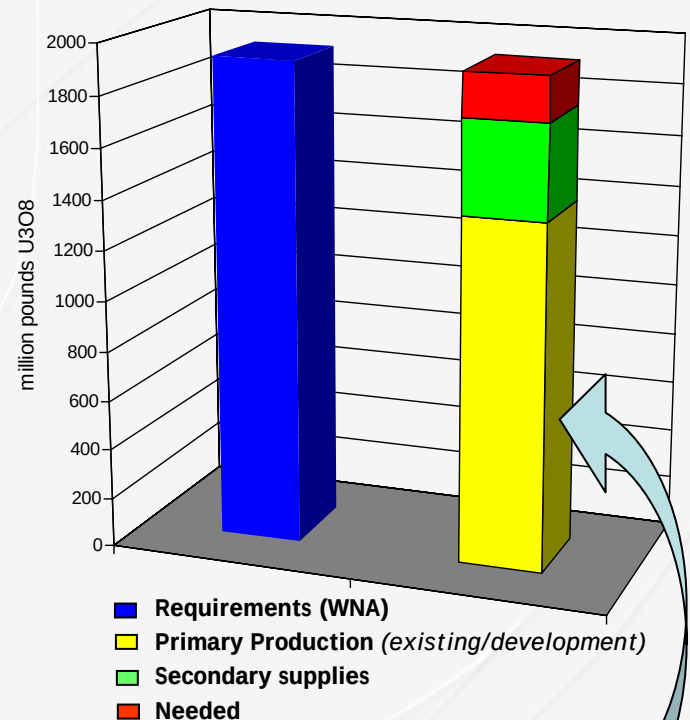
Global Uranium Production/Demand

Production 1996 - 2007



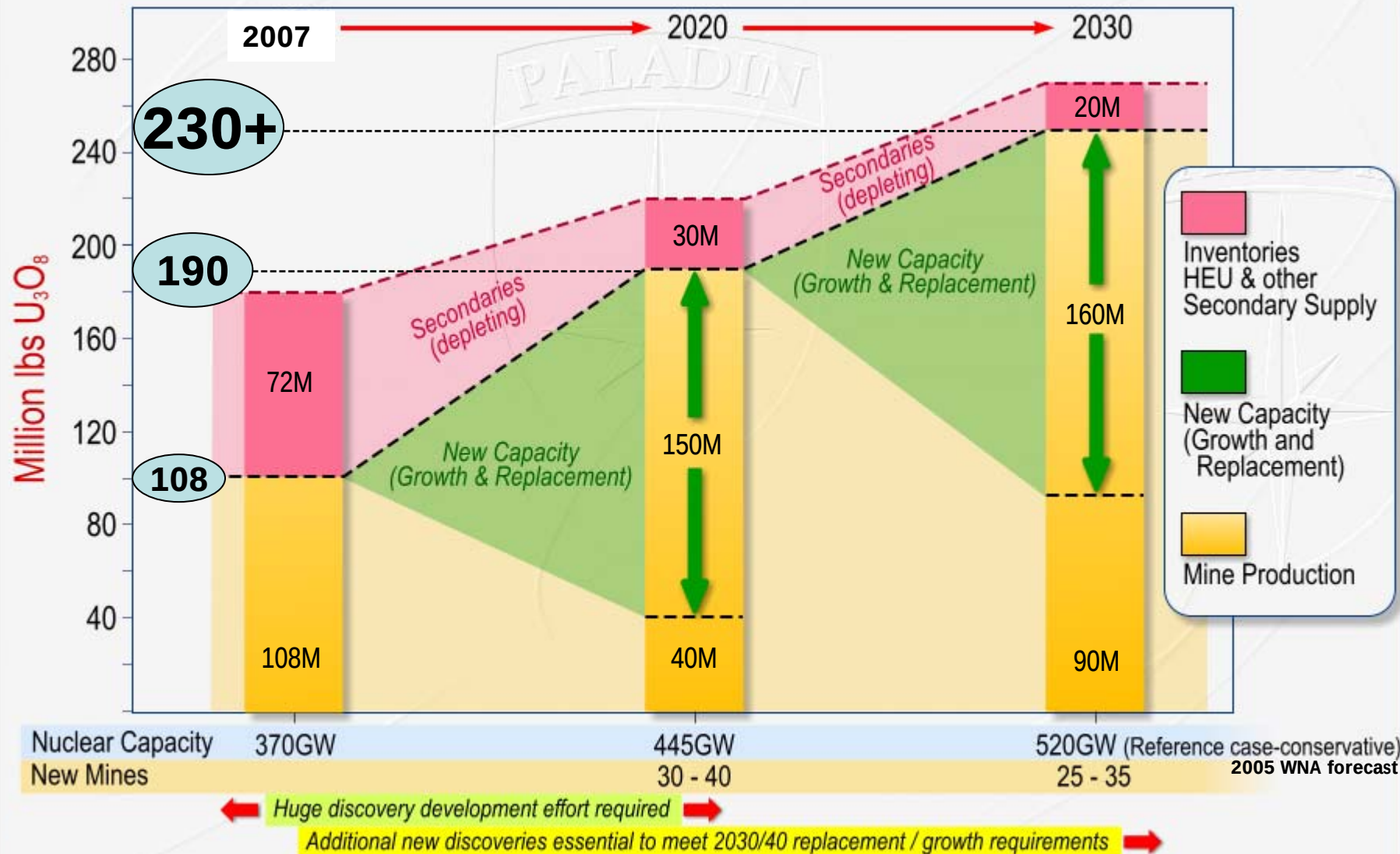
2006 production 102.5Mlb - DOWN 5%
2007 production 108.0Mlb - UP 5%

