PALADIN ENERGY LTD

ACN 061 681 098

Ref: 80314

20 February 2008

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

By Electronic Lodgement

Dear Sir/Madam

Paladin Energy Ltd announces successful overnight raising of US$325M through Convertible Bonds to fund further growth

Paladin Energy Ltd ("Paladin" or the "Company") (ASX: PDN and TSX: PDN) is delighted to announce the pricing of its issue of US$325M of senior, unsecured convertible bonds due 2013 ("Convertible Bonds"), including the Joint Bookrunners and Joint Lead Managers' increase option exercised in full.

Commenting on the Convertible Bond issue, Paladin's Managing Director, John Borshoff, said "This oversubscribed issue further illustrates that investors remain confident in both the uranium market and Paladin's strategy to become a global leader in the industry."

The Convertible Bonds carry a coupon of 5.00% per annum payable semi-annually in arrear and are convertible into Paladin shares at US$6.59 per share, representing a conversion premium of approximately 25% above the reference price of Paladin shares at the time of pricing (A$5.76 on 20 February 2008 or US$5.27 based on current exchange rates).

Unless previously redeemed or converted, the Convertible Bonds will be redeemed at par on 11 March 2013. Paladin has the right to redeem all outstanding Convertible Bonds at their principal amount on or after 1 April 2011 if the Paladin share price, translated into US dollars at the prevailing exchange rate, exceeds for a specified period of time 130% of the conversion price.

The Convertible Bonds were offered to institutional, professional and sophisticated investors only. The offering occurred outside the United States to non-U.S. persons in accordance with Regulation S under the U.S. Securities Act of 1933, as amended. The offering was made in certain Provinces in Canada to "accredited investors" only.

The payment and settlement date is expected to be on or around 11 March 2008, subject to customary conditions and the receipt of customary approvals, including TSX approval. Paladin intends to apply for listing of the Convertible Bonds on the Singapore Stock Exchange.

Proceeds from the Convertible Bond issue will be used to fund further growth including the commitment of funds to Langer Heinrich to further increase production beyond the proposed Stage II expansion and, in conjunction with Cameco Corporation, to evaluating the recently awarded Angela and Pamela uranium deposits in Australia's Northern Territory, to fund mining development, expansions and new acquisition opportunities as they arise, and to ensure Paladin's marketing arm is appropriately funded to meet customers' needs.

The Joint Bookrunners and Joint Lead Managers to the offering were Citigroup Global Markets Limited ("Citi") and UBS AG, Australia Branch ("UBS"). UBS also acted as Sole Global Co-ordinator. Azure Capital acted as corporate adviser to the Company.

Yours faithfully
Paladin Energy Ltd

JOHN BORSHOFF
Managing Director

In connection with this issue Citi and/or UBS may effect transactions with a view to supporting the market price of the Convertible Bonds at a level higher than that which might otherwise prevail for a limited period after the issue date. However, there may be no obligation on Citi and/or UBS or any agent thereof to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period.

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NOTHING IN THIS DOCUMENT CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE CONVERTIBLE BONDS OF PALADIN ENERGY LIMITED HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE US SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE CONVERTIBLE BONDS MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY OTHER APPLICABLE SECURITIES LAWS OR PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY OTHER APPLICABLE SECURITIES LAWS.

Caution Regarding Forward Looking Statements: Statements in this news release, including regarding expansion and progression of the Company's projects and the establishment of a uranium marketing arm, are forward-looking statements. Forward-looking statements are subject to risks and uncertainties that may cause actual results to differ from those expressed or implied by such statements. There can be no guarantee such statements will be realised. In particular, there can be no assurance that Paladin will be able to successfully build, develop and operate its uranium mines or successfully operate a uranium marketing arm or that it will be able to raise the funds necessary to complete such tasks. Furthermore, there can be no assurance that if completed, any mine will be profitably operated. Reference should be had to Paladin's public disclosure documents, including its most recent Annual Information Form, which are available under Paladin's profile at www.sedar.com, for a discussion of risk factors affecting the Company.