Uranium Market Balance 2007-2015



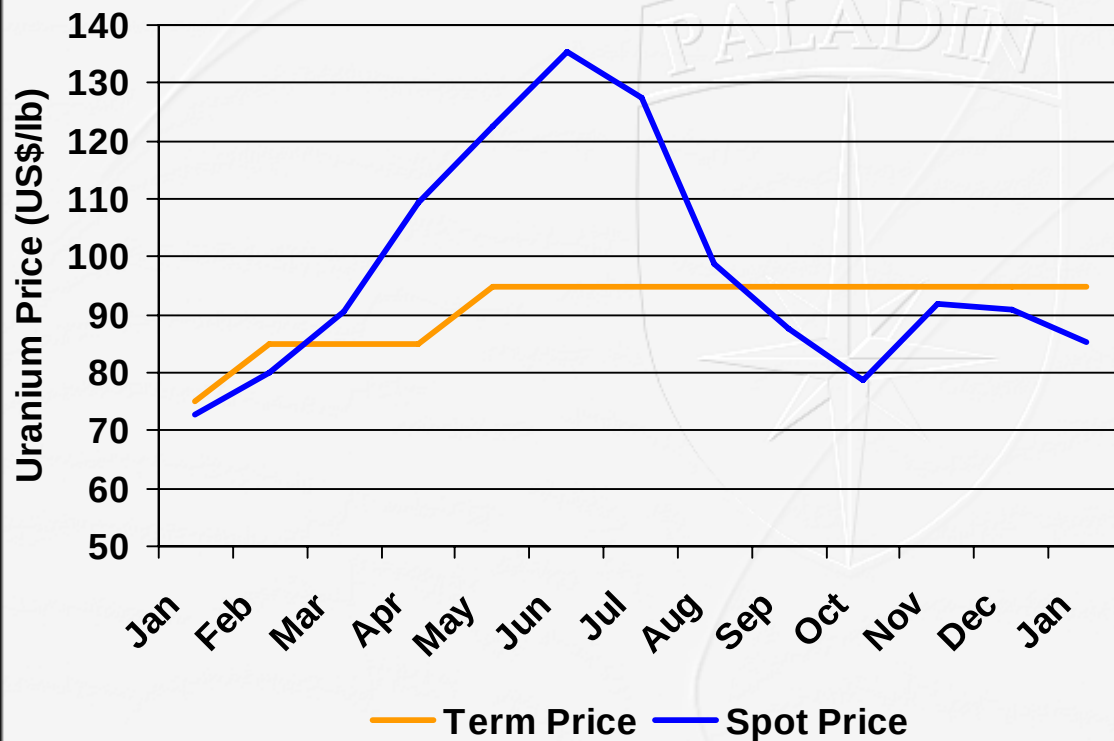
DOES NOT INCLUDE IMPACT OF
 • Cigar Lake flooding
 • Further assured reactor growth

Building a New Mining Supply Industry 2007 to 2030 and beyond

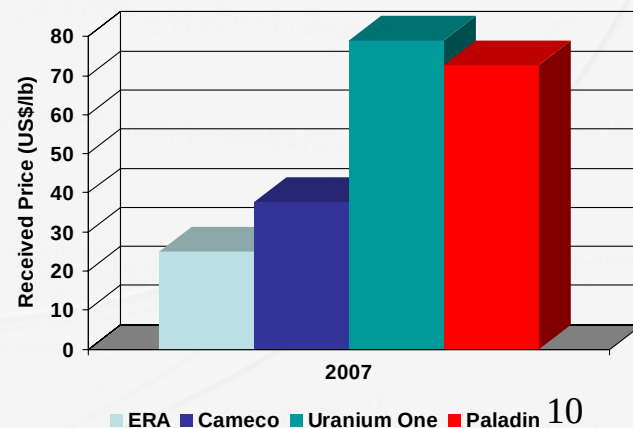


Uranium Pricing 2007/08

2007/08 Spot Price vs Term Price



Industry Realised Prices



Uranium Companies – current status

Companies

PRODUCERS - 18 countries

Tier I Companies

- Cameco, [AREVA](#), RIO, BHP, Kazatomprom, [ROSATOM](#), Navoi

Tier II Companies

- **PALADIN**, Uranium One, Denison, Heathgate, Mesteha and other producers

NON PRODUCERS

Tier III Companies

- Dozen or so companies with resources >20Mlb U₃O₈ resources

Tier IV Companies

- 100's of companies

Operations

- ~83% of 2006 mine production operating in 9 Countries

- ~17% of 2006 production in 4 of above & 9 other countries

- Speculative
- Operating in 9 countries (6 new)

- Highly speculative



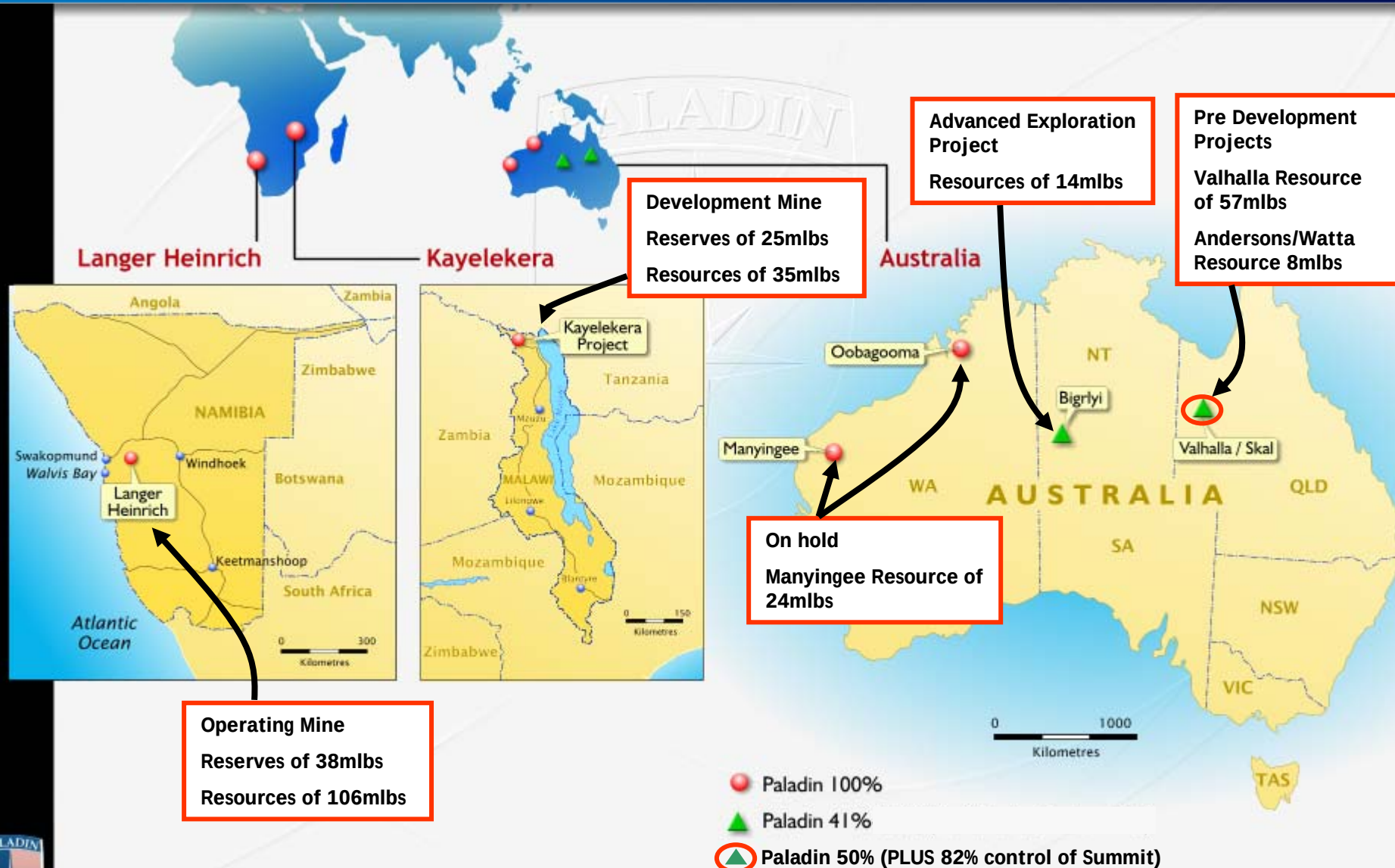
Paladin Status



Corporate Details

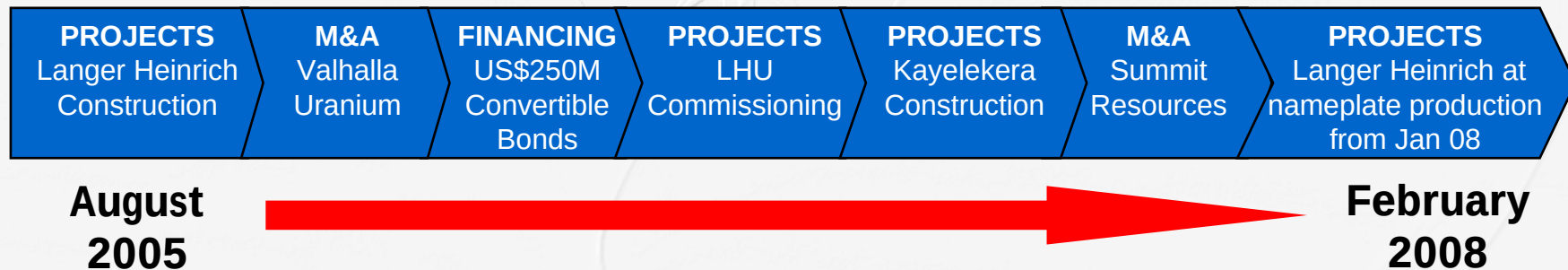
- **Listings:** ASX (S&P ASX 100 Company), TSX, Namibia, Munich, Berlin, Stuttgart and Frankfurt
- **Issued Capital:** 613M Shares
17M Employee Options
- **Market cap:** US\$3.3bn (A\$3.6bn)
- **Cash on hand:** US\$150M
- **Shareholding:** 40,000 shareholders
47% institutional – global distribution
- **Corporate Interests:** 82% holding in Summit Resources Ltd
14.3% holding in Deep Yellow Ltd

Paladin Project Locations



Achievements

Paladin has demonstrated over the past two years that it has multi project capability supported by a strong team



Producing Uranium Companies

Paladin differentiating itself

Paladin is differentiating itself from other Tier II industry players via vertical integration growth plans and maintaining production forecasts

Company	Equity Market Value (US\$m)	Reserves (mlbs)	Additional Resources ¹ (mlbs)	Number of Production / Development Mines	Plans for Trading Arm	2008 Production Forecasts Maintained
	3,331	63	68	2	✓	✓
 investing in our energy	2,976	49	113	5	-	✗
	1,225	13	17	5	-	✗
	n/a	Not available	Not available	1	-	✓
Mestena Uranium	n/a	Not available	Not available	1	-	✓

¹ JORC or JORC equivalent measured and indicated only, in addition to reserves, attributable to company

Source: Company websites & presentations, Bloomberg

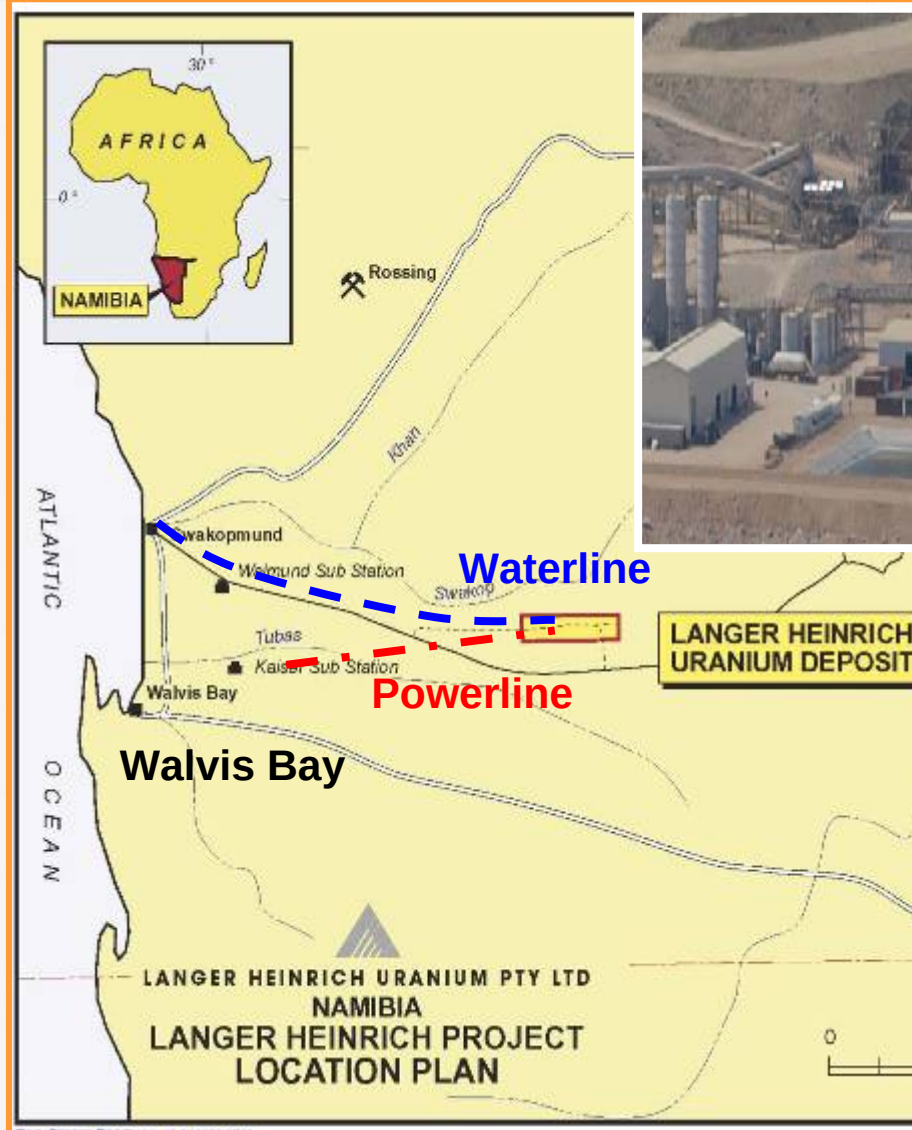
PROJECT UPDATE



LANGER HEINRICH URANIUM PROJECT



Langer Heinrich Project location map



Langer Heinrich - Project Update

performance to date & expectation for August 08

- **6 months ago (August 2007)**
 - plant ramp up continuing
 - IX columns and modified CCD piping ordered
 - systematic elimination of bottlenecks/design improvements
 - metal recovery in all sections of flow sheet need major improvement
 - alkaline leach process proving successful
 - production (H1/CY07) - 119,000lb U_3O_8
- **Today (February 2008)**
 - plant optimisation and remediation making excellent progress
 - old heat exchangers stable – starting to replace with new units
 - recoveries improving significantly in scrubbing, leaching, CCD, and IX sections
 - production (H2/CY07) - 650,562lb U_3O_8
 - December 07 production at nameplate
- **6 months time (August 2008)**
 - plant operating at nameplate (2.6Mlb U_3O_8 annual) from January 2008
 - cost optimization process ongoing/new heat exchangers installed
 - Front end capacity above nameplate
 - Stage II expansion started - 2.6Mlb to 3.7Mlbs U_3O_8 annually
 - expected 6 month production (H1/CY08) – 1,300,000lb U_3O_8

KAYELEKERA URANIUM PROJECT



Kayelekera Project

Project Summary

- Discovered 1980
- Have complete feasibility study and project databases
- Project represents
 - 10% of GDP
 - 40% of export revenue
- 11 year project life – commissioning end 2008
- Annual production 3.3Mlb U_3O_8 (yrs 1 to 7) & 1.17Mlb thereafter
- CAPEX US\$200M
 - 1.5Mtpa at 0.11% U_3O_8 with 90% recovery
 - acid leach/RIP flowsheet
- OPEX US\$19/lb yrs 1-7 (overall US\$23/lb yrs 1 to 11)
- BFS modelled at US\$60/lb
 - project payback 30 months (at \$80/lb - 23 month payback)



Kayelekera - Project Update

performance to date & expectation for August 08

- **6 months ago (August 2007)**
 - construction underway – civil and earthworks started – 300 people on site
 - NGO's court action
 - social development programmes in formulation
 - owner's construction team established (moved from Langer Heinrich Project)
 - pioneer works started on site
- **Today (February 2008)**
 - US\$167m project finance funding approved (construction fully funded)
 - construction ongoing – civil and earthworks – 600 people on site
 - long lead capital items in country – power and mill
 - mining contractor with full equipment fleet – ready for pre strip
 - NGO court action amicably resolved
- **6 months time (August 2008)**
 - erection of treatment plant underway
 - open pit mining underway
 - primary roadworks completed
 - GM Operations appointed and operational team being established

AUSTRALIAN ASSETS



M&A Activities

Valhalla and Summit

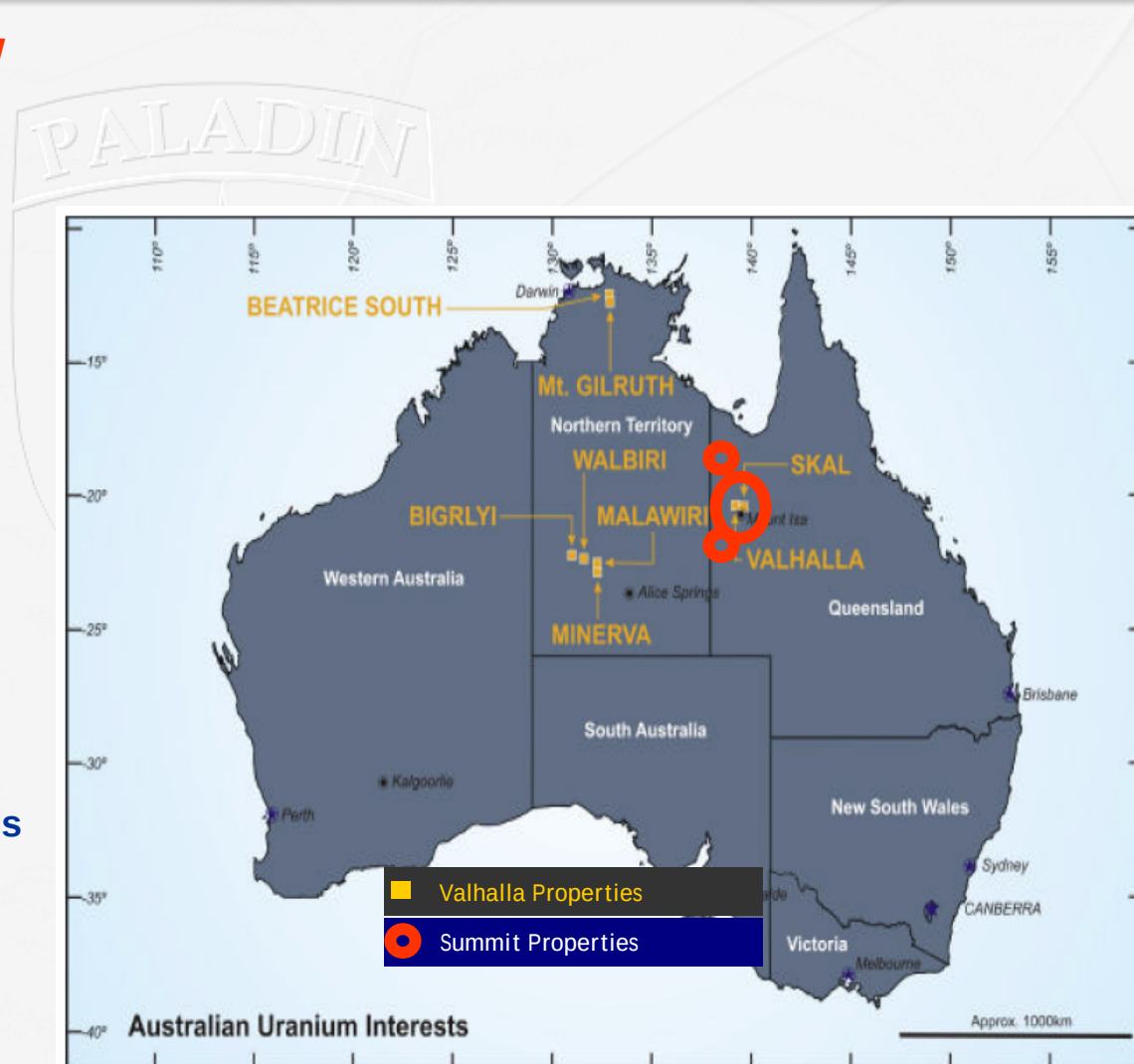
Valhalla Acquisition Overview

- Mt Isa Uranium JV (QLD) - 50%
 - Valhalla
 - Skal

Summit Acquisition Overview

- Mt Isa Uranium (QLD) - 100%
 - Anderson
 - Bikini
 - Mirroola
 - Tjilpa
 - Watta
 - Warwai
 - 15 prospects
- Mt Isa Uranium JV (QLD) - 50%
- Georgina Basin Uranium JV
- Isa South, Isa North, May Downs (QLD) - 100% (Copper & gold)*
- Iron ore & phosphate*

**plan for farm out*



Mt Isa - Project Update

performance to date & expectation for August 08

- **6 months ago (August 2007)**
 - Paladin 50% JV partner on Valhalla/Skal Deposit
 - hostile takeover for Summit Resources successful with an 82% holding
 - Paladin gains control of Mt Isa Uranium Province
 - Areva fight for uranium marketing rights
- **Today (February 2008)**
 - Mt Isa Uranium province controlled by Paladin
 - project technically reassessed to attain geological and uranium target relevancy
 - extensive drilling underway at Valhalla and Skal deposits
 - base line environmental studies initiated
 - Areva actions continue (not material to Paladin)
- **6 months time (August 2008)**
 - intensive drilling of Valhalla and Skal for resource expansion and classification
 - focussed metallurgical testwork underway
 - environmental work ongoing
 - ongoing lobbying of QLD government re uranium policy
 - preparing for Pre-Feasibility Study end 08



OUTLOOK

Production Schedule

plenty of upside on existing major projects

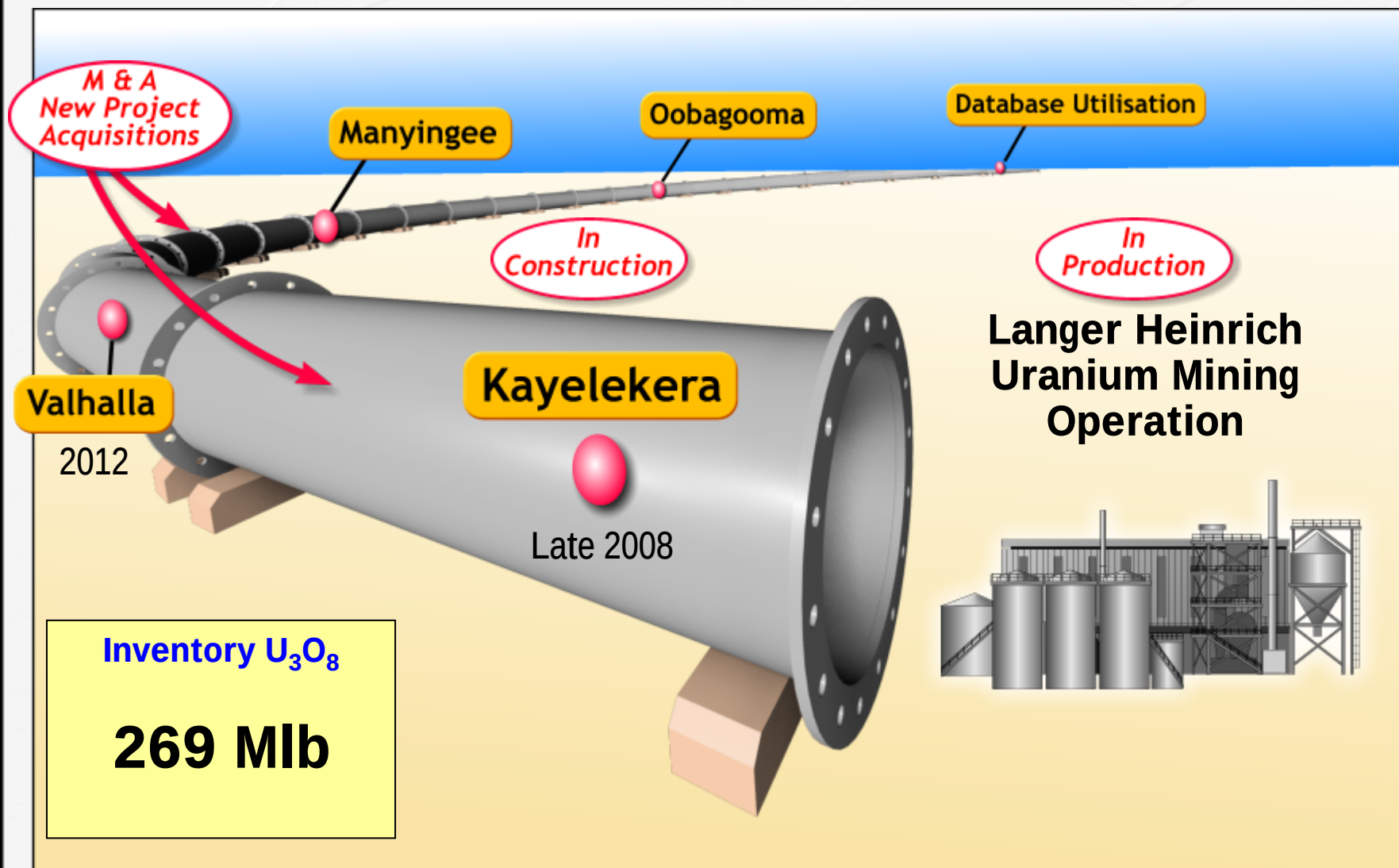
Project	Production Start	Production Vol. (U ₃ O ₈) million pounds
LANGER HEINRICH (Stage 1)	January 2007 (full production Jan 08)	2.60
KAYELEKERA	4Q 2008	3.30
LANGER HEINRICH (Stage 2)	December 2008	1.10
		7.00Mlb

Potential to expand these projects to a total production of 8Mlb to 9Mlb U₃O₈ for 2010



Project Pipeline

assets acquired & projects developed



CONVERTIBLE BOND ISSUE



Recent Funding History

- 2005 – US\$87M Equity funding for initial start for Langer Heinrich construction, global exploration and corporate
- 2006 – US\$71M Project finance funding for Langer Heinrich – to fully fund construction and ramp up to 2.6mlb per annum
- 2006 – US\$250M Convertible bond funding for initial start of Kayelekera construction, establish uranium marketing subsidiary¹, mergers/acquisition, global exploration and corporate
- 2008 – US\$167M Project finance funding for Kayelekera – to fully fund construction and ramp up to 3.3mlb per annum

¹ Funding allocation utilised in purchase of third party uranium (as announced) thereby delaying full establishment of trading arm

Convertible Bond Issue

use of funds

Subject to appropriate market conditions, Paladin intends to issue up to US\$325M in hybrid securities with the proceeds of the fund raising to be used for the following:

- US\$ 100–120M Mining development and expansions required to support new acquisitions
- US\$ 50M Stage II Langer Heinrich expansion project
- US\$ 50–70M Ongoing exploration and business development
- US\$ 65–75M Marketing arm establishment
- US\$ 10M Issue costs

Conclusion

DEVELOP PALADIN INTO A MAJOR GLOBAL URANIUM SUPPLIER

- **A focused uranium energy company**
 - large resource base in 6 deposits - 269Mlb
 - strong resource upside potential
 - strength through geographic diversify
 - expertise and funding to deliver
- **Langer Heinrich and Kayelekera**
 - production schedules in tune with market upturn
- **Pure uranium play with unhedged upside**
- **Establishing uranium trading subsidiary**
- **Continue M&A opportunities**
 - with uranium proprietary database and specific enquiry



A leader with hidden depth



PALADIN ENERGY LTD

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